



Drake Resources Ltd

Zinifex sole-funding 14 base metal areas on 2 continents

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Advanced zinc-copper and gold-silver project portfolio

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- Base metal alliance with Zinifex Ltd
 - Anticipate 20 Zinifex sole-funded joint ventures by end 2007
- High potential gold-silver project at Mt Carrington in New South Wales
- Drill targets in Eastern Goldfields
- 12.5% interest in Aura Energy Ltd



The Drake-Zinifex Alliance



- Brings together
 - Drake's technical project generation skills, and
 - Zinifex's operational capabilities in mineral project development and mining
- 14 targets which have been accepted as Drake-Zinifex exploration joint ventures
 - In both Sweden and Australia
- Zinifex will sole fund these joint ventures for the first \$400,000 per target
- Recently extended until December 2008, with an additional budget of \$1.0 million

Alliance targeting high grade zinc and copper deposits



- High grade, high metal value massive sulphide deposits:
 - Broken Hill, Rosebery, Kidd Creek
- Exceptional ore provinces:
 - Sweden: major deposits Falun and Zinkgruvan
 - Australia: Mt Isa/Georgetown – Cannington, Ernest Henry
 - Deposit type neglected because of many years of declining metal prices
- Plus IOCG and nickel deposits

Technical team has an exceptional record of ore discovery

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- Ex- Billiton, BHP, Acacia, North
- Major discoveries: Cannington Ag-Pb-Zn, Sunrise Dam Au
- Drake key team members have almost 200 years combined exploration experience
- On the ground experience in 6 continents

Drake – Zinifex BHT Alliance

How it works



- Identify Pb-Zn-Ag opportunities in Exploration Areas in 4 continents
 - May include other base metals (e.g. Cu-Au)
- DRK presents targets as opportunities:
 - Those accepted ⇒ Alliance projects
 - Those rejected ⇒ Drake projects
- DRK may contribute at 30% or 10%

Sweden – a mining country



- More than 1000 years of mining history
- Modern mining law
- Corporate tax rate of 28%
- Skilled workforce
- Exceptional infrastructure – power, rail, road
- Fresh water
- Ranked best country in the world for mining investment in the recent Resource Stocks survey



Sweden Drake-Zinifex joint venture exploration

*Advanced projects –
first drill holes will
hit base metal
sulphides*

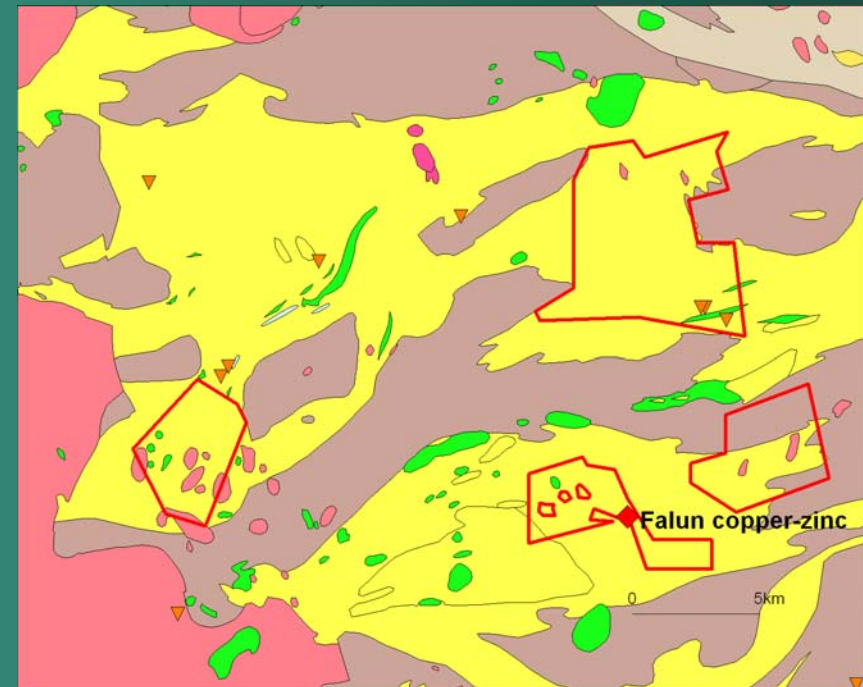
- Falun Project
 - 4 AOIs
- Bersbo Project
 - 5 AOIs
- Doverstorp

Sole-funded by Zinifex



Acquiring premier position in Falun belt

- Consolidating position in the Falun district
- New applications
 - Oxberg extended
 - Svärdsjö extended
- Number of historic zinc and copper mines
- First time substantial portion of belt in the hands of one party



Falun copper-zinc mine

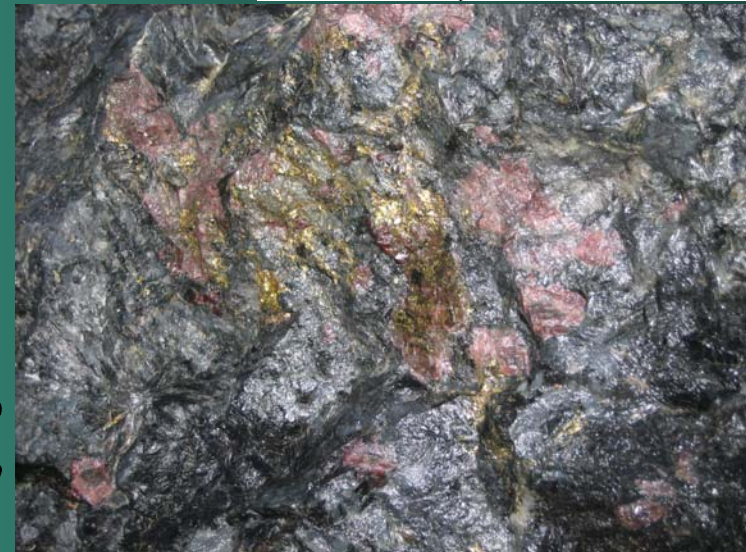
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- Surrounds Falun copper mine
 - Mined since 700AD
 - Oldest public company anywhere
 - Major source of wealth for Swedish Kingdom
 - Copper for the roof of the Palace of Versailles
 - Mining stopped 1989

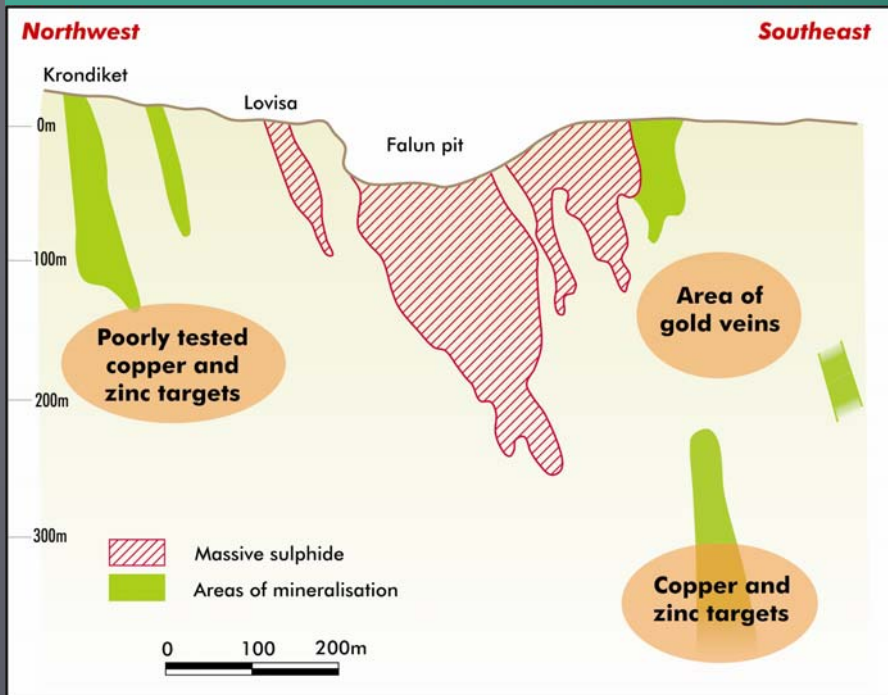


Sweden - Falun Location Map

New exposure of sulphides in Drake application

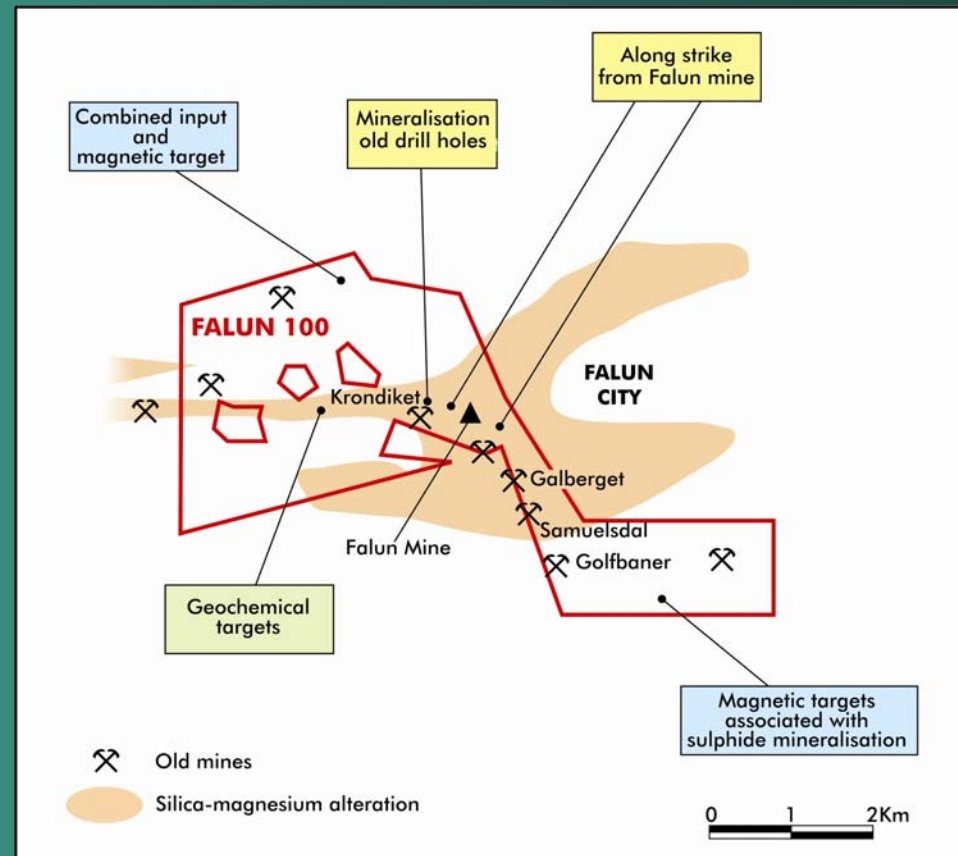


Falun mineralisation



Existing Falun targets

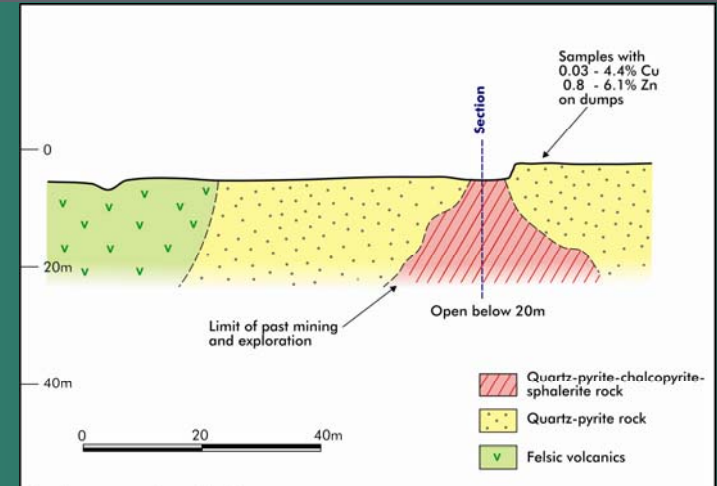
- Along-strike and cross-strike extensions to Falun are poorly tested by drilling
- No modern exploration
- Untested magnetic targets
- Airborne EM survey to generate additional targets



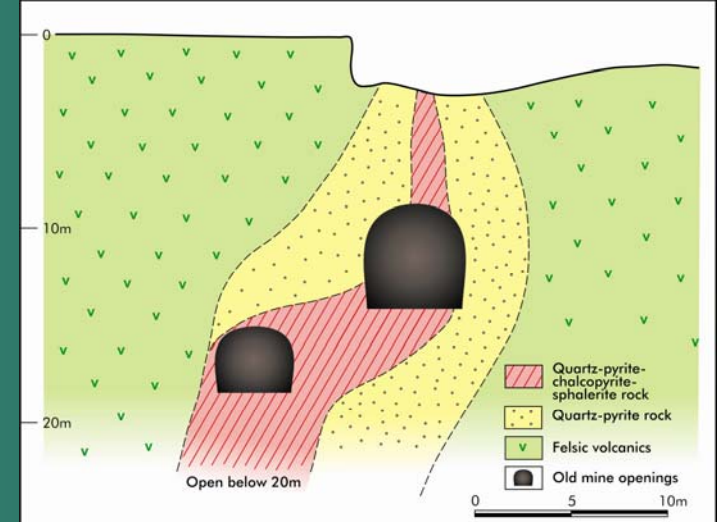
Domängruvan

Untested massive sulphides

- Domängruvan sulphide body
 - Mined for pyrite in WW1
 - Workings and drilling to 20m depth
 - Military reserve since then
 - Unexplored
- Magnetic feature 400m long
- Several similar magnetic targets
- Samples from dumps
 - Copper: 0.03 – 4.4%
 - Zinc: 0.8 – 6.1%



Domängruvan : Long Section



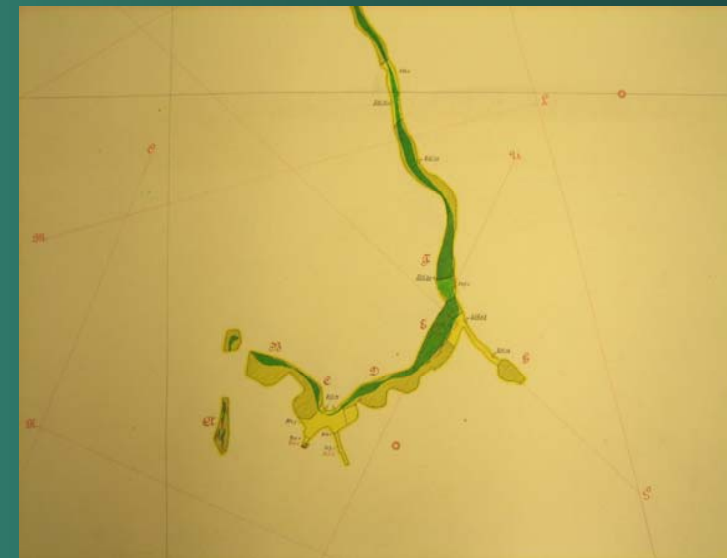
Domängruvan : Cross Section

Bersbo

2nd largest copper mine in Bergslagen

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- Mine closed in 1900
- Does not appear on standard Bergslagen maps
- Almost no past exploration
 - Only 2 reported drill holes in the last century
 - No EM surveys
 - No detailed magnetics
- **Effectively unexplored**
- Samples from dumps gave
 - 0.02 – 0.38% Cu
 - 0.31 – 7.09% Zn
- Unmined parcel of 50,000t ore with average grades of 20% Zn and 2% Cu



Bersbo: Potential mineral district



- Last mapping in 1890s
- Magnetism indicates that regional geology is incorrect
- District scale geochemical anomaly
- Major NW-SE structural zone that controls edge of province
 - Zinkgruvan in the same structural position
- ZFX-DRK JV controls 28 km of belt

Programme for the initial JV targets



- Exploration underway
 - Airborne magnetics completed
 - Detailed geological and structural mapping underway
 - Re-logging of past drill core
 - Re-examination of past mining records- level plans and sections

- 2400 line km VTEM airborne EM in before end 2007

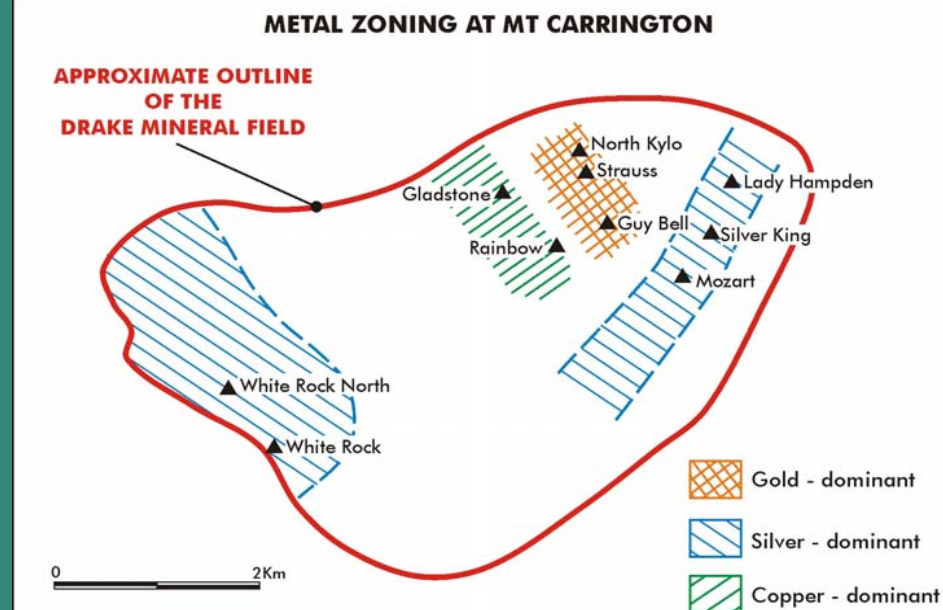
- Drill targets early in 2008

Mt Carrington gold-silver deposit

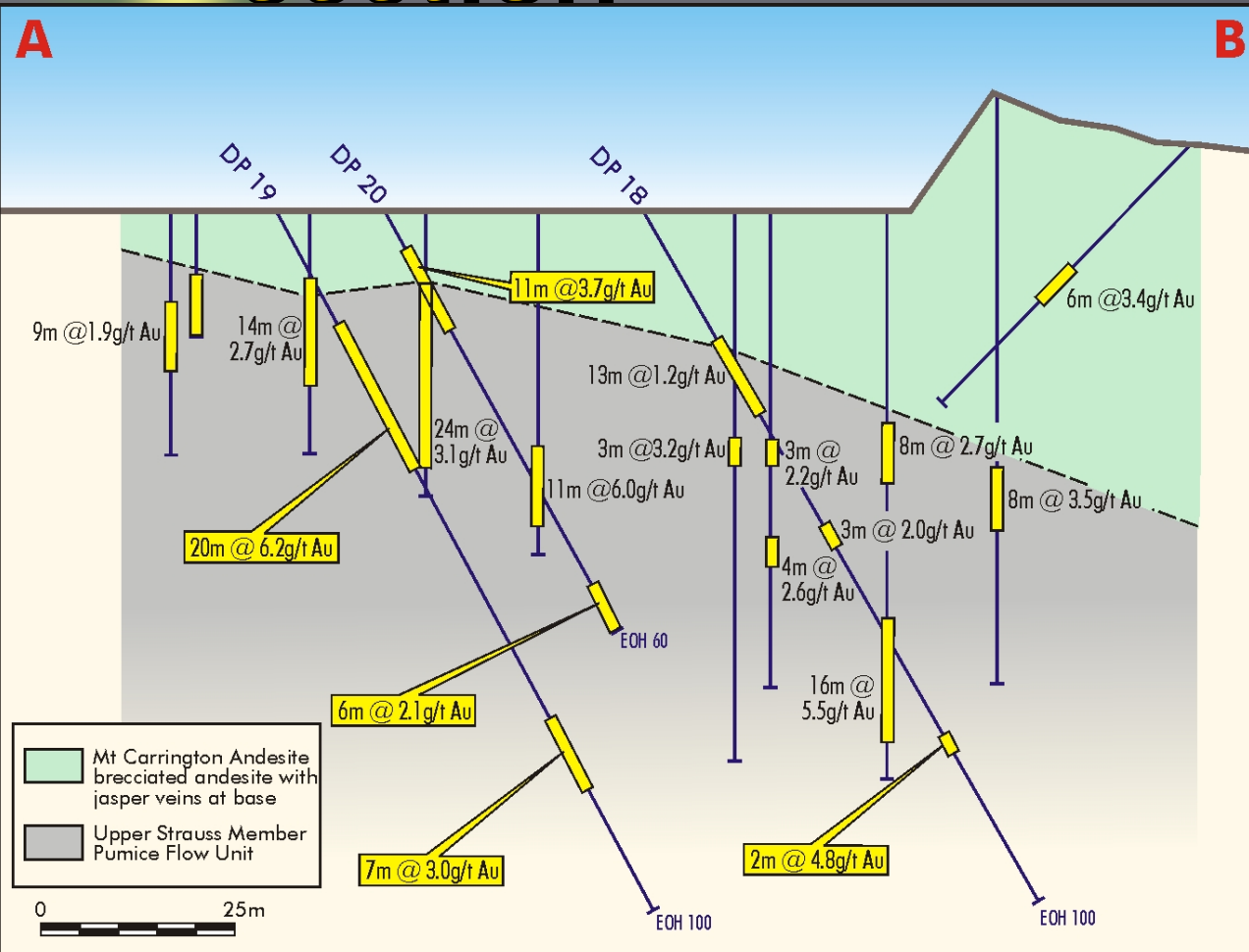
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	Mt	Au	Ag	
Gold resources	1.0	3.77	7.00	126,000 oz Au 0.6 Moz Ag
Silver resources	0.78	0.93	176	4.4 Moz Ag 20,000 oz Au

- Targets
 - 500,000oz gold
 - 25 Moz silver
- Estimates at 2002 metal prices
 - Gold \$350/oz
 - Silver: \$4.75/oz
 - No zinc credits



Mt Carrington: Strauss gold drill section



- Past drilling to 35 m
- Ore extensions below old drilling
- Grade increase with angled drilling

Mt Carrington silver "the best silver project in Australia"

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- Silver present in two main areas at Drake
 - Cheviot Hills/Lady Hampden – stratabound disseminated and stockworks
 - Currently 2.2 Moz at 152 g/t Ag
 - White Rock area: stockworks associated with the marginal zones of rhyolite sills
 - Currently 2.3 million ounces at an average grade of 207 g/t Ag

Drake Resources: immediate programme

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- >20 joint ventures with Zinifex
 - Zinifex sole funding first \$400,000 exploration on each target
- Major airborne EM survey
- Drill targets identified in current JV areas
- Continue to build Alliance portfolio in Australia and Sweden