

10 March 2009

**HISTORIC ASSAYS HELP DEFINE THE EXTENT OF THE EASTERN GOLD-COPPER ORES AT DRAKE'S FALUN COPPER-GOLD-ZINC PROPERTY, SWEDEN**

- **At the historic mine site of Falun, recently obtained assay data from previous drilling show that the Eastern Copper-Gold Zone has a length of 500 metres, is up to 200 metres wide, and extends to at least 550 metres depth**
- **High grade parts of the Zone were selectively mined for copper 100-300 years ago**
- **The past mining did not take into account the gold content of the ores**
- **The Eastern Copper-Gold Zone represents a large but poorly defined zone of remnant gold-copper mineralisation that will be the focus of Drake's 2009 exploration programme at Falun**
- **As previously reported the Zone includes near-surface high-grade gold-copper mineralisation with intersections including 24m @ 5.8 g/t Au and 0.5% Cu, 42m @ 3.4 g/t Au and 0.5% Cu, and 16m @ 7.1 g/t Au and 0.7% Cu**

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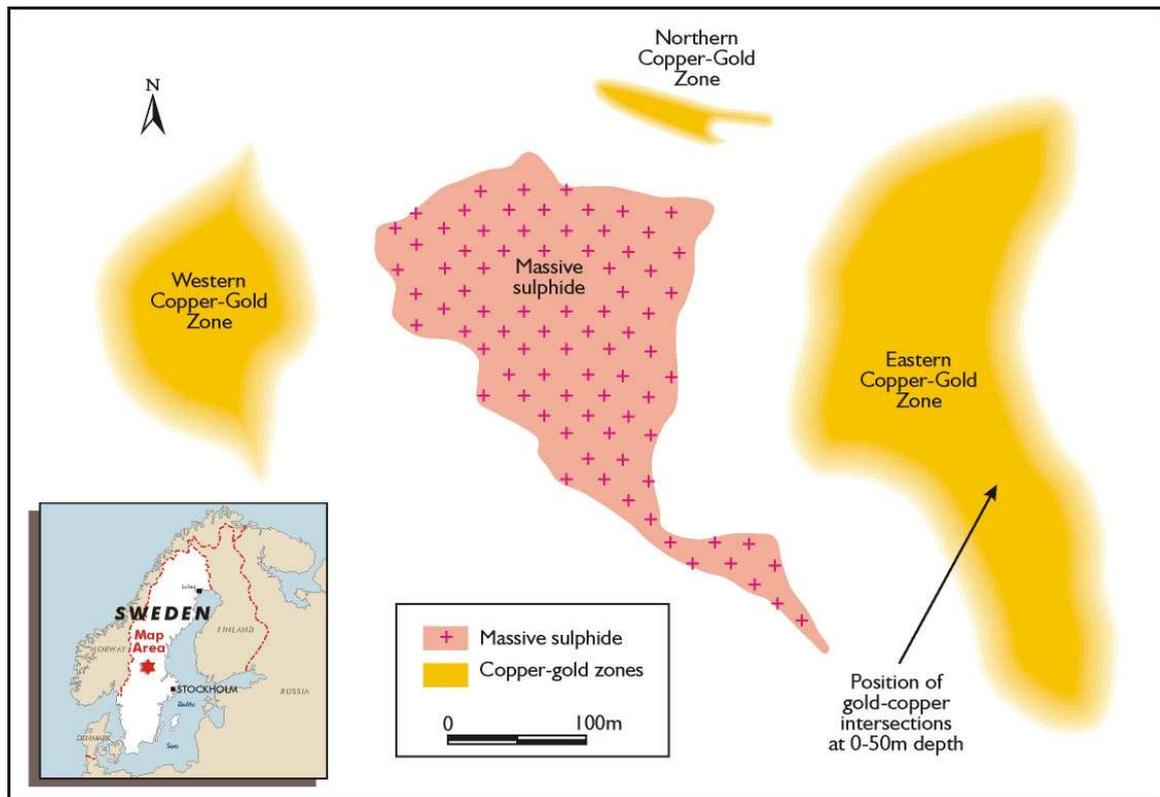
**Drake Resources** (ASX: DRK, "Drake") now holds the permit covering the historic Falun copper-zinc-gold mine in its own right. The Falun mine operated from approximately 700AD until 1992. The main production from the mine was massive copper- zinc- and gold-bearing sulphides.

Drake has recently recovered the assays for 985 historic drill holes that were completed when Falun was in operation. The company is continuing to evaluate this extensive database, but already it has highlighted the potential for gold and copper at the old mine site.

Only drilling undertaken in the last few years of operation was assayed for gold, and consequently Drake has a limited picture of the potential for gold across this extensive ore system.

As well as compiling past assays of the drill core, Drake has added sulphide mineralogy logging data for the mine drilling into its database. This is an important set of data that helps to outline the distribution of mineralisation in the vicinity of the Falun orebodies.

Drake has continued to focus on the largely un-mined copper-gold orebodies at Falun. These have considerable volume both east and west of the main massive sulphide body. They received only limited testing by the miners who were mainly interested in the massive sulphide ores.



**Falun Copper-Zinc Mine, 145m Level**

### The Eastern Copper-Gold Zone

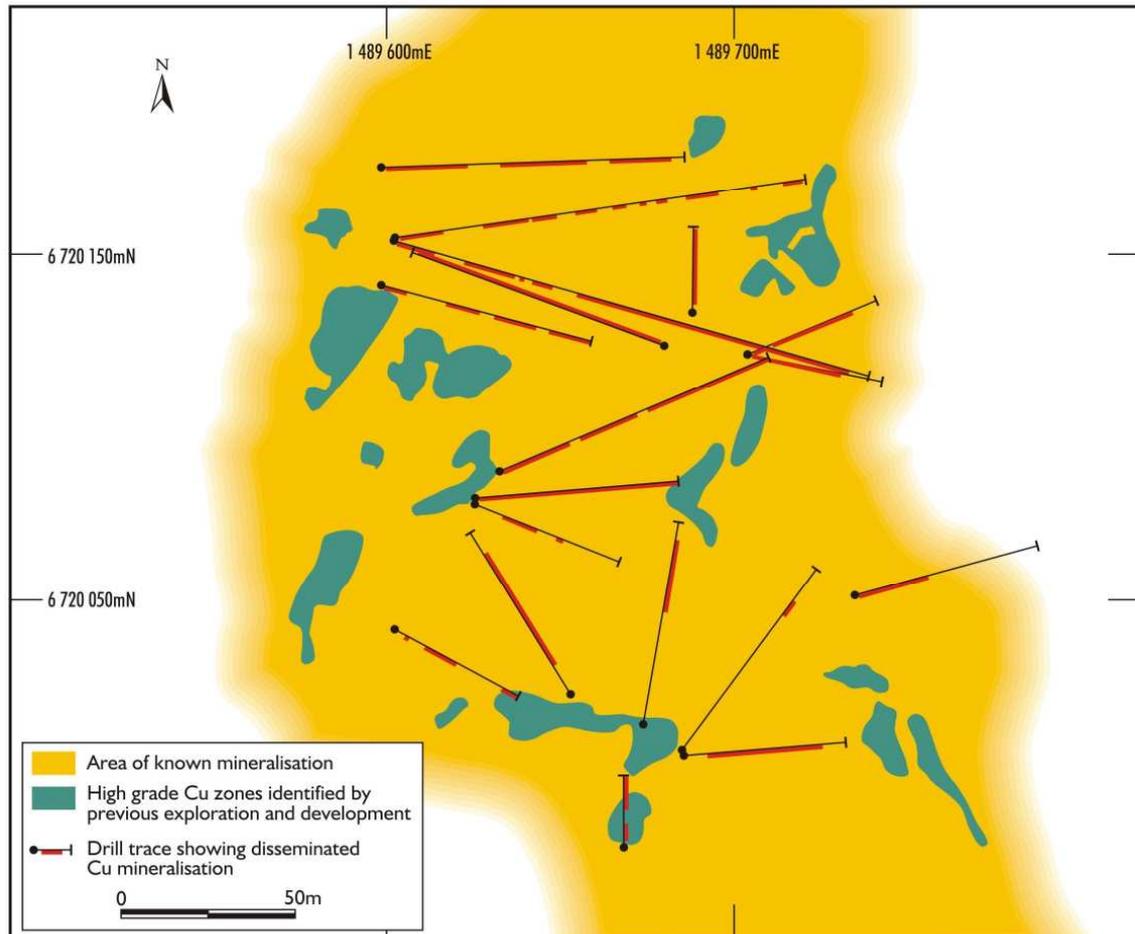
The Eastern Zone is an area that adjoins the main pit in the massive sulphide deposit. It was partly mined between 100 and 300 years ago. It is anticipated that mining practices at that time would have only extracted copper ores with in excess of 2-3% copper. Most lower-grade mineralisation probably still remains in the ground. Local drill intersections exceed 7% copper.

There is little information and assays for gold in this zone, but Drake's ASX release on 24<sup>th</sup> February 2009 shows that parts of the zone contain grades of 3-6 g/t gold.

The extent of the Zone has been partly defined by past mining and drilling. It extends for at least 500 metres in a north south direction. It is open to the south, and may link up with more mineralisation further to the north.

The Zone has been detected to 550 metres depth, and old mine reports suggest that it may extend to 1100 metres depth. Declines and shafts at the mine, which are still open and offer potential access, extend down to 600 metres depth.

The plan at the 145 metre level below indicates the extent of the lenses of high grade copper ores in green, and the presence of chalcopyrite along drill holes in red. These indicate that much of the Zone is mineralised, although the limited assaying of the historic drill holes does not provide information on the grade of the material.



***Falun Copper-Zinc Mine, Eastern Copper-Gold Zone***

There has been no systematic assaying of drill holes through this Zone prior to 1990, the second last year of exploration.

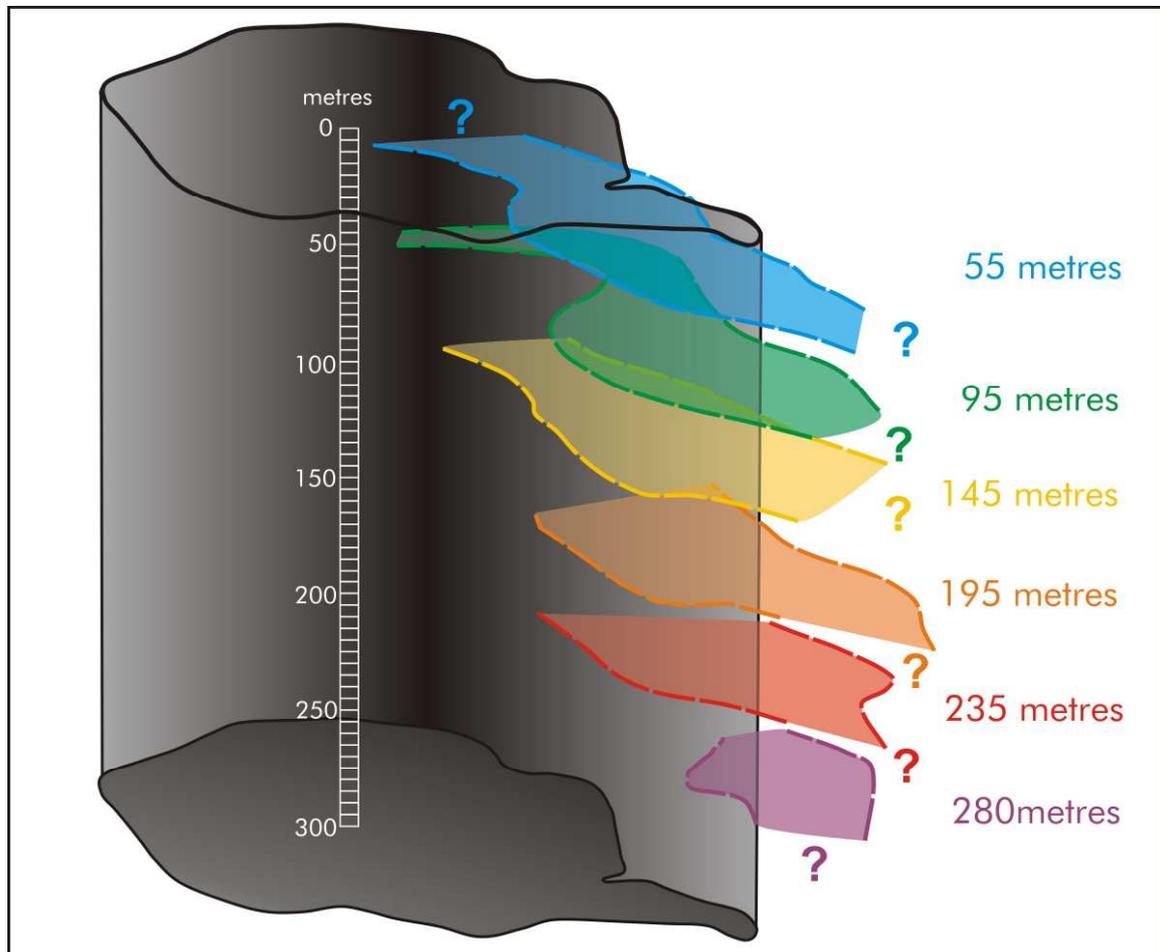
Examples of drill hole intersections through the upper part of Eastern Copper-Gold Zone include:

55 metres level: Hole 10/1961 at the N end of this zone 8.7m @ 3.7% Cu, 18 g/t Ag and 0.5 g/t Au

95 metres level: hole 25/1961 at the N end of this zone contains an intersection of 4.0m @ 2.84% Cu

145 metre level: Hole 3/1966, through the centre-north of the zone, has disseminated chalcopyrite mineralisation over much of its 143.9m length

There is no drill testing of the Zone below this level in its northern half, as is shown in the figure below.



***Extent of copper-gold zone at decreasing levels at the Falun mine; the surface extent of the of pit at Falun is projected to depth in grey for location purposes.***

The form of the mineralisation is poorly understood because of the paucity of drill core. The historic drill logs indicate that the mineralisation comprises disseminated chalcopyrite and thin quartz veins containing gold, copper and bismuth.

The copper and gold mineralisation is hosted by the silica alteration zone that envelopes the Falun massive sulphide body. The alteration zone contains varying amounts of biotite, anthophyllite and sulphides. Chalcopyrite is the dominant sulphide present. The Swedish mine geologists regarded the Copper-Gold Zone as a "stockwork" or "stringer zone" to the compact massive sulphide ores.

The quartz veins have two different forms:

- 1) Milky quartz weakly impregnated with chalcopyrite
- 2) Au-bearing quartz veins, sometimes showing some zoning with milky quartz at the edges, and a coarser quartz towards its center. These veins include electrum, chalcopyrite, pyrrhotite and laitakarite

Drake's future exploration programme at the Falun mine will include drilling and systematic sampling through the Eastern Copper-Gold Zone. Only when this is completed will there be an understanding of the distribution and grade of copper and gold through the zone. This work will also lead to a marked improvement in the knowledge of the style and distribution of the mineralisation.

-ENDS-

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

**About Drake Resources**

**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. Recent rock chip samples at Digertåkt indicated exceptional zinc grades (up to 27%) and drill testing is underway to locate additional areas of interest.



The Company has also completed near-surface drilling at the Grönhög Project, located only 2km southeast of the second largest copper producer in the province, the Bersbo mine. The awaited assays may help determine if these mineralised zones are linked geologically.

Drake believes there are additional opportunities to add value to its Australian assets in Queensland, New South Wales and Western Australia. A number of areas of interest are being discussed with third parties.

#### **About the Falun copper-gold-zinc deposit**

Falun was one of the great base- and precious metal mines of the world. It formed a cornerstone of the Swedish economy for centuries. Drake now holds an exploration permit covering this deposit.

- Falun is a World-class ore system that was mined from ~700-1992
  - Largest copper producer in the world in the 1600s and 1700s - 35 million tonnes of ore were mined at 1-3% Cu, 2-6% Zn and 1-7 g/t Au.
  - Falun is located within a major siliceous alteration zone that extends continuously for eight kilometres within the Drake licence
- The zone is up to 800 metres in width, and shows no sign of reduction with depth
  - Comparisons with similar major ore systems such as Rosebery and Golden Grove suggest that only some 10% of the potential system has been tested.
  - The structural geologist building the 3D model for the mine considers that the margins of the massive sulphide deposit is fault controlled
  - Exploration during mining at Falun focused on the immediate extensions of the massive sulphide body; however, there was also a programme to assess part of the copper-gold and gold-bismuth ores in the last 6 years of operation
    - This demonstrated that copper-gold mineralisation extended to at least 1000 metres depth.
    - The projected surface area of one copper-gold system is 200,000 m<sup>2</sup>
    - Examples of holes that were effectively assayed include 42m @ 0.5% Cu and 3.4 g/t Au, 24m @ 0.5% Cu and 5.8 g/t Au
    - The mine closed before these could be followed up