

19 May 2010

Massive sulphide discovery at Holtäkt Prospect, Sweden

- **Drilling of the Holtäkt geophysical target intersects semi-massive to massive iron sulphides**
 - **Copper sulphide mineralisation associated with the iron sulphides**
 - **Downhole geophysics planned to trace sulphides along strike**
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Drake Resources (ASX: DRK, “Drake”) is pleased to announce that the first hole drilled into the Holtäkt geophysical target has intercepted broad zones of semi-massive to massive sulphides with copper mineralisation.

The Holtäkt target sits within the Rogsån permit which is located approximately 7km north of the historic Falun copper-zinc-gold mine and forms part of the Bergslagen Joint Venture.

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 target appears to source copper-bearing boulders.

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

Drake has drilled a single 240m hole into the target. The drilling intersected two main zones of semi-massive pyrite and pyrrhotite mineralisation. The upper intersection has a 5.7m width, and is hosted by a quartz-amphibole gneiss, while the lower 4.6m intersection is within amphibolite. Copper mineralisation is present in moderate concentrations in both zones (Table 1), which warrants further investigation. It is common for the concentration of such mineralisation to vary considerably within these large sulphide mineralised systems.

The magnetic anomaly can be explained by the presence of magnetite within the amphibolite, and, to a lesser extent, pyrrhotite within the semi massive sulphide mineralisation (Figure 2). The semi-massive pyrrhotite adequately accounts for the conductive response represented by the VTEM survey.

Since the VTEM anomaly is laterally extensive there is potential for the mineralisation to change along strike. Down-hole EM will be undertaken to assist with assessing the potential extent of the mineralisation, and to assist in the positioning of further drill holes.

	From	To	Intercept (m)	Copper (%)
HOLE 10DDHHO002				
	180.20	185.90	5.70	0.22
<i>incl.</i>	<i>183.80</i>	<i>184.30</i>	<i>0.50</i>	<i>0.38</i>
and	207.05	207.50	0.45	0.20
and	214.20	218.80	4.60	0.23
<i>incl.</i>	<i>215.20</i>	<i>215.80</i>	<i>0.60</i>	<i>0.43</i>

Table 1. Copper intersections at Holtäkt

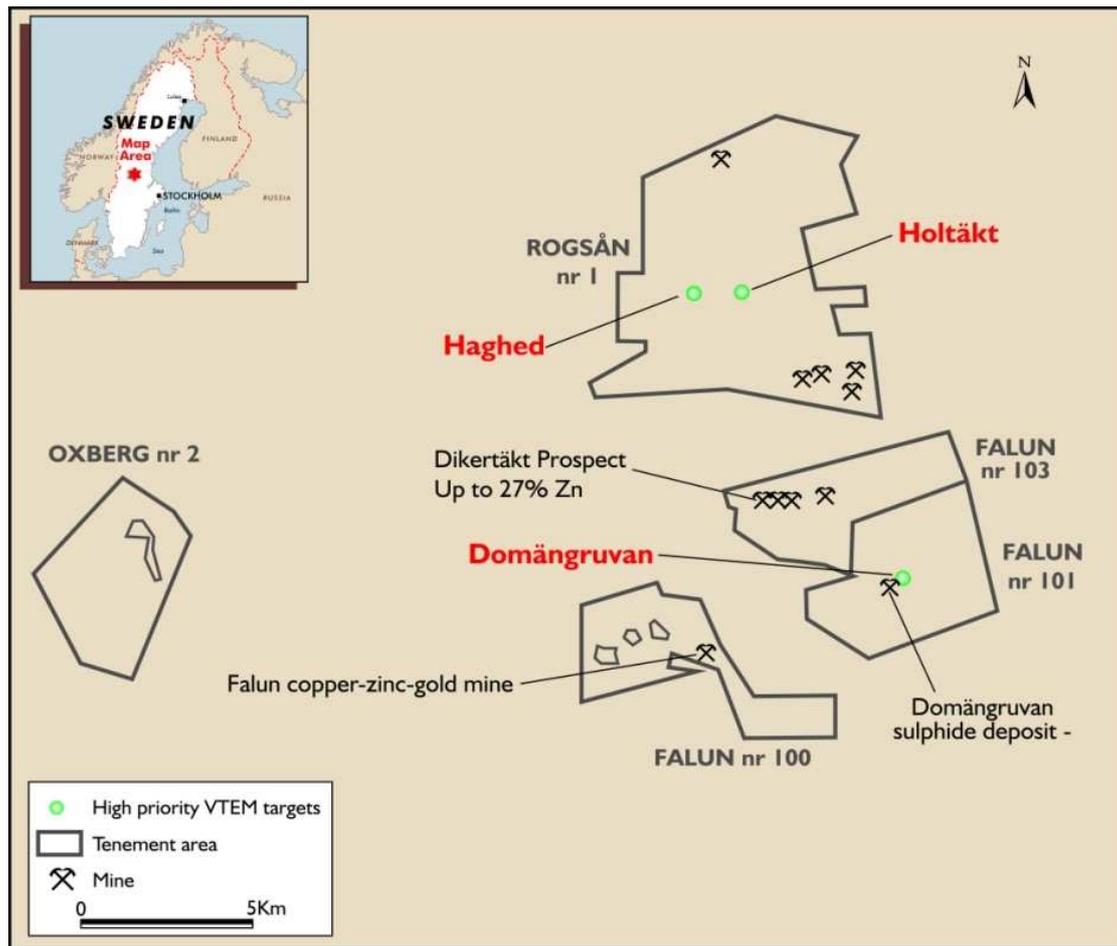


Figure 1. Location of the VTEM targets, Rogsån permit

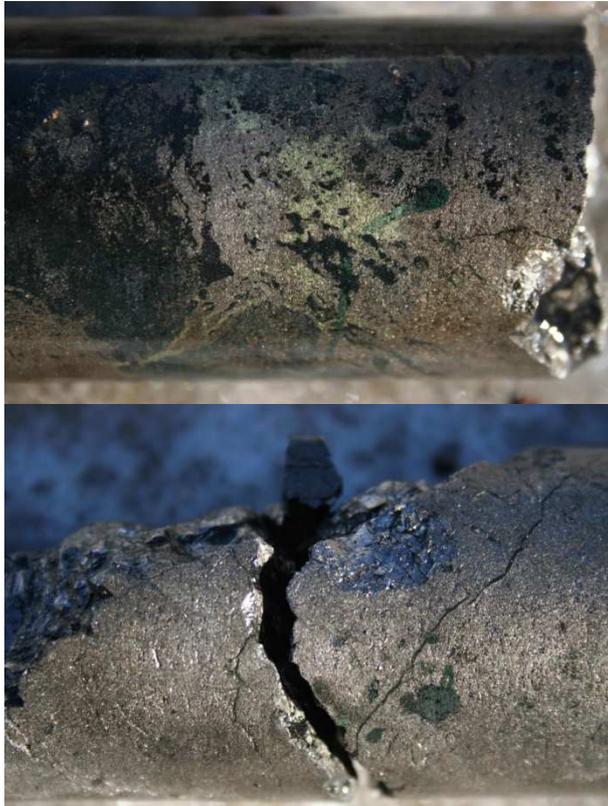


Figure 2: Left – Approx 184 m, semi massive pyrrhotite and chalcopyrite; Right – Approx 217m, massive pyrite mineralisation. Core size is NQ.

Haghd

The Haghd target is 500 m in length and occurs on the same horizon as the Holtäkt target and Svärdsjö base metal mine. It is also coincident with a magnetic anomaly and copper-bearing boulders down-ice.

Drilling failed to intersect any significant sulphide mineralisation, although pyrrhotite mineralisation associated with quartz veining hosted by amphibolites and quartz-biotite schists was observed at target depth. No base metal mineralisation was observed.

Down hole EM will be undertaken to determine if the drilling tested the geophysical target.

-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.