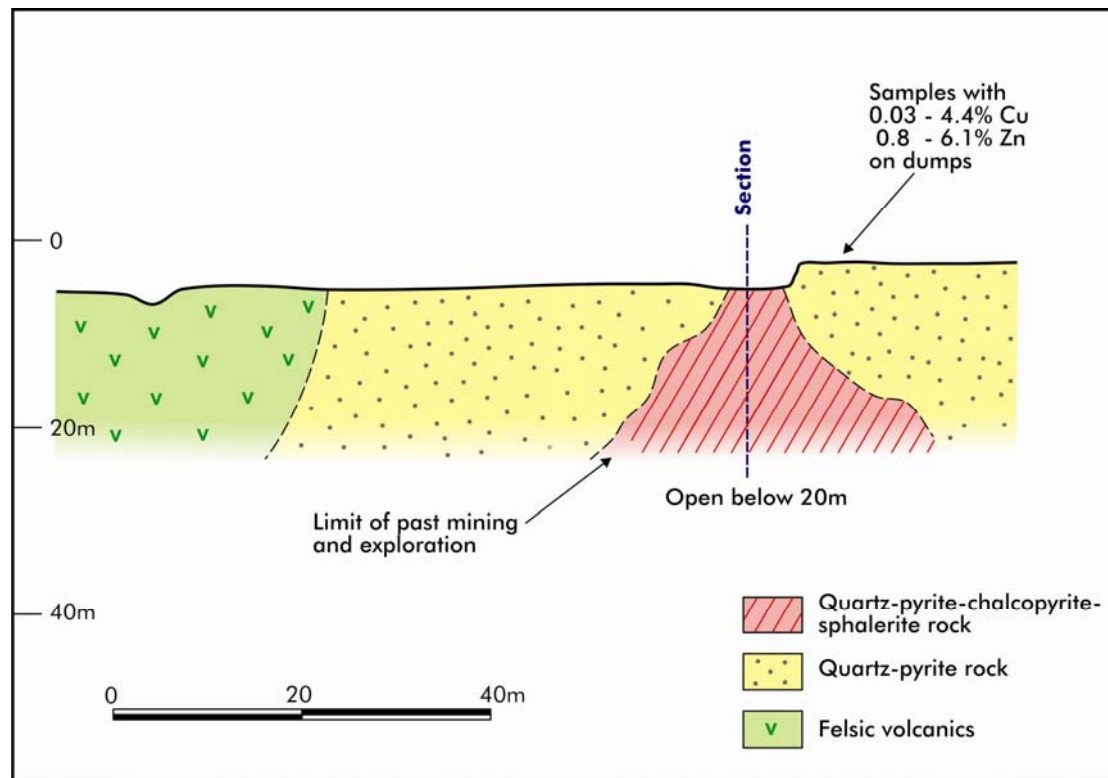


Other Falun Targets

Domängruvan

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



Domängruvan : Long Section

The thickness of the quartz-pyrite-chalcopyrite-sphalerite rocks appears to be increasing between the surface and 20 metres depth. 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. Six samples were collected from the waste dumps. The assays of these samples gave the following ranges for copper and zinc:

Copper: 0.02 – 4.4% Cu

Zinc: 0.5 – 6.1% Zn

This area has been occupied by the Swedish military since the First World War, and no exploration has been permitted since then. Hitherto, this highly prospective zone has not seen any modern exploration, including geophysical surveys to detect mineralisation at depth.

In 2008, Drake included this area in its high-resolution helicopter-borne geophysical survey, and located a coincident VTEM/magnetic anomaly to the northeast of the old workings at Domängruvan. This magnetic/conductive zone forms a coherent exploration target.

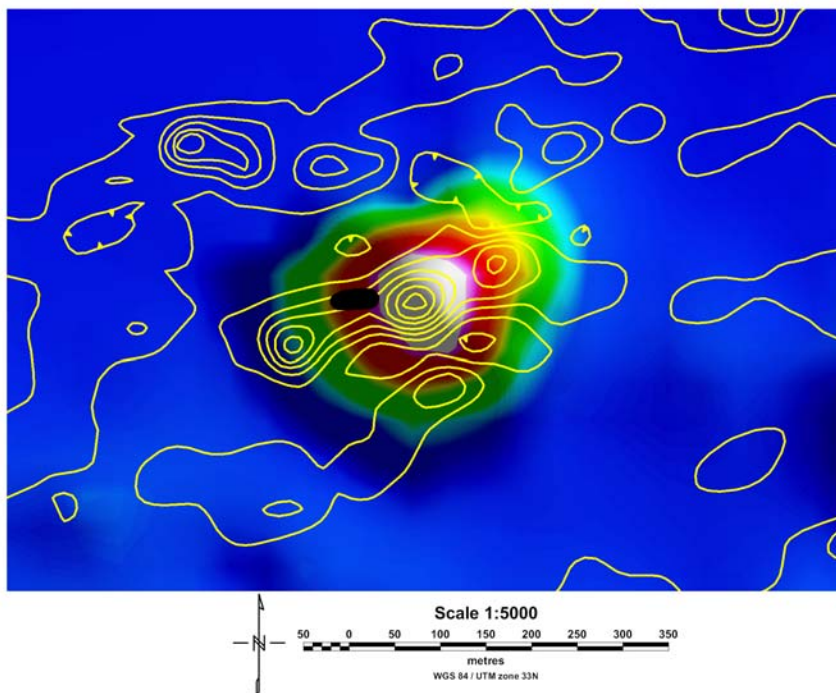
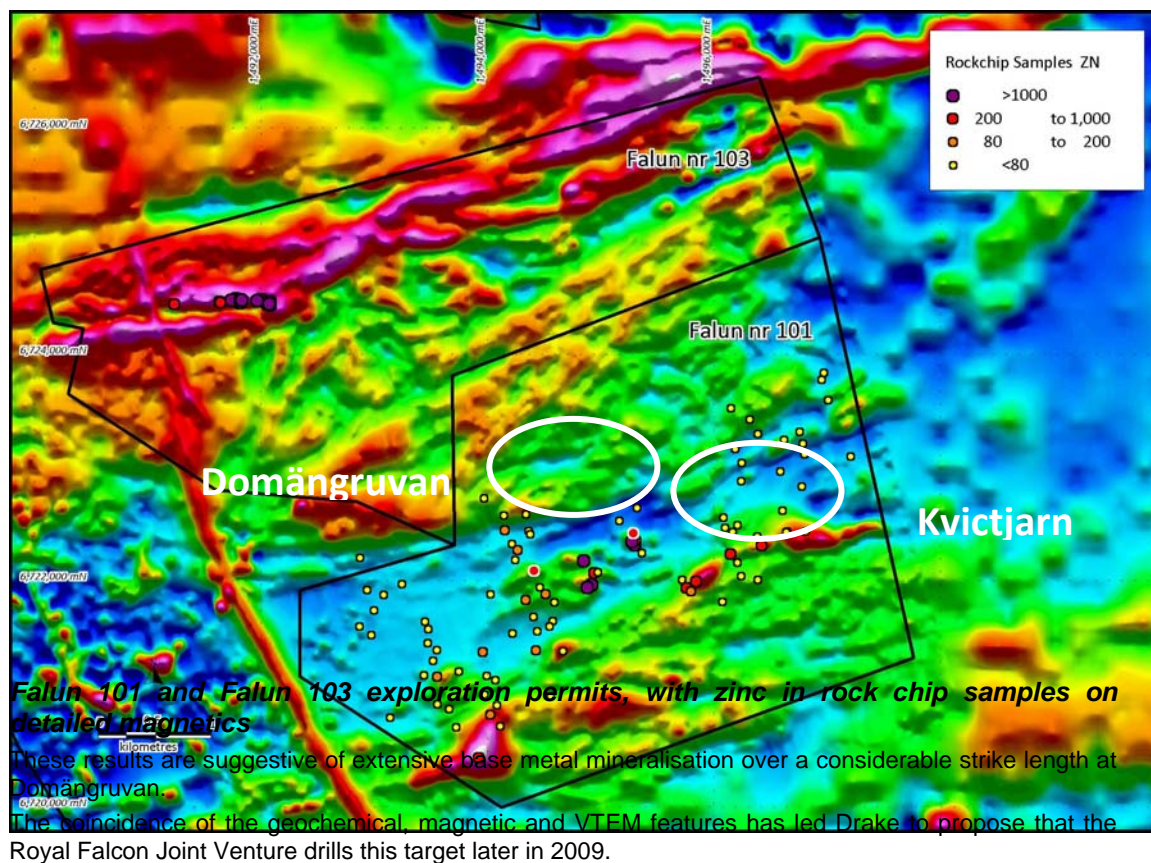


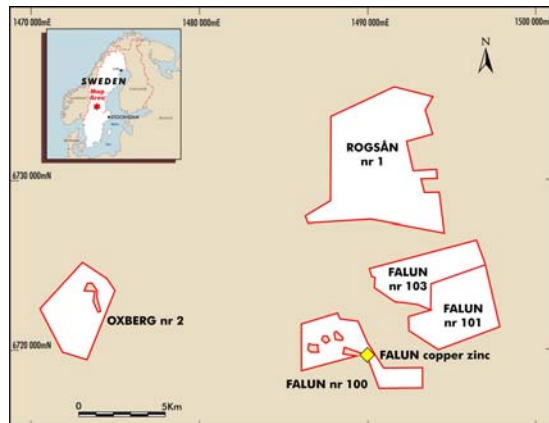
Image of the Domängruvan VTEM anomaly, with magnetic contours in yellow

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 Domängruvan sulphide deposit with anomalous zinc (138-493ppm, and copper (86-550ppm).



Rogsån Exploration Licence

Rogsån is also part of Drake-Royal Falcon Joint Venture; it is located approximately 10 kilometres to the north of the mining centre of Falun.



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

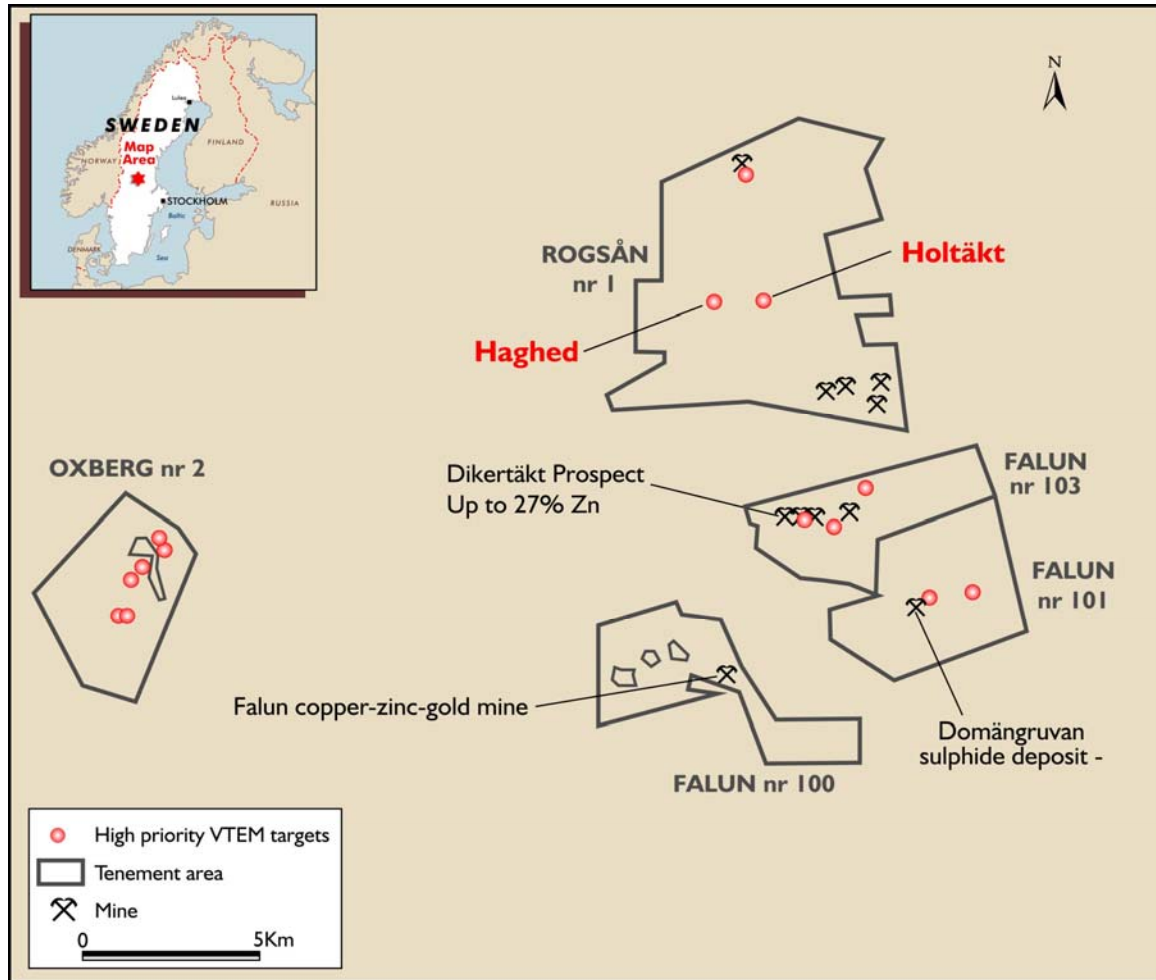
The licence is characterised by:

- 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.

Drake has carried out field investigations around the geophysical targets generated in the VTEM survey completed in 2008. That survey identified two strong conductor targets in the Rogsån permit, approximately 10 kilometres north of the Falun copper-zinc-gold deposit.

The copper-zinc-gold massive sulphide deposits in this province of Sweden occur at particular horizons within volcanic belts. The two targets in the Rogsån permit occur in the next volcanic belt north of that containing the large Falun deposit.

The volcanic belt in the Rogsån permit does contain several small copper and zinc occurrences. The Svärdsjö base metal mine, which was mined up to 1992, occurs 14 kilometres along strike to the east in the same belt.



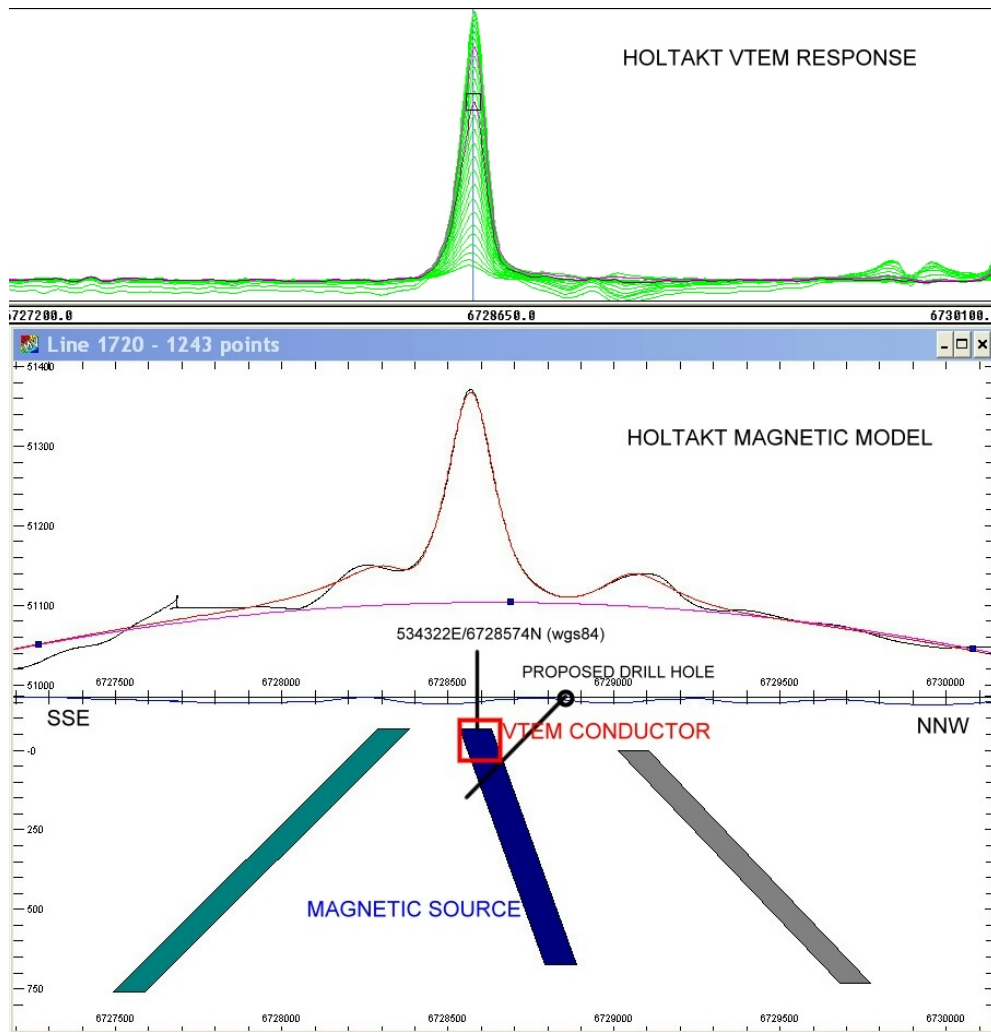
Falun District - Program

Holtäkt target

The Holtäkt target is a strong combined VTEM and magnetic anomaly. Both the VTEM and magnetic anomalies occur across 5 flight lines, implying a strike length of at least 450m.

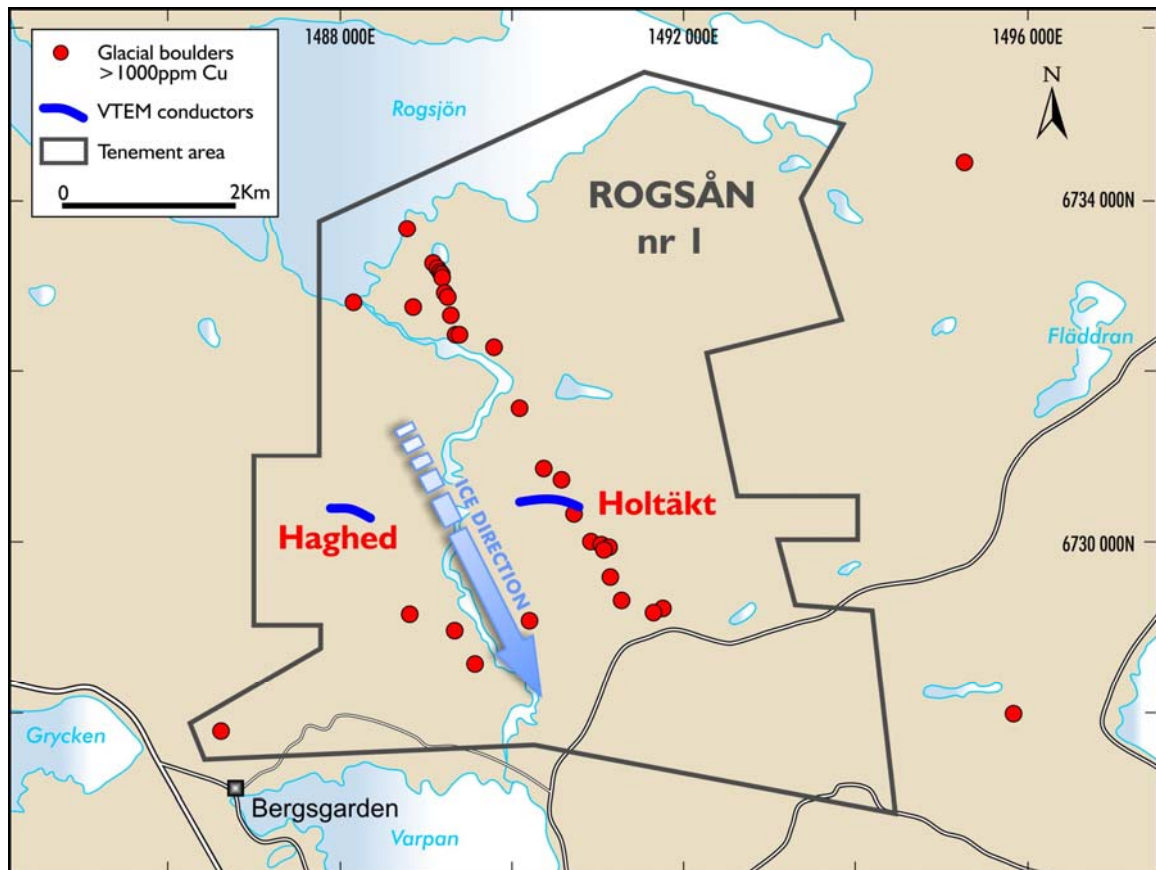
The magnetic source is modelled as a steeply north-dipping body, the top of which lies at a depth of about 80 metres below surface. There is no evidence of a cultural source to the anomaly, and the area is covered by forest and swamp. Thick glacial till is evident in the nearby gravel quarry, covering any outcrop of bedrock in the area. A provisional drill hole site has been located to the north of the target on high ground where access is relatively easy.

The Holtäkt target also appears to be the source of a train of glacial boulders containing copper mineralisation. The map below shows boulders sampled by the Swedish Geological Survey in the area, with red dots indicating the boulders with more than 1000ppm Cu.



Holtäkt target: Geophysical section showing the interpreted position of the VTEM target and the interpreted dip of the magnetic body

Drake and its partner, RFM, are planning to drill test Holtäkt later in 2009.



Falun District - Rogsån VTEM Targets

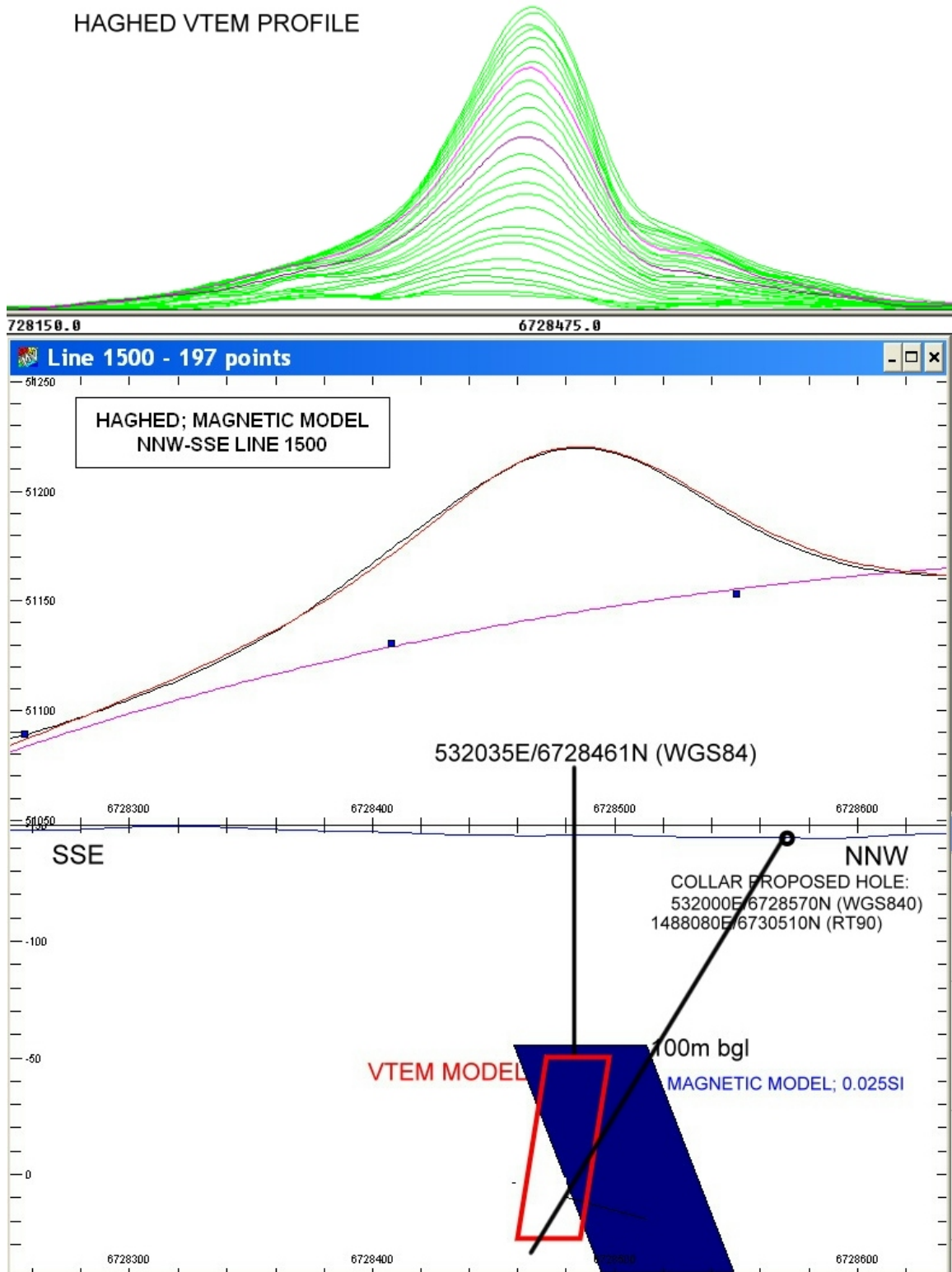
Copper-bearing glacial boulders in the vicinity of the Holtäkt and Haged targets (red dots)

Haged target

The Haged target is a moderate to strong VTEM anomaly coincident with a moderate magnetic signature.

The anomaly extends across three survey lines, indicating a strike length of up to 250 metres. A small tungsten occurrence occurs about 600m to the west.

HAGHED VTEM PROFILE



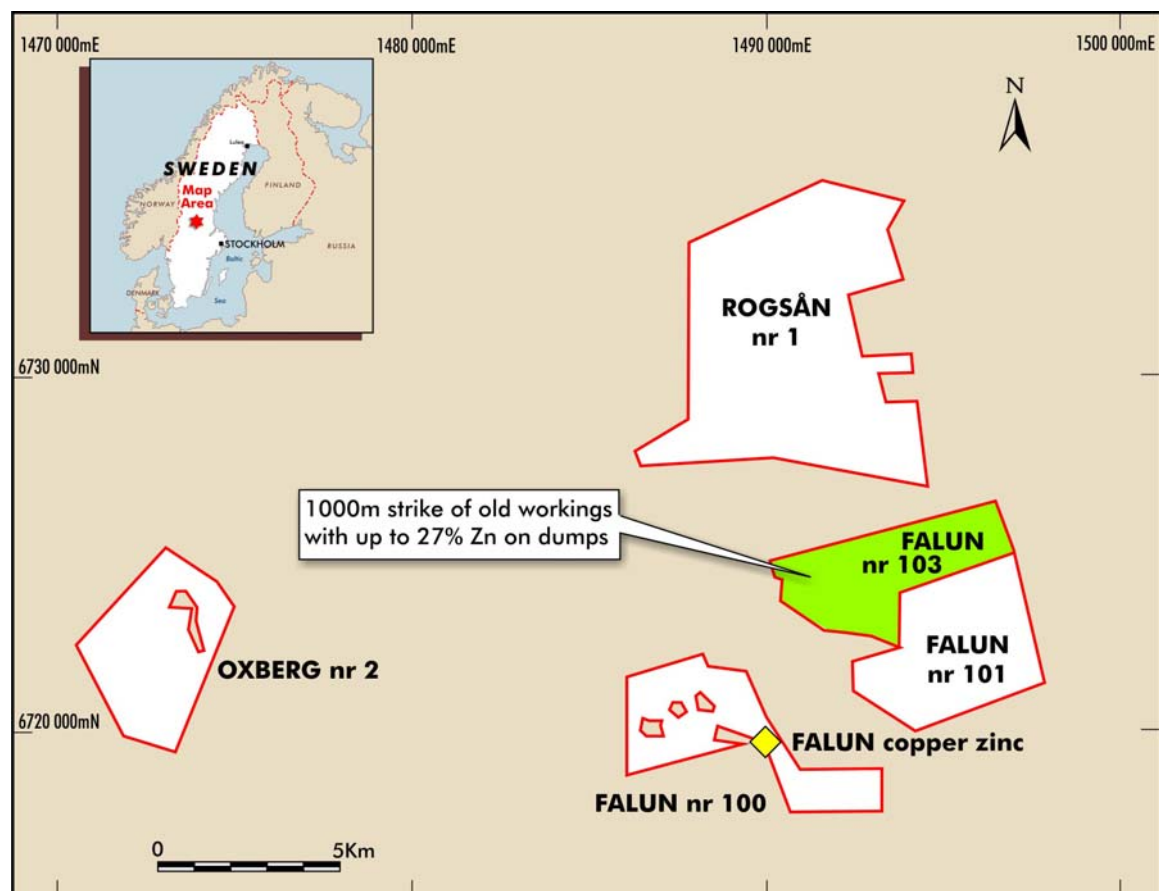
The top of the geophysical body is modelled at approximately 100 metres below the surface. Both the VTEM and magnetic models suggest steep dips, and it is anticipated that the target body is near vertical.

The Hagged target occurs in a heavily forested area cut by small streams with no evidence of culture. Glacial till is present at the surface.

Digertåkt

The Digertåkt 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. The prospect forms a line of six shafts that extends over 1,000 metres. The continuity of mineralisation between these shafts is not known.



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

Reconnaissance exploration has been completed in the Falun No. 103 licence. During reconnaissance, it was noted that the waste dumps close to the shafts contain massive sulphides, which, in places, are rich in the zinc sulphide mineral, sphalerite. Assays of grab samples from the dumps reveal metal contents up to 27% zinc and 14% lead with anomalously high copper, gold and silver.

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 suggest that ores with very high zinc, lead and silver grades may have been mined at Digertäkt. Geological reconnaissance in the till-covered areas north of the workings resulted in the discovery of several mineralised boulders, suggesting that there may be more than one mineralised horizon at Digertäkt.

Drake's state-of-the-art helicopter-borne VTEM survey carried out in 2008 revealed a significant conductor to the east of the line of workings. The conductor is interpreted as being derived from a bedrock source; it is a coherent target.

The Joint Venture is carrying out further ground work to determine drilling strategies in the area.