

17 May 2010

Drilling begins at Domängruvan Massive Sulphide Prospect

- **The Domängruvan copper-zinc sulphide deposit lies immediately east of the city of Falun, and is highly prospective for massive and disseminated sulphide mineralisation**
 - **The old workings were mined for sulphur in the First World War to 20 metres depth but remains open along strike and at depth**
 - **Assay samples taken from the waste dumps and surrounding areas gave the following ranges for copper and zinc:**

Copper:	0.03 – 4.4% Cu
Zinc:	0.8 – 6.1% Zn
 - **The area has been occupied by the Swedish military since the First World War, and no exploration has been permitted for almost a century**
- **Drilling of the Domängruvan target has commenced**

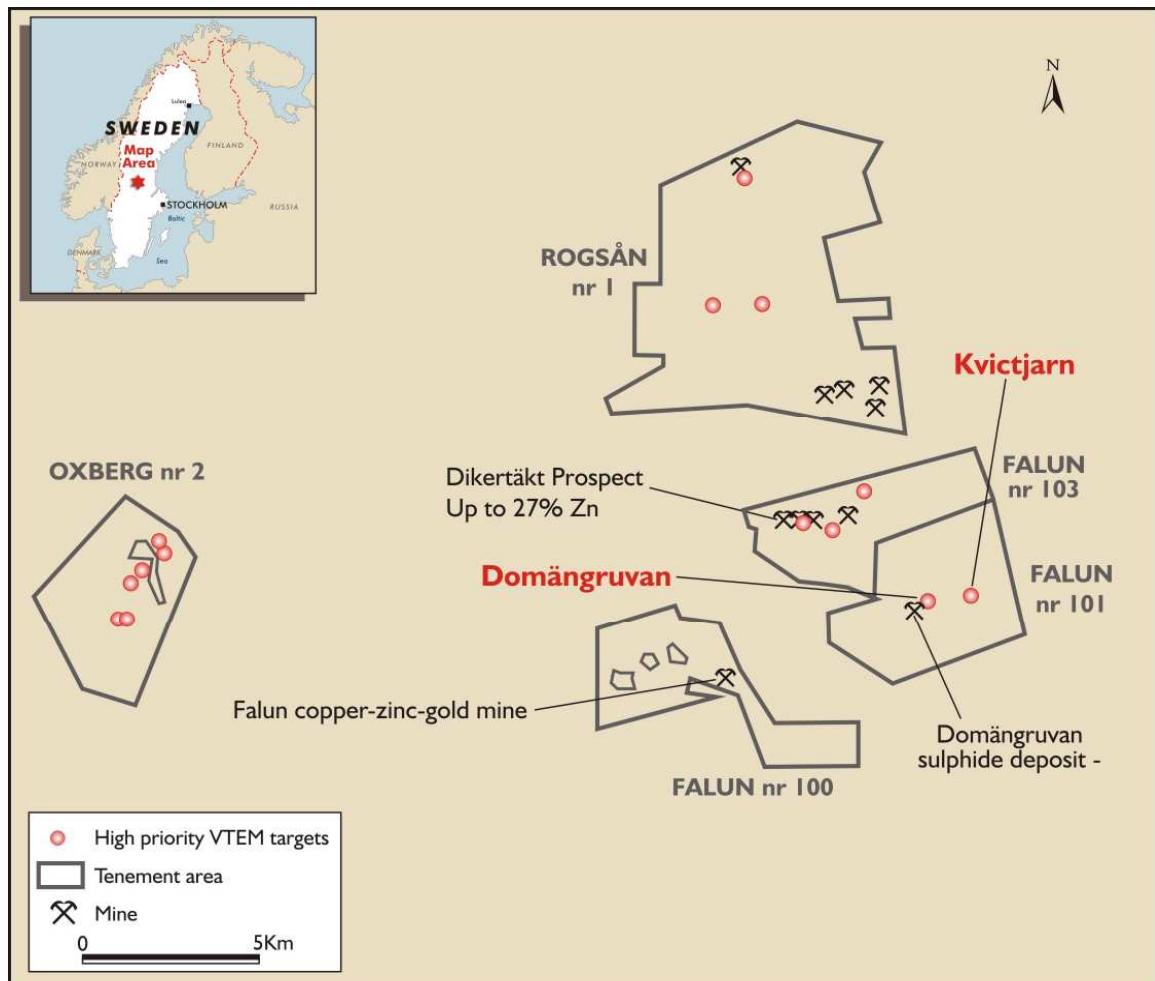
Drake Resources (ASX: DRK, “Drake”) holds the Falun East permit immediately east of the Falun copper-zinc-gold mine. This permit forms part of the Bergslagen Joint Venture with Royal Falcon Mining.

Drake has carried out field investigations around the geophysical targets generated in the VTEM survey completed in 2008. The VTEM airborne electromagnetic method is a very successful technique in identifying buried sulphide deposits. Examples of major mines discovered by electromagnetic techniques are Hellyer in Tasmania and Kidd Creek in Canada amongst many others.

The VTEM electromagnetic survey defined two main targets at Falun East, at Domängruvan and Kvictjärn.

The world-class Falun copper mine operated for over 1300 years until its recent closure in 1992. During the 17th and 18th centuries Falun was the world’s largest copper mine. Whilst best known as a major copper producer, the Falun was also Sweden’s largest gold mine and the second largest silver mine.

Drake’s Falun East permit covers the area immediately east of the Falun township. This permit contains the Domängruvan massive sulphide occurrence, which is a historic mine that closed in 1917.



Falun East Targets

Domängruvan was mined primarily for pyrite during the First World War. Development and drilling at the time reached depths of only 20 metres. The records of this mining, retained by the Mines Inspector's office in Falun, indicate that the material mined contained massive and disseminated sulphides. There has been no drilling below this depth.

Material on the waste dumps indicates that pyrite is the dominant sulphide, but sphalerite and chalcopyrite are also present.

This area has been occupied by the Swedish military since the First World War, and no exploration has been permitted since then. This highly prospective zone was, therefore, not been subject to any recent exploration technologies.

The VTEM target at Domängruvan is located to the northeast of the old workings. A magnetic anomaly is coincident in part with the VTEM anomaly.

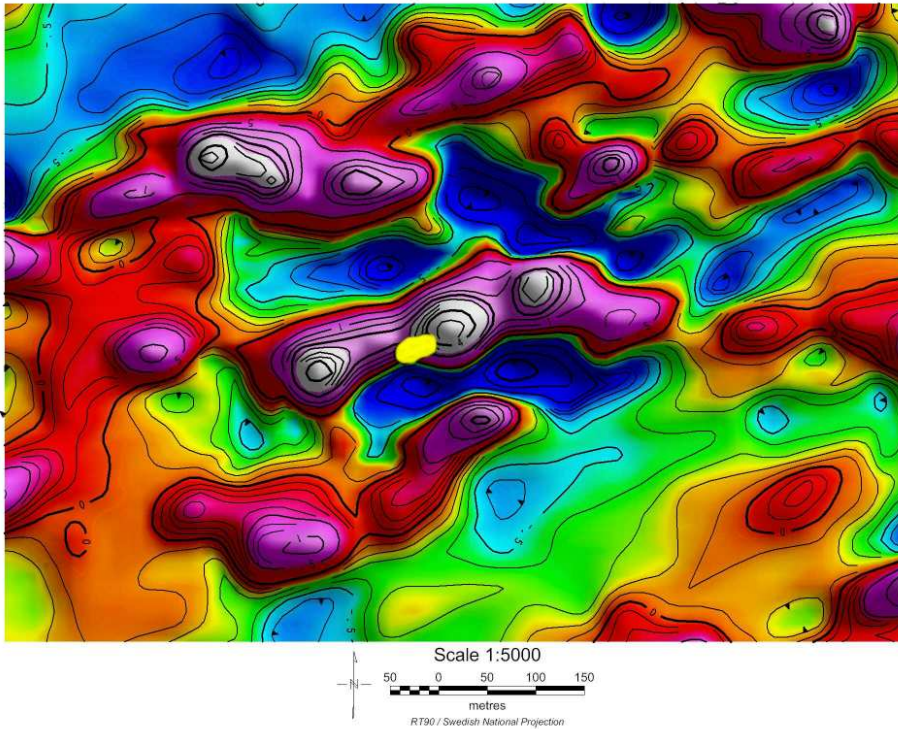


Image of the airborne magnetics for the Domängruvan area; the old working is shown as a black rectangle

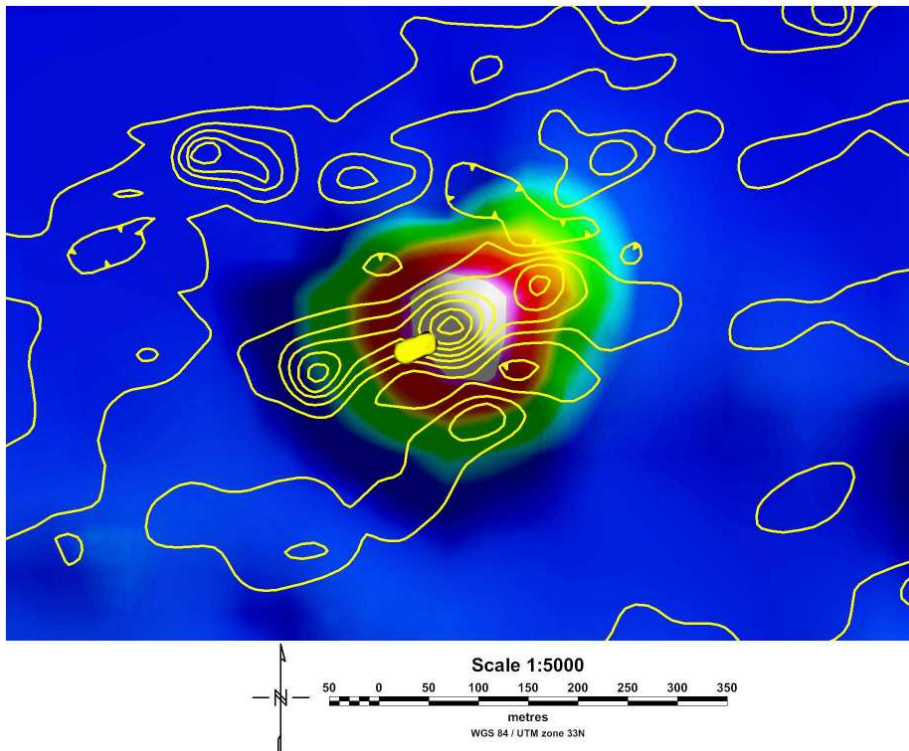


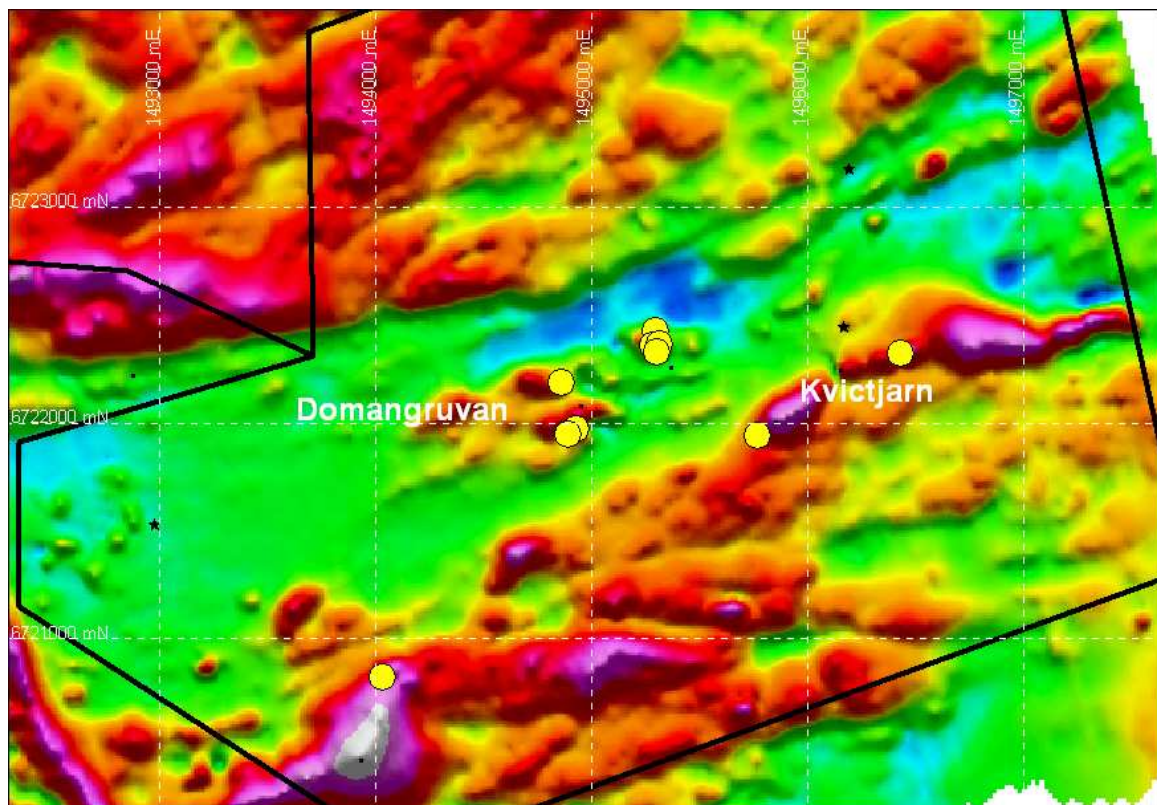
Image of the Domängruvan VTEM anomaly, with magnetic contours in yellow

Systematic rock chip and waste dump sampling near Domängruvan has identified an area of 1800 by 800 metres where five old workings show anomalous metal content. Copper contents vary between 0.05 and 4.4%, zinc between 128ppm and 6.1%, and silver between 0.3 g/t and 9.9 g/t.

Follow up rock chip sampling defines a zone of at least 1000 metres strike, to either side of the sulphide deposit with anomalous zinc (138-493ppm, and copper (86-550ppm).

These results are encouraging for the presence of extensive base metal mineralisation over a considerable strike length at Domängruvan.

The coincidence of the geochemical, magnetic and VTEM features led Drake to propose that the Royal Falcon Joint Venture drills this target. This has now commenced.



Copper at greater than 200ppm in rock chip samples (yellow dots) on detailed magnetics for the Falun East area; grid squares 1000 metres

-ENDS-

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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.