



HIGH GRADE GOLD INTERCEPTS IN PAST DRILLING WILL BE THE FIRST DRILL TARGET AT THE FALUN COPPER-GOLD-ZINC MINE, SWEDEN

- **Drake has received additional data from past drilling that extends the near-surface gold mineralisation at Falun**
- **The intersections include:**
 - **20/1990: 15.2m @ 9.3 g/t Au (7.0 g/t cut to 30 g/t)**
 - **40/1990: 37m @ 23.6 g/t Au (3.5 g/t cut)**
 - **Includes 1.2m @ 656 g/t Au**
 - **41/1990: 12.9m @ 23.5 g/t Au (3.9 g/t cut)**
- **This mineralisation forms part of the Eastern Copper-Gold Zone, which has a length of 500 metres, is up to 200 metres wide, and extends below 400 metres depth**
- **Drake is obtaining the required permissions for a drill programme to confirm this near surface mineralisation and test it at depth**
- **Drake has been advised by the Swedish Mines Inspectorate that the transfer of ownership of Sweden exploration permits has been completed.**

Drake Resources (ASX: DRK, “Drake”) now holds the permit covering the historic Falun copper-zinc-gold mine in its own right. This permit forms part of its new joint venture with Royal Falcon Mining.

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 made during this programme. Photographs of the mineralisation are included in Appendix A.



Sweden - Falun Location Map

Drake reported assays from this area in February of this year. Since then Drake has received further assays, and found that the original drill hole orientations reported in that release were incorrect in the drill hole database that the company recovered from the mine records. This release expands upon and corrects the February release.

ASX/Media release: Falun gold assays

Table 1: Gold and copper intersections in the Johannes-Lucas area of the Falun mine

	From	To	Intersect (m)	Gold (uncut)	Gold (cut, Note 2)	Copper (%, Note 1)
10/1990	9.5	23.9	14.4	8.2	7.7	1.0
20/1990	29.2	44.35	15.2	9.3	7.0	1.4
incl.	33	41.5	8.5	14.9	10.8	1.2
21/1990	11.2	62	50.8	3.4	2.9	0.5
incl.	36.6	44.8	8.2	13.8	10.2	0.7
39/1990	7.6	29.1	21.5	1.3	1.3	0.2
40/1990	3.5	40.9	37.4	23.6	3.5	0.5
incl.	15.3	35	19.7	43.8	5.7	0.6
41/1990	5.4	18.3	12.9	23.5	3.9	0.5
and	86.1	86.5	0.4	2.8	2.8	6.4
42/1990	29.5	32.4	2.9	1.5	1.5	0.5
49/1990	7.6	23.6	16.0	8.7	6.2	0.8
15/1991	23.1	70.4	47.3	0.9	0.9	1.0
incl.	23.1	44.8	21.7	1.4	1.4	2.0

1. Majority of samples not assayed for copper; copper averages are therefore understated

2. Gold grades cut to 30 g/t

3. Drake has no information indicating the laboratory methods used to generate the assays, nor the laboratory where the assays were carried out

Several holes either start or end in mineralisation, as indicated by the table below.

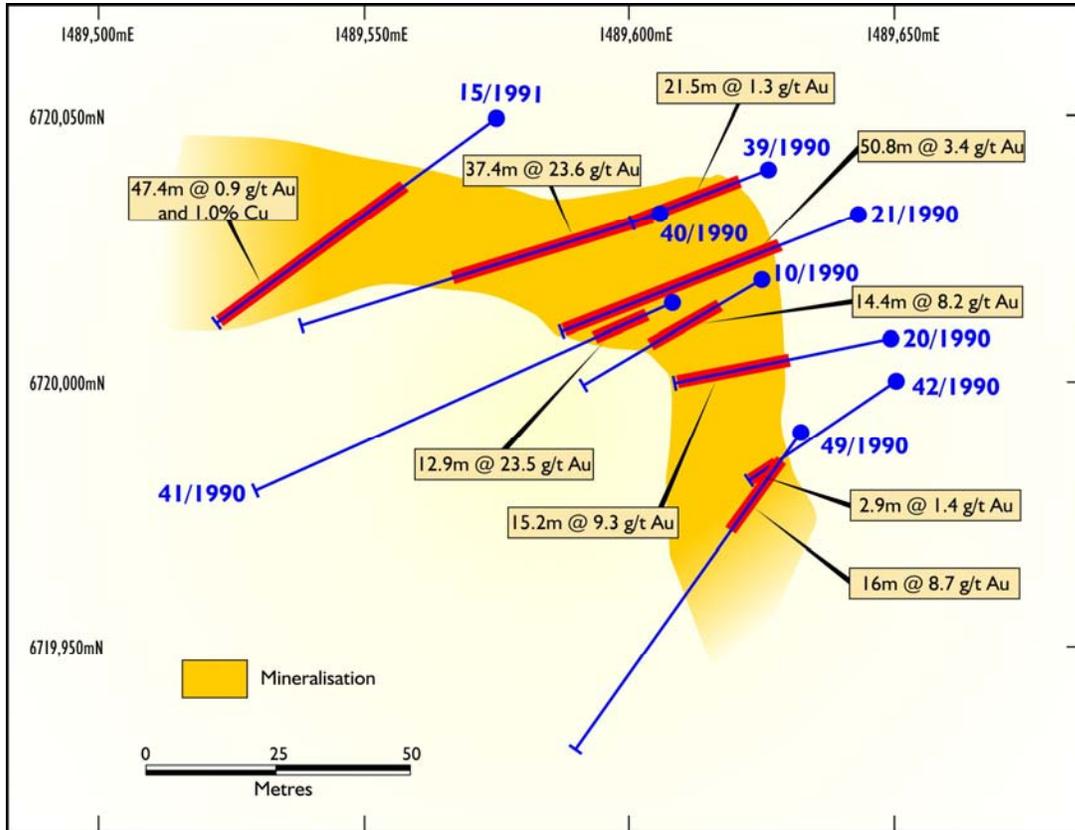
Table 2: Drill holes starting or finishing in gold-copper mineralisation

Hole ID	Comments
10/1990	Started in mineralisation
20/1990	Stopped in mineralisation
21/1990	Stopped in mineralisation
39/1990	Stopped in mineralisation
40/1990	
41/1990	Started in mineralisation
42/1990	
49/1990	Started in mineralisation
15/1991	Started and stopped in mineralisation

This mineralisation was drilled from surface, and at shallow angles to the southwest. Drill hole locations are indicated on the map below. Typically the first ten metres of each hole was drilled through mine waste, and not sampled.



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Falun - Drilling Surface Plan

Uncut gold intersections in the near-surface part of the Johannes-Lucas section of the Falun mine

The drilling indicates that this part of the Eastern Copper-Gold Zone, near to the current surface, is a continuous shoot of mineralisation at least 150 metres in length and between 10 and 40 metres in width. Gold grades are strong throughout much of this shoot, and are locally very high, as indicated by the 1.2 metres intersection at 656 g/t (uncut). Because several holes started or ended in mineralisation these widths may be greater.

Drake understands that the drill core was only assayed for copper if strong sulphide mineralisation was observed. Drake has commenced a new assessment of the remaining past drill core, and disseminated copper mineralisation occurs in core which was not assayed for copper. Consequently the copper grades are understated in the table above. Unfortunately no drill core remains from this area of the mine.

The Drake-RFM Joint Venture Programme

Since the announcement of the Bergslagen Joint Venture in April 2009 considerable progress has been made at Falun.

Royal Falcon has deposited approximately A\$1.25 million in a dedicated account to fund the planned exploration activities at Falun and Bersbo until 31 December 2009. From these funds A\$538,000 has already been provided to Drake to commence exploration.



The Bergslagen Joint Venture has secured the services of an experienced project geologist (over 15 years with BHP Billiton) to oversee the management of the Swedish projects. The manager has relocated from Australia to Falun. An office on the Falun mine site has been established.

Past drilling when the mine was operating indicates that the mineralisation continues below the gold intersections reported here to at least 400 metres depth. However, there has been very limited testing between the 25 metres level and 200 metres level. This will be the main target for the first drilling programme at Falun since 1991.

Drake has made applications to drill 17 holes for 3600 metres total length at Falun. These applications are currently being reviewed by the relevant authorities. The Joint Venture anticipates that the programme will commence in late August.

-ENDS-

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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:

36,903,000 fully paid ordinary shares
27,197,000 listed options

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 four 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.

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

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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, and Western Australia.

About Royal Falcon Mining LLC

On the 30 July 2008 Golden Rim Resources Ltd entered to a Strategic Alliance with PAL Group, a subsidiary of Royal Group, based in the United Arab Emirates (“UAE”) to jointly acquire, explore and develop major mineral projects. A jointly owned company, **Royal Falcon Mining LLC** (“RFM”) was established in Abu Dhabi in December 2008 to manage mineral projects acquired under the alliance.

Royal Group is one of the largest business and investment houses in the UAE. It is a globally diversified conglomerate of 60 large and medium sized companies and has a vast network of business contacts and extensive operating experience with large developments in many countries, along with the financial capacity to undertake major investments.

Launched in the late 1990’s, Royal Group currently employs over 10,000 people from a wide variety of countries and cultures and is supported through its head office in the capital of the UAE, Abu Dhabi. The Chairman of the Group is His Highness Sheikh Tahnoon bin Zayed Al Nahyan.

It has a significant and growing presence internationally, with a broad spectrum of investments and partners throughout the Middle East, Asia, USA and South America. One of Royal Group’s current projects in property development is the US\$60 billion Al Reem Island Project in Abu Dhabi.

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



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- 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 m²
 - 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

Appendix A: Photos of gold-copper mineralisation in drill core from Falun from the 350 metre level (approximately 320 metres below the reported intercepts), showing the distribution of the copper mineral, chalcopyrite; the white-pale grey mineral is quartz, and the dark grey mineral is anthophyllite





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Limited



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