

Highlights

- **Drake Resources** (“Drake”) gained 100% equity interest in all properties previously held in a joint venture with OZ Minerals (ASX: OZL)
- Drake is examining options for the further exploration of these properties
- Exploration programs continue in Drake’s prospective exploration areas in Sweden
 - Drake located and acquired all assays of past drill core carried out by the original owners of the Falun copper-zinc-gold mine
 - This data is being entered into Drake’s database
 - A detailed airborne electromagnetic survey for the Falun and Bersbo Project Areas was completed; final data from the contractor is anticipated to be delivered soon
 - 69 shallow drill holes were drilled at Drake’s Grönhög exploration licence; the property is along strike from the Bersbo copper-zinc mine. Results are awaited.
 - Assay results were received for rock chip samples collected over a 1km line of old workings at the Diggertäkt prospect approximately 5km northeast of the Falun copper zinc mine
 - Assays report up to 27.1% Zn, 14.2% Pb and 210 ppm Ag in separate samples. Ten of the 16 samples collected report in excess of 10% Zn
 - A second phase of till sampling was completed at both the Skommer and Ruda Projects in Sweden
- Drake now has one joint venture and four licence applications in northern Queensland
- Drake conducted field assessment of a number of properties generated from its review and targeting activities into Finland
- Rex Minerals Ltd took over management of the Mt Carrington Project, NSW and plans to commence regional exploration fieldwork during the December quarter and drilling of the Mt Carrington properties in the March quarter 2009.

About Drake

Drake Resources (ASX: DRK, “Drake”) is a base metals and gold/silver explorer with advanced projects in Sweden and Australia.

In the three years since listing on the ASX, Drake has established a robust portfolio of projects. Drake’s competitive advantages include a premier position in the world-class Falun copper-zinc belt in Sweden, an experienced technical team with a successful track record, and a pipeline of projects and opportunities created through its previous alliance with OZ Minerals (ASX: OZL).

Drake’s objective is to become a successful and profitable exploration and mining company. The Company aims to achieve this goal by pursuing exploration and mining opportunities and exploring high quality projects in a technical, cost-effective manner.

Currently, Drake is focused on advancing its Scandinavian projects. Drake considers that copper, zinc and gold ores remain within the historic Falun Mine area and have put in place a program to assess the economic potential of remaining ore and new ore bodies.



Drake exploration regions

Drake's projects in Sweden and Australia have advanced considerably in the quarter, particularly those in the previous joint venture with OZ Minerals. In addition Drake is continuing to build the portfolio with quality projects.

WITHDRAWAL OF OZ MINERALS FROM JOINT VENTURES

Drake has agreed with OZ Minerals their withdrawal from all projects in which it had been exploring in partnership. Drake will gain 100% interest in the joint ventures and properties previously held in both the strategic alliance and in joint ventures in Sweden and Queensland.

OZ Minerals has agreed to transfer all of its rights, titles and interests in the properties to Drake at no cost to Drake and will fulfil its outstanding commitments on the projects.

In return, Drake has granted OZ Minerals a "Preferred Partner Status" for those joint venture projects where OZ Minerals has earned a 70% interest. If such a project is subsequently shown to contain a major copper or zinc resource then this status will provide an option for OZ Minerals to a first right of refusal on Drake's interest should Drake wish to introduce a partner or sell all or part of its equity at that time. There is no restriction on Drake assigning its interest at any time before a major discovery has been made.

Drake regards the acquisition of full equity in these projects to be a significant opportunity for the company. The major, detailed airborne electromagnetic survey that has been completed during the northern summer, the recent access of assays for past drilling at the Falun copper-zinc-gold mine, and progress at other projects such as Digertäkt, Grönhög, and Domängruvan offer the potential for short-term exploration success.

COPPER-GOLD-ZINC PROJECTS, SWEDEN

The VTEM airborne electromagnetic survey

The major, detailed airborne electromagnetics survey over ten of the Drake-OZ Minerals licence areas in Sweden has now been completed. This survey used the state-of-the-art helicopter-borne time-domain VTEM system. The contract area was 2,983 line kilometres covering 270 square kilometres.

These licence areas cover:

- The Falun copper-zinc mine, and prospective rocks in the Falun belt
- The prospective belt immediately north of Falun
- The area surrounding the historic Bersbo mine.

Final data is expected to be received from the contractor, Geotech, in early November. The data will then be processed by Drake's geophysicist.

Initial processing of the preliminary data has identified several high priority conductors. The final data will be evaluated to help rank the targets that are being identified.

The Falun copper-zinc mine



Sweden - Falun Location Map

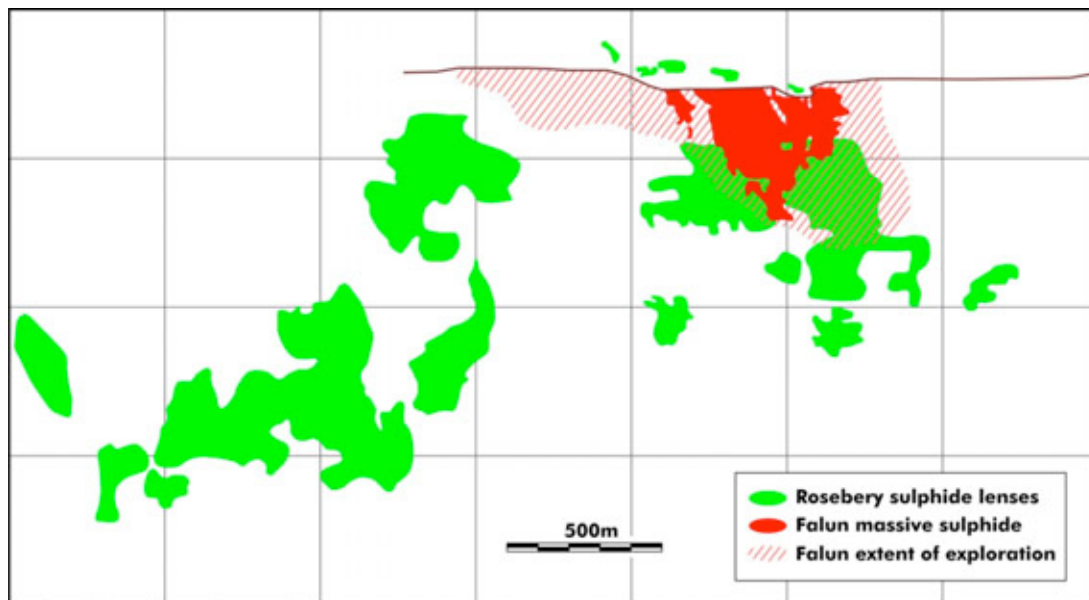


Falun was first mined around 700AD and was the largest copper producer in Europe during the 17th and 18th centuries. Mining finally ceased there in 1992. Records show that more than 35 million tonnes of high-grade ore were mined containing on average 1-3% Cu, 2-6% Zn and 1-7 g/t Au. Falun is regarded as one of the world's great, massive sulphide mineralising systems.

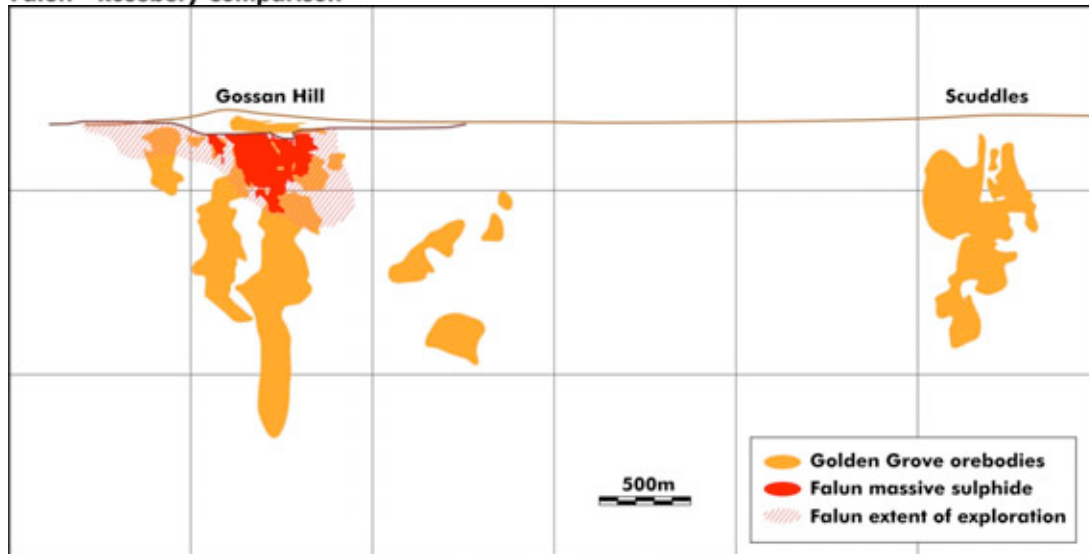
At Falun, there are two main ore types. The bulk of the mined orebody was made up by pyritic copper-zinc-gold massive sulphide ores. High-grade pods of siliceous copper-gold ore occur in the footwall alteration zone.

There has been no exploration at the Falun mine for almost two decades. A review of the last exploration work undertaken at the mine shows that the approach was limited to *ad hoc* drilling around the edges of the orebody for extensions of the massive sulphides.

Drake considers that there is potential for substantial discoveries near the old mine, particularly east of the pit. Falun is located within a major siliceous alteration zone that extends continuously for eight kilometres within the Drake licence. The zone is up to 800m in width and appears to continue at this size with depth. Comparisons with similar major ore systems such as Rosebery and Golden Grove suggest that only a small part of the potential ore system at Falun has been effectively explored.



Falun - Rosebery Comparison



Falun - Golden Grove Comparison

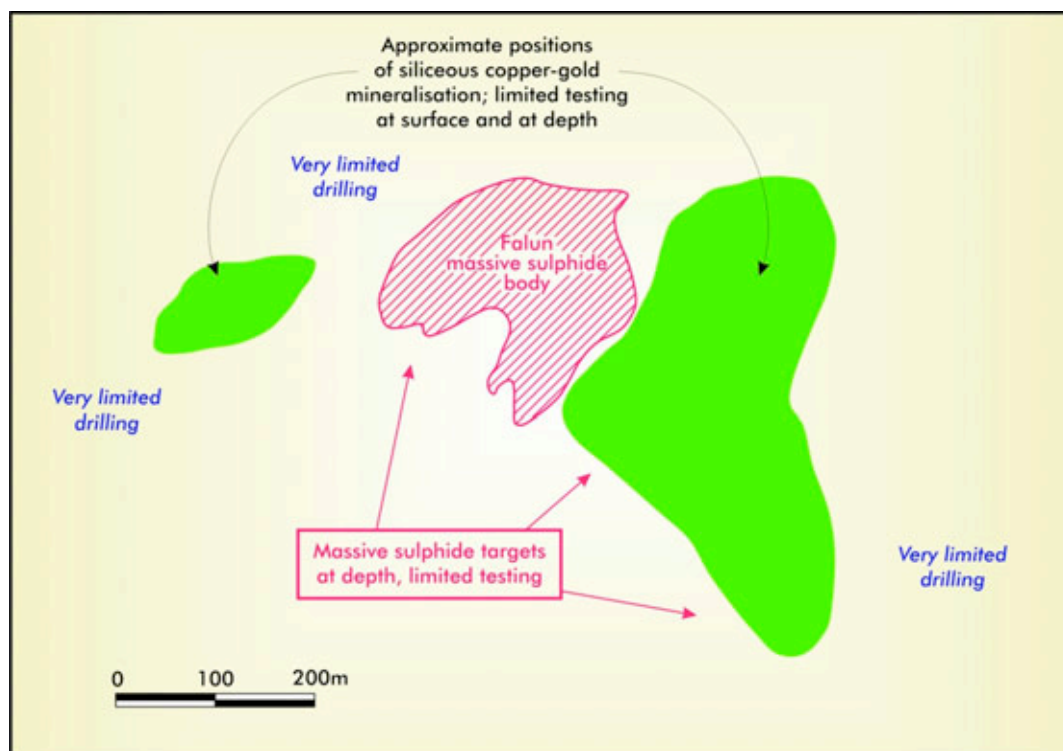
The ongoing work by Drake at Falun has confirmed that extensive mineralisation remains in the immediate vicinity of the mine. Drake has put in place a programme to assess the economic potential of remaining ore and new ore bodies that have yet to be identified.

The main elements of this programme include:

1. The acquisition of all level plans and sections through the existing mine workings; many of these plans and sections have been previously scanned and registered for use in Geographic Information Systems by the Swedish Geological Survey
2. Digitising the drill hole logs and assays, and establishing a drill hole database for use in section plotting
3. Locating, logging and sampling the existing drill core for the Falun mine area
4. Building a 3D model for the mine and its immediate vicinity based on the plans and drill logs

Work on the first phase of the 3D model is nearing completion. All level plans and sections have been put into the model. The main mineralisation types and the key geological units have been linked between the sections and level plans.

All of the existing 1445 drill holes for the mine area have been digitised into a database. It is believed that this is the first time that a digital drill hole database has been established for the mine. The drill holes have now been entered into the model and give the first indications of what areas have been tested, and where mineralisation has been found, in three dimensions. In addition, Drake now has the capability to plot the drill holes as sections and in levels through the mine area.

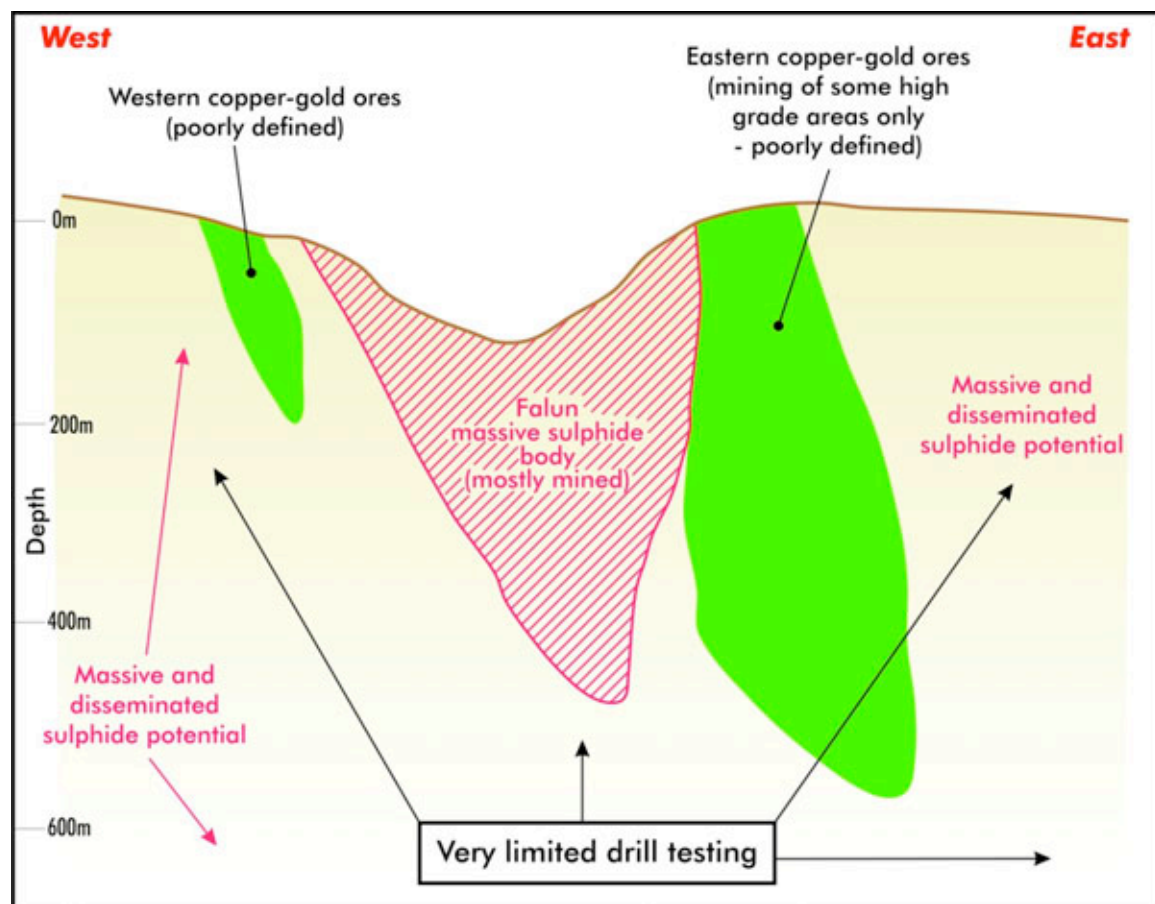


Falun Copper-Zinc Deposit - Within Mine Exploration Targets

This work is in its early stages, but is demonstrating that a large area of mineralisation has been identified immediately east of the previously mined Falun massive sulphide, copper-zinc-gold deposit. This mineralisation extends from surface to at least 550 metres depth. High-grade, siliceous copper-gold mineralisation and gold veins have been mined within this area, but the extent and continuity of this mineralisation has yet to be determined.

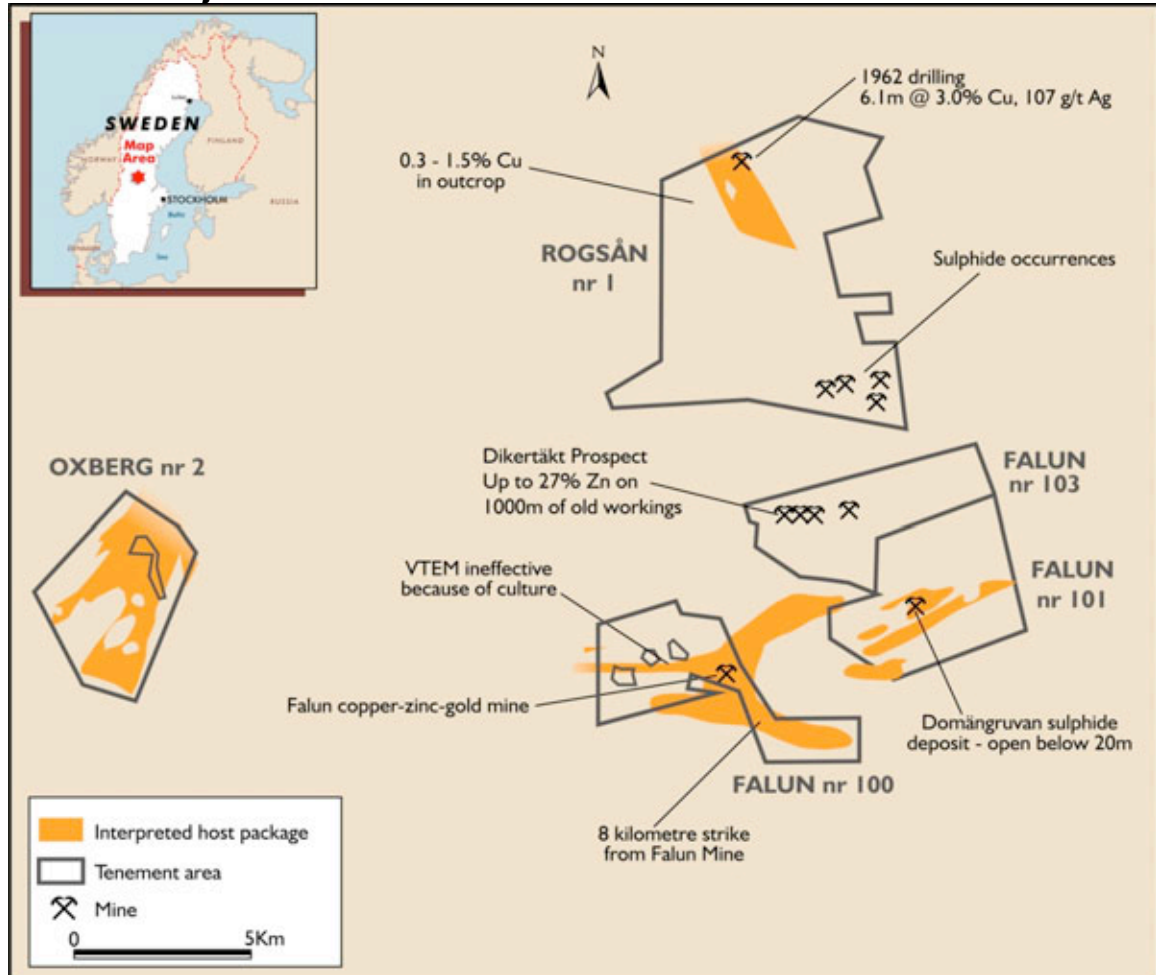
Similar mineralisation occurs to the west of the massive sulphide body, but has received very limited drill testing.

Massive copper-silver and zinc-copper-lead-gold mineralisation has been identified at depth along strike from the massive sulphide lens, but again there has been limited testing of this material. The immediate prospective horizon is considered to extend for 8 kilometres through the licence.



Falun Copper-Zinc Deposit - Immediate Exploration Targets

The Falun Project



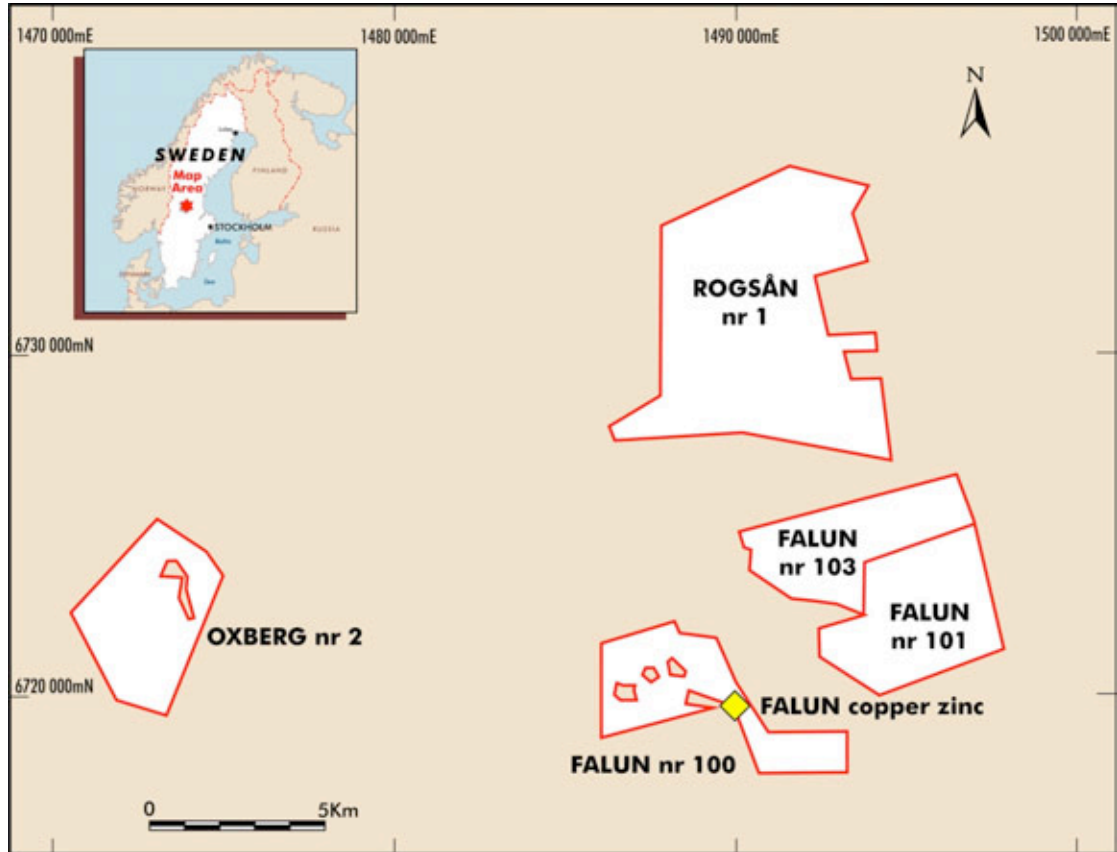
Falun District

The Falun Project exploration licences and immediate targets

Rogsån Exploration Licence

Rogsån is part of Drake's portfolio of properties around the mining centre of Falun. The licence is characterised by:

- the same prospective host-rock package as that at the nearby Falun copper mine
- several mineral occurrences, including six historic, small copper and zinc mines
- widespread silica-magnesia alteration of the type found at Falun
- a large district-wide copper-zinc geochemical anomaly around Falun
- an extensive series of copper boulder trains which indicate significant mineralisation in the bedrock scoured out and dispersed by glaciation.



Location of the Rogsån licence relative to the other tenements of the Drake-OZ Minerals portfolio in the Falun Project

Drake has carried out a programme of re-assays of recently accessed drill core from a drilling programme completed 46 years ago.

The copper, silver and zinc assays show several significant mineralised intercepts, including:

The drill hole intersections are as follows:

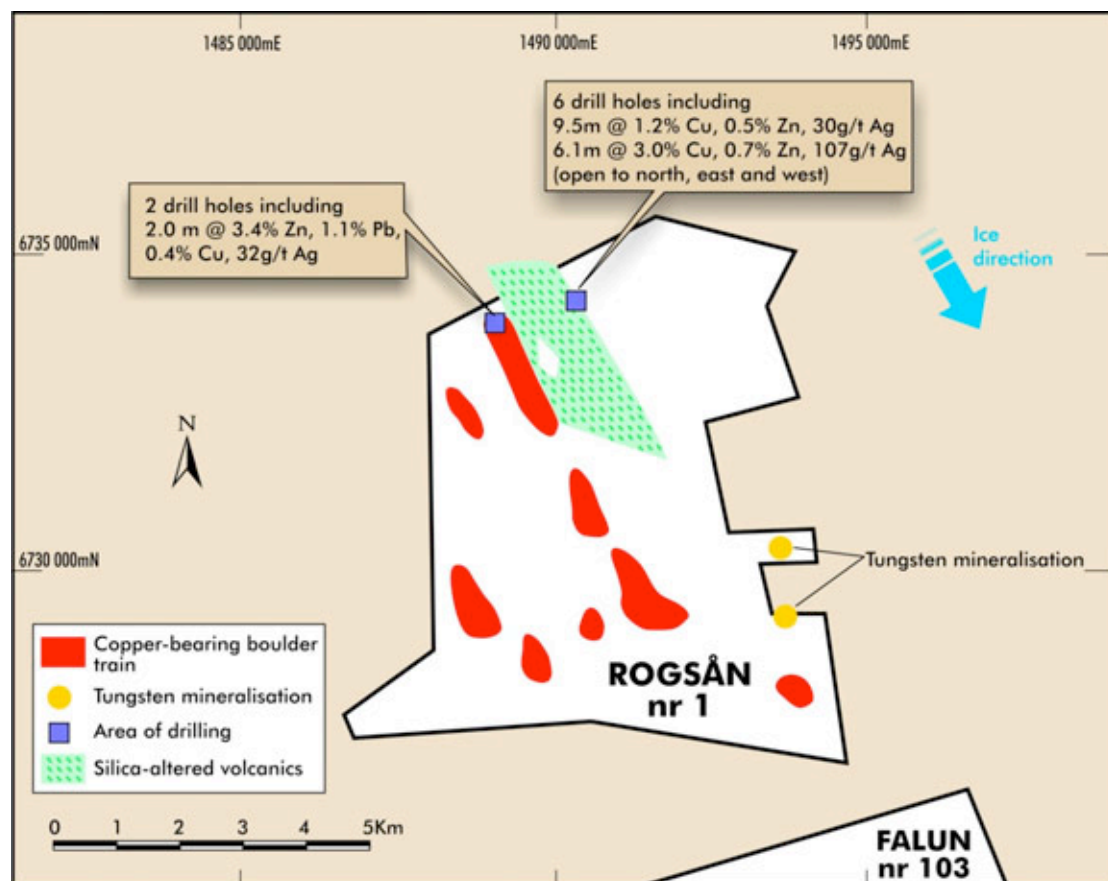
Hole No	From	Intersect	Cu (%)	Pb (%)	Zn (%)	Ag (g/t)
Rogsån 001	21.0m	2.0m	0.4	1.1	3.4	32
Rogsån 005	20.5m	9.5m	1.2	0.1	0.5	30
Rogsån 006	6.1m	6.1m	3.0	0.3	0.7	107

Of particular interest are the assays of holes Rogsån 005 and 006, which are from a cluster of six holes within an area 200m by 130m. A further two of the six holes also have thin developments of copper mineralisation. The area of mineralisation is open to the east, north and west. Past drilling has only tested for shallow mineralisation, with the drill holes being between 29 and 72m in length.

The mineralised glacial boulder trains in the area demonstrate the potential of the area. Boulders containing between 0.5% and 3.8% copper have been found on the surface over a distance of 5 kilometres. Often referred to as a boulder train, the boulders have been transported by glacial action and the source area is interpreted to lie within the northern part of the licence area. At this stage, it is not known whether the boulder trains are derived from a single bedrock source or multiple sources as they have only been tested by the two drill holes.

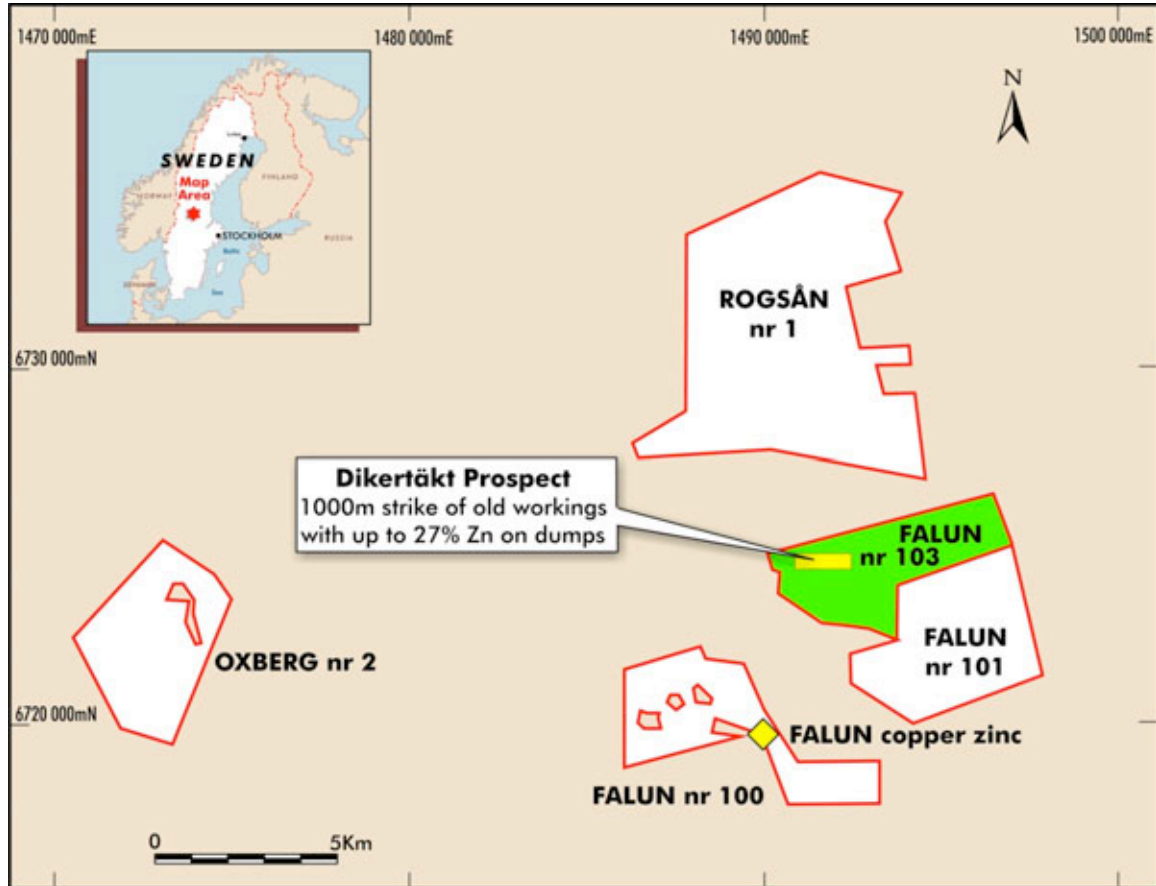
No reports for this exploration in 1962 are available. Drake has been discussing the project with a geological consultant who had worked on the project in the past.

The property also contains the Rostberget tungsten prospect, which was explored in the 1980s.



Digertäkt, Sweden

The Digertäkt Prospect is a high grade base metal target covering old mine workings. The Prospect occurs within the exploration licence Falun 103, approximately five kilometres northeast of the Falun copper-zinc mine.



Location of the Dikertäkt Prospect

Digertäkt is a historic mining area, from which ore was once sent to Germany. The prospect forms a line of six shafts that extend over 1,000m. The continuity of mineralisation between these shafts is not known.

It appears that these pits fall on a single geological horizon, which occurs in a felsic volcanic unit similar to most of the copper-zinc ores in the region. The sulphide rocks occur with highly magnesian rocks, which typify many of the ore deposits of the district such as Falun.

Reconnaissance exploration has been completed in the Falun No. 103 licence, which forms part of the six licences that make up Drake's Falun Project. Massive sulphide mineralisation is readily apparent in the material on the waste dumps close to the shafts. This material is particularly rich in the zinc sulphide mineral, sphalerite.

Assays of samples collected on the dumps have been received.

Sample No.	Easting	Northing	Type	Cu %	Pb %	Zn %	Au ppm	Ag ppm
S010507	1491822	6724465	Dump	0.08	0.17	13.50	0.02	29
S010508	1491827	6724492	Dump	0.15	0.82	15.40	0.07	79
S010509	1491999	6724495	Dump	0.16	0.06	15.20	<0.01	9
S010510	1492060	6724450	Dump	0.17	14.20	16.05	0.01	65
S010511	1491970	6724484	Dump	0.34	0.16	0.90	0.25	18
S010512	1491782	6724505	Outcrop	0.02	0.02	3.21	0.02	36
S010513	1491784	6724492	Outcrop	0.05	0.02	0.05	0.01	6
S010514	1491240	6724450	Dump	0.04	<0.01	0.02	0.05	1
S010515	1491639	6724477	Dump	<0.01	0.01	0.05	<0.01	2
S010516	1491649	6724467	Dump	0.02	0.02	0.04	<0.01	1
S010517	1491744	6724490	Dump	0.05	3.84	13.50	0.23	210
S010540	1491822	6724487	Dump	0.26	0.02	13.25	0.21	11
S010541	1491833	6724489	Dump	0.05	0.21	17.35	0.03	42
S010542	1492085	6724449	Dump	0.03	<0.01	17.45	0.01	5
S010543	1492084	6724476	Dump	<0.01	0.35	27.10	0.01	35
S010544	1492074	6724457	Dump	0.01	1.44	19.85	0.02	79

These assays indicate the exceptional zinc grade of the material that was mined at Digertåkt with up to 27.1% Zn and 10 of the 16 samples reporting above 10% Zn. In addition lead (maximum 14.2%) and silver (maximum 210 ppm) are also at high grades in some samples.

Geological reconnaissance in the till covered areas north of the workings that have been sampled has discovered mineralised boulders, suggesting that there is more than one mineralised horizon at Digertåkt.



Waste dumps at Digertåkt

Bersbo

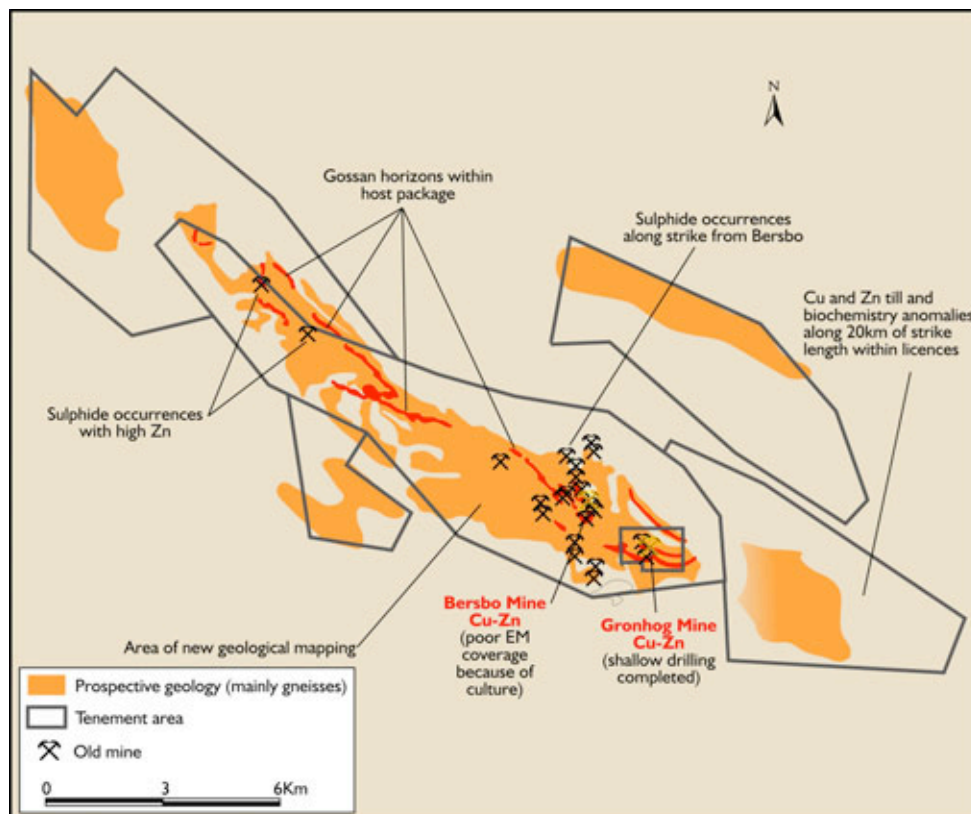
Drake holds 240 square kilometres of the Bersbo massive sulphide belt.

Drake has secured what it considers to be the most prospective parts of the belt containing the historic Bersbo copper mine in Sweden. Despite Bersbo being the second largest historic copper mine in the Bergslagen Province, the belt has not attracted any modern exploration and remains effectively unexplored.



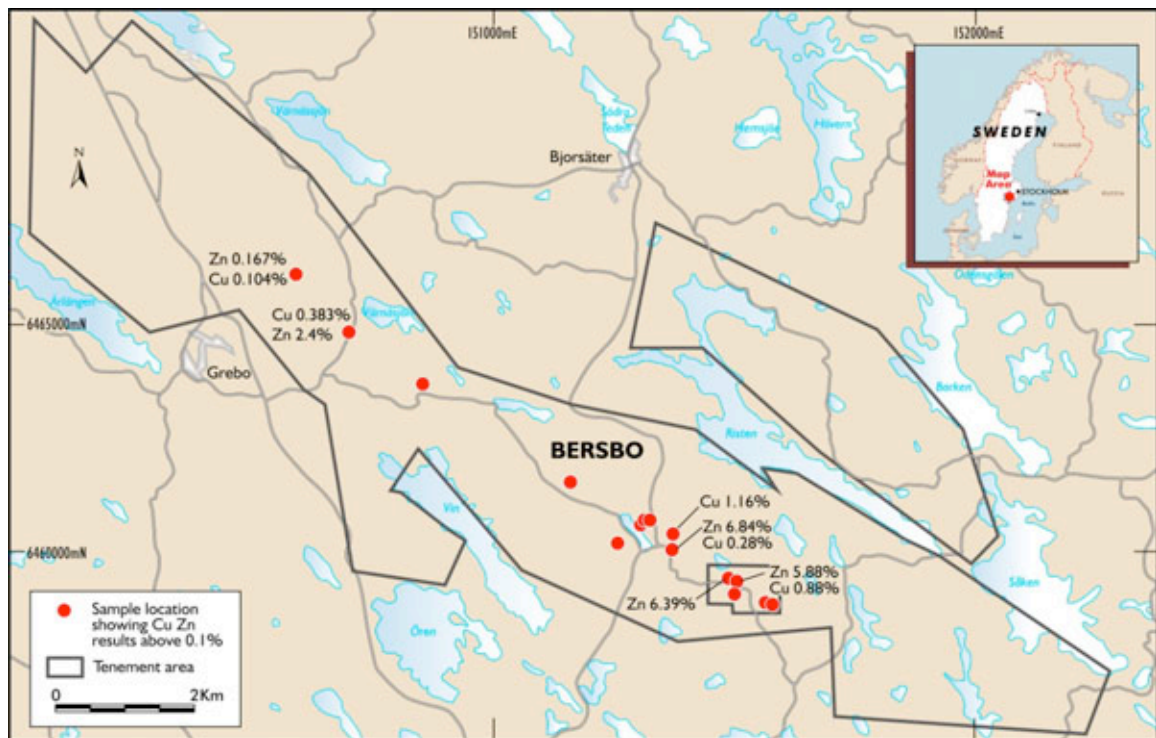
Bersbo area approx. 150km sw of Stockholm; Major deposits shown as green triangles. A detailed airborne magnetics survey, and ground mapping/sampling were completed in the 2007 field season. The programme has continued in 2008 with the completion of an airborne electromagnetic survey in the first half of the year, further mapping and sampling, and shallow drilling to sample bedrock beneath the glacial till.

Drill targets are emerging from this work programme, including the drill testing of the Hersatter electromagnetic anomaly.



Bersbo Location

Results have been received from a rock chip grab sample program conducted on gossans, mineralisation and old mine workings from Grönhög through Bersbo and extending northwest over a 10km strike length. 15 samples were collected and reveal up to 6.84% Zn and 1.16% Cu at Bersbo and 6.4% Zn and 0.88% Cu at Grönhög.



Bersbo - Location Map showing Cu and Zn grab sample results

Drake considers that the high values of copper and zinc determined from old working that stretch for some ten kilometres is extremely encouraging and, coupled with the ongoing interpretation of the electromagnetics, will lead to the definition of future drill targets in the area.

The Grönhög Prospect

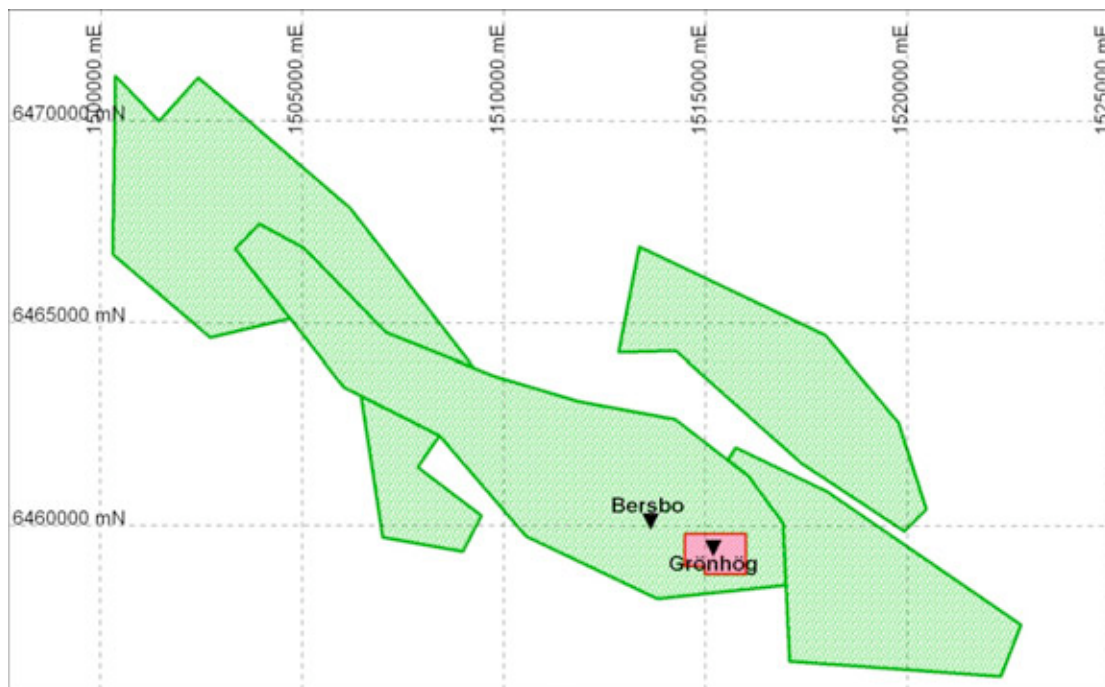
The Drake - OZ Minerals Alliance reached agreement with Kopparberg Minerals SA (Kopparberg), a company listed on the Stockholm exchange, to earn an 80% participating interest in the Grönhög exploration licence in south-central Sweden.

The Alliance agreed to the following terms to earn this interest in the Grönhög licence:

- A US\$20,000 cash payment upon signing an agreement
- A further expenditure of US\$130,000 for exploration within the licence

OZ Minerals has undertaken to meet its commitments to the joint venture.

Grönhög is located within the larger Bersbo No. 2 licence, which was held by the Drake. The licence contains the historic Grönhög base metal mine, which contained copper and zinc ore. This mine is located less than 2km southeast of the Bersbo mine, which was historically the second largest copper producer in the Bergslagen province.



Location of the Grönhög mine and exploration licence (red), and the surrounding Drake exploration licences (green); the grid squares are 5 by 5 kilometres

The Grönhög base metal mineralised zone forms a shoot 50m long and 2-6m wide, plunging to a depth of 255m within a strongly folded sequence. The mine was essentially mined for copper; zinc held little value at the time.

A key factor in the exploration programme at Bersbo and Grönhög will be to determine how these mineralised zones are linked geologically. Gossans occur immediately along strike from the old shaft, and geology, geophysics and shallow drilling are being used to find extensions of the prospective horizon

Kopparberg Minerals has drilled 69 shallow holes and collected samples from the bedrock and the overlying glacial till. Assay results are awaited from this programme.



Shallow drilling at Grönhög

Doverstorp

Drake has a single exploration licence that contains the historic Doverstorp Mineral Field in the Bergslagen district of Sweden. The licence is 23km² in area.

Doverstorp is located 45km southeast of Lundin Mining Corporation's Zinkgruvan zinc-lead-silver mine near Askersund, southern Sweden. Zinkgruvan has been in production continuously since 1857. It is the largest underground zinc mine in Sweden and is amongst world's the lowest cost producers.

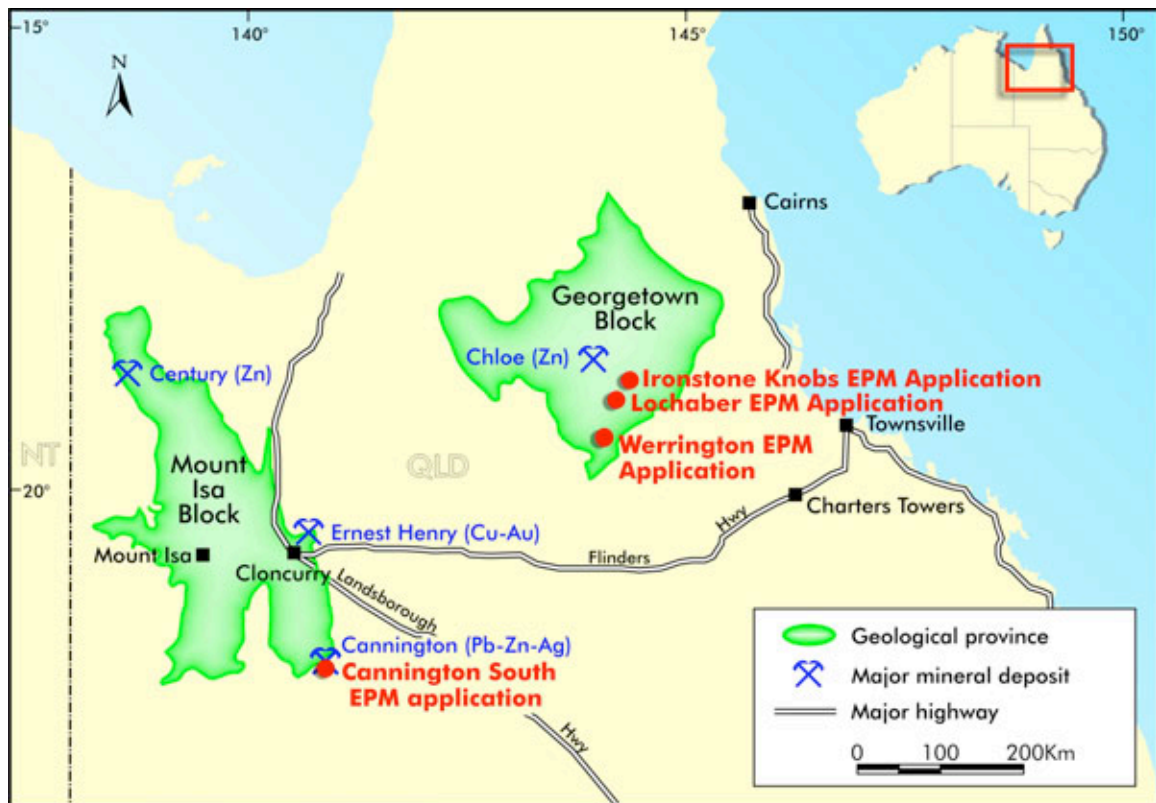
Drake has now received a detailed geological interpretation of the Doverstorp area from its consultants. The interpretation is based on the detailed airborne magnetics and geological mapping completed in 2007.

DRAKE BASE METAL PROPERTIES - AUSTRALIA

Drake has five licence applications in northern Queensland, in the Georgetown Block and is building a substantial land holding. This district contains Copperstrike's emerging Chloe copper-zinc deposit and other prospects: Chloe (1.82Mt @ 5.12% Zn, 2.23% Pb, 42g/t Ag & 0.25% Cu), Einasleigh copper (0.83Mt @ 3.0% Cu, 0.13g/t Au & 14g/t Ag), the Kaiser Bill deposit (13.4Mt @ 0.83% Cu, 0.13g/t Au & 6g/t Ag).

This district is considered geologically to be the eastward extension of the Mt Isa region, and is only separated from Mt Isa by sediments of the Great Artesian Basin.

Consequently Drake is searching for equivalents of the large and very profitable Cannington silver-lead-zinc deposit operated by BHP Billiton, and the presence of deposits such as Chloe are confirmation of the potential of the Georgetown district.



Location Plan, Drake Projects

DRAKE – PROJECT GENERATION

Drake continues to seek out zinc exploration and development opportunities in several of the most prospective areas around the world.

Several further targets are under consideration in Australia, Sweden and Canada, and a number of areas of interest are being discussed with third parties.

Skommer and Ruda

Preliminary exploration of the Skommer and Ruda base metal properties in northern Sweden has been conducted.

Initial programmes of glacial till sampling were completed to facilitate the assessment of the properties in 2007. The initial assay data of the till samples was encouraging and further programmes of sampling have been completed during this year's field season.

Assays results for these programmes are awaited.

Finland

The Drake-OZ Minerals Alliance commenced the evaluation of opportunities in the zinc-, copper- and nickel belts of southern and central Finland in the first half of 2008. The region is host to several current and historic base metal mines, including Outokumpu, Kotalahti, Vammala, Pyhasalmi and Vihanti.

Drake is now in the process of a major phase of data acquisition and interpretation. Field reconnaissance and follow up of initial targets were carried out in August and September and the results from this work are currently being interpreted.

MT CARRINGTON SILVER-GOLD, NEW SOUTH WALES

Drake has granted an option to Rex Minerals Limited (Rex) to purchase all of its interests in the Mt Carrington gold-silver project in northern NSW. These interests include Drake's option to purchase a 90% participating interest in 22 mining and related leases from Virotec International PLC (Virotec), Drake's 90% interest in EL 6273 with Cazaly Resources Ltd (Cazaly), and its 100% interests in ELs 6452 and 6453. Drake's agreement with Rex follows lengthy discussions involving all four companies with a view to restructuring the project for advanced-stage exploration and resource assessment.

Mt Carrington is an epithermal gold-silver system. The project was mined by Mt Carrington Mines Ltd in the late 1980s and lay dormant until Drake acquired its option over the leases in 2005.

Drake completed a focussed programme of data acquisition, processing and interpretation. After this programme, Drake conducted detailed structural mapping and reverse circulation drilling of targets in the gold, silver and supergene copper systems. This work confirmed the presence of a gold-silver resource and Drake concluded that a major exploration and development programme would be required to progress the project.

Following data compilation, assessment and access to land requirements, Rex plans to conduct regional field exploration work in November and drilling of the main prospects at Mt Carrington early in 2009.

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 is a member of the Australian Institute of Geoscientists, and 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.