

Quarterly Activity Report June 2010

Highlights

Falun Eastern Copper-Gold Zone, Sweden

- Second phase of drilling on Eastern Copper-Gold Zone now completed
- New intersections include:
 - 11.3m @ 3.9 g/t gold and 1.1% copper
 - 31.0m @ 4.4 g/t gold and 1.2% copper
 - 6.2m @ 4.1 g/t gold and 0.6% copper
 - 11.4m @ 5.2 g/t gold and 2.0% copper
 - 24.6m @ 3.1 g/t gold and 1.7% copper, and
 - 7.0m @ 8.2 g/t gold and 1.1% copper
- Mineralisation remains open at depth on these drill sections

Falun Western Copper-Gold Zone, Sweden

- First drilling in the Western Copper-Gold Zone intercepts strong copper, zinc and lead mineralisation
 - 17.2m @ 2.3 g/t gold, 1.9% copper, 3.8% zinc, 0.8% lead, and 56.4 g/t silver at the bottom of Hole 20-10
- Hole finished in mineralisation, and full extent of the mineralisation has yet to be established

Massive sulphide discovery at Holtäkt Prospect, Sweden

- Drilling of the Holtäkt geophysical target intersects semi-massive to massive iron sulphides
- Downhole geophysics planned to trace sulphides along strike

Doverstorp, Sweden

- Processing of geophysical data defines several high ranking targets
- Geological and geochemical reconnaissance upgrades geophysical targets

Basinge and Vigelsbo

- Fieldwork including till geochemistry, mapping and anomaly follow up underway

About Drake

Drake Resources (ASX: DRK, "Drake") is a gold/silver and base metals explorer with advanced projects in Sweden and Australia.

In the five 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 has put in place a program 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 has permits in Sweden in a joint venture with Royal Falcon Mining, and in its own right.

OPERATIONS

SWEDEN PROPERTIES: ROYAL FALCON MINING JOINT VENTURE (DRAKE CURRENTLY 100%)

Drake Resources has continued the management of exploration of the Falun and Bersbo Projects in Sweden. The Projects now comprise 17 separate exploration permits in the Bergslagen Province west of Stockholm.

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.

- 1) Royal Falcon must spend US\$3 million to earn a 51% interest in the Falun and Bersbo Projects. 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.

The Joint Venture's first drilling campaign commenced in August, 2009.



Sweden - Falun Location Map

During the quarter:

1. The drilling programmes in the Eastern Copper Gold Zone and Western Copper Gold Zone at Falun were completed with mixed success;
2. The VTEM anomaly and the depth extent of mineralisation at the old pit at Domängruvan were drill tested;
3. The drilling programme at Bersbo was completed; and
4. The Hagged VTEM anomaly was drill tested.

The drilling statistics are as follows:

Prospect	#of Holes	Metreage
Falun	15	1793.73
Bersbo	1	125.00
Rogsån	1	210.00
Domängruvan	6	370.90
Grand Total	23	2499.63

The Falun copper-zinc mine

Falun was first mined around 700AD, and was the largest copper producer in the world during the 17th and 18th centuries. Mining finally ceased there in 1992. Records show that more than 35 million tonnes of high-grade ore were mined containing on average 1-3% Cu, 2-6% Zn and 1-7 g/t Au. Falun is regarded as one of the world's great, massive sulphide mineralising systems.

At Falun, there are two main ore types. The bulk of the mined orebody was made up by pyritic copper-zinc-gold massive sulphide ores. In addition high-grade pods of siliceous copper-gold ore occur in what has been interpreted to be the footwall alteration zone.

There had been no exploration at the Falun mine for almost two decades. A review of the last exploration work undertaken at the mine shows that the approach was primarily limited to *ad hoc* drilling around the edges of the orebody for extensions of the massive sulphides.

Drake has recovered the assays for 985 historic drill holes that were completed when Falun was in operation. Only drilling undertaken in the last few years of operation was assayed for gold, and consequently Drake has a limited picture of the potential for gold across this extensive ore system.

Drake has continued to focus on the un-mined copper-gold orebodies at Falun. These have considerable volume both east and west of the main massive sulphide body. They received only limited extraction by the miners who were mainly interested in the massive sulphide ores.

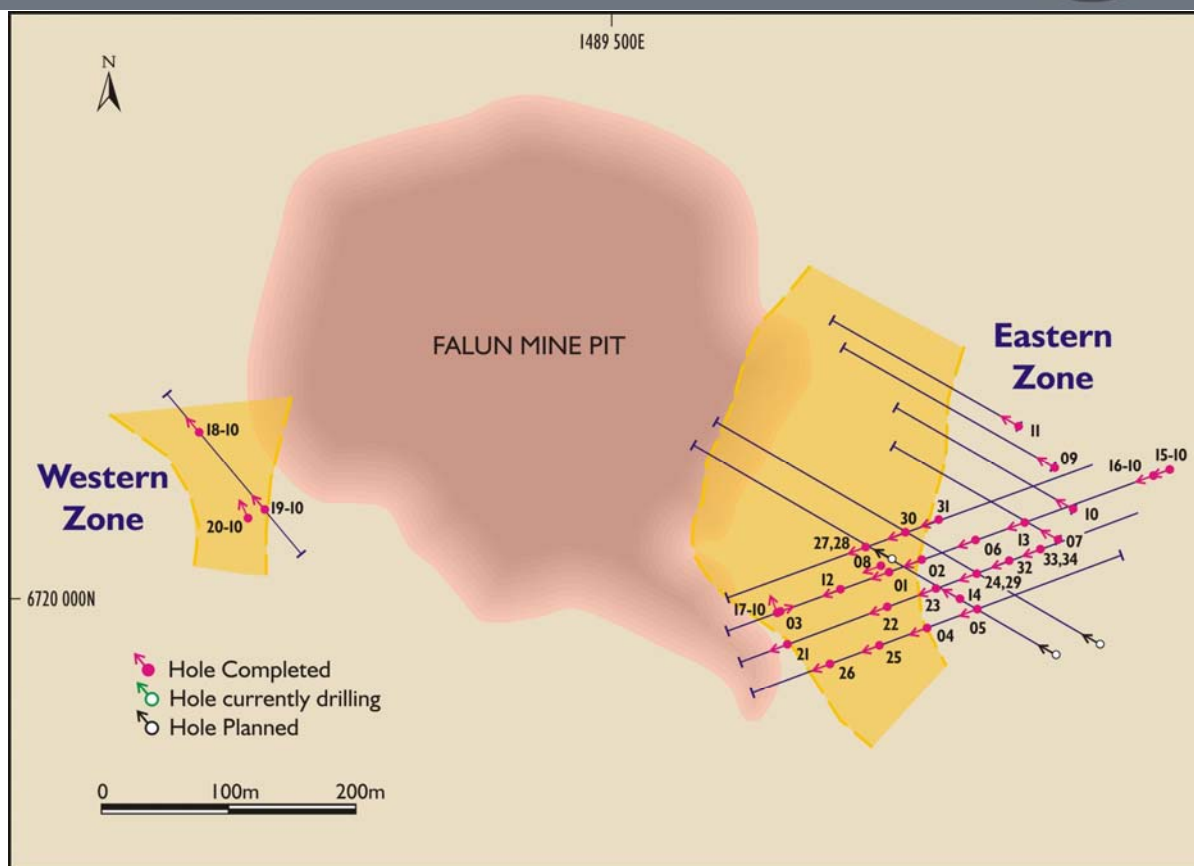
Diamond Drilling in the Eastern Zone

During the quarter, the second phase of diamond drilling in the Johannes Lucas portion of the Eastern Copper-Gold Zone was completed. The second phase comprised 25m x 25m resource drilling on the high grade Johannes Lucas mineralisation and consisted of 15 holes (Holes 20-10 to 34-10) for a total of 1,794m (Figure 2).

Drilling was completed on 3 additional drill sections (025N, 050N, 100N) to that drilled in 2009 (075N). Assays for Holes 21-10 to 28-10 on drill sections 050N and 100N have been received. Significant new intersections are listed in Appendix 1.

The resource drilling in the upper portion of the Eastern Zone has been slow and technically challenging due to unmapped or poorly mapped cavities from historical mining, particularly around 95m RL. As a result of the difficulties, only 4 of the 15 holes drilled managed to reach their planned target depth. However, there are considerably less cavities in deeper portions of the Eastern Zone and therefore such difficulties are not expected as future drilling tests the depth extent to the copper and gold mineralisation.

The new drilling assays confirm the strike and depth continuity of the high grade copper and gold Johannes Lucas mineralisation found on Section 075N in the previous drilling campaign. Broad new intersections include **31m @ 4.4 g/t gold and 1.2% copper (Hole 22-10), and 24.6m @ 3.1 g/t gold and 1.7% copper (Hole 28-10)**. In addition, a number of narrower higher grade zones of mineralisation were intersected and including gold grades of up to 46.9 g/t over a metre, numerous copper intersections above 1%, and up to 1.8% bismuth over a metre. The copper grade of the Johannes Lucas mineralisation seems to increase to the north.

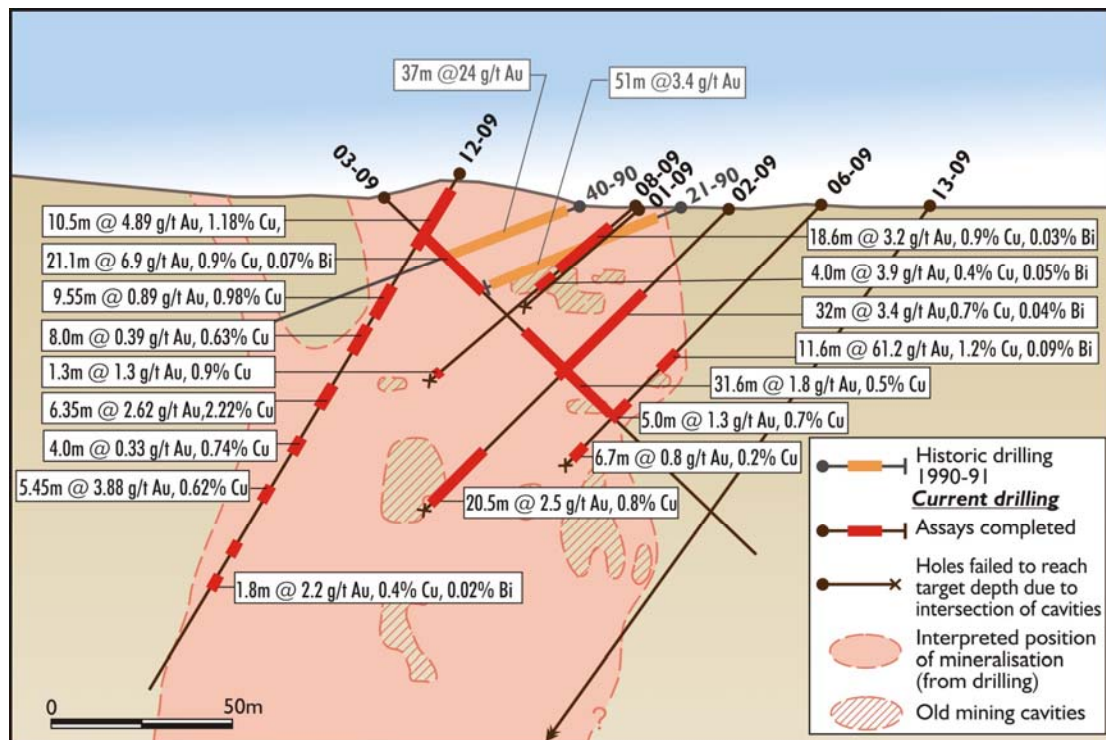


Falun - Planned Drilling Program
Fig. 2: Location of drill holes, Falun



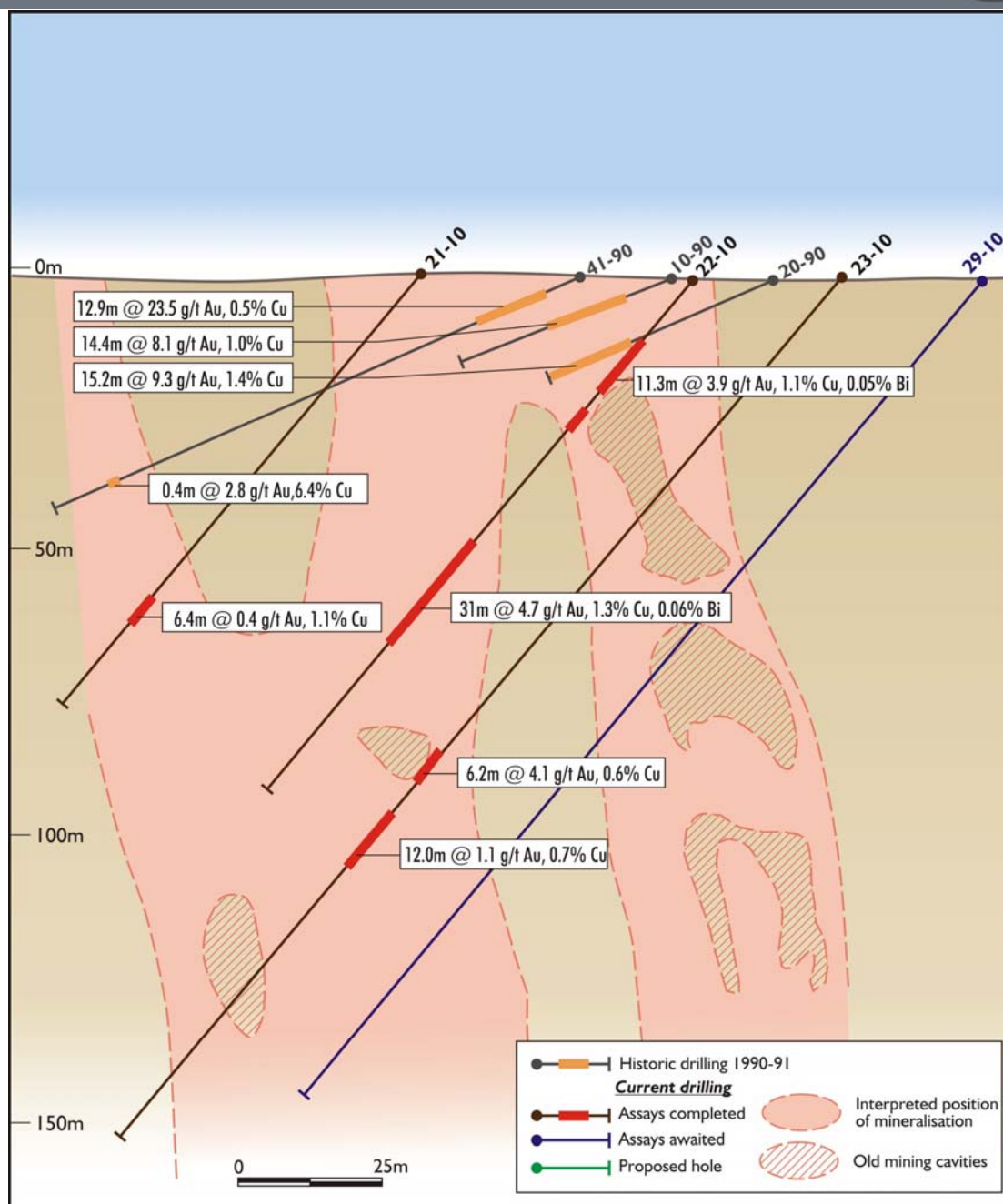
Fig. 3: Hole 21-10, 17.5m depth: pyrite and bismuth minerals in gold-copper ores

Following completion of all of the drilling results, the Bergslagen Joint Venture will complete a resource modelling exercise and then prepare a resource estimate for the Eastern Copper-Gold Zone in conjunction with an independent consulting firm.



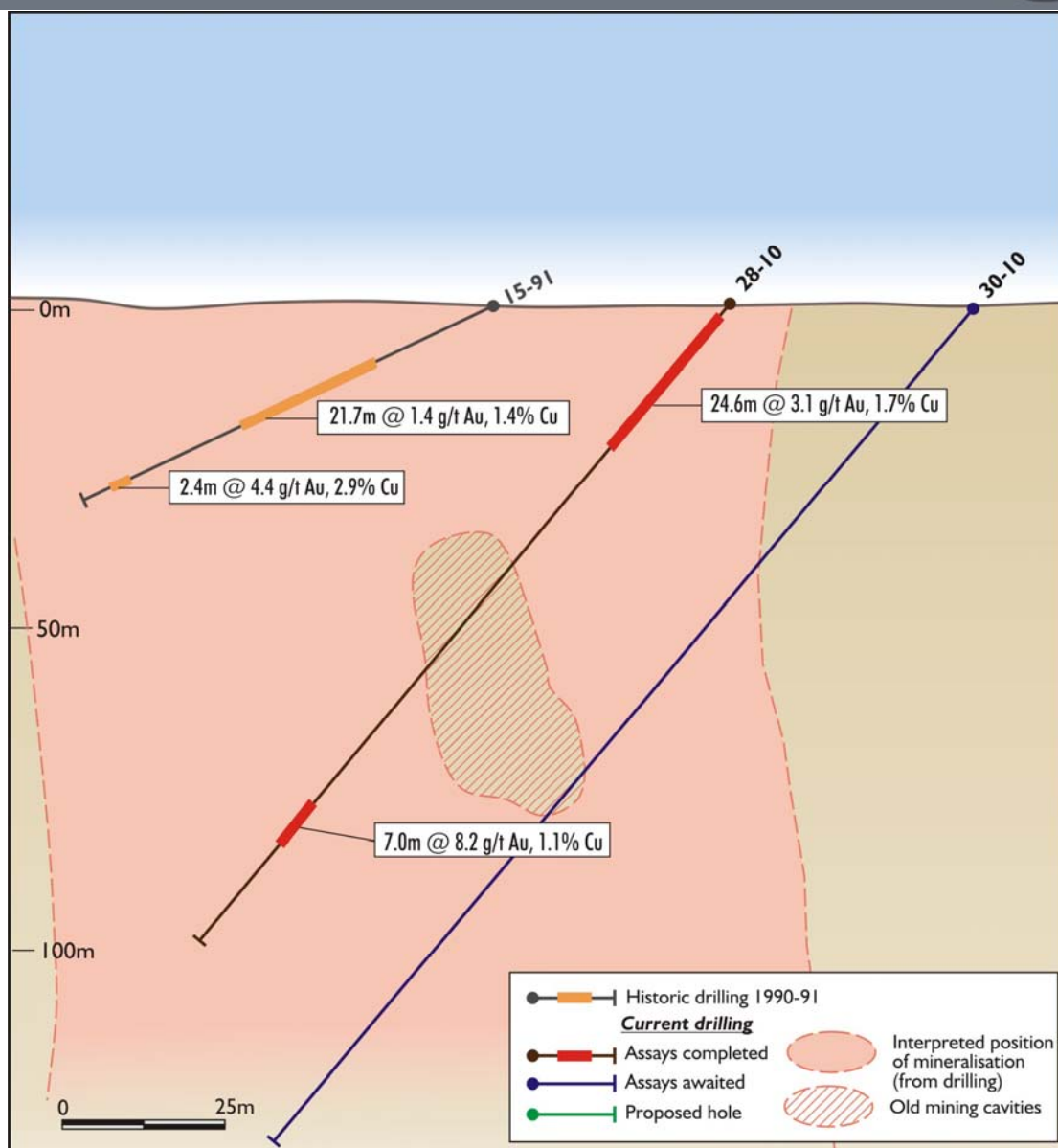
Falun - Drilling Results

Fig. 4: Johannes Lucas Section 075N; upper part of section only



Falun - Johannes Lucas Section 050N

Fig. 5



Falun - Johannes Lucas Section 100N

Fig. 6

Table 1. Intersections for holes 21-10 to 28-10

HOLE #	FROM (m)	TO (m)	Width (m)	Au (g/t)	Cu (%)	Zn (%)	Ag (g/t)	Bi (ppm)	Se (ppm)
21									
	17.05	18.05	1.00	0.18	0.35	0.14	9.1	18	10
And	66.90	67.90	1.00	0.47	0.57	0.02	2.2	114	50
And	72.00	78.40	6.40	0.36	1.07	0.04	5.0	21	58
22									
	6.50	7.50	1.00	1.05	0.78	0.07	3.7	29	20
And	10.50	11.00	0.50	2.70	1.69	0.13	9.3	45	10
And	14.10	25.40	11.30	3.93	1.06	0.34	6.8	453	87

<i>incl.</i>	23.20	25.40	2.20	8.82	0.84	0.13	7.6	1241	209
And	29.40	32.50	3.10	8.73	0.85	0.10	10.4	1851	285
<i>incl.</i>	29.40	31.55	2.15	12.16	1.20	0.12	14.4	2601	207
And	53.00	56.00	3.00	0.74	0.24	0.01	1.20	27	30
And	59.00	90.00	31.00	4.40	1.23	0.02	5.9	606	147
<i>incl.</i>	76.00	79.00	3.00	14.50	2.62	0.03	16.8	2577	463
<i>incl.</i>	76.00	82.00	6.00	9.76	2.82	0.03	14.5	1507	365
And	93.80	97.00	3.2	0.65	0.58	0.02	1.1	50	12
And	107.00	108.00	1	0.27	0.58	0.01	2.0	15	40
And	111.00	114.20	3.2	0.60	0.35	0.02	1.3	45	44
23									
	107.70	113.90	6.20	4.14	0.60	0.02	2.7	33	28
<i>incl.</i>	107.70	109.70	2.00	11.95	1.24	0.03	7.30	433	170
<i>incl.</i>	109.70	110.70	1.00	20.10	2.06	0.03	10.7	537	240
and	120.25	132.50	12.25	1.07	0.68	0.02	2.2	87	64
<i>incl.</i>	126.50	127.50	1.00	3.32	1.23	0.01	4.2	300	100
and	146.50	150.60	4.10	0.46	0.38	0.02	1.3	44	76
25									
	7.10	11.10	4.00	1.34	0.50	0.04	2.7	33	28
And	17.20	28.50	11.30	1.69	0.37	0.02	3.5	1774	43
<i>incl.</i>	21.20	22.20	1.00	10.50	0.59	0.03	21.4	18250	<i>n.a.</i>
And	31.50	43.50	12.00	0.72	0.52	0.02	3.0	40	41
26									
	86.50	87.50	1.00	0.27	0.53	0.18	1.9	27	110
and	93.50	95.50	2.00	0.32	0.50	0.06	4.1	250	150
and.	101.00	103.00	2.00	0.30	0.94	0.00	6	39	90
27									
	4.60	16.00	11.40	5.16	1.97	0.08	9.5	368	184
<i>incl.</i>	12.45	16.00	3.55	11.35	3.67	0.07	18.2	918	477
28									
	2.00	26.60	24.60	3.07	1.66	0.08	7.1	152	126
<i>incl.</i>	15.30	20.10	4.80	8.53	4.15	0.10	20.5	656	420
and	42.60	44.60	2.00	1.76	1.22	0.10	5.6	175	95
and	73.75	74.75	1.00	0.23	0.67	0.04	2.5	14	20
and	88.75	90.75	2.00	1.67	1.20	0.03	5.3	101	85
<i>Incl.</i>	89.75	90.75	1.00	2.96	0.54	0.02	4.0	158	70
and	93.75	94.75	1.00	1.24	0.12	0.01	1.1	306	20
and	98.75	105.75	7.00	8.15	1.14	0.05	4.7	105	71
<i>incl.</i>	101.75	104.75	3.00	17.84	1.92	0.07	8.9	101	83
<i>incl.</i>	101.75	102.75	1.00	46.90	1.70	0.06	11.5	40	70
and	107.65	108.55	0.90	1.20	2.31	0.08	8.2	29	60

All intercepts are defined by using a 1 g/t Au equivalent cut off and maximum of 2 m waste dilution. Au equivalent based on Au price of US 1228.8 /oz, Cu price of US 7010 /t, Pb price of US 2016 /t, Zn price of US 2072.5 /t and Ag price of US 19.476 /oz (all prices as of May 13th, 2010).

Diamond Drilling in the Western Zone

The Western Copper-Gold Zone is located immediately west of the old open pit at the Falun copper-zinc-gold mine.

The Western Zone has been only partly tested by past drilling. Most of the previous drill holes were not assayed for gold and silver. This Zone contains previous drilling intersections of potentially economic grades, including 23.5m @ 2.8% copper.

Three holes (18-10 to 20-10) for 296m were drilled in the Western Zone (Figure 2). None of the holes reached target depth due to poor ground conditions. Two of the holes intersected massive sulphide mineralisation with grades typical of the historic mining at Falun. Significant intersections are listed in Table 2.

Hole 20-10 intersected strong poly-metallic sulphide mineralisation with copper, zinc, lead, gold and silver. An intercept of **17.2m @ 2.3 g/t gold, 1.9% copper, 3.8% zinc, 0.8% lead, and 56.4 g/t silver** was obtained in the bottom of the hole (Figure 4). The hole stopped in mineralisation.

The massive sulphide mineralisation intersected in Hole 20-10 lies below a back filled stope of the previously mined Lovisa ore body. It is interpreted to be a newly discovered parallel zone to the Lovisa ore body that was not detected by previous mining operations.

There has been considerable previous drilling in the area from when the mine was operating. This suggests that this new intersection in Hole 20-10 may be part of a zone of massive to semi-massive sulphide mineralisation identified on the 145 metre level, 15-25 metres below this current intersection. A previous drill hole on this level includes an intercept of **33.1m @ 1.5% copper, 42 g/t silver and 4.1 g/t gold**. This intersection was not assayed for zinc or lead. Most of the previous drill holes were not assayed for these metals, plus gold and silver.

Hole 18-10 also intersected significant base metal mineralisation close to areas of previous mining. The best intercept is **2.0m @ 5.96% zinc and 1.2% lead** (Figure 7).

The first drilling completed by the Bergslagen Joint Venture to the west of the Falun mine shows that this area holds considerable potential for further significant intersections of base metals and gold.

Further drilling is planned in the Western Zone to test the deeper copper mineralisation that was originally targeted and also to determine the potential of the massive sulphide zone intersected in Hole 20-10.

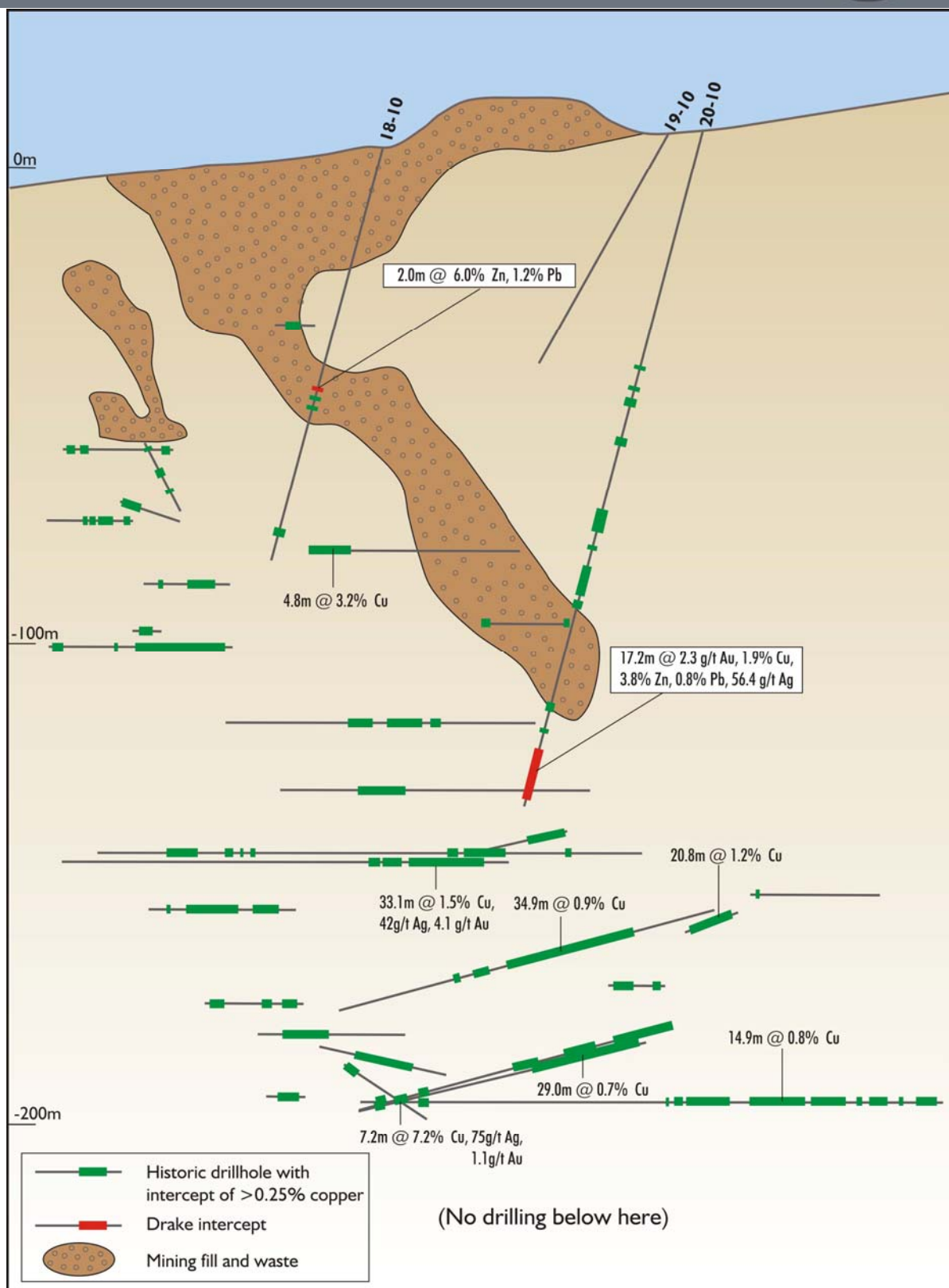
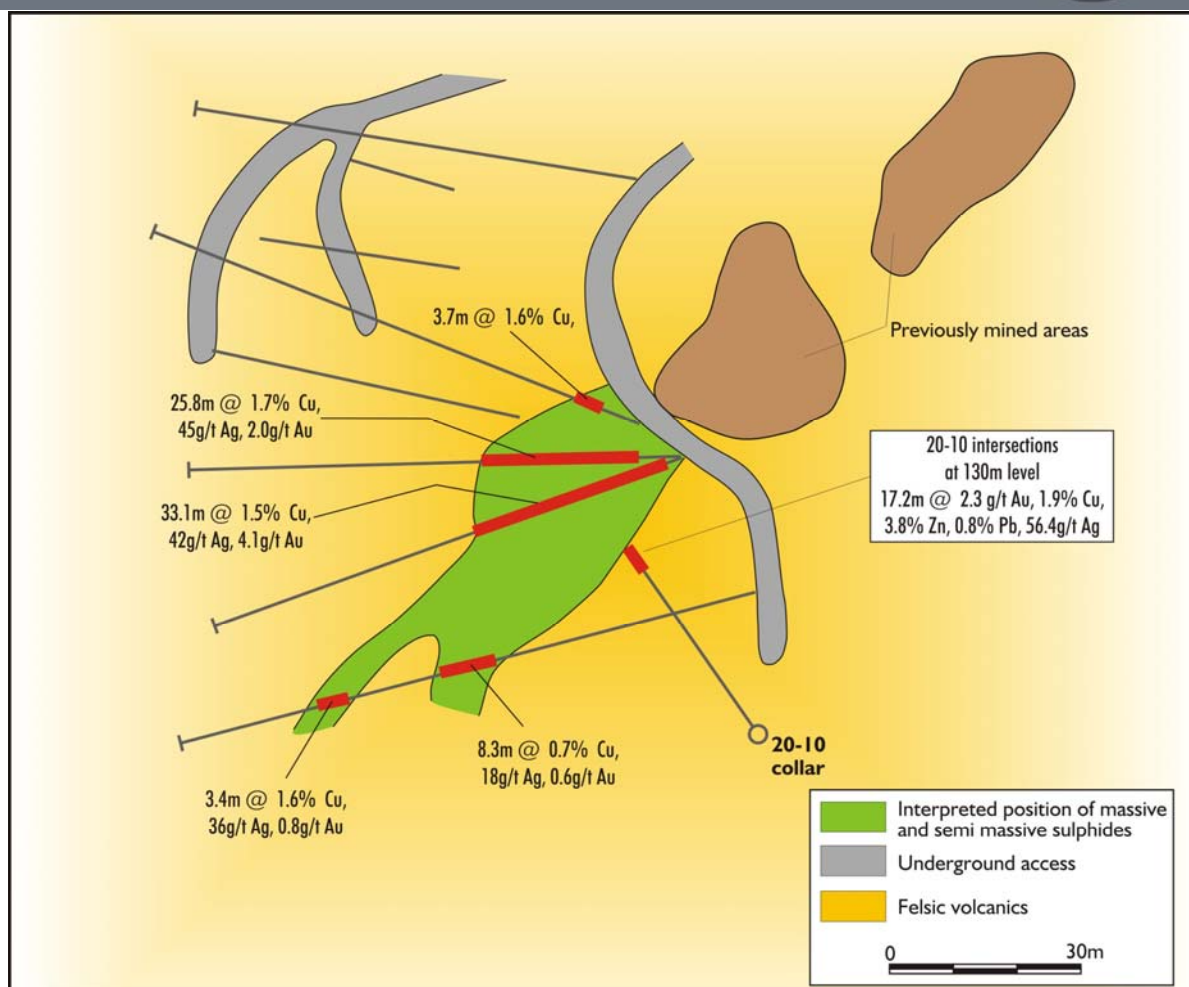


Fig. 7: Section through the Western Copper-Gold Zone, showing historic copper intersections and the new drilling



Falun- Western Copper-Gold Zone, 145m Level

Fig. 8

The Falun District Project

Diamond Drilling of Regional VTEM Geophysical Targets

Drilling of 3 VTEM electromagnetic targets (Holtäkt, Haghed and Domängruvan) in the Falun project areas was completed.

The **Holtäkt** VTEM anomaly sits within the Rogsån Permit, a volcanic belt located approximately 7km north of the historic Falun copper-zinc-gold mine. A single 240m hole (10DDHH002) was drilled into the anomaly which intersected semi-massive to massive pyrrhotite-pyrite mineralisation.

Two zones of mineralisation from 180.8m to 185.9m (5.1m @ 0.23% copper) and 214.2m to 218.8m (4.6m @ 0.23% copper) were observed in the core and adequately explain the VTEM anomaly. The size of the intersections and copper content are very encouraging and further work is warranted to test this conductor more extensively.

A down-hole electromagnetic survey will be undertaken to assist with assessing the potential extent of the mineralisation and to assist in the positioning of further drill holes.

Table 2. Copper intersections at Holtäkt

	From	To	Intercept (m)	Copper (%)
HOLE 10DDHHO002				
	180.20	185.90	5.70	0.22
<i>incl.</i>	<i>183.80</i>	<i>184.30</i>	<i>0.50</i>	<i>0.38</i>
and	207.05	207.50	0.45	0.20
and	214.20	218.80	4.60	0.23
<i>incl.</i>	<i>215.20</i>	<i>215.80</i>	<i>0.60</i>	<i>0.43</i>

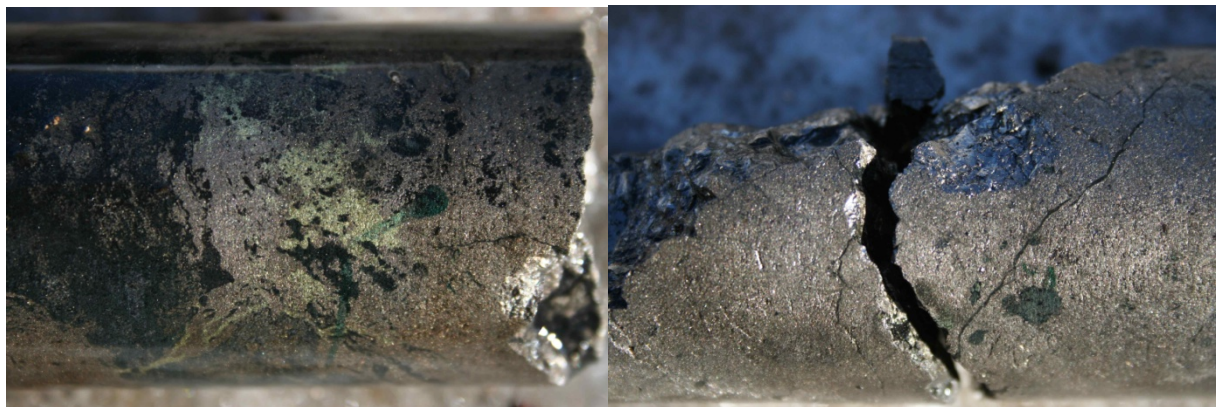


Figure 9: Left – Approx 184 m, semi massive pyrrhotite and chalcopyrite; Right – Approx 217m, massive pyrite mineralisation. Core size is NQ.

The **Hagged** VTEM target occurs on the same geological horizon as the Holtäkt target and the historic Svärdsjö base metal mine. It is also coincident with a magnetic anomaly and copper-bearing boulders down-ice. A single hole (10DDHHA001) was drilled during the quarter to a depth of 214.2m. Disseminated pyrrhotite and pyrite was intersected down the hole but was not thought strong enough to explain the VTEM anomaly. Assay results show only minor elevated copper up to 922 ppm hosted in sheared pyrrhotitic and pyritic mafic schist (amphibolite).

Down hole EM is planned during the next quarter to ensure the target was fully tested.

The **Domängruvan** VTEM anomaly lies in the Falun East Permit, located approximately 3km east of the historic Falun Mine. The anomaly is directly adjacent the Domängruvan massive sulphide occurrence, which is an historic pyrite mine that closed in 1917. Since the end of World War 1 until recently, the area has been closed to exploration for use as military training ground.

During the quarter, a total of 6 holes (10DDHDM001 - 10DDHDM006) for 370.9m were completed at Domängruvan. The first hole was targeted on the VTEM anomaly that lies approximately 30m to the east along strike from the old pit.

The anomaly appeared to be explained by a narrow zone of semi-massive pyrrhotite-pyrite+/- sphalerite mineralisation. However, the mineralisation was displaced from the location of the VTEM anomaly. Down hole EM will be completed to shed some light on the displacement and to determine whether the original VTEM target was correctly located.

The assay results show elevated zinc up to 3%. Other base metal results are at low levels, as is gold.

The mineralisation in the Domängruvan pit appears to be underlain by coarse pegmatitic granite. This granite appears to limit the depth extent of the mineralisation.

Bersbo Project, Sweden

Bersbo Targets

At the Bersbo Project, 260km south of Falun, 5 VTEM anomalies were tested during the quarter with 6 holes for 824m (Kungshagen, Bersbo West, Hersätter East, Hersätter Central and Hersätter West).

Weak pyrrhotite and pyrite sulphide mineralisation was intersected in all of the holes. Only low levels of base metal mineralisation were obtained.

Down-hole geophysics is to be carried out to test for off-hole conductors, which may indicate if the drill holes missed the geophysical targets.

SWEDEN PROPERTIES: NON-JOINT VENTURE PERMITS (DRAKE 100%)

Drake holds ten permits in Sweden that are not within the Bergslagen Joint Venture with Royal Falcon Mining.

Doverstorp

The company has recommenced work at its Doverstorp 100%-owned permit in Sweden. Doverstorp is a well-mineralised part of the Bergslagen Province, with several base metal and iron sulphide occurrences.

The work programme is focussed on targets identified from a recently acquired geophysical survey flown by a previous explorer. Drake's analysis of this past exploration indicates that there was limited follow up of this survey.

The geology is similar to that in the major Zinkgruvan zinc-lead-silver mine 40 kilometres to the northwest, in particular to the presence of extensive areas of potassic alteration that is interpreted as evidence of widespread metasomatism, possibly related to ore formation.

There are also extensive developments of pyrrhotite-rich sulphide horizons within metavolcanics which are considered to be marker units in the Zinkgruvan district

Widely spaced government sampling yielded a highly anomalous result (2165 ppm Zn) in till, down-ice from the area of geophysical targets.

A detailed aeromagnetic survey was flown by Drake in 2007 (50m line-spacing) to delineate prospective geology and define magnetic anomalies. Drake then completed a geological interpretation based on the airborne magnetics and geological mapping.

The initial work has comprised follow up of the airborne geophysical targets, including mapping and geochemistry.

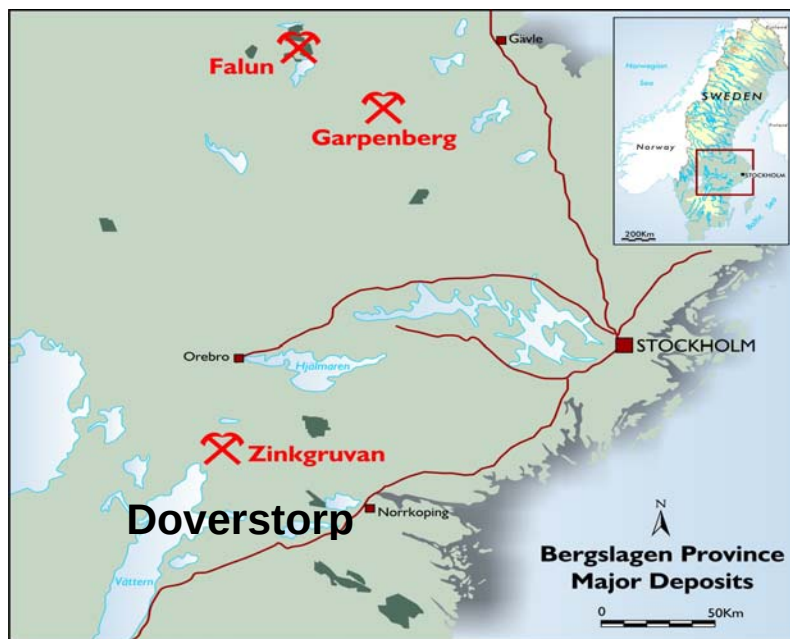
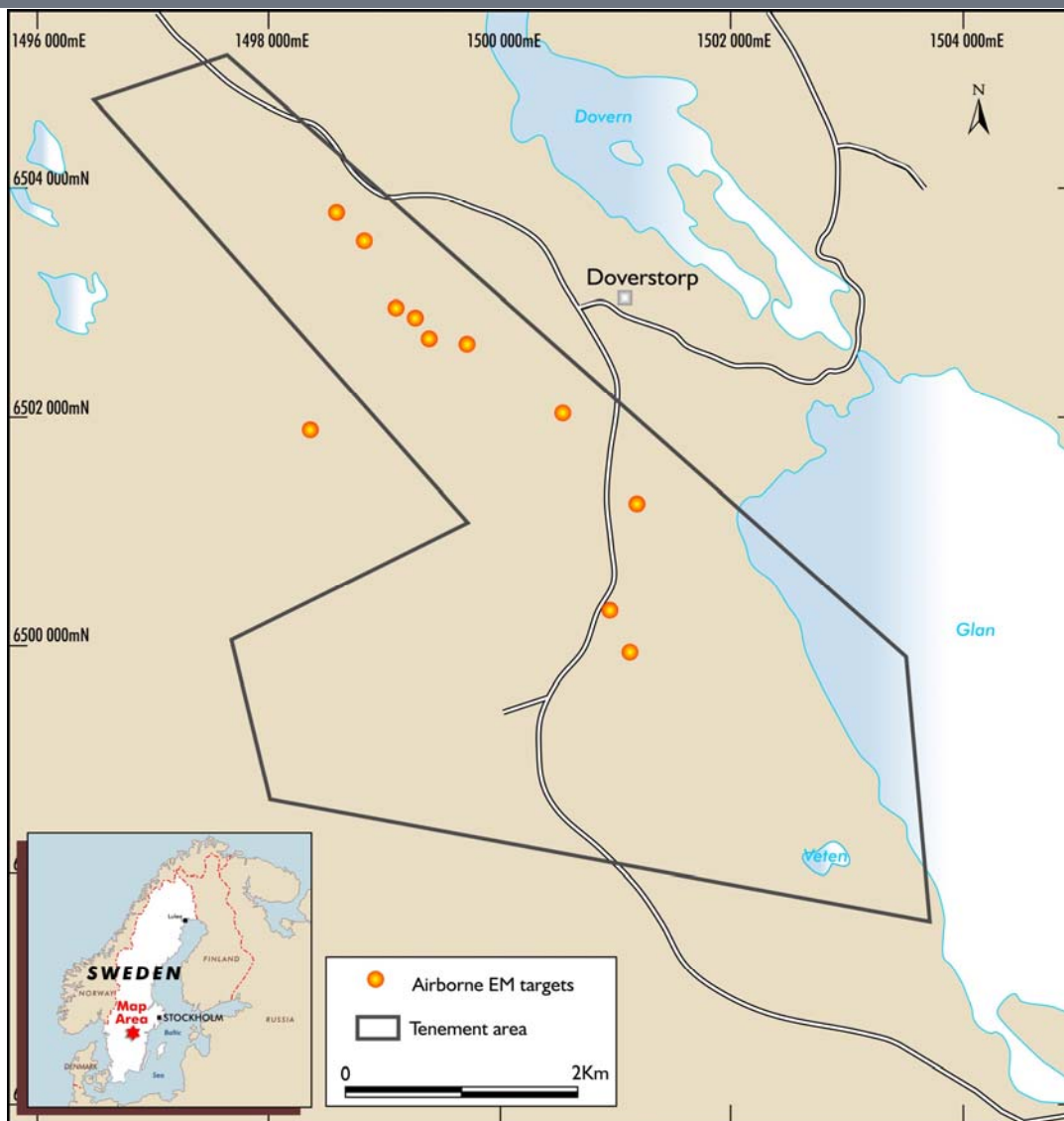


Fig. 10: Location of the Doverstorp permit, near Zinkgruvan



Fig. 11: Old working for iron sulphide in Drake's Doverstorp permit



Doverstorp EM targets

Fig.: 12

Drake has completed two programmes of geological reconnaissance and till sampling during the quarter. The main focus of this work has been to evaluate the geophysical targets identified from the processing of data from the airborne electromagnetic survey completed by a previous explorer.

Assay results from till and rock chip sampling are currently being processed.

Bälinge Copper-Cobalt Project

Field reconnaissance has upgraded the potential of its 100%-owned Bälinge Copper-Cobalt Project in Sweden. The Bälinge Project is located 60 kilometres southeast of Drake's Falun copper-gold project, and 125 kilometres northwest of Stockholm.

The Project is within one of the major massive sulphide belts of Sweden, and is 20 kilometres southeast of Boliden's Garpenberg base metal mine. Garpenberg is one of the major base metal mines of the world, and has been mined since 1300AD. The mine has past production plus reserves of 70Mt at 5% zinc, 2% lead and 100g/t silver.



Fig. 13

Historical reports suggest that mining was carried out at Bälinge in 1580 until 1760 with a total production 200 tonnes of Cu, plus cobalt. The ore grades were reportedly 3-5% Cu, and 0.5-1.0% Co, which gives equivalent copper grades of approximately 10% eCu. The main shaft was to 60 metres depth.

A small drilling programme was completed in the mid-1950s. Good intersections were reported both in the historical assays and Drake's check assays.

Hole A (west of the old workings):	4.5 metres at 3.25% Cu (no Co assays)
Hole B (under the old workings):	1.0 metres at 4.49% Cu, 0.46% Co
Hole D (under and east of workings):	7.1 metres at 2.0% Cu, 0.39% Co

This drilling clearly indicates that high grade Cu-Co mineralisation extends beyond the old workings. There appears to have been no significant exploration in the area since the mid-1950s.

Drake commenced a programme of till sampling to identify and rank other mineralised trends in October 2009. However, poor weather and the limited daylight caused the programme to be deferred to this coming spring.

Drake has carried out reconnaissance rock chip sampling and mapping at Basinge during the quarter.

During the current quarter Drake plans further geochemical sampling and a detailed magnetometer survey. The company may complete an airborne electromagnetic survey also this quarter, depending on the results of its ongoing work.

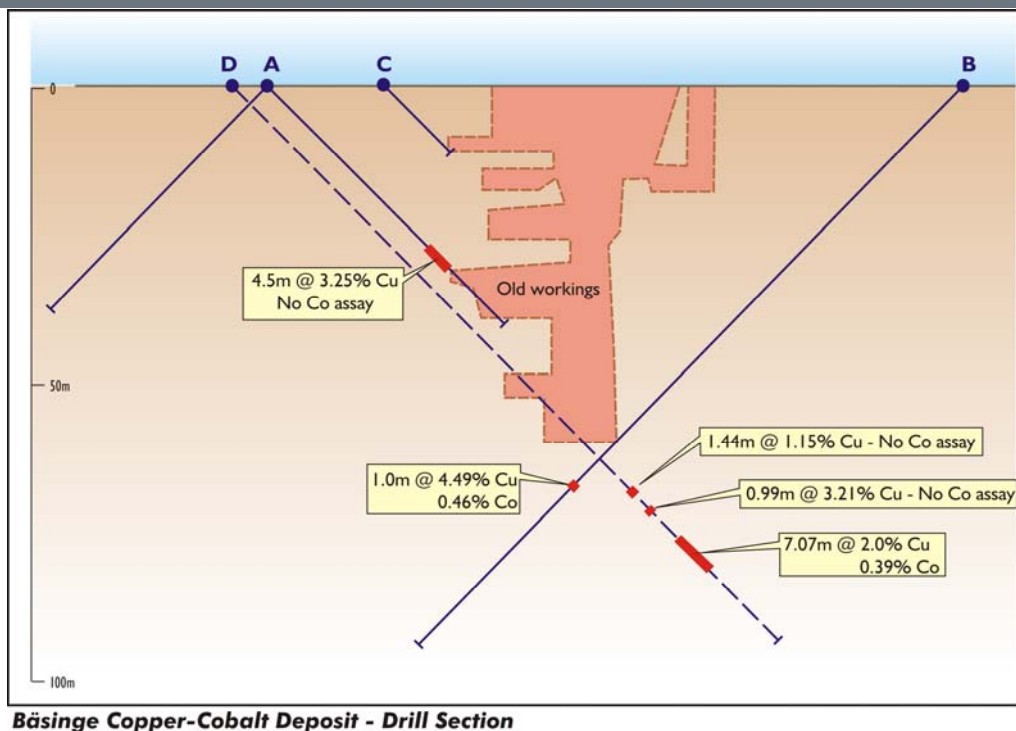


Fig. 14: Bälinge Project drill section through the old underground mine, with copper and cobalt grades; drill hole is projected from 20 metres north onto this section

Vigelsbo

Drake has a 100% interest in an exploration permit application at Vigelsbo, southeast of Falun, Sweden. The Vigelsbo target area is characterized by numerous mineralised boulders, and limited outcrop, containing gold-copper and silver-lead-zinc mineralisation.

The Vigelsbo area is along strike from the historic Sala silver mine 12 kilometres to the southeast. The Sala mine operated from the 15th century to 1908. Records are incomplete, but it has been estimated that more than 400 tonnes of silver and about 40 000 tonnes of lead was extracted from the mine. The Sala silver mine is thought to be one of the five largest historical silver mines of the world.

The chief interest at Vigelsbo is the presence of a small silica breccia outcrop in the along strike position of known, mineralisation drilled by past explorers to the west of the Drake permit. 1000-1600 metres down-ice from this outcrop, are mineralised glacial boulders containing two styles of mineralisation:

- Gold-copper mineralisation with 7.2-10.2 g/t gold and 1.4-1.5% copper (two boulders)
- Massive sulphide style mineralisation with 52-343 g/t silver, 0.5-4.1 g/t gold, 6.3-17.8% lead and 1.2-12.0% zinc (10 boulders)

The location and size of the mineralisation sourcing these boulders has not been established. These assays are from previous explorers, and were not generated by Drake Resources.

The area is covered by post-glacial sand, gravel and clay but this material is generally thin.

A line of till samples was collected along the old train line 200-600m up-ice of where the boulders were described.

Till samples were analysed using a portable XRF prior to be submitted for lab analysis. High levels of zinc up to 230ppm Zn were detected in samples. The XRF results define a 1000m wide zinc dispersion fan. Background values on either side of the anomalous samples contain 30-40 ppm Zn.

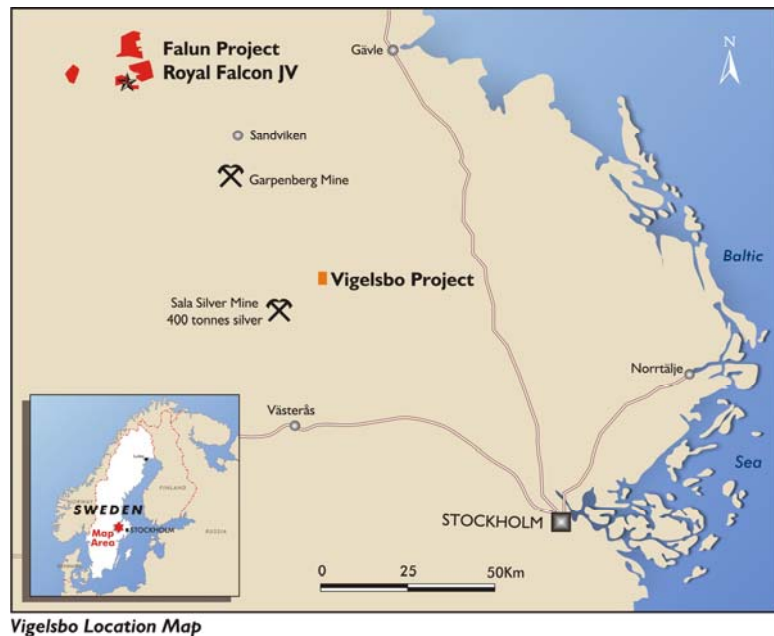
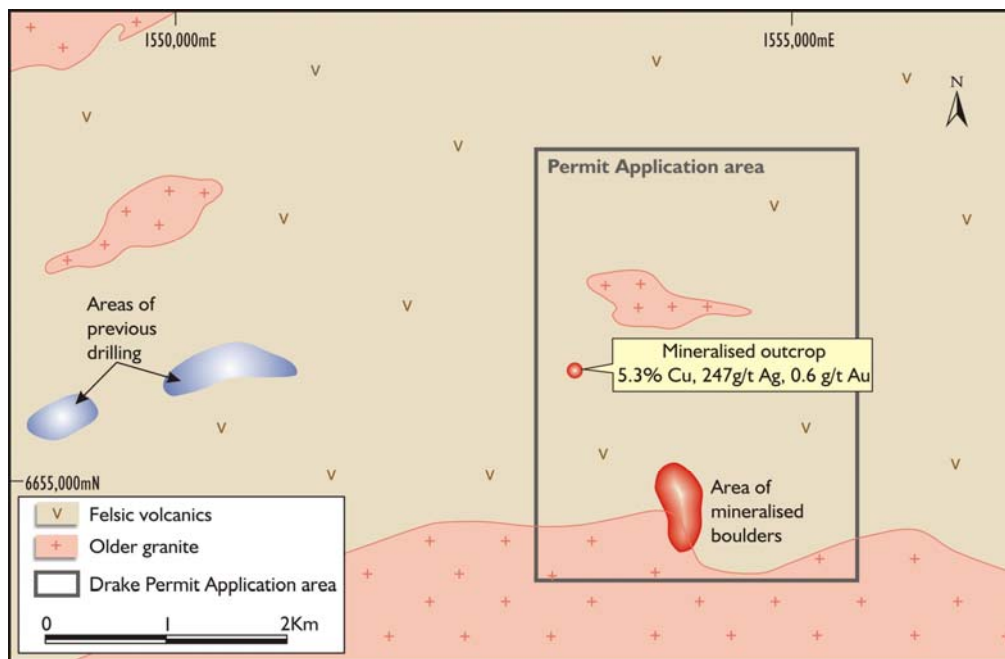


Fig. 15

Drake will be carrying out systematic till sampling during the current quarter. If this is successful an airborne geophysical survey is planned for later in the northern field season.



**Vigelsbo Permit Application
Fig. 16**

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 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. Dr Beeson is a Member of the Australian Institute of Geoscientists.