



ASX Announcement
16th September 2014

Seimana Gold Project – Technical Update and Next Steps

- **Geophysical data highlights potential of Seimana project and assists in prioritisation of targets**
- **Programmes of geochemical sampling and RC drilling planned.**



Drake has conducted three field programs at its Seimana gold project in Guinea, following the grant of the Exploration Permits in January this year. This was the first systematic exploration to be carried out on the area, and comprised geochemical sampling, mapping, and RC drilling. The sampling and mapping returned very encouraging results in terms of both high gold grades and extensive distribution of gold anomalies leading to the identification of over 40 mineralised targets. The recently completed RC drilling programme tested seven of the 40+ targets, four of which produced strong gold intersections including an exceptional 4m @ 20 g/t gold.

Drake has used the current local wet season to compile and interpret the considerable field and regional data accumulated to enhance its interpretation of the geological setting of the mineralisation and to assist in defining the next steps at Seimana.

Regional Geological setting.

In 1997 an extensive airborne magnetic/radiometric survey was flown by Canadian company Aerodat over the Siguiro Basin Gold Province in northern Guinea on behalf of the Guinean government. Drake recently acquired the original digital data and carried out processing and interpretation. Although the 1 km line spacing is at regional scale, the interpretation has highlighted a number of aspects of relevance to Drake's Seimana gold project located in the centre of the Siguiro Basin.

Much of the Seimana permit area is blanketed by lateritic ferricrete which obscures the underlying geology. The re-processed geophysical data has been useful in interpreting structure & geology within the Seimana block. The location of gold mineralisation in West Africa is usually governed by the interaction of favourable structures and rock types, and the re-processed geophysical data has been useful in better defining these within the Drake areas. This is of value in the on-going prioritisation of the many gold targets.

As can be seen in figure 1, the major gold deposits of the Siguiro basin are associated with zones of magnetic complexity, and particularly with either WNW or ENE cross cutting

structures, especially where they are cut by NNE trending zones. Drake's Seimana holdings stand out as a zone of particularly intense magnetic complexity (fig 2) which clearly has a NNE trending magnetic feature intersecting the WNW structures. Drakes CEO, Jason Stirbinskis added "This geophysical data also reveals similarities between Avocet's +3M.oz Tri-K (Koulekoun) deposit and parts of our Seimana holdings, and may in part, explain the excellent drill results from our Tamdian target in the southeast".

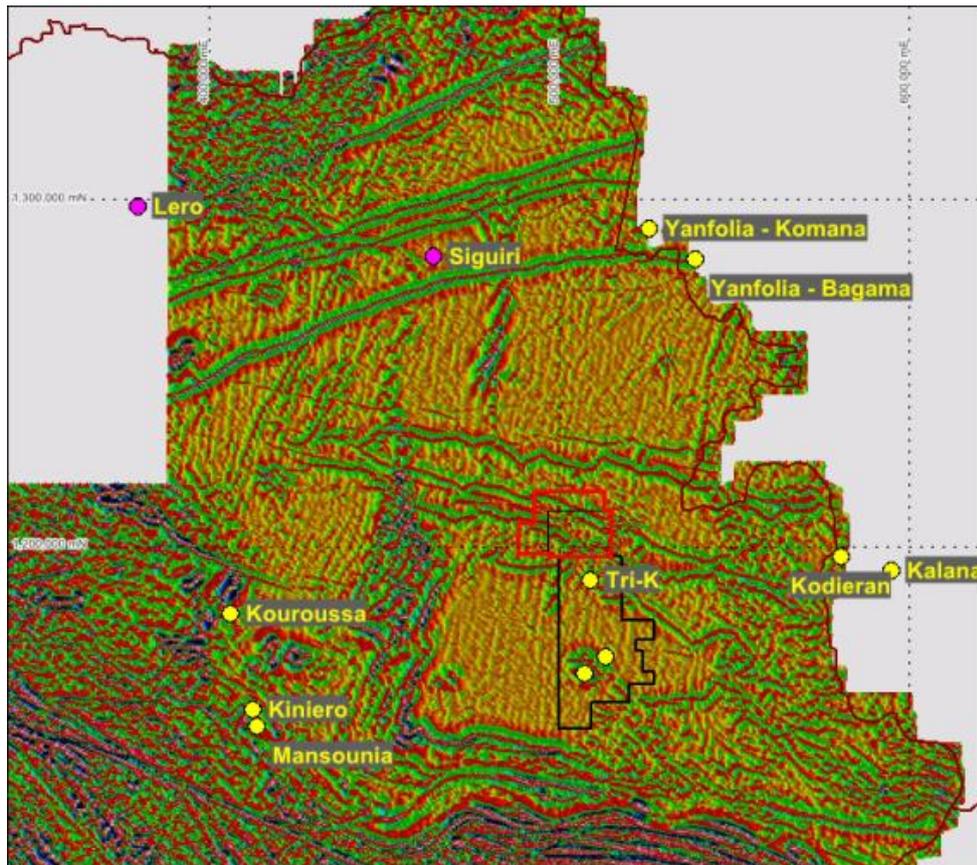


Figure 1: Siquiri Basin air-magnetics (highpass filter (5km) reduced to pole) Drake's Seimana holdings shown in red. (purple dots = +5m.oz deposits, yellow dots = +1 m.oz deposits)

The geophysics, both magnetics and radiometrics, has proven very useful in defining granite intrusives. This is very significant as granite intrusives host mineralisation in the nearby Tri-K resource and also at other deposits in the district such as at Cassidy Gold's Kouroussa Project.

Tri-K's mapped granitic intrusives to the south of Drake's Seimana block are clearly defined by the Potassium Thorium (K/Th) ratio in the radiometric data (fig 4). Similar responses within Drake's permits could also define non-outcropping granites.

Drake's current geological interpretation of the geophysical data is shown in Figure 5.

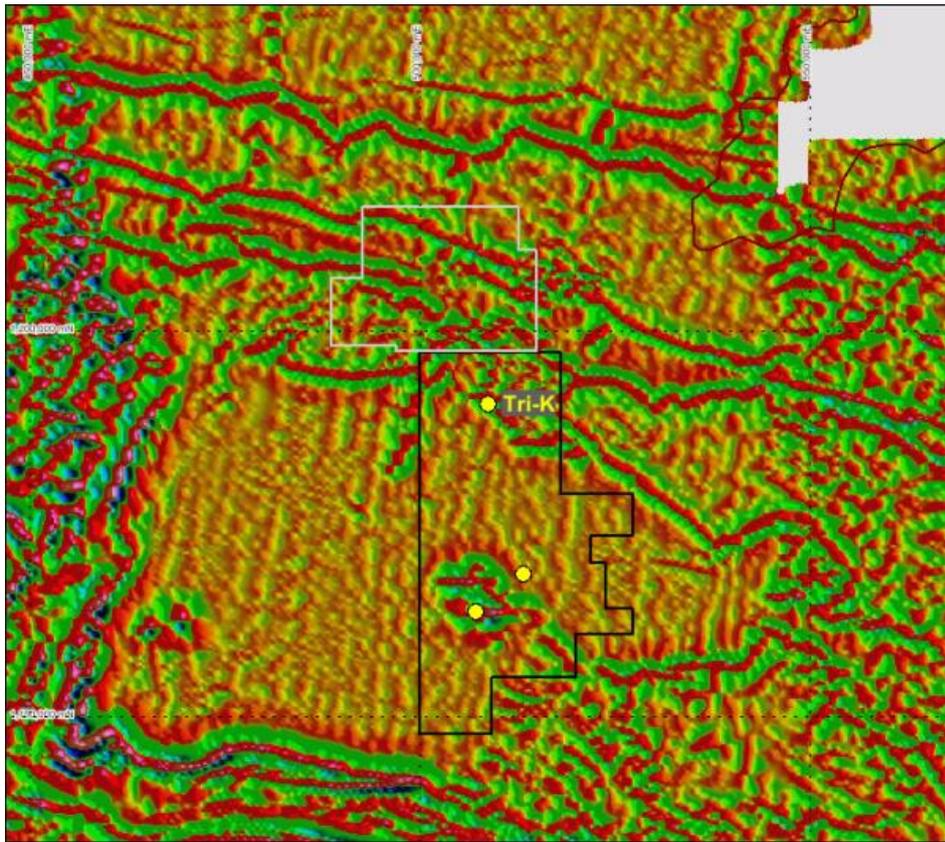


Figure Two: Air-magnetics Seimana area (high pass filter rtp). Drake holdings outlined in white.

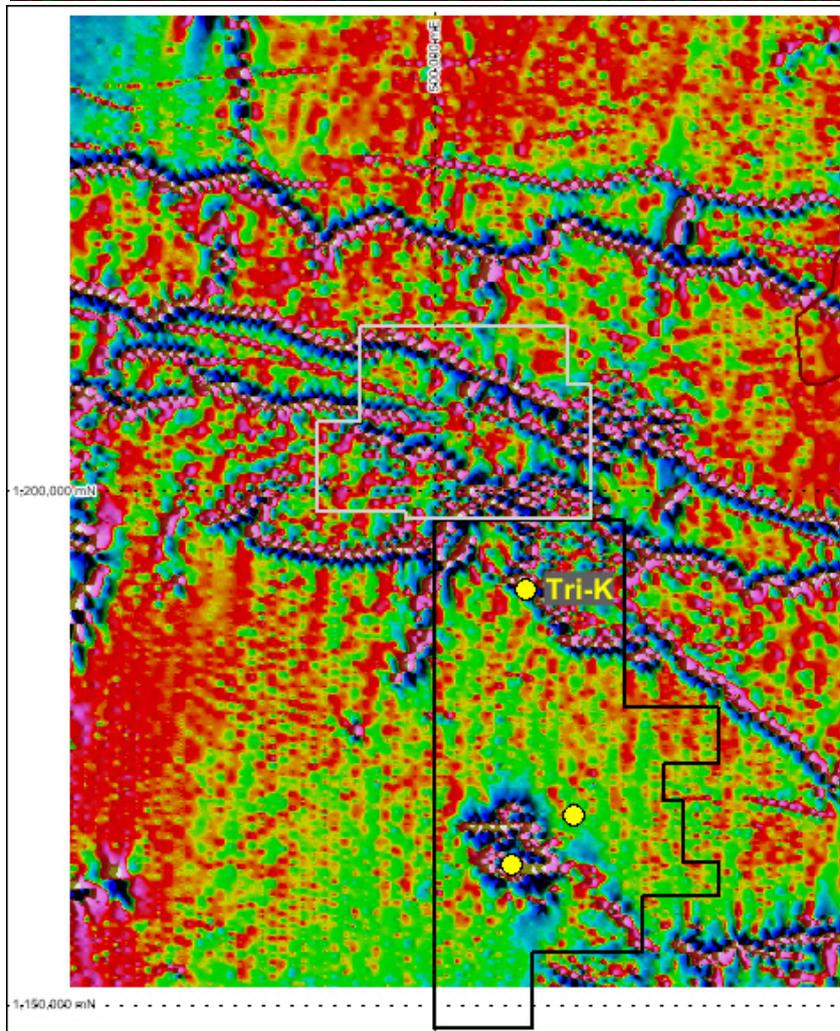


Figure Three: Seimana magnetics (1vdrtp): The association of Koulekoun (the northern Tri-K deposit) with intersecting NE & NW features is apparent. A similar setting occurs in the SE corner of the Seimana permits where NE & NW trends are evident. (Drake's Exploration Permits are outlined in white)

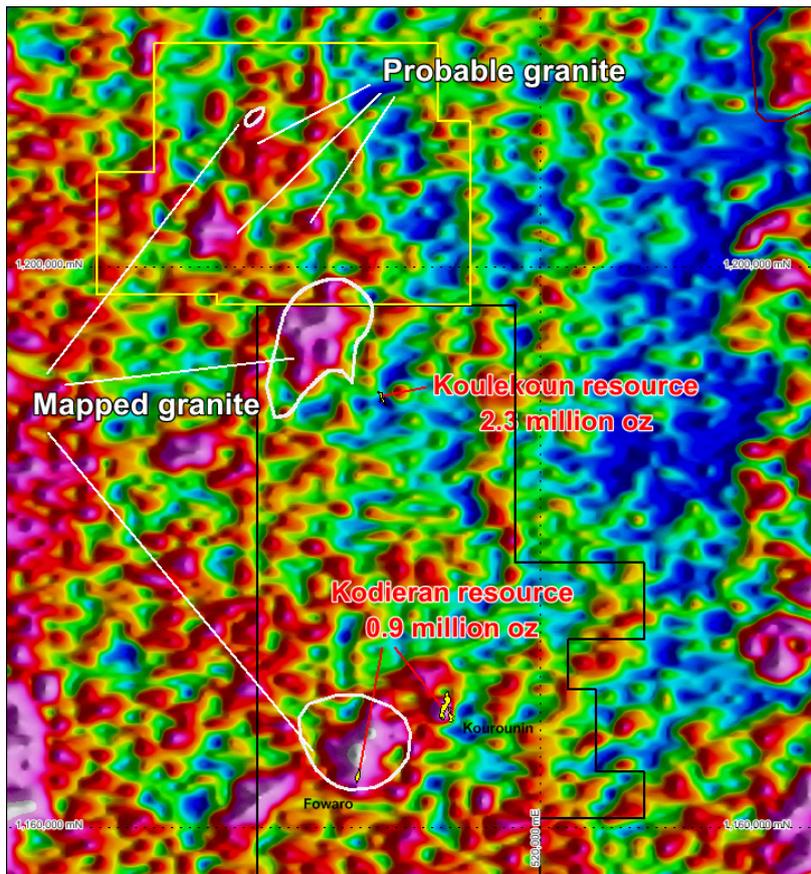


Figure Four: Potassium / thorium ratio. The known granites have distinctive K/Th response. Similar responses in Drake's Seimana block (yellow outline) are likely to be previously unrecorded granite.

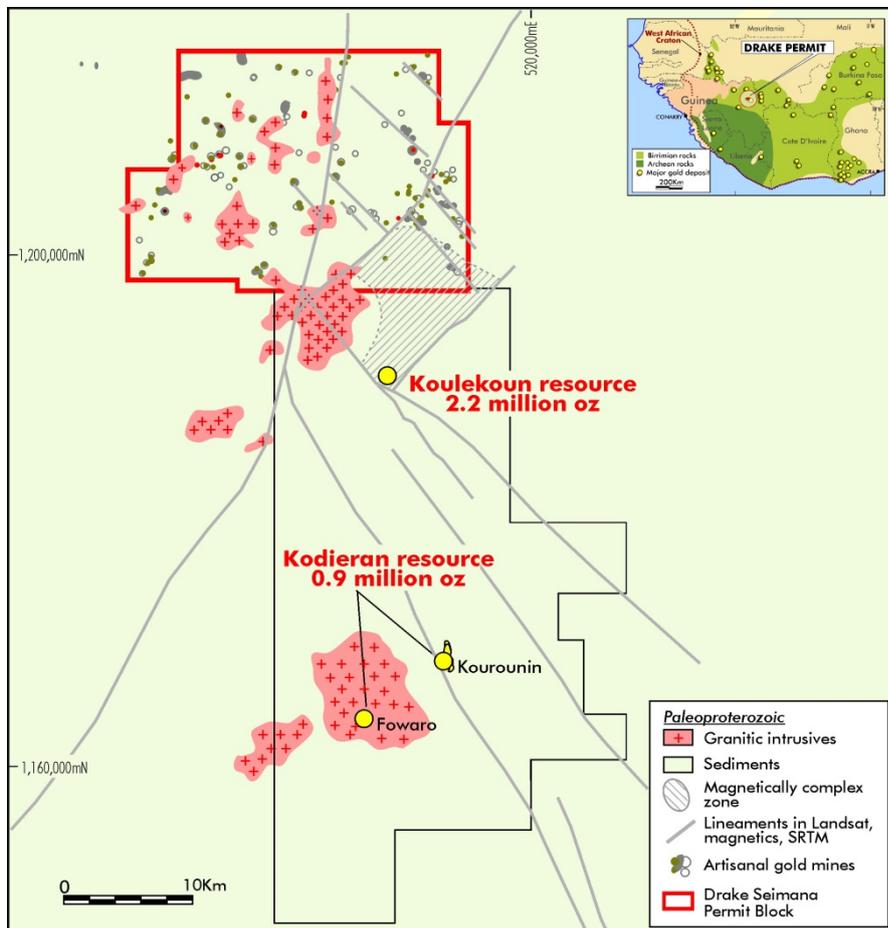


Figure Five: Geological interpretation based on airborne magnetic and radiometric data.

Nest Steps.

In the forthcoming field season Drake is planning to further investigate the potential of soil sampling and indicator elements to assist in target refinement followed by a RC drill program of approx. 2500m, subject to funding.

Mr Stirbinskis added "Our surface sampling has produced encouraging results to date and helped us generate drill hole locations. We have also noticed correlations between anomalous gold in soil and other potential indicator elements and we'll be testing the effectiveness of those indicator elements to refine our search across the 40+ anomalous gold targets we've defined thus far".

The RC drilling program will have two broad components -

1. follow-up drilling on 4 of the prospects previously drilled where encouraging intersections were obtained, namely Tamdian, Kroufilate, Kroudaoulen and Kotromakolen.
2. scout RC drilling on 3 or 4 additional prospects not previously drilled for example Bananikoro (fig 9) and Bougnegbesse (fig 10). Final selection will be based on soil geochemistry and field mapping by Drake's Senior Geologist.

Tamdian Prospect:

Two holes 60m apart both returned ore-grade intersections (4m @ 19.8 g/t Au, 5m @ 2.6 g/t Au). Weathered porphyritic volcanics or intrusives have been observed in outcrop (favourable host). The prospect lies on NE trending regional linear (parallel to Koulekoun (Tri-K) linear)

It is planned to drill on 4 sections 100 metres apart.

Kroufilate:

Two holes on the same section returned 10m @ 2.6 g/t Au and 14m @ 1.7 g/t Au

Drilling will test 3 sections over a strike length of 150 metres (fig 6).

Kotromakolen:

Drill sections either side of intersection of 3m @ 5.6g/t Au in hole 14KOTRC001 (fig 7).

Kroudaoulen:

Drilling on 2 sections to follow up intersection of 7m @ 2.6g/t Au in 14KRD002 (fig 8).

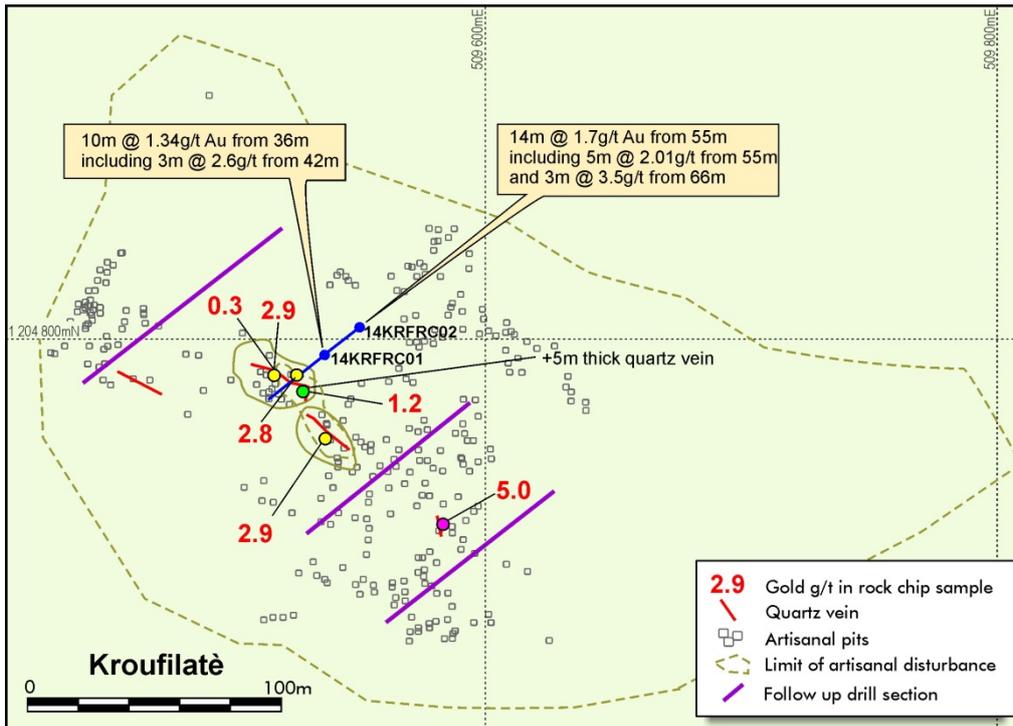
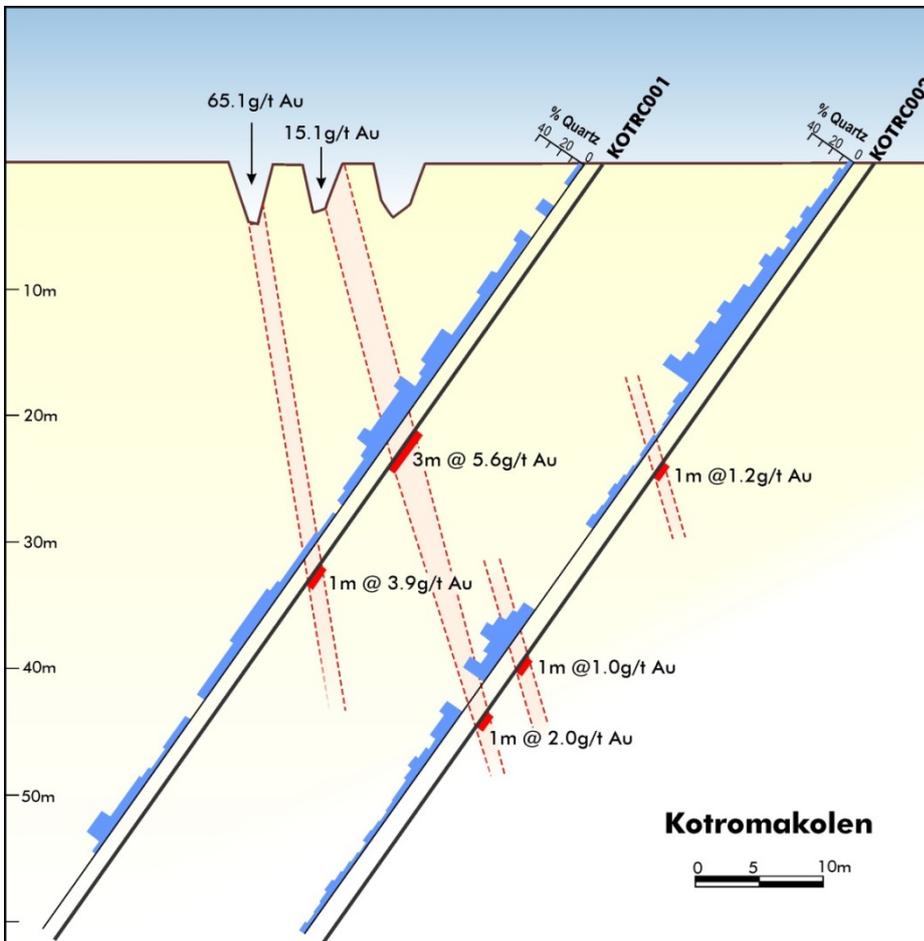


Figure Six: Follow up drilling at Koufilatè will investigate strike length extensions of the 5+m wide gold bearing qtz vein encouted at surface and at depth in first round drilling. See announcement 22/7/14 for more detail.

Figure Seven: Kotromakolen cross section showing grab sample results and first round drill results. Kotromakolen is one of four sites planned for follow up drilling with drill sections either side of the completed drill line. Kotromakolen has considerable small scale artisanal workings observed for over 100m in a NE/SW direction and considerable activity SW of Drake's first drill line – see announcement 30/7/14 for more detail.



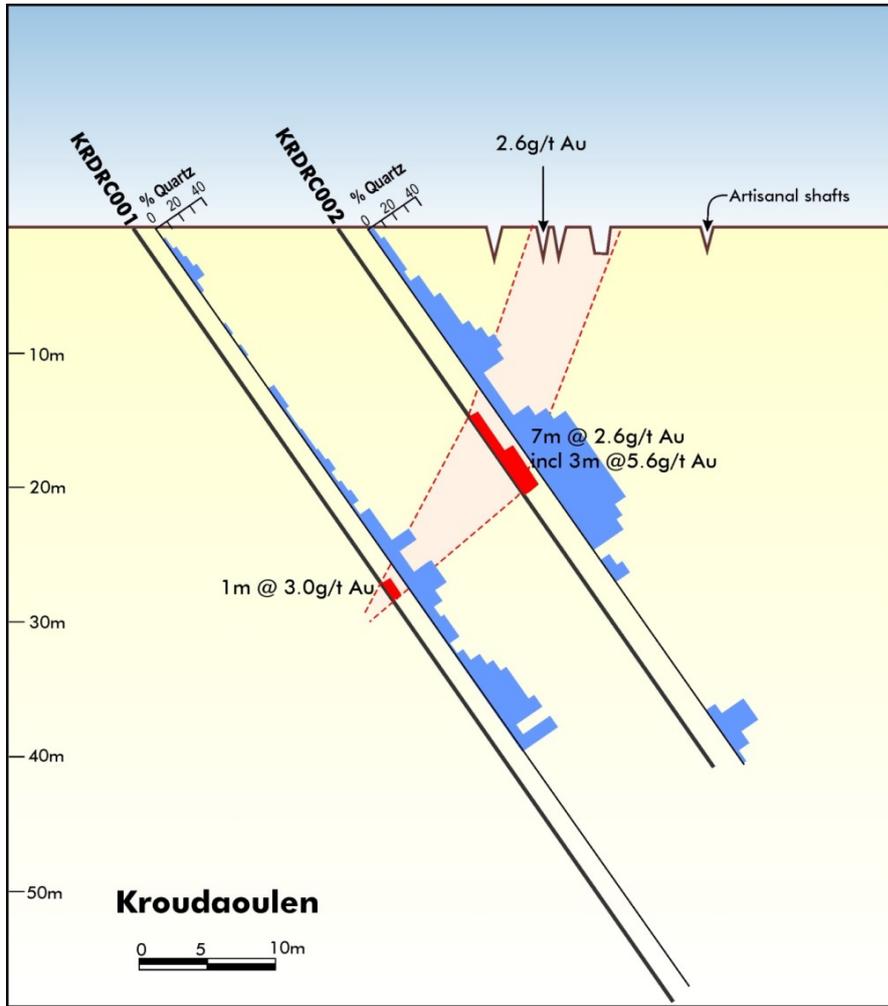


Figure Eight: Cross section of Kroudaoulen previously announced drilling and surface grab sample results .

Kroudaoulen is one of four sites planned for follow up drilling with drill sections either side of the completed drill line (KRDRC01/02). Kroudaoulen has considerable small scale artisanal workings observed for over 200m. See announcement 30/7/14 for more detail.

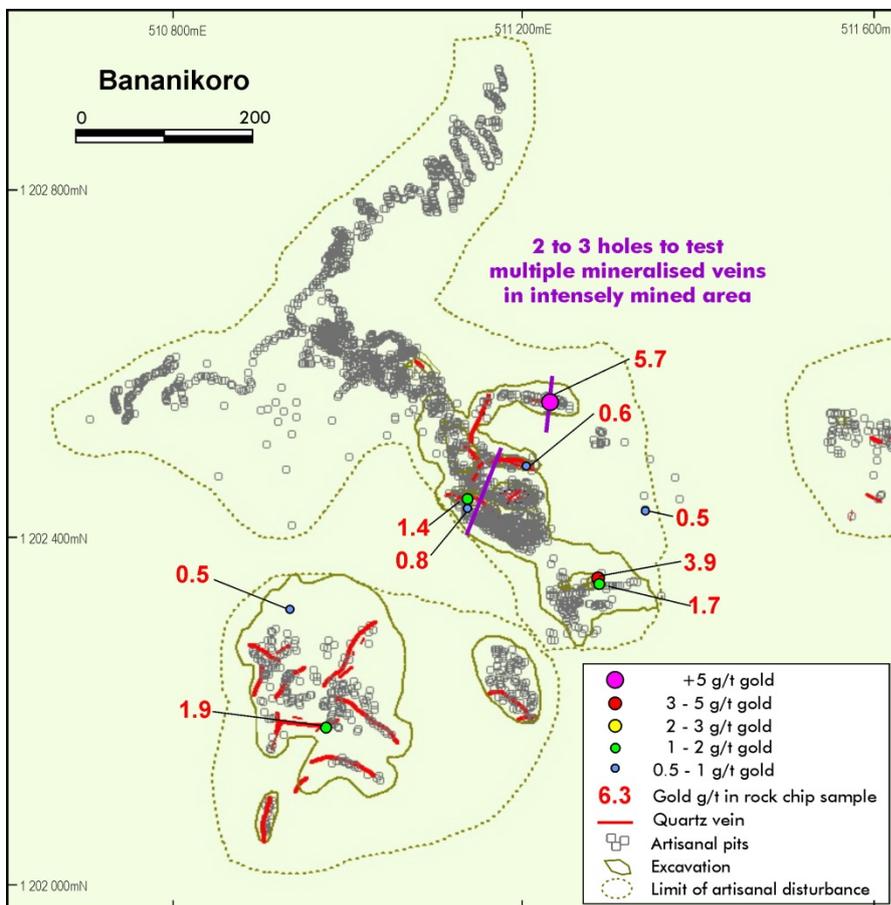


Figure Nine: Bananikoro Prospect. Possible drill target for next round scout drilling testing high grade multiple vein system. Bananikoro is one of priority targets yet to be drill tested at Seimana.

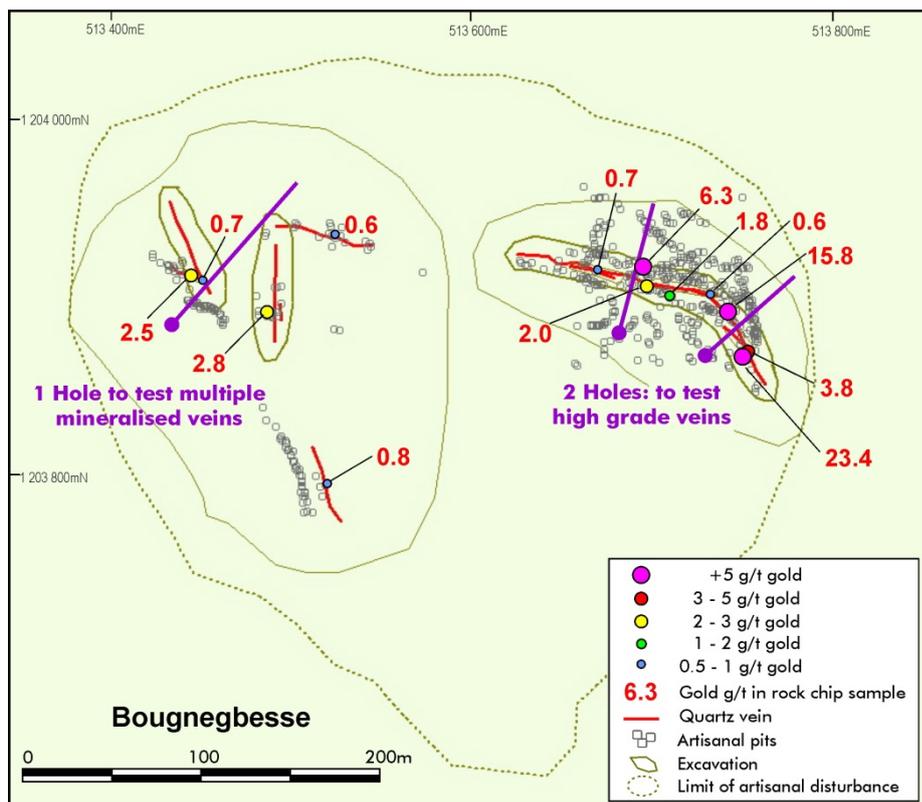


Figure Ten:
Bognegbesse
Prospect. Possible drill
target testing high
grade multiple vein
system.

For further information, please contact:

Jason Stirbinskis

CEO, Drake Resources

+61 (0)8 6141 3585

info@drakeresources.com.au

Competent Persons Statement

Mr Jay Stephenson

Company Secretary, Drake Resources

+61 (0)8 6141 3585

info@drakeresources.com.au

The information related to Seimana exploration results is extracted from the report entitled "Seimana Gold Project – Final Drill results" created on 30/7/14 and is available to view on www.drakeresources.com.au. The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

Caution Regarding Forward Looking Information.

This document contains forward looking statements concerning Drake. Forward-looking statements are not statements of historical fact and actual events and results may differ materially from those described in the forward looking statements as a result of a variety of risks, uncertainties and other factors. Forward-looking statements are inherently subject to business, economic, competitive, political and social uncertainties and contingencies. Many factors could cause the Company's actual results to differ materially from those expressed or implied in any forward-looking information provided by the Company, or on behalf of, the Company. Such factors include, among other things, risks relating to additional funding requirements, metal prices, exploration, development and operating risks, competition, production risks, regulatory restrictions, including environmental regulation and liability and potential title disputes. Forward looking statements in this document are based on Drake's beliefs, opinions and estimates of Drake as of the dates the forward looking statements are made, and no obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.