ASX Announcement
7 May 2012

New discovery of widespread gold at Tasiast South, Mauritania

- **17,000m air core drilling reveals elevated gold readings up to 8km in length**
- **Gold anomalies extend from Tasiast and Tijirit greenstone belts into Drake permits**
- **Values up to 3 g/t in individual 1m air core samples**
- **Further assays due in the coming weeks**
- **Reverse circulation drilling programme commenced**
- **Follow-up air core drilling in progress on best targets to define extent of anomolies**

Drake Resources (DRK) *is an Australian gold and base metals resources company with advanced and highly prospective projects in West Africa, Sweden, Norway and Finland. In West Africa the focus is gold in the underexplored provinces of Mauritania and Senegal, including in the highly mineralised Tasiast greenstone belt. Projects in Scandinavia include holding a premier position in the historic world class Falun Mine area in Sweden where high grade gold-copper mineralisation is the focus. In Norway and Finland Drake is seeking copper-zinc mineralisation with its joint venture partner. Drake's aim is to be a successful and profitable mining company delivering strong shareholder value.*

Extensive elevated gold readings have been confirmed by Drake Resources Limited (Drake, ASX:DRK) at its 100%-owned Tasiast South Project in Mauritania, West Africa.

This new discovery is derived from initial assays from Drake's latest 17,000 metre air core drilling. Further assays are still anticipated.

Several anomalous gold zones of up to eight kilometres in length have been identified from wide-spaced traverses.

Drill targets for the programme were defined from a detailed airborne geophysical survey completed in 2011, which confirmed that the Tasiast and Tijirit Greenstone Belts extend into the Drake permits, and identified almost 100 kilometres of greenstone.

Drake's Managing Director, Dr Bob Beeson said, "The air core drilling programme was designed to test structures and geology considered prospective for gold mineralisation. These initial assays results are excellent news for Drake and we are moving quickly to progress.

"The Tasiast deposit, currently totalling 21 million ounces, is recognised as one of the fastest growing gold resources in the world, and the Drake permits are strategically located on these highly mineralised trends.

"We expect the remaining gold assays to further support these initial results.

"A minimum 5,000 metre reverse circulation (RC) drilling programme at Tasiast South has commenced on key targets. A second phase of infill air core drilling is also in progress."

Drake is the first company to explore this area for gold.

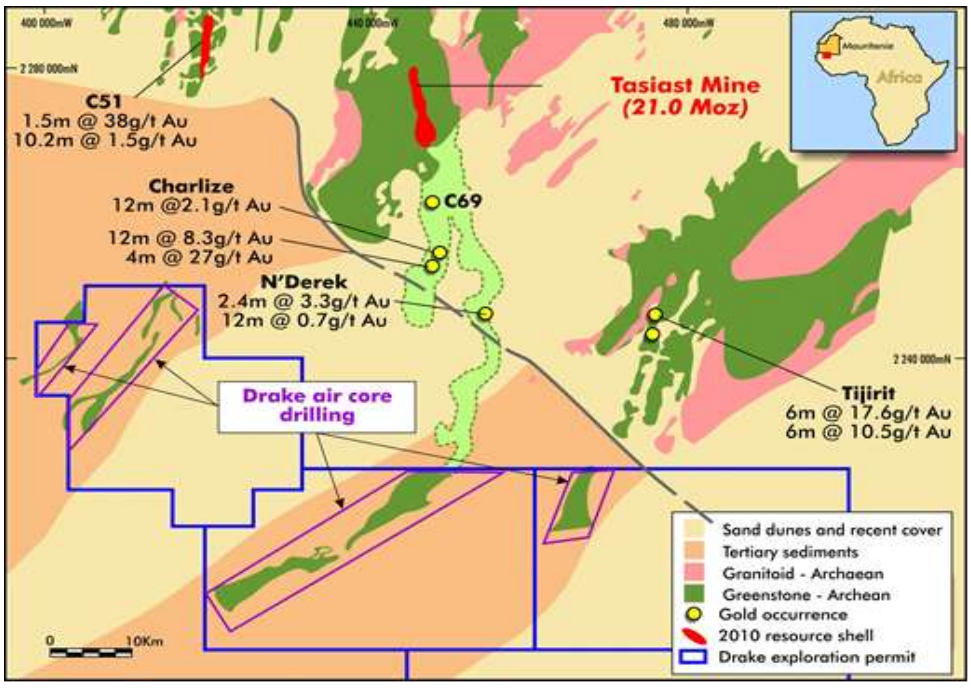

Fig. 1: Greenstone belt extensions under cover within Drake's Tasiast South Project Area

Air Core (AC) Drilling Programme

The project area is largely covered by shallow transported sediments (Figure 2) and Drake has undertaken a reconnaissance air core drilling program to test for gold in these well mineralised greenstone belts.

The air core drilling provides a low cost means of assessing the bedrock under the transported sediments cover. The drilling extends through the cover into the top of the target and provides samples for assay. The depth of the cover varies from zero to 80 metres.

The recent programme comprised 477 air core holes totalling 17,000 metres, with holes drilled at 100 metre spacing along traverses a nominal two kilometres apart.

The drilling was designed to test structures and geology considered prospective for gold mineralisation.

Fig. 2: Air core drilling & collection of samples at Tasiast South Project, Mauritania

Initial Assay Results

From initial assays of these samples several anomalous gold zones, up to eight kilometres in length, have been identified.

Of particular interest is a zone towards the south-western limits of the belt, which has 1-3g/t gold values on three of the four traverses drilled. This anomaly runs parallel to the strike of the greenstone belt, and may reflect a structure along the belt, or mineralisation hosted in a particular rock type.

Figure 3 indicates six additional anomalous zones and several drill holes to be followed up.

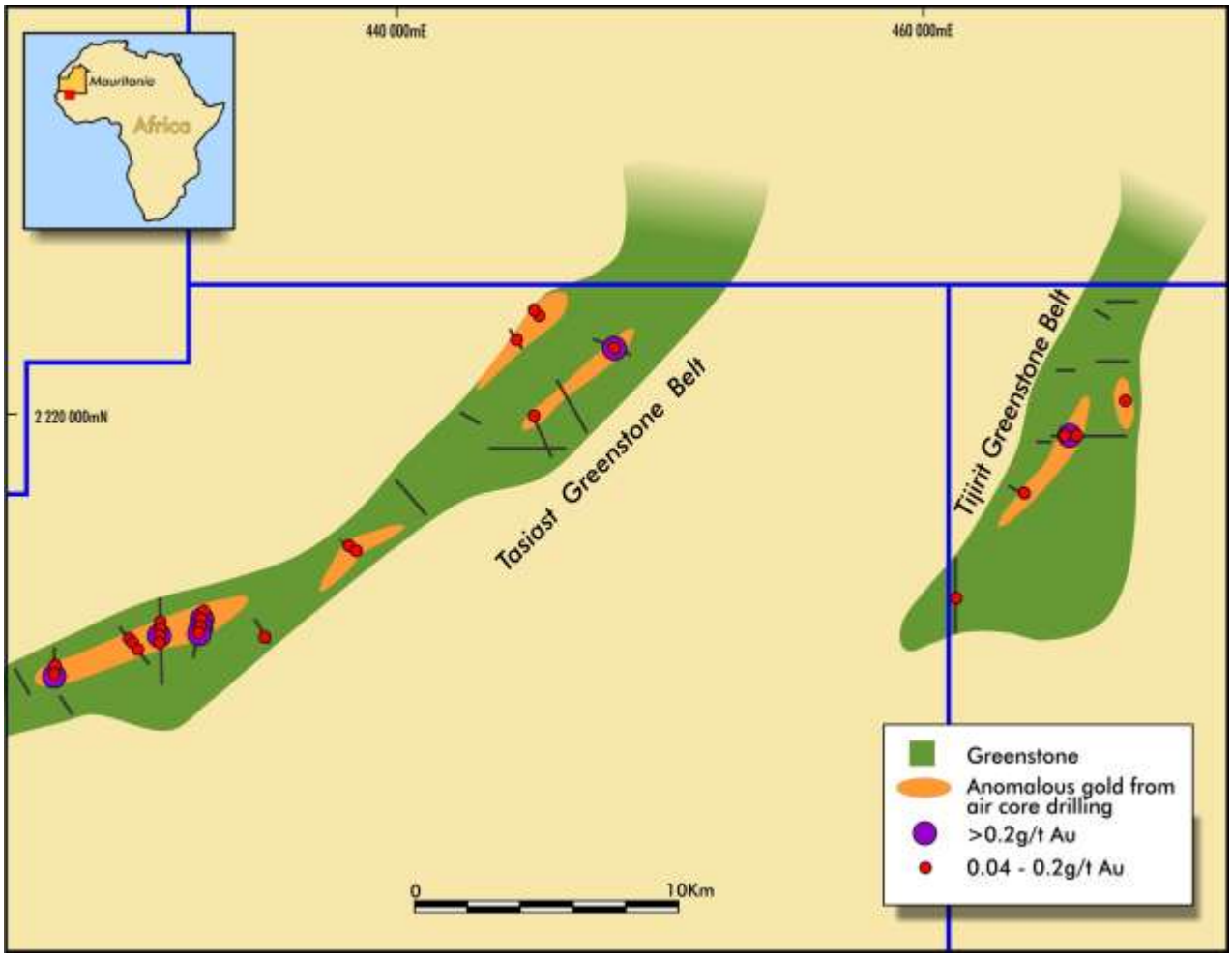

Fig. 3: The location of gold anomalies in the Tasiast and Tijirit greenstone belts

Programmes are in progress to test this and other key anomalies by inclined RC drilling under anomalous air core holes.

A programme of infill air core drilling between the existing broadly spaced drill lines on the best targets is in progress to define the extent of the anomalies.

The RC programme is a minimum 5,000 metres.

In addition many gold assays, plus all other element assays, have yet to be received. It is anticipated that these will identify further targets within Drake's Tasiast South Project.

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The information in this report that relates to Exploration Results, Mineral Resources, or Ore Reserves is based on information compiled by Dr Robert Beeson. Dr Robert Beeson has sufficient experience which is relevant to the style of mineralisation and type of

deposit under consideration and to the activity which he is undertaking. This qualifies Dr Beeson as a Competent Person as defined in the 2004 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr Robert Beeson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. Dr Beeson is a member of the Australian Institute of Geoscientists.