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**DRAKE SIGNS US\$6 MILLION AGREEMENT TO EXPLORE ITS SWEDISH
PROJECT PORTFOLIO**

Drake Resources (ASX: DRK, “Drake”) is pleased to announce that it has signed an agreement with Royal Falcon Mining LLC for the exploration of Falun and Bersbo Projects in Sweden.

The Projects comprise 15 separate exploration permits in the Bergslagen Province west of Stockholm which were previously joint ventures with OZ Minerals Ltd. The permits are in the process of being transferred from OZ Minerals Ltd to Drake Resources Ltd, and Drake will hold 100% interests in each.

Royal Falcon Mining LLC (Royal Falcon) is a strategic alliance company established to acquire, explore, develop and manage mineral projects. The alliance partners are Golden Rim Resources Ltd and PAL Technology Services LLC, a member of the Royal Group of Companies of Abu Dhabi, United Arab Emirates.

The main elements of the agreement include:

- 1) Royal Falcon must spend US\$3 million to earn a 51% interest in the Falun and Bersbo Projects. Royal Falcon can withdraw from the agreement after spending a minimum of US\$1.0 million; Drake retains a 100% interest in the Projects until the US\$3 million is expended.
- 2) Royal Falcon can elect to spend a further US\$3 million to earn an additional 24% interest in the Falun and Bersbo Projects.
- 3) Drake will have the right to fund their respective share (49% or 25%) of project exploration, feasibility, mine development, or mine development costs when these funding requirements have been met
- 4) If Drake’s project interest falls below 5% then their interest will revert to a 2% Net Smelter Royalty (“NSR”) on production from the Falun or Bersbo Projects.
- 5) Drake will, initially, continue to manage all exploration on the Falun and Bersbo Projects

Drake’s Managing Director, Dr Bob Beeson, said that this agreement will enable the Falun Project to be systematically evaluated for its copper-gold, gold and zinc potential. “Drake has recently released encouraging results from our ongoing evaluation of historic drilling results from when the Falun mine was in operation. The

operation closed in 1992, but past exploration and mining has left us with an exceptional database for the area.”

“We and Royal Falcon are particularly enthusiastic about the emerging gold results. The past operation had only limited interest in the gold, even though the mine was the country’s largest gold mine at its peak in the seventeenth to nineteenth centuries.”

Recent results that Drake has announced from the Eastern Copper Gold Zone include a near-surface gold-copper zone with intersections including 24m @ 5.8 g/t Au and 0.5% Cu, 42m @ 3.4 g/t Au and 0.5% Cu, and 16m @ 7.1 g/t Au and 0.7% Cu

“Past mining and drilling has shown that the gold and copper-gold zones extend down to 1100 metres. Existing mine openings exist to 600 metres depth, which would provide access to any economic resources.”

A modern integrated approach to exploration has never been applied to the mineralised system at Falun. Royal Falcon and Drake believe that such an approach, using detailed geology, including three dimensional mapping of the Falun orebodies, volcanic stratigraphy, alteration assemblages, litho-geochemistry patterns, down-hole geophysics, structural analysis, and significant drilling, is required to effectively test the potential for discovery in the system.

In addition Drake has identified numerous geological, geochemical and geophysical targets away from Falun for further testing.

Drake and Royal Falcon plan to commence activities in Sweden immediately to take advantage of the coming Northern Hemisphere summer.

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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 Ltd.

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.

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. In addition recent rock chip samples at Digertäkt have given exceptional zinc grades (up to 27%), indicating the potential in the surrounding permits.

A \$0.75 million airborne electromagnetic survey completed in 2008 has defined numerous targets in the Drake permits. These remain to be followed up.

About Royal Falcon Mining LLC

On the 1st August 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.

The information in the About Drake Resources section of this announcement 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.