

13 March 2009

**MT CARRINGTON OPTION AGREEMENT WITH REX MINERALS LTD**

Drake Resources (ASX: DRK, "Drake") has modified the terms of the option agreement between Rex Minerals Ltd ("Rex") and Drake Resources for the Mt Carrington Project. An option for the sale of the Project was entered into with Rex on April 28th, 2008.

The Mt Carrington project comprises 3 Exploration Licences currently held by Drake and 22 Mining Leases currently held by Mt Carrington Mines.

Under the revised terms of the Option Agreement total consideration for the sale of the Mt Carrington Project is as follows:

- Total cash consideration of \$735,000; \$135,000 was paid on the granting of the option, \$350,000 is to be paid on the exercise of the option in April 2009 and the balance is payable on transfer of the tenements to Rex
- 2.0 million Rex Shares.
- Rex is to assume the bond and liabilities associated with the mining leases and exploration licences.

The sale is conditional upon Rex obtaining the renewal of the Mining Leases, and the consent from the Minister to the transfer of the Mining Leases to Rex.

Drake is pleased that the option agreement for Mt Carrington is progressing well and that the company will gain a significant equity position in Rex. Rex has recently announced very positive copper-gold results from its exploration at its Hillside Prospect in South Australia.

-ENDS-

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**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 Digertäkt 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

*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.*