

8 December 2010

High grade gold in old drill core extends Falun mineralisation at depth and to the south

First assays of recently acquired underground drill core from the past mining operation have indicated the continuation of strong gold mineralisation at depth:

- **The assays cover depths between 200 and 400 metres below the surface**
- **Assays include:**
 - **10.3m @ 3.3 g/t gold, 0.3% copper and 0.14% bismuth from 88.2m in Hole 86/22**
 - **6.5m @ 7.3 g/t gold, 0.1% copper and 0.05% bismuth from 38.4m in Hole 86/30**
 - **11.0m @ 12.6 g/t gold, 0.2% copper and 0.02% bismuth from 30.9m in Hole 87/11**
- **Grades of selenium of up to 0.43% over short intervals**
- **These mineralised intervals provide evidence of a link between the high grade gold-copper mineralisation drilled by Drake in the top 200 metres with a previous gold mining operation on the 350 metre level**
- **The past drilling indicates that mineralisation extends to the south of the current drill sections.**
- **These assays will be added to the resource estimation database**

Drake Resources Ltd (ASX: DRK) announces the results of assaying drill core generated during the period of mining at Falun prior to 1992. This archived drill core has been in private ownership, and access to the core has only recently been obtained.

Much of the drill core from the past mining period was discarded when the mine closed, but representative cores remain.

Drake has sampled drill core from the area beneath drilling that has been completed in the Eastern Copper-Gold Zone at Falun over the past 15 months. This sampling was undertaken to add the data already collected through drilling.

The holes that were selected from the archive occur as two clusters of three holes drilled in a fan pattern; three from 205 m RL (drilled in 1987) and three from 335 m RL (drilled in 1986).

These assays have shown high grades of gold, bismuth and selenium in intersections up to eleven metres in length. The mineralised intervals are given in Table 1, and shown on the sections (Figures 2-4). Six holes were sampled with assays showing Au up to 43 g/t, Cu up to 2.24 %, Bi up to 2.4 % and Se up to 0.425 %.

The results of these new assays demonstrate that the high grade gold-copper mineralisation intersected in the Drake near surface drilling with an area of past mining on the 350 metre level. In addition potential remains between and below these clusters of archive holes which will increase the extent of the Au-Bi-Se and Cu-Au mineralisation present.

Furthermore the archive holes also clearly show that the mineralisation extends to the south beyond the sections that have been drilled.

The Falun exploration programme forms part of the Bergslagen Joint Venture (BJV) with Royal Falcon Mining.

The BJV has appointed Coffey Mining to make the first resource estimate for the Eastern Copper Gold Zone at Falun. In addition the BJV is currently completing a detailed gravity survey over prospective areas for massive sulphide mineralisation along strike from the Falun orebody.

-ENDS-

For more information, please contact:

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Corporate Information

Directors

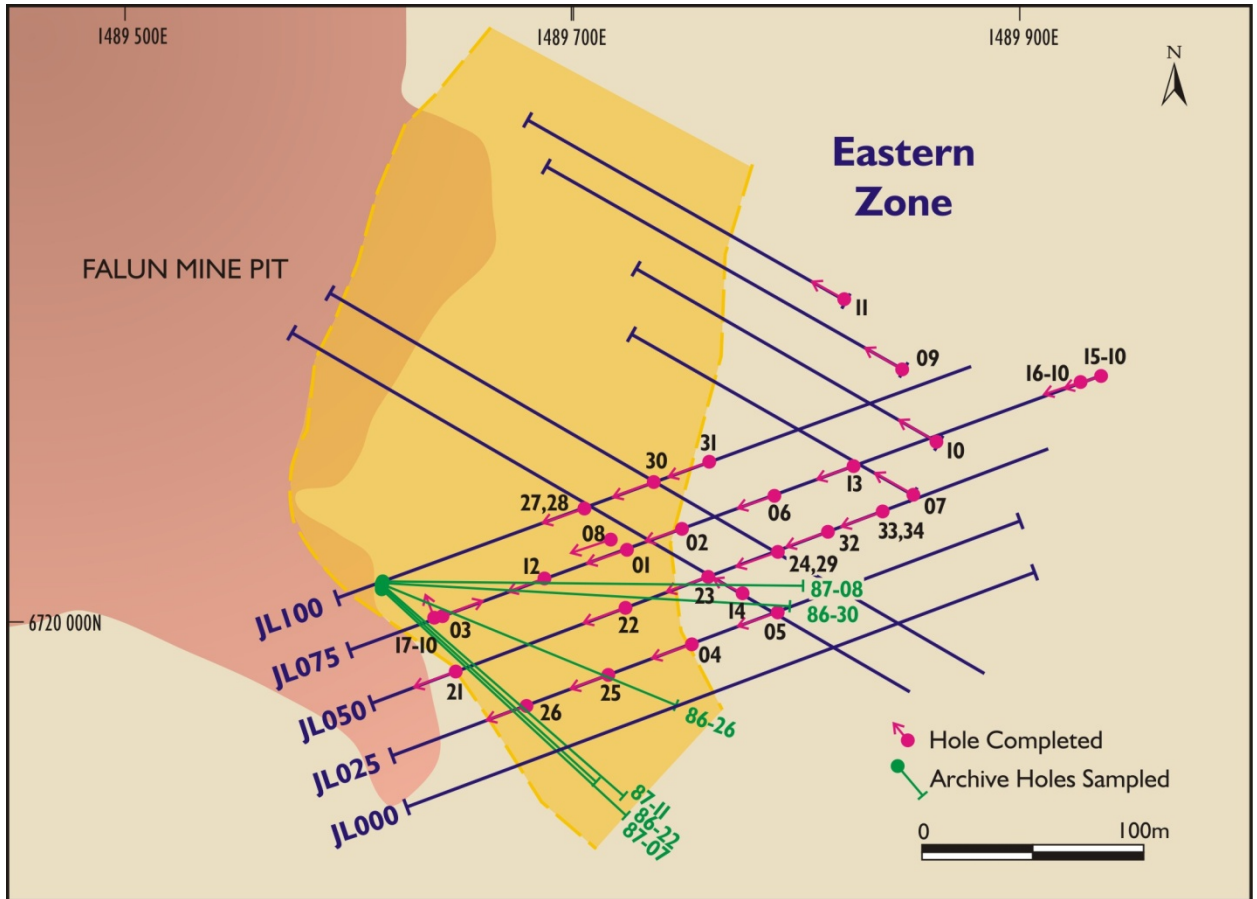
B Fraser	Non-Executive Chairman
Dr R Beeson	Managing Director
J Stephenson	Non- Executive Director & Company Secretary

Issued Capital

As at the date of this report the issued capital of the Company is comprised of:

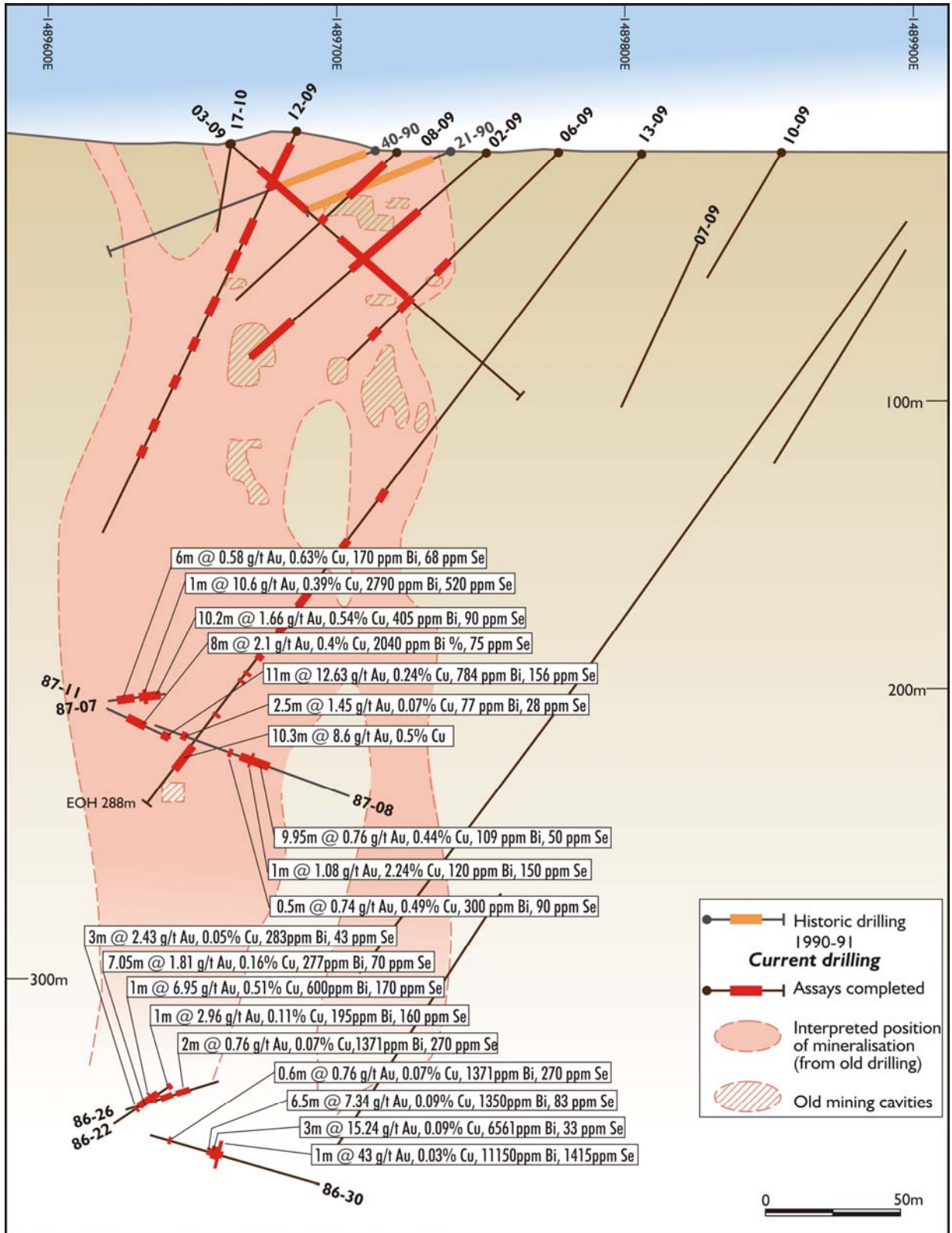
52,729,231 fully paid ordinary shares

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.



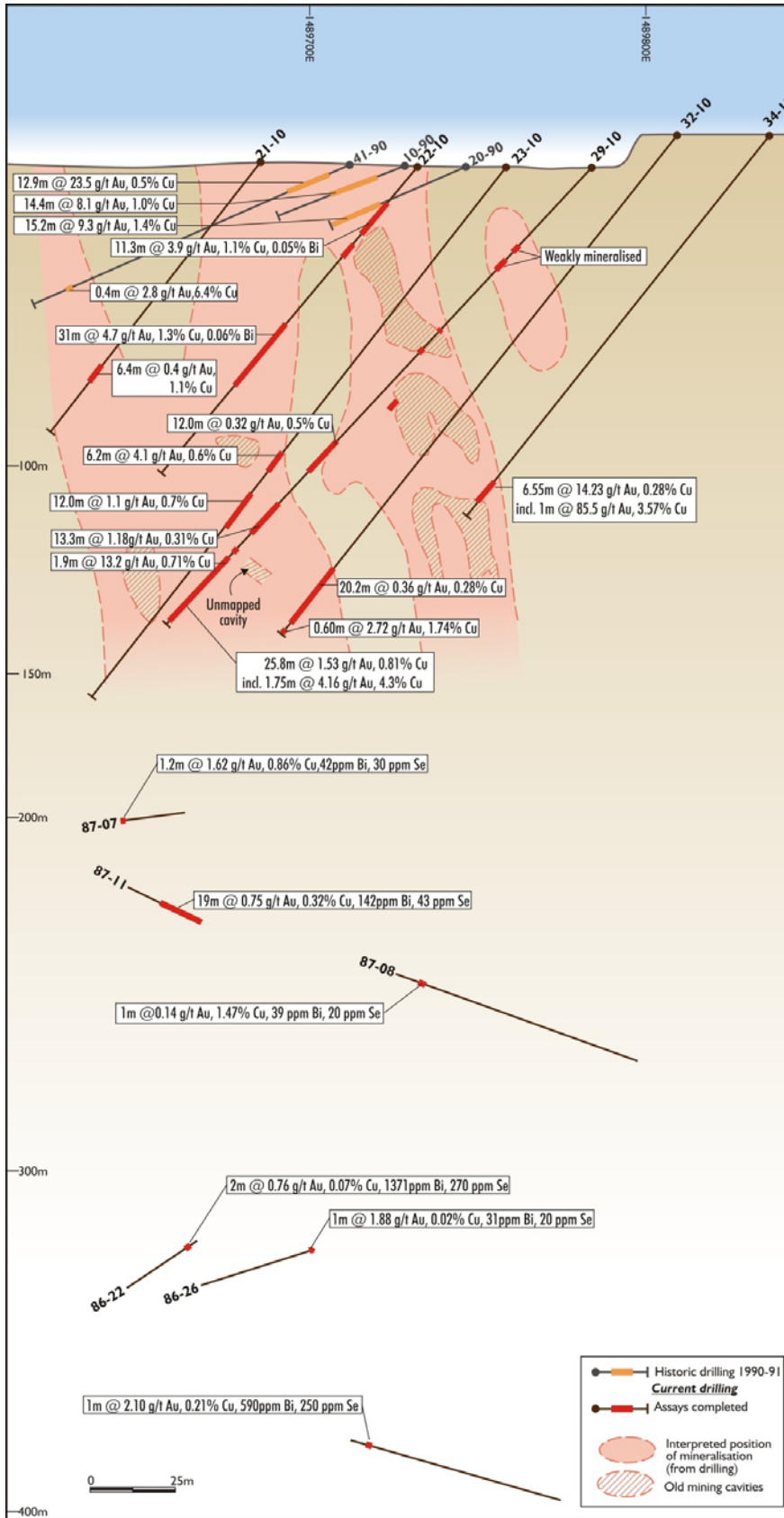
Falun - Drilling Program - Eastern Zone

Figure 1. Falun Drilling Plan – Eastern Copper Gold Zone



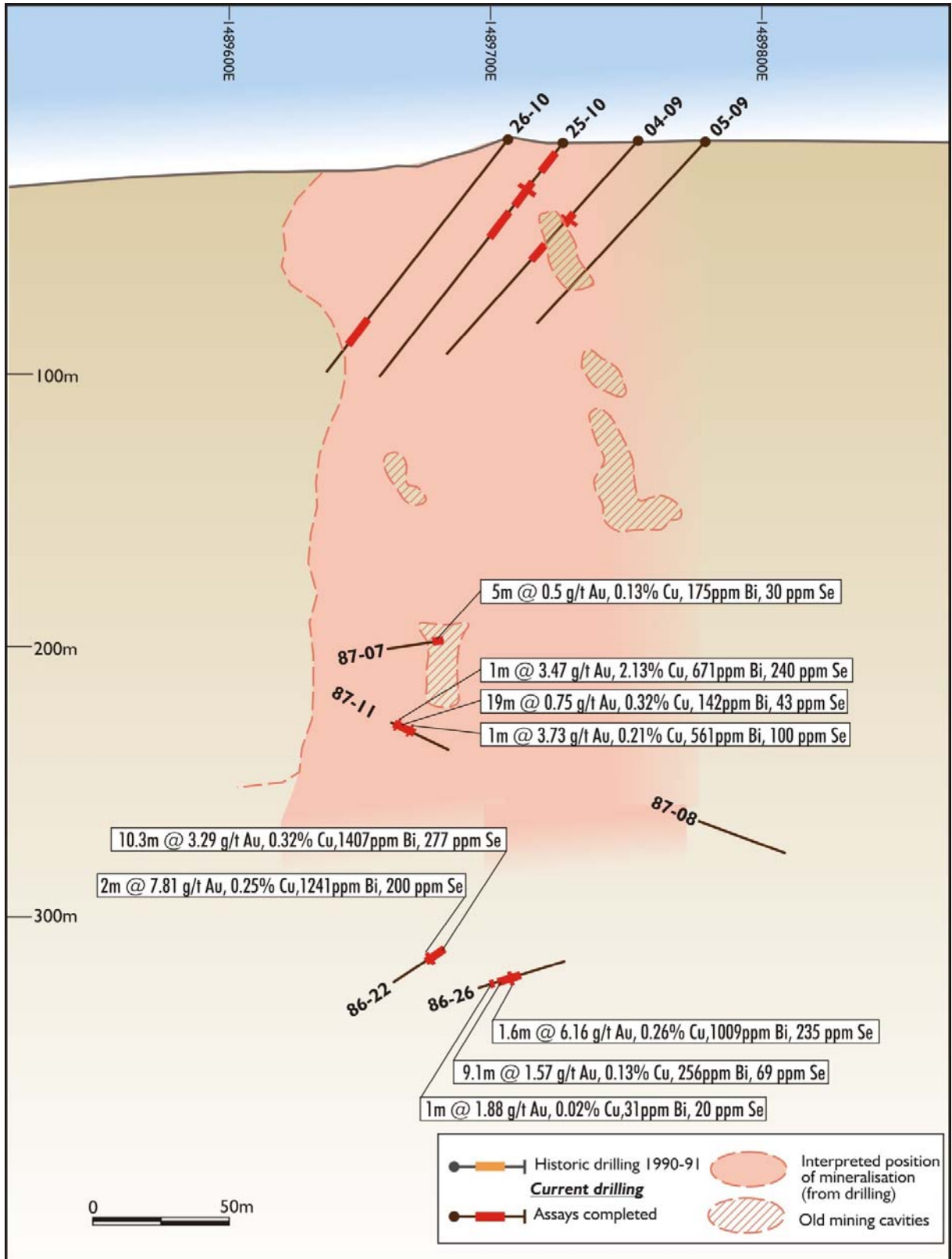
Falun - Johannes Lucas Western Section 075

Figure 2. Johannes Lucas Section 075



Falun - Johannes Lucas Section 050N

Figure 3. Johannes Lucas Section 050



Falun - Johannes Lucas Section 025

Figure 4. Johannes Lucas Section 025

HOLE #	FROM (m)	TO (m)	Width (m)	Au (g/t)	Cu (%)	Ag (g/t)	Bi (ppm)	Se (ppm)
86/22								
	20.45	23.45	3	2.43	0.05	0.6	283	43
and	25.45	32.50	7.05	1.81	0.16	1.5	277	70
<i>Incl.</i>	<i>28.50</i>	<i>29.50</i>	<i>1</i>	<i>6.95</i>	<i>0.51</i>	<i>2.5</i>	<i>600</i>	<i>170</i>
and	37.50	38.50	1	2.96	0.11	4.4	1195	160
and	72.00	74.00	2	0.76	0.07	3.8	1371	270
and	88.15	98.45	10.3	3.29	0.32	3.9	1407	277
<i>Incl.</i>	<i>90.15</i>	<i>92.15</i>	<i>2</i>	<i>7.81</i>	<i>0.25</i>	<i>4.3</i>	<i>1241</i>	<i>200</i>
and	103.55	106.55	3	0.50	0.16	0.6	54	30
and	109.15	113.15	4	1.23	0.55	6.7	518	161
86/26								
	17.50	20.50	3	0.45	0.05	2.8	936	163
and	24.50	28.50	4	1.54	0.09	2.4	652	118
and	30.50	35.50	5	0.69	0.26	1.8	235	66
and	92.50	93.50	1	1.88	0.02	0.0	31	20
and	95.50	104.60	9.1	1.57	0.13	1.8	256	69
<i>Incl.</i>	<i>100.00</i>	<i>101.60</i>	<i>1.6</i>	<i>6.16</i>	<i>0.26</i>	<i>5.3</i>	<i>1009</i>	<i>235</i>
and	109.60	111.60	2	0.22	0.41	2.6	64	60
86/30								
	13.00	15.00	2	1.05	0.13	30.5	14060	2445
<i>Incl.</i>	<i>14.00</i>	<i>15.00</i>	<i>1</i>	<i>1.83</i>	<i>0.19</i>	<i>52.0</i>	<i>24000</i>	<i>4250</i>
and	24.80	25.40	0.6	5.91	0.97	26.4	7930	1690
and	33.40	34.40	1	0.21	0.07	4.0	899	140
and	38.40	44.90	6.5	7.34	0.09	8.5	3150	488
<i>Incl.</i>	<i>39.90</i>	<i>42.90</i>	<i>3</i>	<i>15.24</i>	<i>0.09</i>	<i>16.8</i>	<i>6561</i>	<i>912</i>
<i>Incl.</i>	<i>41.90</i>	<i>42.90</i>	<i>1</i>	<i>43.00</i>	<i>0.03</i>	<i>19.5</i>	<i>11150</i>	<i>1415</i>
and	93.05	94.05	1	1.80	0.00	0.0	15	0
and	102.05	103.05	1	2.10	0.21	2.9	590	250
87/07								
	9.70	15.70	6	0.58	0.63	2.1	170	68
and	18.70	28.90	10.2	1.66	0.54	2.6	405	90
<i>Incl.</i>	<i>21.70</i>	<i>22.70</i>	<i>1</i>	<i>10.60</i>	<i>0.39</i>	<i>8.4</i>	<i>2790</i>	<i>520</i>
and	38.80	40.00	1.2	1.62	0.86	2.8	42	30
and	43.00	49.10	6.1	0.34	0.33	1.9	218	60
and	69.20	73.20	4	0.30	0.16	0.5	59	18
and	79.70	84.70	5	0.50	0.13	1.5	175	30

and	100.70	102.20	1.5	0.09	0.94	3.6	0	30
and	105.20	113.50	8.3	0.13	0.85	2.7	7	27
and	117.50	124.50	7	0.20	1.24	4.1	15	56
87/08								
	30.40	32.90	2.5	1.45	0.07	0.9	77	28
and	47.95	48.45	0.5	0.74	0.49	2.5	300	90
and	52.25	62.20	9.95	0.76	0.44	1.5	109	50
<i>Incl.</i>	<i>55.75</i>	<i>56.75</i>	<i>1</i>	<i>1.08</i>	<i>2.24</i>	<i>6.6</i>	<i>120</i>	<i>150</i>
and	65.20	66.20	1	0.42	0.33	1.3	141	60
and	118.90	121.90	3	0.37	0.78	3.2	21	40
and	127.40	128.40	1	0.14	1.47	6.3	39	20
87/11								
	0.15	7.35	7.2	0.86	0.45	2.3	655	137
and	14.35	22.35	8	2.10	0.40	5.4	2040	75
and	30.85	41.85	11	12.63	0.24	3.7	784	156
and	50.6	51.35	0.75	0.30	0.46	2.0	28	10
and	56.35	75.35	19	0.75	0.32	1.5	142	43
<i>Incl.</i>	<i>66.35</i>	<i>67.35</i>	<i>1</i>	<i>3.47</i>	<i>2.13</i>	<i>9.2</i>	<i>671</i>	<i>240</i>
<i>Incl.</i>	<i>72.35</i>	<i>73.35</i>	<i>1</i>	<i>3.73</i>	<i>0.21</i>	<i>2.2</i>	<i>561</i>	<i>100</i>
and	79.35	83.35	4	0.36	0.29	1.0	5	10
and	120.70	123.10	2.4	0.25	0.62	2.8	47	40

Table 1. Assay results from drilling.

All intercepts are defined by using a 0.6 g/t Au equivalent cut off and maximum of 3 m internal waste dilution. Equivalents are based on USD prices taken July 6th, 2010 – Au 1190.1 /oz, Ag 17.71 /oz, Cu 6523 /t, and Se and Bi prices taken June 25th from Mining Journal, Se 37 /lb and Bi 8.50 /lb