

Royal Falcon Mining approves US\$2.0 million programme in Sweden

Drake Resources (ASX: DRK, “Drake”) is pleased to announce that its partner in Sweden, Royal Falcon Mining, has committed to an additional US\$2 million work programme at Falun and in other permits in Sweden.

The main elements of the programme for this next phase include:

1. The commencement of a resource drilling programme to establish the first compliant resource for the gold-copper zone currently being drilled at Falun
2. A multi-disciplinary geological, geophysical and geochemical programme to define a new generation of massive sulphide targets around the old mine at Falun
3. Complete the drilling of the high priority geophysical targets within the Joint Venture permits
4. Developing new targets within the region.

Drake’s Managing Director, Dr Bob Beeson, indicated that this programme will enable substantial advances to be made in the Sweden permits. He said “We are pleased that the first programme has met its targets of confirming the presence of high grade mineralisation previously identified in historic drilling, and demonstrating that this gold-copper mineralisation is continuous to at least the 350 metre level.”

“The budget will enable Drake and its partner to commence resource drilling to establish a resource compliant with the JORC Code, and better defining the distribution of the high grade mineralisation intersected earlier in this drilling programme”.

Dr Beeson added “In addition Drake will undertake the first multi-disciplinary programme to define targets for massive sulphide mineralisation in the mineralised system around the old mine”.

Under the Bergslagen Joint Venture agreement, the expenditure of an additional US\$2 million will entitle Royal Falcon to earn a 51% interest in Drake’s licences. Royal Falcon then has the option to earn up to 75% by spending a further US\$3 million.

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For further information, please contact:

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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:

52,196,731 fully paid ordinary shares