

18 November 2009

## Additional significant gold and copper intercepts obtained in Sweden

Drake Resources (ASX: DRK, “Drake”) is pleased to announce that additional significant assays for the drilling programme at Falun, Sweden.

The new results continue to confirm the presence of high grade gold reported previously in historic assays, and demonstrate that broad zones of gold and copper mineralisation remains at the site.

### Selected intercepts include

- **32.0 m @ 3.42 g/t gold, 0.7% copper and 0.04% bismuth** from 32.9 m (Hole 02-09); including **1.0 m @ 32.4 g/t gold, 1.4% copper and 0.15% bismuth**, and
- **14.7 m @ 2.5 g/t gold, 0.8% copper and 0.01% bismuth**, from 95.9 m (also Hole 02-09)
- **18.6 m @ 3.2 g/t gold, 0.9% copper and 0.03% bismuth**, from 8.8 m (Hole 08-09)
- **13.0 m @ 2.2 g/t gold, 0.4% copper and 0.02% bismuth** from 205.5 m (Hole 09-09)

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Drilling continues at the Falun copper-gold-zinc deposit in the Eastern Copper-Gold Zone. To date, 13 holes have been drilled for a total of 1963 metres. Three of the drill holes are repeat holes because of difficulties experienced with the original holes.

The results from the drilling demonstrate that gold-copper mineralisation occurs above, around and below the ores extracted in the historic mining operation at Falun.

Two further holes on the initial drill section reported on 27 October, 2009 contain substantial intersections of more than 3 g/t Au, and 0.7-0.9% Cu. The mineralisation intersected on this section comprises at least two zones, each at least 25 m wide, and these zones are open at depth. The current drilling only extends to approximately 80 m below the surface.

Furthermore, 200 metres to the north, on the northernmost drill section to date, drilling is starting to confirm the strike potential of the Eastern Copper-Gold Zone. Hole 09-09 encountered three zones of copper-gold mineralisation with a cumulative width of 30 m. This mineralisation is open at depth below 180 m.

All intercepts for the holes for which assays have been received are listed in Table 1 and depicted in the drill sections. Drill hole locations are given on the plan below.

The overall drilling programme comprises a total of 3,600 metres.



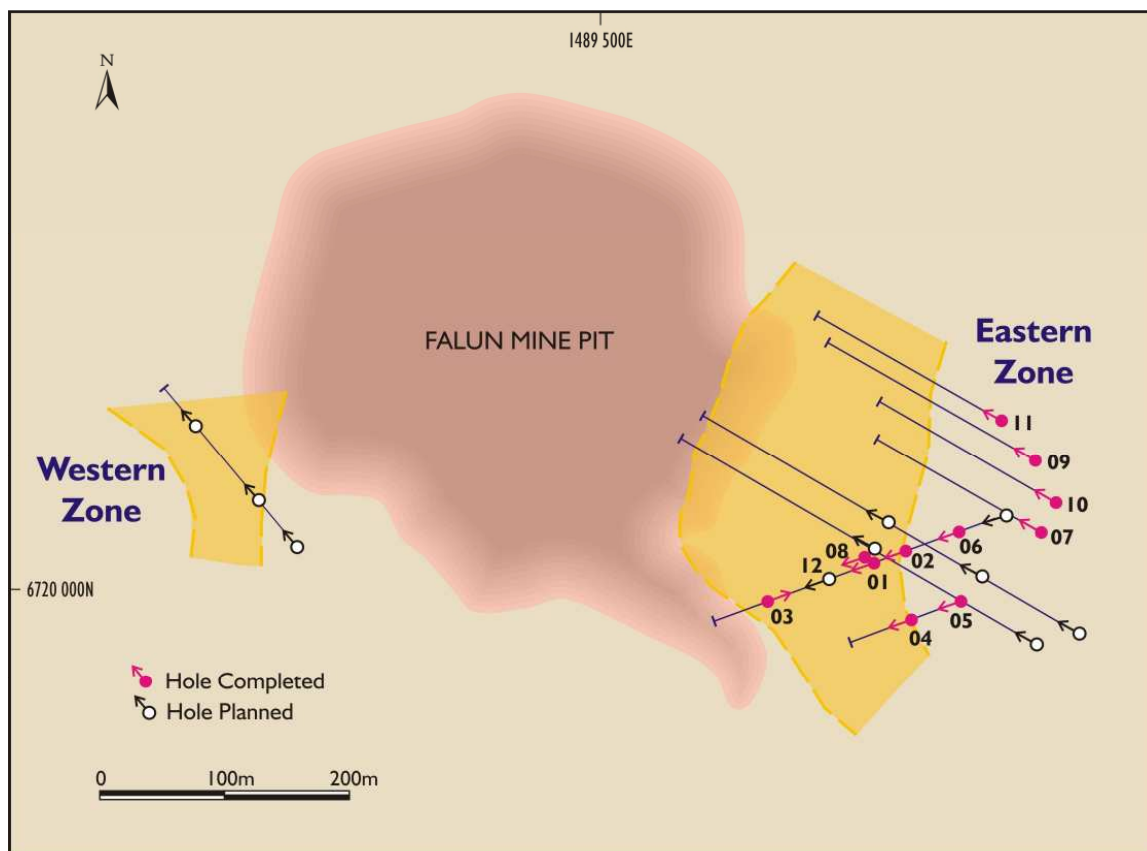
Sweden - Falun Location Map

**Table 1. Summary of New Falun Drilling Intercepts**

|   | <b>From</b>   | <b>To</b>     | <b>Intercept<br/>(m)</b> | <b>Au<br/>(g/t)</b> | <b>Cu<br/>(%)</b> | <b>Bi<br/>(ppm)</b> |
|---|---------------|---------------|--------------------------|---------------------|-------------------|---------------------|
| <b>Hole 02-09</b>                       |               |               |                          |                     |                   |                     |
|   | <b>32.85</b>  | <b>64.85</b>  | <b>32.00</b>             | <b>3.42</b>         | <b>0.66</b>       | <b>402</b>          |
| incl.                                   | 49.85         | 50.85         | 1.00                     | 32.40               | 1.43              | 1535                |
| incl.                                   | 55.85         | 56.85         | 1.00                     | 19.20               | 0.47              | 6200                |
| and                                     | <b>95.85</b>  | <b>116.37</b> | <b>14.65</b>             | <b>2.52</b>         | <b>0.80</b>       | <b>141</b>          |
| incl.                                   | 100.60        | 103.60        | 3.00                     | 9.16                | 2.42              | 562                 |
| <b>Hole 03-09 (previously reported)</b> |               |               |                          |                     |                   |                     |
|   | <b>16.62</b>  | <b>37.76</b>  | <b>21.14</b>             | <b>6.91</b>         | <b>0.92</b>       | <b>689</b>          |
| incl.                                   | 27.10         | 28.90         | 1.80                     | 40.10               | 1.05              | 3436                |
| incl.                                   | 28.30         | 28.90         | 0.60                     | 91.40               | 1.56              | 7840                |
| and                                     | <b>51.76</b>  | <b>85.50</b>  | <b>31.61</b>             | <b>1.77</b>         | <b>0.48</b>       | <b>408</b>          |
| incl.                                   | 74.66         | 79.76         | 5.10                     | 2.44                | 1.07              | 61                  |
| <b>HOLE 06-09 (previously reported)</b> |               |               |                          |                     |                   |                     |
|   | <b>57.00</b>  | <b>68.55</b>  | <b>11.55</b>             | <b>61.16</b>        | <b>1.22</b>       | <b>873</b>          |
| incl.                                   | 61.20         | 63.45         | 2.25                     | 308.65              | 3.96              | 3922                |
| incl.                                   | 62.70         | 63.45         | 0.75                     | 887                 | 5.92              | 6520                |
| and                                     | <b>78.55</b>  | <b>83.55</b>  | <b>5.00</b>              | <b>1.27</b>         | <b>0.66</b>       | <b>9</b>            |
| and                                     | <b>94.58</b>  | <b>101.28</b> | <b>6.70</b>              | <b>0.83</b>         | <b>0.23</b>       | <b>83</b>           |
| <b>HOLE 07-09</b>                       |               |               |                          |                     |                   |                     |
|   | <b>249.00</b> | <b>249.50</b> | <b>0.50</b>              | <b>2.19</b>         | <b>0.02</b>       | <b>1875</b>         |
| and                                     | <b>274.50</b> | <b>276.50</b> | <b>2.00</b>              | <b>1.24</b>         | <b>0.44</b>       | <b>3845</b>         |
| <b>HOLE 08-09</b>                       |               |               |                          |                     |                   |                     |
|   | <b>8.75</b>   | <b>27.35</b>  | <b>18.60</b>             | <b>3.20</b>         | <b>0.87</b>       | <b>336</b>          |
| incl.                                   | 13.45         | 14.00         | 0.55                     | 36.70               | 2.18              | 4730                |
| incl.                                   | 17.75         | 19.15         | 1.40                     | 5.12                | 2.56              | 176                 |
| and                                     | <b>31.51</b>  | <b>35.51</b>  | <b>4.00</b>              | <b>3.86</b>         | <b>0.35</b>       | <b>460</b>          |
| and                                     | <b>44.51</b>  | <b>48.81</b>  | <b>4.30</b>              | <b>0.61</b>         | <b>0.59</b>       | <b>8</b>            |
| and                                     | <b>72.81</b>  | <b>74.16</b>  | <b>1.25</b>              | <b>1.25</b>         | <b>0.85</b>       | <b>17</b>           |
| <b>HOLE 09-09</b>                       |               |               |                          |                     |                   |                     |
|   | <b>197.50</b> | <b>203.50</b> | <b>6.0</b>               | <b>0.13</b>         | <b>0.60</b>       | <b>26</b>           |
| and                                     | <b>205.50</b> | <b>218.50</b> | <b>13.00</b>             | <b>2.15</b>         | <b>0.41</b>       | <b>242</b>          |
| incl.                                   | 205.50        | 206.50        | 1.00                     | 24.30               | 0.27              | 1695                |
| and                                     | <b>221.50</b> | <b>232.50</b> | <b>11.00</b>             | <b>1.55</b>         | <b>0.53</b>       | <b>236</b>          |

*All intercepts are defined by using a 1 g/t Au equivalent cut off and maximum of 2 m waste dilution. Au and Cu equivalents based on Au price (taken October 22<sup>nd</sup>) of US 1057.8 /oz and Cu price of US 6565 /t*

The Falun mine operated from approximately 700AD until 1992. Almost no systematic assaying for gold was completed during this period. The exception to this is some of the last drilling completed in the Johannes-Lucas area of the mine, in 1990 and 1991. Significant intersections of gold and copper were encountered during this earlier programme.



**Falun - Planned Drilling Program**

The majority of these holes have intersected zones of disseminated pyrite and chalcopyrite. Localised zones of massive sulphide (up to 1 m intersections) composed of chalcopyrite and pyrite with rare sphalerite are dispersed within the disseminated zone. Veins with chalcopyrite, pyrite and bismuth are typically gold bearing. The vein gangue mineralogy is composed predominantly of quartz, biotite and gedrite.

The Falun copper-gold mine forms part of the Bergslagen Joint Venture with Royal Falcon Mining in Sweden.

Further assays are anticipated towards the end of November.

-ENDS\_

**For further information, please contact:**

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**Corporate Information**

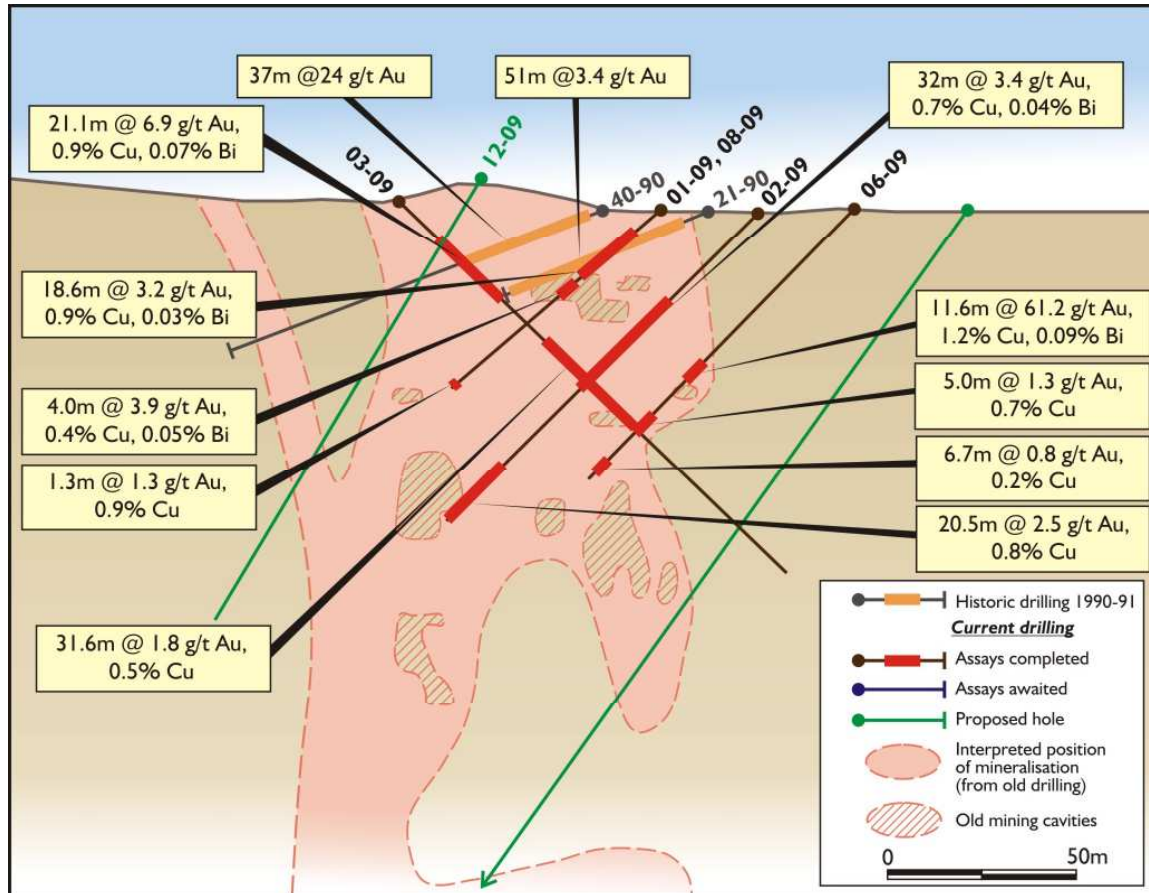
**Directors**

|              |   |
|--------------|---|
| B Fraser     | Non-Executive Chairman                      |
| Dr B Beeson  | Managing Director                           |
| J Stephenson | Non- Executive Director & Company Secretary |

**Issued Capital**

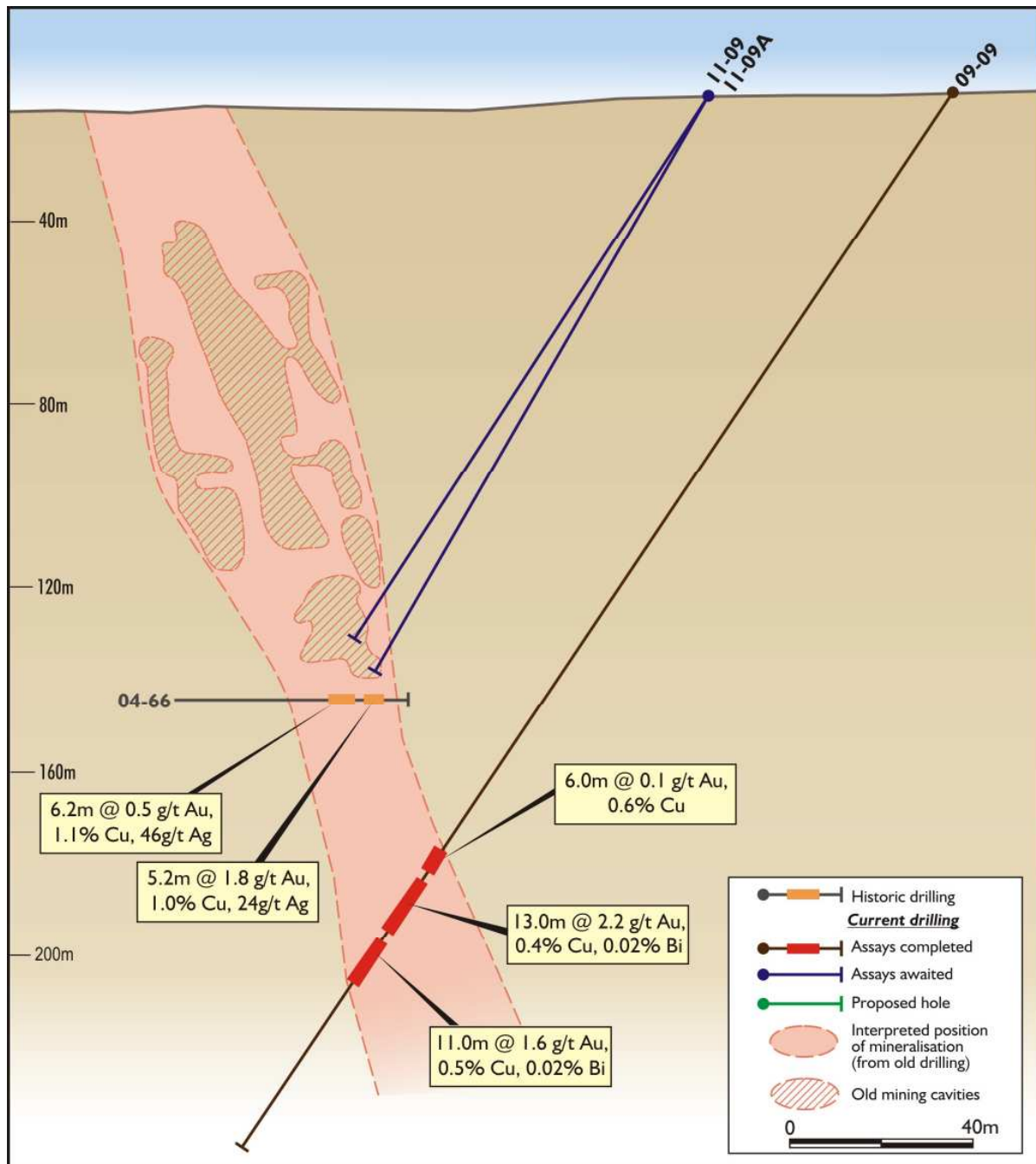
As at the date of this report the issued capital of the Company is comprised of:

42,438,445 fully paid ordinary shares  
27,197,000 listed options



**Falun - Drilling Results**

*Drill holes 01-09, 02-09, 03-09, 06-09, 08-09*



Drill holes 09-09, 11-09



*Photograph 1. Sulphide mineralisation, Hole 12-09*



*Photograph 2. Drill rig, Hole 11-09*



*Photograph 3. Drilling of Hole 12-09 (hole currently being drilled)*

### **About the Falun Project**

The town of Falun is located in the Bergslagen district of Central Sweden (200km NE of Stockholm) and is host to one of the world's oldest and largest base and precious metal mines – its namesake, Falun.

The Falun mine, is situated on a world-class ore system, was mined for over a millennium (~700 – 1992) and was one of the largest copper producers in the world in the 17<sup>th</sup> and 18<sup>th</sup> centuries. During this time, the Falun mine accounted for 70% of the world's copper production. Records indicate that 35 million tonnes of high-grade ore was mined containing on average 1-3% copper, 2-6% zinc and 1-7 g/t gold.

Royal Falcon Mining LLC (**Royal Falcon**) has a farm-in and joint venture agreement ('Bergslagen Joint Venture') with Drake Resources Ltd (**Drake**) and can earn up to 75% interest in the Falun project.

Royal Falcon and Drake believe that there is considerable potential for substantial volumes of mineralisation to be discovered near the old mine.

Falun is located within a major siliceous alteration zone that extends continuously for 8 km within the exploration licence. This zone is up to 800 m in width and appears to continue at this size with depth. Comparisons with similar major ore systems (Rosebery and Golden Grove in Australia) suggest that only some 10% of the potential system at Falun may have been tested.

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 adjacent copper-gold ores in the last few years of operation. Significant intersections of gold and copper were encountered during this programme, including:

- 20/1990: 15.2 m @ 9.3 g/t gold, 1.4% copper;
- 40/1990: 37.4 m @ 23.6 g/t gold, 0.5% copper;
- 41/1990: 12.9 m @ 23.5 g/t gold, 0.5% copper; and
- 21/1990: 50.8 m @ 3.4 g/t gold, 0.5% copper.

A compilation of historical drilling data by Drake suggests considerable volumes of high-grade gold and copper mineralisation remains at Falun, particularly to the east and west of the massive sulphide orebody, which was the focus of past mining. This remnant mineralisation is the focus the current drilling program.

Recently, new drill targets in the Falun East and Rogsån permits were identified based on information derived from a VTEM geophysical survey completed in 2008. Given the positive characteristics of these new regional targets, the Bergslagen Joint Venture is considering a drilling program later in 2009.

Falun contains significant bismuth. Bismuth compounds are used in cosmetics, medicines, and in medical procedures. As the toxicity of become more apparent in recent years, alloy uses for bismuth metal as a replacement for lead have become an increasing part of bismuth's commercial importance.

*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.*