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### FURTHER COPPER-GOLD MINERALISATION IDENTIFIED AT DRAKE'S FALUN PROPERTY, SWEDEN

- Drake's continuing review of past exploration drilling indicates the presence of a second copper-gold zone west of the old mine
- This western zone contains intersections of potentially economic grades, including 23.5 metres at 2.8% copper
  - The zone has been only partly tested by past drilling
  - The mineralisation is interpreted to extend from surface to at least 530 metres depth
  - Most intersections were not assayed for gold and silver
- The Eastern and Western Copper-Gold Zones provide immediate drill targets for future exploration

**Drake Resources** (ASX: DRK, "Drake") has recently taken over the permits previously held by OZ Minerals in Sweden. The permits are currently being transferred to Drake's name. The Falun mine operated from approximately 700AD until 1992. The main mine production was from the massive copper- zinc- and gold-bearing sulphide ores.

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, as previously reported.

#### The Western Copper-Gold Zone

The Western Zone is a poorly defined area of mineralisation that has a minimum extent at the 195 metre level of 380 metres east-west and 160 metres north-south. Mineralisation intersected in drilling at the 500-530 metres level may form part of the system.

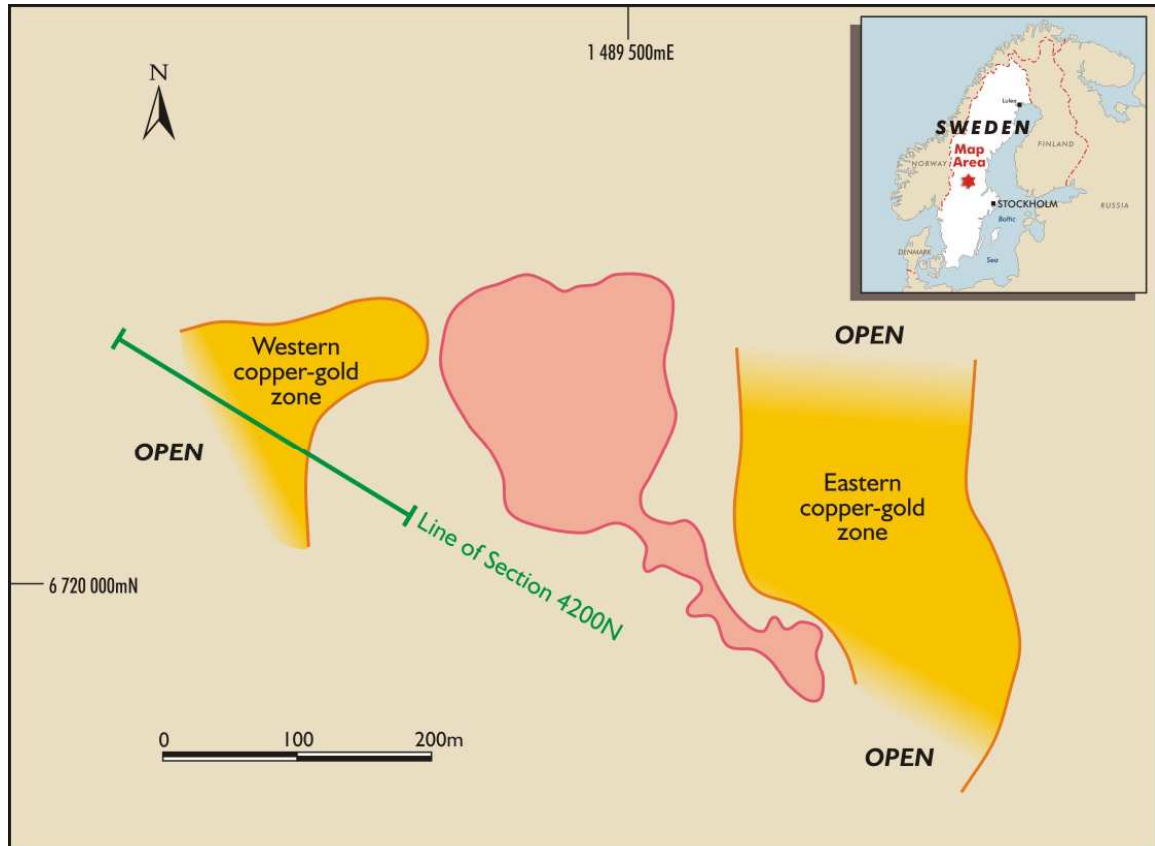
The western and southern margins of the mineralisation are poorly defined below 100 metres depth.

The zone has been partly mined on its eastern side, where the mineralisation abuts the massive sulphide body that was the main target of the historic mining.



Sweden - Falun Location Map

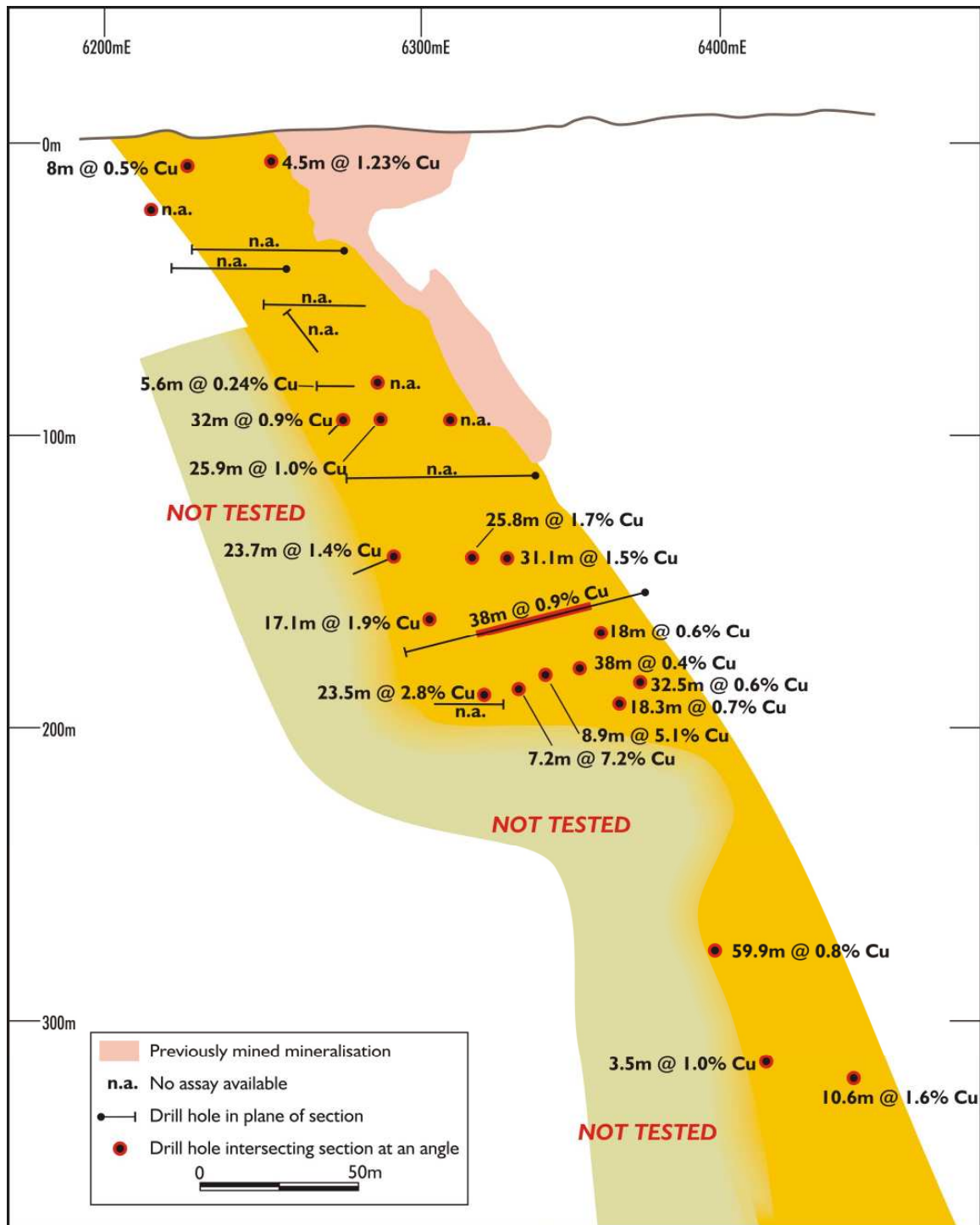
There has also been mining of small lenses of massive sulphide that were located within the Western Copper-Gold Zone.



***Falun - Western Copper-Gold Zone - 195m Level***

The mineralisation style is similar to that previously reported in the Eastern Zone, namely chalcopyrite within siliceous altered volcanic rocks. Locally plunging lenses of higher grade material have been defined, locally giving intersections such as 8.9 metres at 5.1% copper.

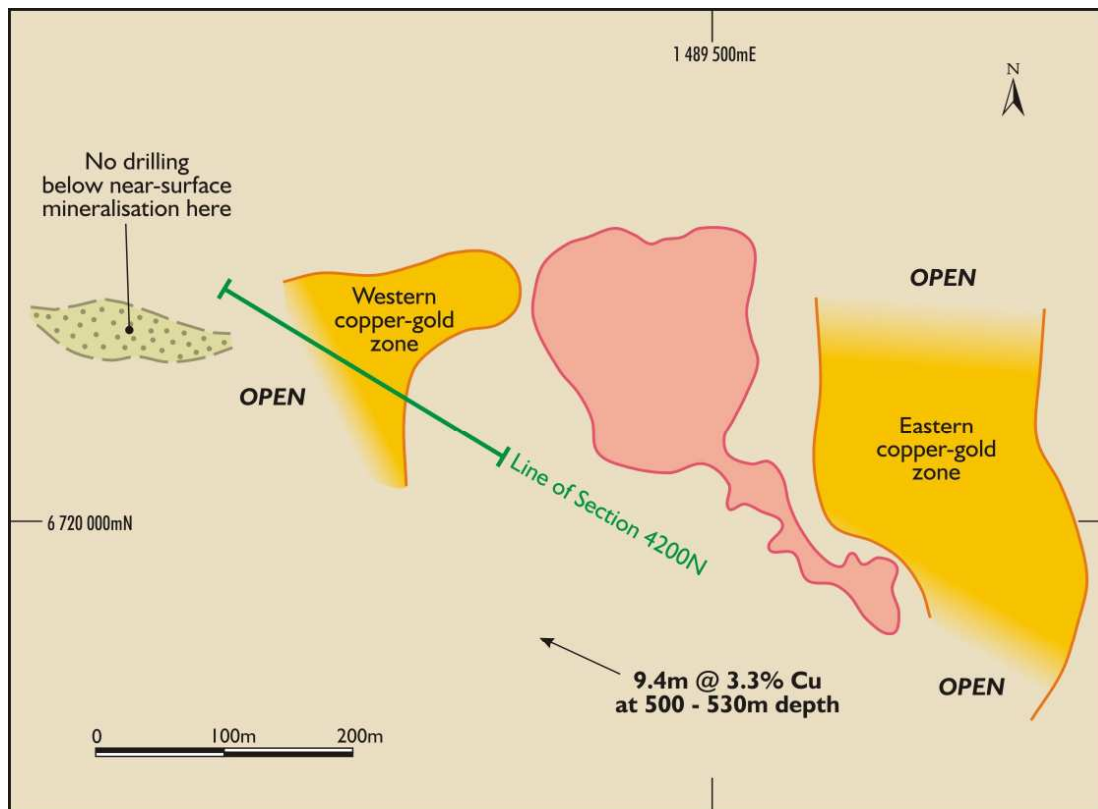
The section below indicates that the mineralisation is continuous down to at least 350 metres depth. The Zone is less well developed in the top 100 metres, but grade and thicknesses increase below this level.



**Falun Western Copper-Gold Zone - Section 4200N**



Two intersections at 500-530 metres depth, of 9.4 metres at 3.3% Cu, and 10.9 metres at 2.1% Cu, occur approximately 80 metres southeast of a 60 metre intersection in Hole 4/1969, and 100 metre south of 6.6 metres at 2.8% Cu in Hole 7/1945, and may be a part of this Zone.



**Falun - Western Copper-Gold Zone**

Existing mine infrastructure gives access down to 600 metres depth.

**Representative assays for the Western Copper-Gold Zone on Section 4200N**

Hole ID	Level (metres)	Intersection (m)	Copper grade (%)
9/1948	80	4.8	3.2
5/1955	95	25.9	1.0
3/1954	100	32.0	0.9
37/1968	130	19.0	0.9
14/1967	150	31.1	1.5
11/1969	160	23.7	1.4
8/1969	170	34.9	0.9
3/1970	180	17.1	1.9
38/1967	190	23.5	2.8
26/1972	195	7.2	7.2
4/1969	280	59.9	0.8
27/1983	320	10.6	1.6
28/1983	360	3.7	2.3
7/1945	440	6.6	2.8

Drake considers that potential exists to define a copper-gold resource in the area. As can be seen from the hole numbers in the table above the majority were drilled prior to 1972, and few were assayed for gold.

Drake's future exploration programme at the Falun mine will include drilling and systematic sampling through the Eastern and Western Copper-Gold Zones. Only when this is completed will there be an understanding of the distribution and grade of copper and gold through the Mine Area.

-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 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