

**ASX ANNOUNCEMENT
20 December 2005**

DRAKE STRIKES HIGH GOLD GRADES AT AND BELOW STRAUSS DEPOSIT

- Gold grades in angle drill holes into the Strauss gold deposit are significantly higher than those from adjacent vertical holes.
 - New drilling at Strauss indicates the gold ore extends at depth below previously defined mineralisation.
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Drake Resources Ltd has encountered high-grade gold mineralisation in and below the Strauss deposit at its Mt Carrington property.

The higher grades of the angled drill holes Drake has completed, plus those of the only previous angle hole, suggest a potential for significantly improving the grade of the Strauss deposit resources.

Drake is exploring the Mt Carrington gold and silver resources in north-eastern NSW. These comprise JORC-compliant inferred resources of 146,000 ounces of gold and 4.6 million ounces of silver.

Drake has drilled three holes into and below the known resources at the Strauss deposit, one of four gold areas mined by Mt Carrington Mines in the late 1980s. The Strauss Fissure Lode, a high grade structure through the MCM pit, was one of the original workings at Drake in the 1800s.

Previous drilling at the deposit had been mainly vertical; this is considered an inappropriate test of the mineralisation which generally has a sub-vertical orientation in the existing pit.

The following intersections were obtained on Section 10230N, along strike from the Strauss Fissure Lode adit. All intersections given are uncut grades.

- **DP19: 20m @ 6.2 g/t Au from 17m depth**, including 3m @ 29.6 g/t Au from 19m
- **DP19: 7m @ 3.0 g/t Au from 76m depth**
- **DP20: 11m @ 3.8 g/t Au from 6m depth**, including 3.4m @ 6.1 g/t Au
- **DP20: 6m @ 2.1 g/t Au from 54 metres to bottom of hole**

Mineralisation in drill hole DP20 began at surface, but no sample was collected for the top 5.7m of the hole.

Gold mineralisation in previous vertical drilling on this section in drill holes PST036, PST037 and PST038 averaged 3.6 g/t, using a 1.0 g/t Au cut-off. The mineralised intersections in the new Drake angled drilling on the same drill section has an average grade of 5.3 g/t Au.

The average grade of the Strauss deposit in the inferred resource estimate by Kanowna Lights in 2002 was 3.65 g/t Au. This is similar to the average of mineralised intersections in the vertical drilling on Section 10230N.

One previous angle hole at Strauss, CD003, drilled by Newmont over 30 years ago, gave an intersection of 54m at 5.5 g/t Au (uncut). The grades in CD003 are similar to the average grade of intersections in the angled drill holes recently completed by Drake Resources. CD003 was drilled 50m along strike to the north-east from Section 10230N.

Drake's 3D modelling of the deposit suggests the mineralisation extends below past drilling. Two of the three Drake drill holes were 100m in length, or 88m vertically below the surface. Most past drilling ceased 35m below the old pit floor and no drilling extended below 50m vertically.

The intersection of 7m @ 3.0 g/t Au from 76m downhole confirms that the mineralisation extends well below past drilling and opens up the potential for a significant resource increase at Strauss (see section).

For further information please contact:

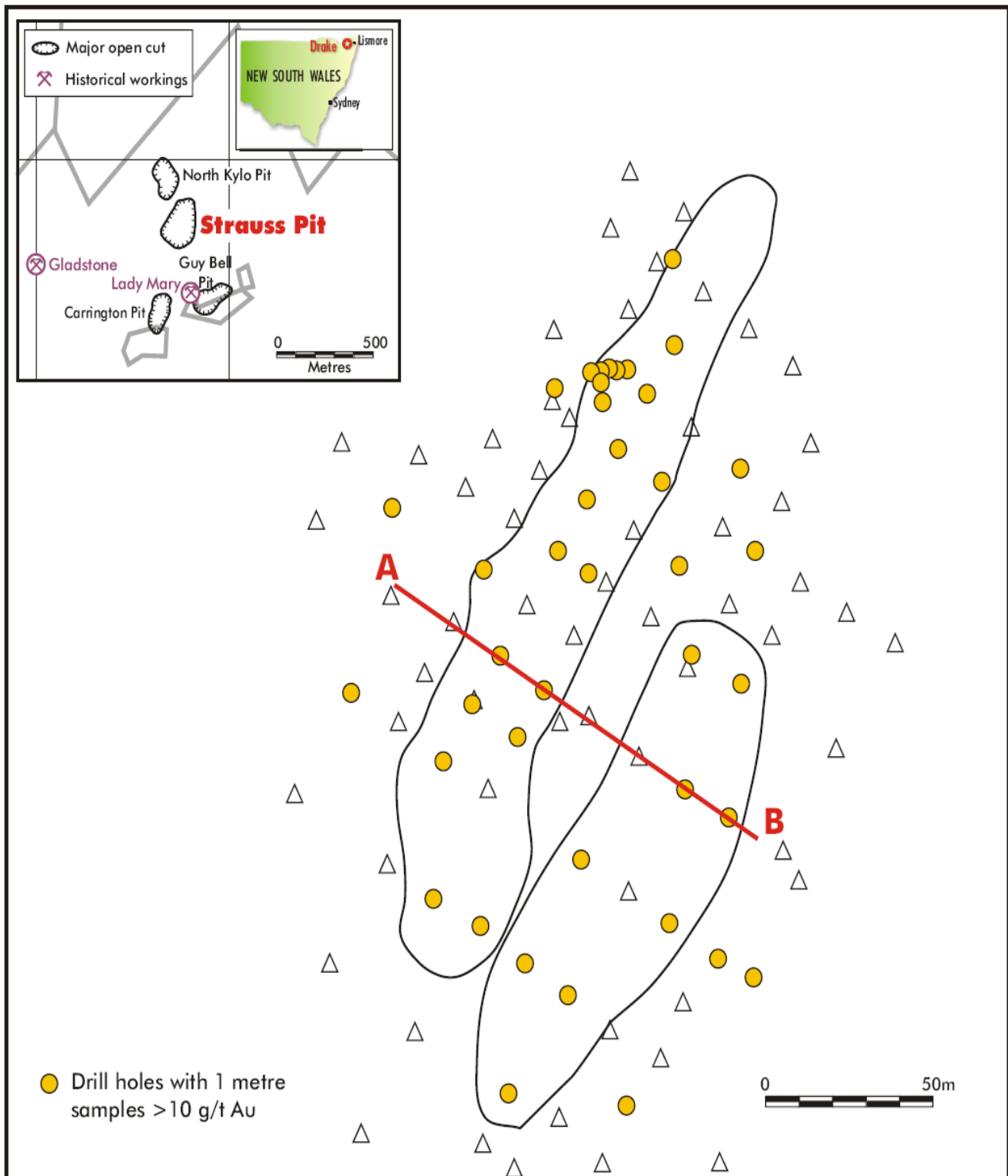
Jay Stephenson

Company Secretary

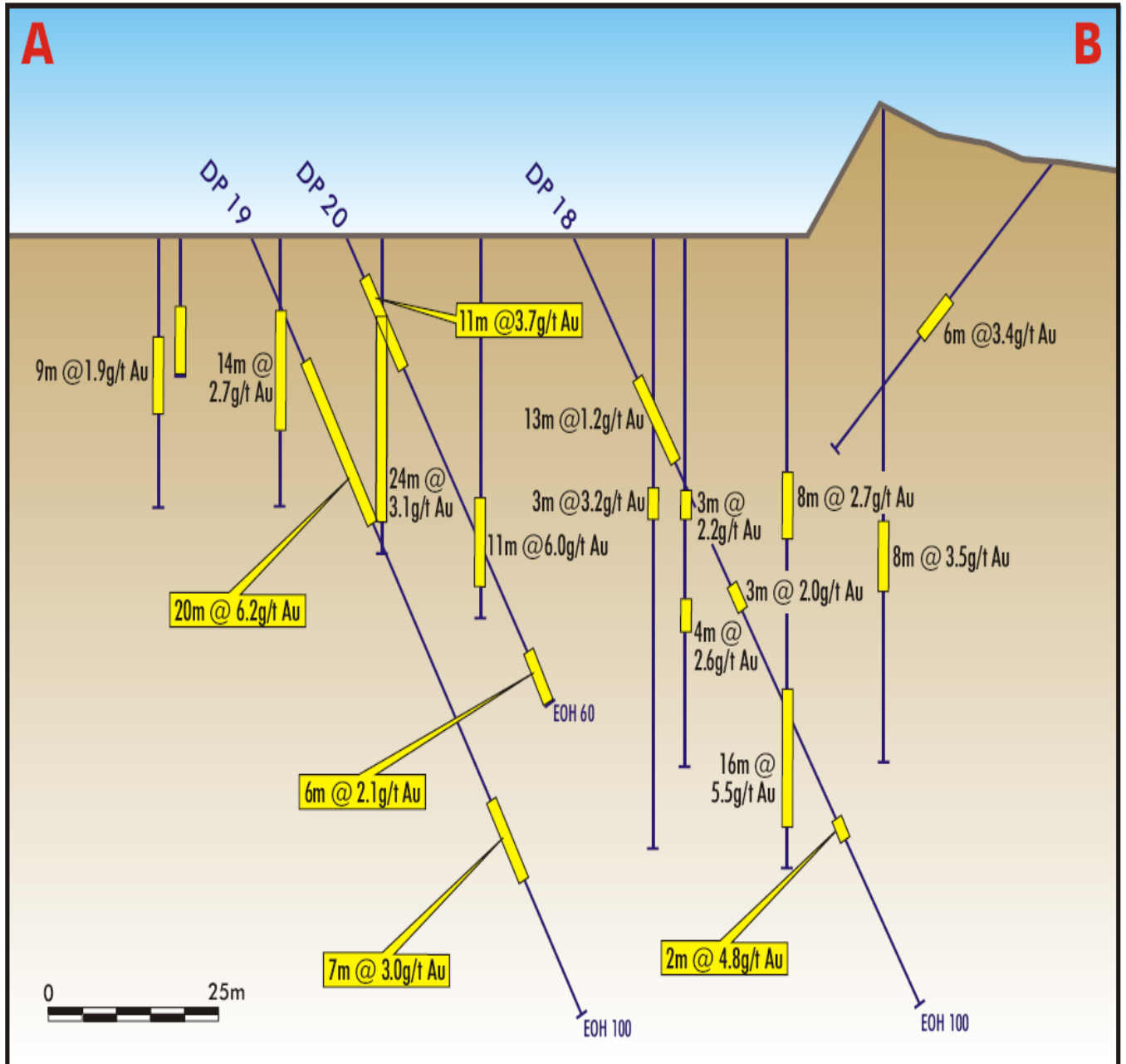
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The information in this report that relates to Exploration Results, Mineral Resources, or Ore Reserves is based on information compiled by Dr Robert Beeson. Dr Robert Beeson has sufficient experience which is relevant to the style of mineralisation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



**Mt Carrington Project
Gold sampling, Strauss Pit**



Mt Carrington Project
New Gold Intersections on Section 10230N, Strauss Deposit