

Falun Project Area Expanded

- Three new permits acquired in Falun district in Sweden
- The Falun project now covers an area of 352 km²
- The new permits have known occurrences of gold and base metal mineralisation. Gold assays up to 19.6 g/t have been previously reported
- Very little modern exploration has been conducted
- The Bergslagen Joint Venture is now one of the largest licence holders in the highly prospective Falun Mineral District

Drake Resources Ltd (ASX: DRK, “Drake”) and its partner Royal Falcon Mining are exploring a portfolio of permits prospective for copper-zinc-gold deposits in Sweden within the Bergslagen Joint Venture (BJV).

The BJV has an aggressive programme to seek new opportunities in the vicinity of its core projects in Sweden. The company is pleased to announce that the BJV has acquired three further permits in Sweden, bringing the total to 18 permits.

These new permits give the BJV a dominant land position in the Falun Mineral District, an area of numerous historic mines and prospects, as well as the major Falun massive sulphide deposit which is the primary focus of the BJV exploration.

The following three permits have been added to the portfolio.

Rogsån No. 2

This permit extends the BJV holding of the Rogsån volcanic belt a further five kilometres to the east. The permit is along strike from one of the prospective mineralised belts in the BJV Rogsån No. 1 permit, which contains the Rogsån copper-silver and Uvberget copper-gold prospects.

Previous explorers found numerous boulders with up to 19.6g/t gold, 162g/t silver and 6% copper. There is no evidence that a source for these boulders was found by the explorers.

The only reported exploration within the permit was at a lead-zinc prospect called Gaddtjarnsgruvan. Outcrop samples here contain 0.7% copper and 10% lead. Boliden drilled six holes around the Gaddtjarnsgruvan occurrence, but did not analyse for gold at the time. This drilling is one kilometre west of the main gold boulders.

The BJV plans to fly the first ever airborne electromagnetic and magnetic surveys for the area. The electromagnetic survey flown in 2008 over the Rogsån No. 1 permit identified the

Holtäkt and Haged targets. In addition the gold-mineralised boulders will be followed up with ground exploration, and the previous drilling analysed for gold.

Haged

The Haged permit has been applied for to cover an electromagnetic anomaly identified from the 2008 survey immediately adjacent to the Rogsån No. 1 permit. The anomaly is along strike from the Holtäkt and Haged targets.

The anomaly will be checked on the ground when the currently thick snow cover melts in April-May.

Krondiket

The BJV has continued its review of past exploration when the mine was operating. This review identified the present of copper-zinc mineralisation extending beyond the current boundary of its main Falun No. 101 permit.

The BJV has consequently added a small permit to cover this occurrence.

-ENDS-

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Corporate Information

Directors

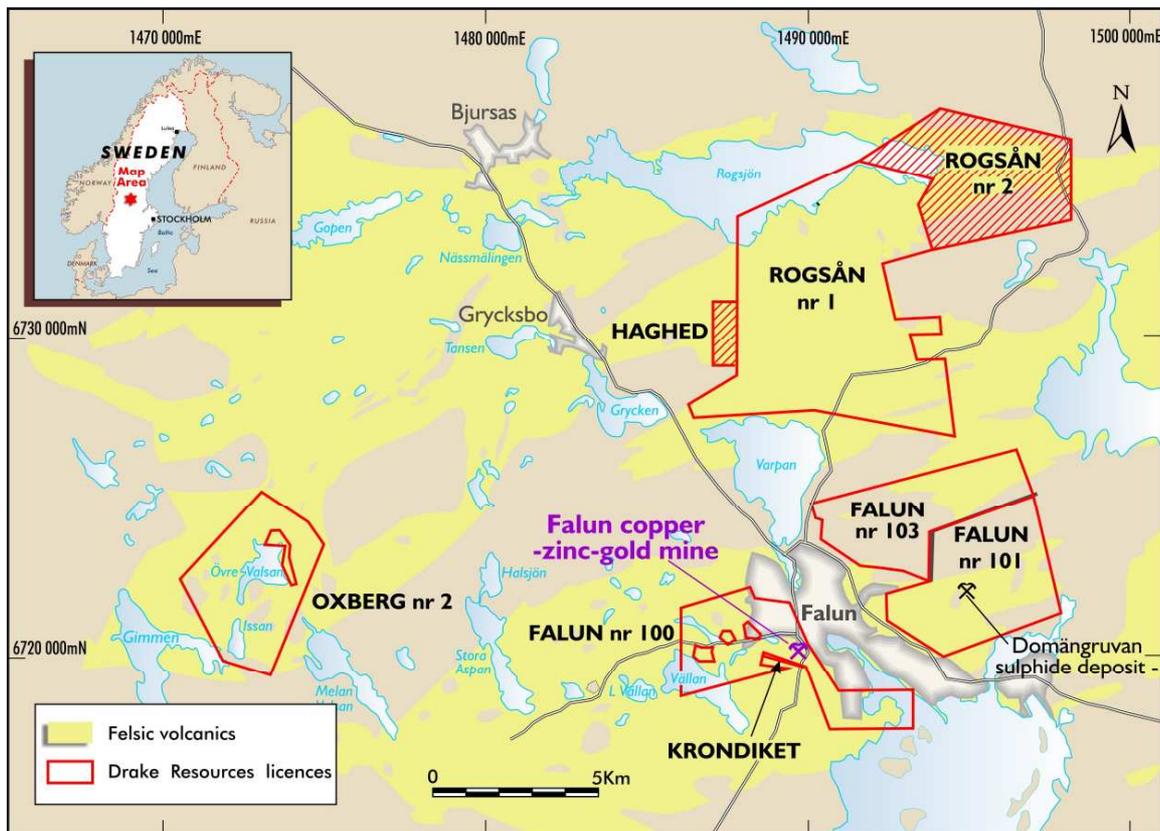
B Fraser	Non-Executive Chairman
Dr R Beeson	Managing Director
J Stephenson	Non- Executive Director & Company Secretary

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, 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 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 17th and 18th 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.

Drilling by the Bergslagen Joint Venture in the second half of 2009 has confirmed 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 from this drilling include

- 11.6 m @ 61.2 g/t gold, 1.2% copper and 0.09% bismuth from 57.0 m (Hole 06-09); including 0.75 m @ 887 g/t gold, 5.92% copper and 0.7% bismuth;
- 21.4 m @ 6.8 g/t gold, 0.9% copper and 0.07% bismuth, from 16.6 m (Hole 03-09); including 0.6 m @ 91.4 g/t gold, 1.6% copper and 0.8% bismuth; and
- 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

Drill targets in the Falun East and Rogsån permits were identified based on information derived from a VTEM geophysical survey completed in 2008. The Bergslagen Joint Venture has commenced drilling of these targets.

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.