

Gold-Copper Zone Continues to Expand at Falun in Sweden

Drake's drill testing continues to confirm there remains significant mineralisation around the historic mine operation at Falun

- **New drilling results have expanded the dimensions of the known gold-copper mineralisation**
- **The gold – copper mineralisation now extends for over 100 m in width on the first drill section**
- **Mineralisation in the westernmost hole, 12-09, extends from surface to 142 metres down hole, and selected intercepts include:**
 - **10.1 m @ 4.9 g/t gold and 1.2% copper from 9.8 m;**
 - **6.4 m @ 2.6 g/t gold and 2.2% copper from 68.8 m;**
 - **5.5 m @ 3.9 g/t gold and 0.6% copper from 101.6 m;**
 - **including 0.5 m @ 34.1 g/t gold and 0.6% copper**
- **New information in the Falun media suggests that past trial mining of gold mineralisation at the 350 metre level (335 metres below surface), just prior to mine closure, was estimated to have an average grade of 8 g/t gold**
- **Visible gold and sulphide mineralisation already been intercepted in the first of the deeper drill holes (Hole 13-09)**
- **Results to date have been encouraging and a second drilling rig is being mobilised to site**

Drake Resources Limited (ASX: DRK, "Drake") is pleased to announce that additional significant assays for the drilling programme at Falun, Sweden further confirms and expands the known gold-copper system. Drake is **testing a semi-vertical gold-copper shoot linking high grade gold near-surface with past gold workings at 350 metres depth.**

The Falun Project forms part of the Bergslagen Joint Venture between Drake, Royal Falcon Mining LLC and Golden Rim Resources Ltd (ASX: GMR).

Drilling continues at the Falun copper-gold-zinc deposit in the Eastern Copper-Gold Zone. To date, 13 holes have been drilled for a total of 2,073 metres. Three of the drill holes are repeat holes because of difficulties experienced with the original holes.

About Drake

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 commenced drilling to assess the economic potential of remaining ore and new ore bodies.

Initial interest at Falun, Sweden is concentrated on two un-mined copper-gold systems. These have only been partly tested by past exploration, but some of the last exploration before the mine closed identified strong gold-copper mineralisation close to surface.

Drake now holds 17 permits in joint venture with Royal Falcon Mining, and 9 permits in its own right.

Gold-Copper Mineralisation Extended

The results from the drilling continue to demonstrate that gold-copper mineralisation occurs above, around and below the ores extracted in the historic mining operation at Falun. The new results extend the presence of gold-copper mineralisation to both the southwest and east on the first drill section (Johannes Lucas Section 075) on which significant gold - copper intercepts have been previously reported.



Sweden - Falun Location Map

Table 1. Summary of New Falun Drilling Intercepts

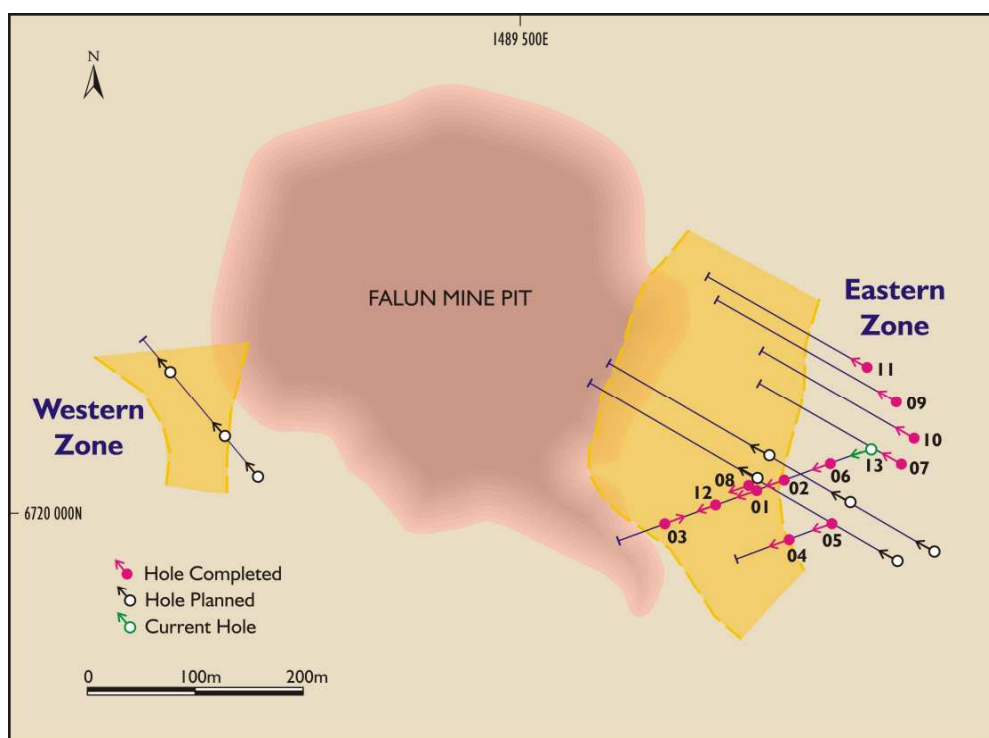
	From	To	Intercept(m)	Gold (g/t)	Copper (%)	Bismuth (ppm)
Hole 04-09						
	7.45	7.75	0.30	0.17	1.09	48
and	29.25	31.25	2.00	0.65	0.43	17
and	35.25	39.15	3.90	4.50	1.31	64
and	54.52	57.52	2.60	0.80	0.69	60
and	75.52	76.52	1.00	0.24	1.88	8
and	82.25	83.25	1.00	0.22	1.76	15
Hole 12-09 (upper 120 metres only)						
	9.80	19.85	10.05	4.89	1.18	165
incl.	10.80	12.80	2.00	10.83	0.96	480
incl.	17.80	19.85	2.05	6.46	1.93	58
and	36.25	45.80	9.55	0.89	0.98	18
incl.	36.25	38.25	2.00	1.37	1.14	18
incl.	39.50	41.50	2.00	0.91	1.20	20
incl.	43.80	45.80	2.00	1.34	1.44	16
and	49.80	57.80	8.00	0.39	0.63	5
incl.	52.80	54.80	2.00	0.52	0.72	18
incl.	55.80	57.80	2.00	0.75	1.45	0
and	61.10	61.40	0.30	0.94	1.53	11
and	68.80	75.15	6.35	2.62	2.22	383
incl.	69.80	71.05	1.25	1.16	2.36	1761
incl.	72.10	75.15	3.10	4.66	2.96	23
incl.	72.10	73.10	1.00	9.16	0.62	23
incl.	74.15	75.15	1.00	2.87	5.89	18
and	86.10	90.10	4.00	0.33	0.74	15
incl.	88.10	90.10	2.00	0.42	1.02	16
and	101.55	107.00	5.45	3.88	0.62	89
incl.	101.55	102.00	0.45	34.10	0.41	249
incl.	103.40	105.40	2.00	1.81	1.31	42

All intercepts are defined by using a 1 g/t gold equivalent cut off and maximum of 2 m waste dilution. Gold and copper equivalents based on gold price (taken October 22nd) of US\$1057.8/oz and copper price of US\$6565/t

On drilling Section 075, Hole 12-09 (Figure 1) was drilled to determine the western margin of the zone of gold – copper mineralisation. The hole was completed at a depth of 166 m and assays have now been received to 120 m depth. Mineralisation was encountered at regular intervals down-hole until 142 m depth and intercepts are listed in Table 1. These new intercepts have extended the known zone of gold – copper mineralisation by around a further 20 m to the west. Mineralisation has now been defined on this section with a horizontal width of more than 100 m (Figure 2).

Higher grade copper mineralisation was intercepted in Hole 12-09, compared to the previous holes completed by the Bergslagen Joint Venture. Strong copper mineralisation, grading up to 5.89%, occurs, between 68 and 75 metres down hole (Table 1 and Photograph 1).

Mineralisation extends onto the next drilling section (Johannes Lucas Section 030) located 45 m to the southeast. Hole 04-09 intercepted several narrow shallow zones of gold – copper mineralisation (Table 1), including 3.9 m @ 4.5 g/t gold and 1.31% copper. Past drilling has indicated that mineralisation becomes more widespread with depth on Section 030, as is illustrated in Figure 4, and this area has not yet been tested with drilling by the Bergslagen Joint Venture.



Falun - Planned Drilling Program
Fig. 1 Falun drill hole locations

Trial Mining of Gold at the 350 m Level

Local interest in the drilling at Falun has generated new information in the media concerning past mining of high grade gold zones below the current drilling prior to mine closure. The past mining operation at Falun completed a drilling campaign of the lower part of the gold-copper system now being drilled by the Bergslagen Joint Venture. This work led to a trial gold mining campaign in the late 1980's, just before the mine closure, on the 350 m level (335 m below surface), in ore that is reported to have averaged 8 g/t gold.

Although the owners of the mine made a significant investment to upgrade the processing plant to take the gold ores at that time the low gold price (approximately US\$350/oz) and the significant momentum towards the mine closure prevented any significant commitment to mining of the gold mineralisation. Improved mining and processing techniques, plus the three-fold increase in the gold price since the mine closed, have greatly improved the economics of any future mining of this gold mineralisation. Higher metal prices also allow much reduced cut-off grades to be considered and this will assist in adding additional tonnes to any resource estimate.

The ongoing drilling program aims to link the near-surface gold-copper mineralisation which is being currently drilled with the gold mineralisation mined in the late 1980's. Past, un-assayed drilling suggests that this represents a single mineralised system.

Visible Gold Intersected in First Deep Hole

The first phase of shallow drilling in the Eastern Copper – Gold Zone has now been completed, and the Bergslagen Joint Venture partners are now focussed on testing the depth potential of the mineralisation by completing two deep holes to test copper-gold mineralisation identified in previous drilling at 200 m and 350 m below the surface.

The first of these deep holes (13-09) is in the process of being drilled. It has a planned depth of 320 m and is designed to test the gold mineralisation at the 200 m level. It is highly encouraging that visible gold and sulphide mineralisation has already been intersected at 152 and 174 m depth in the drill hole, much earlier than the expected target depth of 220 m (Photograph 2, visible gold @ 174 m). Assays should be available in mid-January 2010.

The second of these deep holes (14-09) has a planned depth of 430 m and is designed to test the gold mineralisation on the 350 m level. The Bergslagen Joint Venture partners are suitably encouraged by the intercepts obtained to date at Falun that they have decided to mobilise a second drilling rig to the site to commence this hole next week.

-ENDS-

For further information, please contact:

Dr Bob Beeson

Managing Director

Drake Resources

+61 (0)8 9228 0703

bob@drakeresources.com.au

Corporate Information

Directors

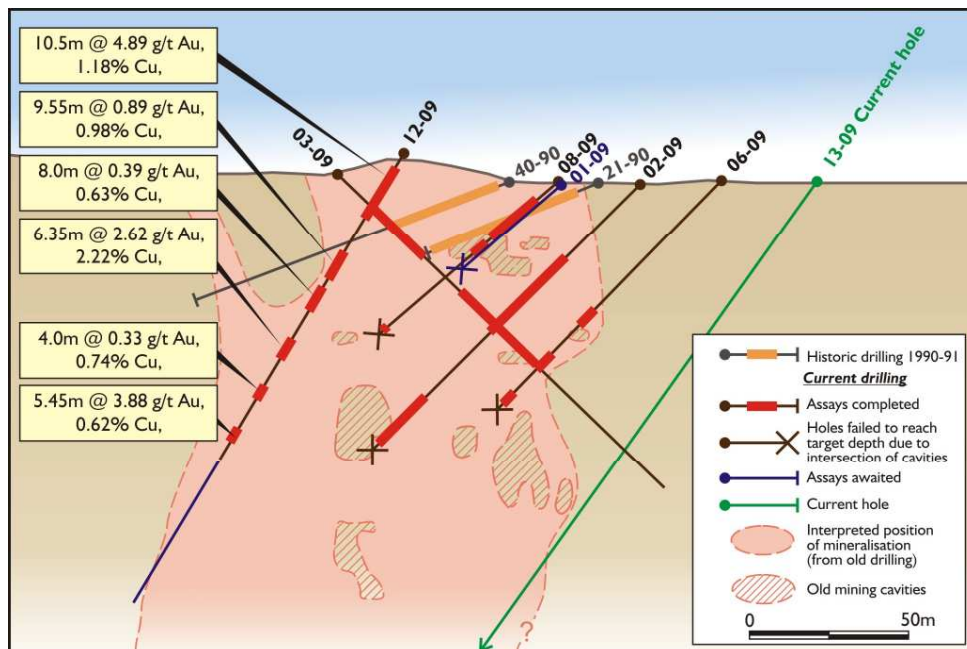
B Fraser	Non-Executive Chairman
Dr B Beeson	Managing Director
J Stephenson	Non- Executive Director & Company Secretary

Issued Capital

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

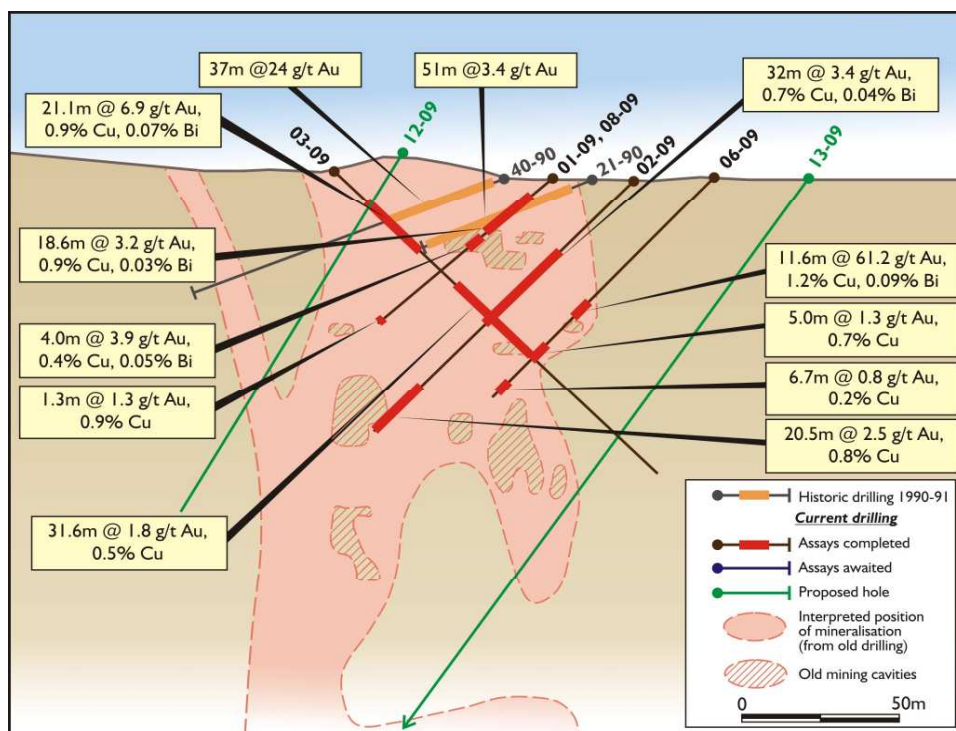
42,438,445 fully paid ordinary shares
27,197,000 listed options

The information in this announcement that relates to Exploration Results, Mineral Resources, or Ore Reserves is based on information compiled by Dr Robert Beeson. Dr Robert Beeson is a member of the Australian Institute of Geoscientists, and 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.



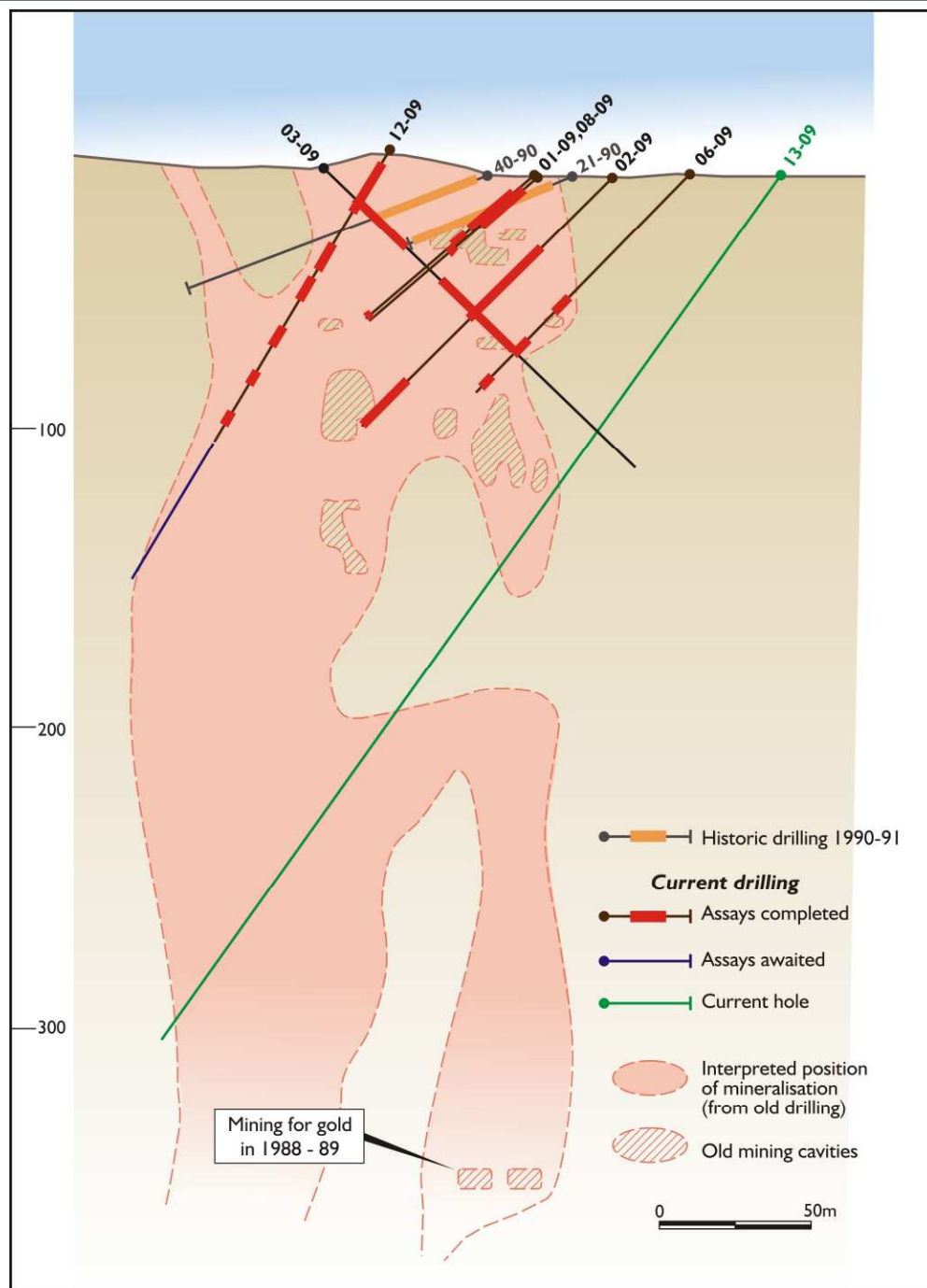
Falun - Current Drilling Results

Fig. 2: Johannes Lucas Section 075, near surface drilling reported previously



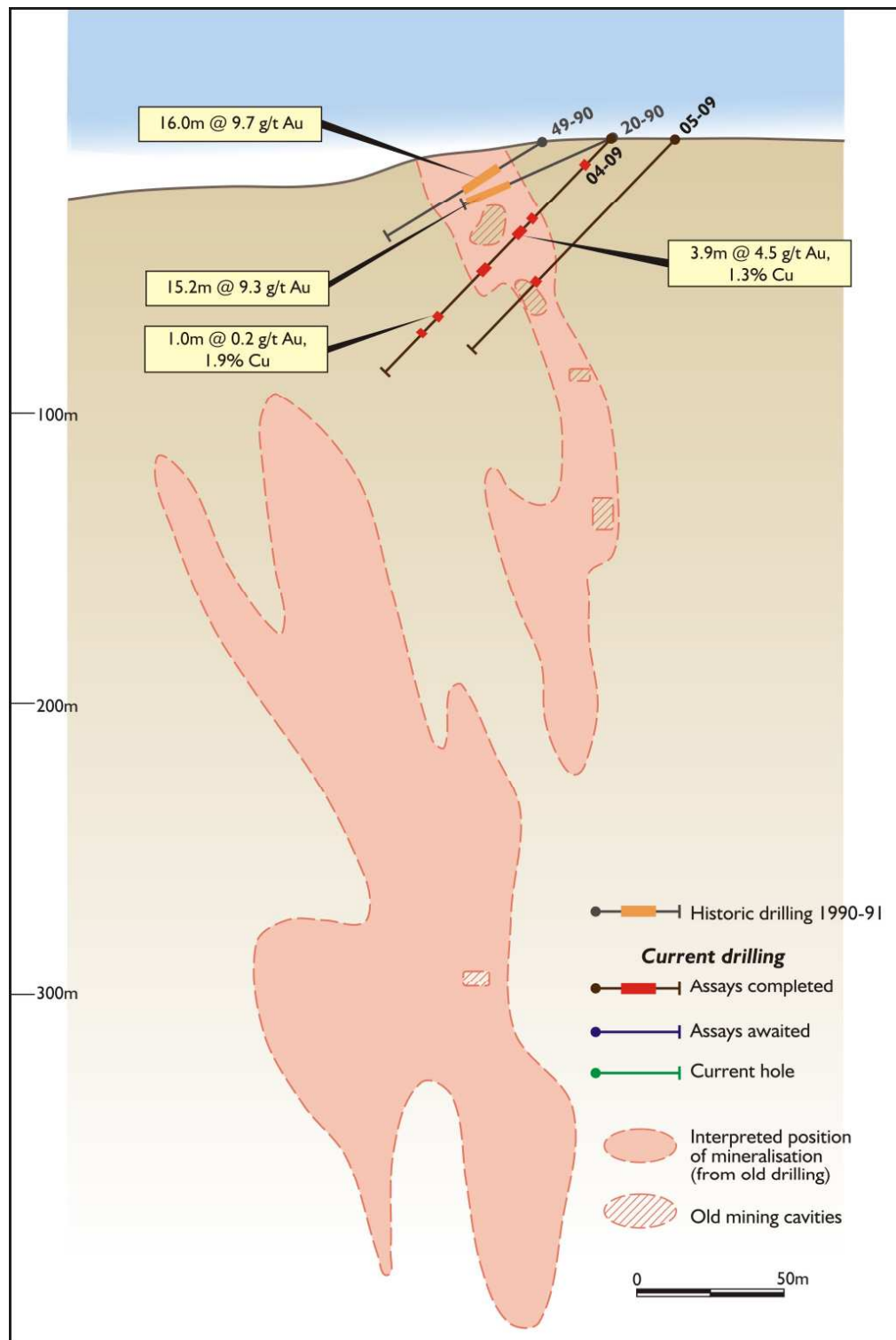
Falun - Previous Drilling Results

Fig. 3: Johannes Lucas Section 075, near surface drilling- new assays



Falun - Johannes Lucas Western Section 075

Fig. 4



Falun - Johannes Lucas Section 030

Fig. 5



Photograph 1: High grade copper mineralisation from 70.4 to 70.8 m in Hole 12-09 containing chalcopyrite-pyrite-pyrrhotite. This mineralisation makes up part of a 6.35 m intersection (68.80 to 75.15 m) containing 2.38 % Cu and 2.85 g/t Au.



Photograph 2: Visible gold at 174m, Hole 13-09