

4 February 2011

## Drill targets identified at Falun by gravity survey

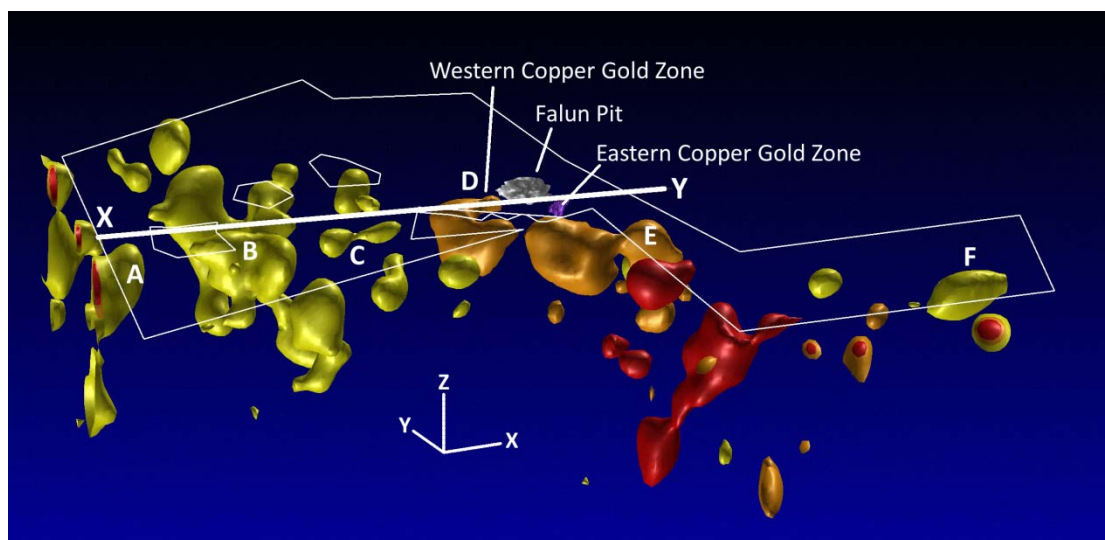
- Gravity survey identifies anomalous density targets along Falun mineralised zone
- Technique used extensively for massive sulphide targeting elsewhere

Drake Resources Limited (ASX:DRK), and its partner, Royal Falcon Mining, have completed a detailed gravity survey over the 8 kilometres of mine host rocks within the Falun 100 permit in Sweden.

The gravity survey has delineated a number of high potential residual gravity anomalies around and along strike from Falun.

Dr Bob Beeson, Drake's Managing Director, said "We consider that at least six of these gravity targets are of significance because they occur along strike from the Falun copper-gold-zinc deposit".

"The targets have received little or no testing by drilling in the past, and will become a priority for Joint Venture partners."



**Figure 1. Oblique view of 3D inversion of gravity data at Falun**

Gravity Model – Total dynamic range is  $0.16 \text{ g/cm}^3$ . Red shows density contrast of  $0.08 \text{ g/cm}^3$ , orange  $0.06 \text{ g/cm}^3$ , yellow,  $0.04 \text{ g/cm}^3$ . The model is based on background density of  $2.67 \text{ g/cm}^3$ .

## Background

Falun is one of the great polymetallic deposits of the world (past production is thought to be 35 Mt @ 1-3% Cu, 3-6% Zn and 0.5-3 g/t Au). The Bergslagen district, in which it lies, hosts a number of other high quality mines such as Garpenberg (60 Mt @ 5% Zn, 2% Pb, 0.1 % Cu, 100 g/t Ag and 0.3 g/t Au) and Zinkgruvan (55 Mt @ 11% Zn, 1.5% Pb and 94 g/t Ag).

The host sequence of Falun cannot be easily traced using aeromagnetic or airborne EM data due to cultural effects. However, the mineralised mine sequence can be followed in drilling around the old mine, and also by the presence of small copper and zinc occurrences. The Skyttgruvan deposit lies just west of the Drake permit, and demonstrates the position of the sequence at that point.

Due to the massive, and dense, nature of massive sulphide mineralisation gravity has been applied successfully in the discovery of orebodies of this type elsewhere in the world. Consequently, at Falun, it is anticipated that ground gravity would be able to discern potential orebodies within the host sequence.

## Results

The survey was completed by SMOY, of Finland, using a Scintrex CG3 gravity meter coupled with a Topcon GR-3 VRS for positioning of data points. The lines were nominally 200 metres apart and data was collected at stations every 100 metres.

The resulting data show a distinctive residual gravity trend running westward from Falun (Figure 2) that appears to link up with the Skyttgruvan deposit. Along this ridge there are a number of discrete residual gravity highs that are of potential interest (anomalies A to C). Nearest the mine, a larger residual gravity anomaly lies close to previous drilling that intersected the mine sequence base metal mineralisation and alteration (anomaly D).

Furthermore, to the south east of the mine, a further residual gravity anomaly shows great potential (anomaly E). Previous drilling in the area shows that the gravity high is coincident with typical mine sequence alteration. A surface drill hole, drilled in 1971, intersected siliceous alteration as found at the Falun mine, throughout all of its 753 metres length. Traces of copper mineralisation were found at 550 and 600 metres depth down the hole.

In the easternmost reaches of the licence a residual gravity anomaly (F) lies coincident with a VTEM anomaly delineated in previous exploration.

These anomalies present exciting opportunities for near mine exploration during the next phase on the Bergslagen Joint Venture.

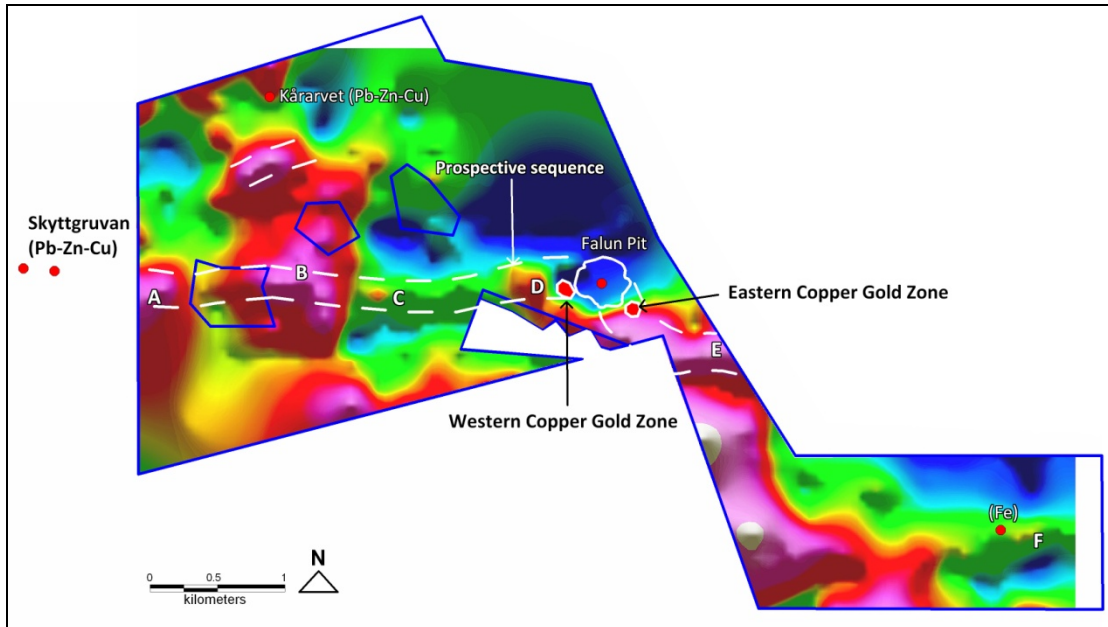


Figure 2. Gravity with 5 km high pass filter. Letters denote anomalies in Figures 2 and 3.

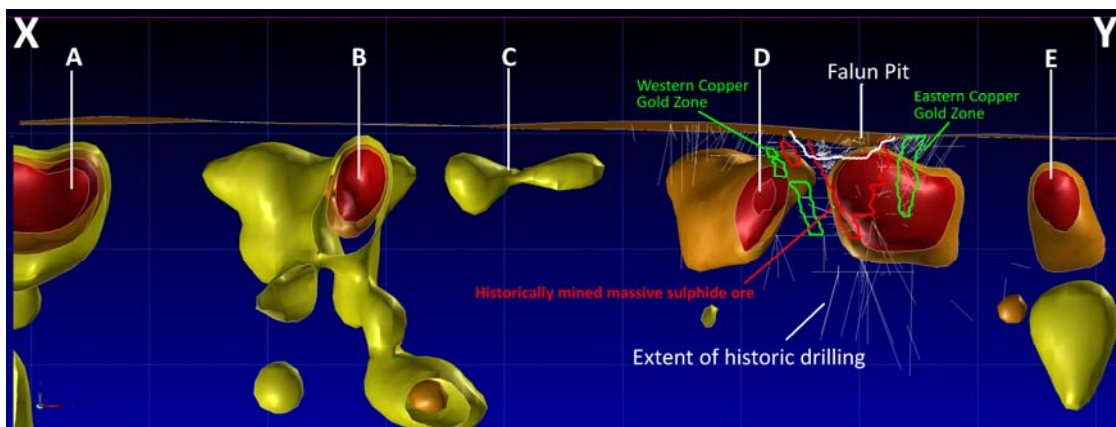


Figure 3. Section X-Y – Grid lines are 500 m apart vertically and horizontally

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For further information, please contact:

**Mr Jay Stephenson**  
Company Secretary  
Drake Resources  
+61 (0)8 9228 0703  
[info@drakeresources.com.au](mailto:info@drakeresources.com.au)

#### Corporate Information

##### Directors

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

##### Issued Capital

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

60,429,231 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.*