

Drake  
Resources  
Limited

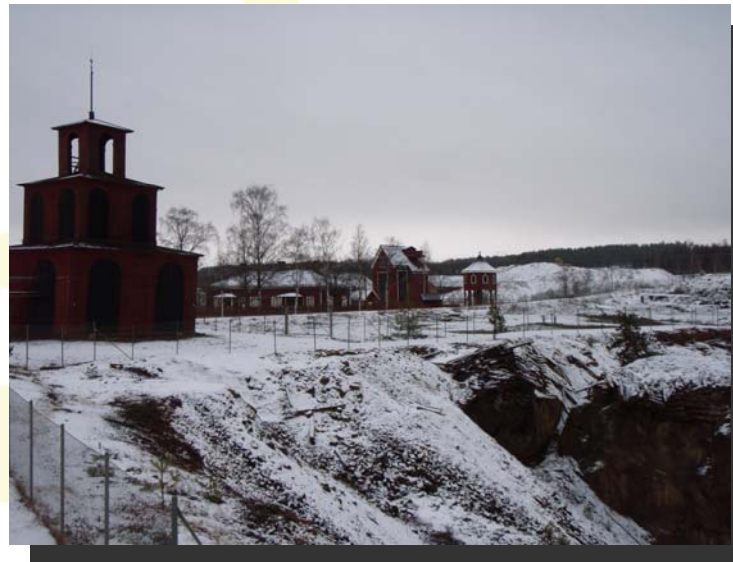
**Copper, gold and  
zinc in Sweden**

**MINING  
2008**  
29 - 31 OCTOBER, 2008  
HILTON BRISBANE - AUSTRALIA

# Drake Resources Ltd



- Advanced exploration properties in Sweden and Australia
  - Includes the Falun copper-gold deposit
- Investments: 8.2% of Aura Energy Ltd



## The Drake-Zinifex Alliance legacy



- In 2006 Drake was a gold-silver explorer in NSW and Western Australia
- Two years in alliance and joint ventures with Zinifex has transformed the company
- 9 new projects in 2 countries
- Approximately \$2.0 million spent on exploration and project generation
- Oz Minerals rationalised its portfolio after global review
- Projects now 100% Drake



# Sweden

A mining country for more than a millennium



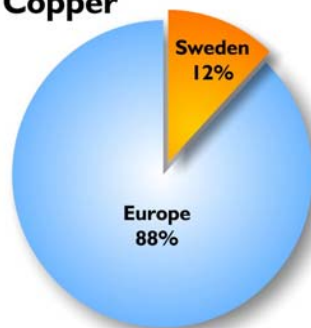
- Country made rich on copper and silver
- Significant producer of copper, zinc, gold and iron
- Skilled workforce
- Exceptional infrastructure – power, rail, road
- Abundant fresh water



# Sweden: a significant copper and zinc producer

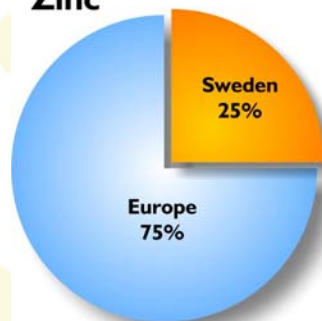


**Copper**



- Copper: 4% of world total

**Zinc**



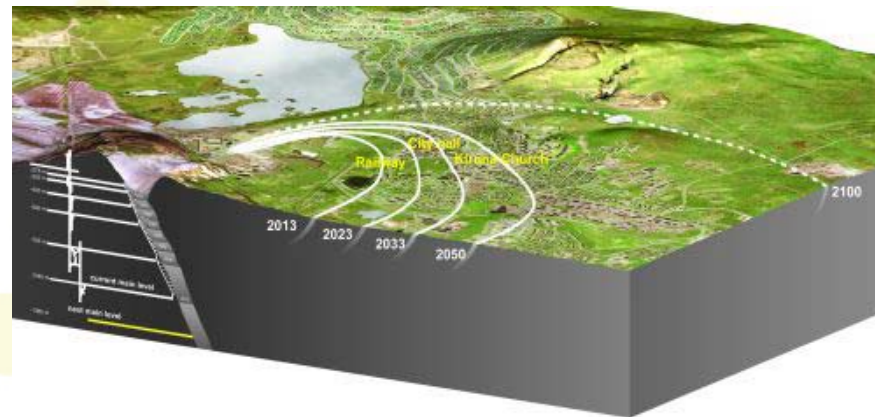
- Zinc 8% of world total

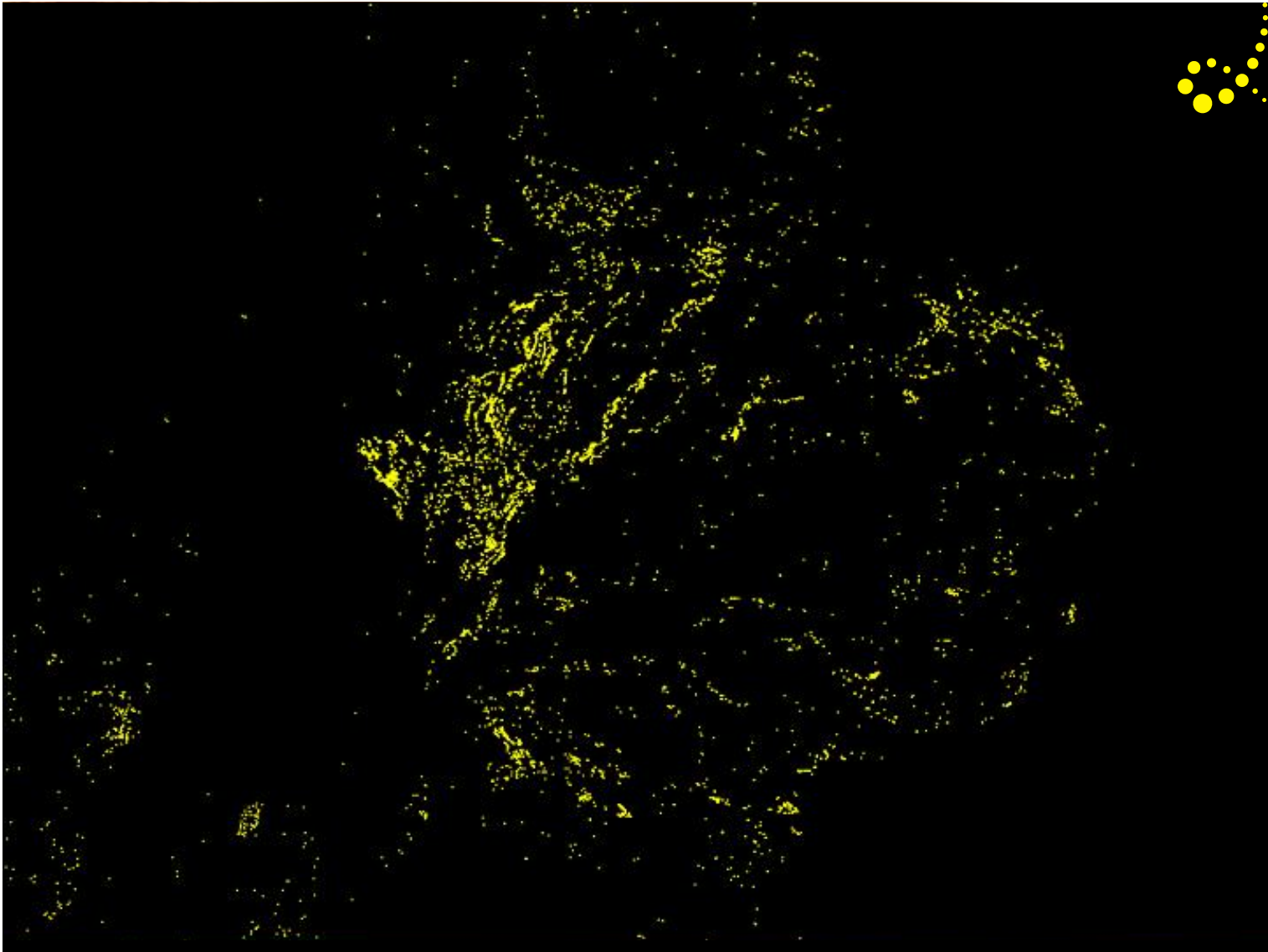
# Sweden

## Serious about mining investment for the future



- Ranked in top five countries for low mining investment risk
- Prepared to move towns to extend mine life – Kiruna iron deposit



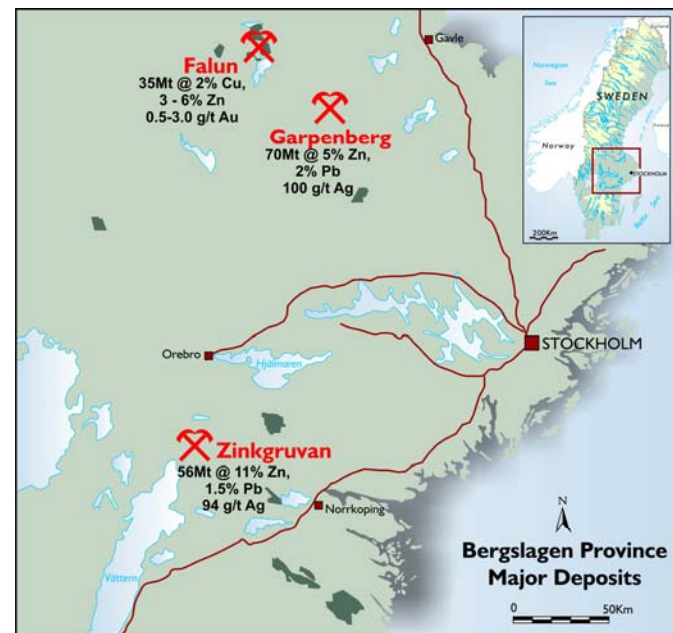


# Bergslagen

Genuine world class mineral belt



- Zinkgruvan Zn-Pb-Ag
  - Original pre-erosion size probably at least 100Mt a “Century-sized” system
- Garpenberg Zn-Cu-Pb-Ag
  - 4 deposits over 3km strike length totaling 70Mt
- Falun Cu-Au-Zn
  - 35 Mt massive sulphide body – one of the largest in the world
  - Probably much larger originally





## But very under-explored despite this potential



- Pre-1992 foreign companies could not own properties in their own right
- Several Drake properties have not been explored in the past 50 years, if at all
  - Most have never seen detailed mapping, structural geology, rock geochemistry and electromagnetics
- No digital database for the Falun mine

# Major recent brownfields discoveries



- Garpenberg
  - New orebodies discovered between known existing orebodies
  - More than doubled resources in past decade
- Zinkgruvan
  - Zinkgruvan: discovery has kept pace with 0.85 Mtpa production for more than 25 years
  - New discovery northwest of mine



## And greenfields discoveries in the past year



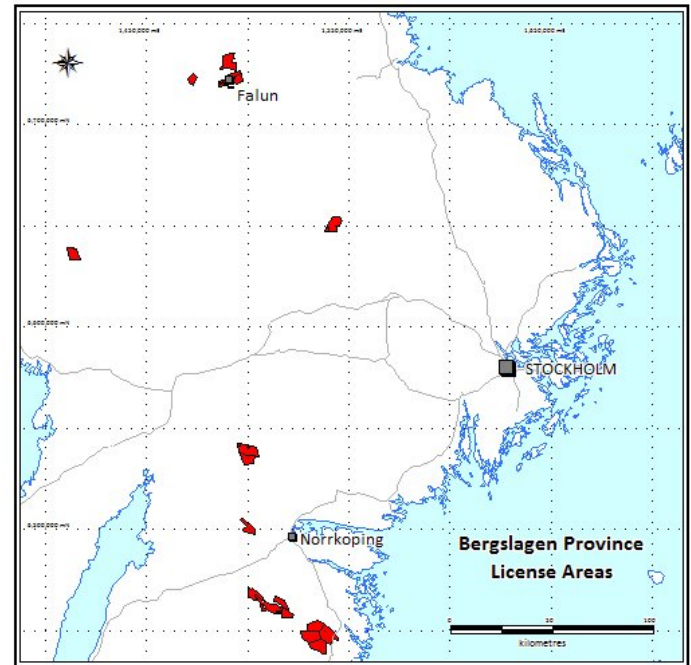
- Lundin Mining has announced 2 discoveries on separate licenses near the town of Ludvika in western Bergslagen
- Tumi Resources has announced a major new silver-zinc discovery near the historic mining town of Sala



# The Drake portfolio in Sweden



- 24 licenses
- Drake 100% interest in all properties
- Includes 2 largest historic copper producers in Bergslagen
- Includes sulphide deposits never been drilled at depth
- High ranking geochemical and VTEM targets



# Falun copper-zinc-gold deposit



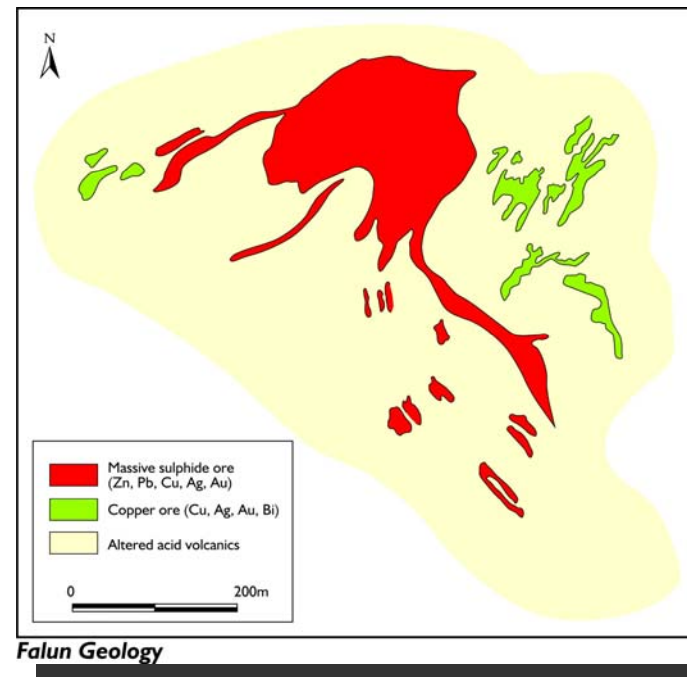
- Mined for 1300 years
- Supported the Swedish economy for centuries
- Closed in 1992
- Exceptional data record remains
- Centre of a richly mineralised district



# Falun ore types



- Mining concentrated on the massive, pyritic sulphide deposit
  - Typical grades 1-4% Cu, 2-8% Zn, 100 g/t Ag, 1 g/t Au
- Siliceous copper gold ores
  - 1-5% Cu, 1-30 g/t Au
  - Local bonanza gold grades



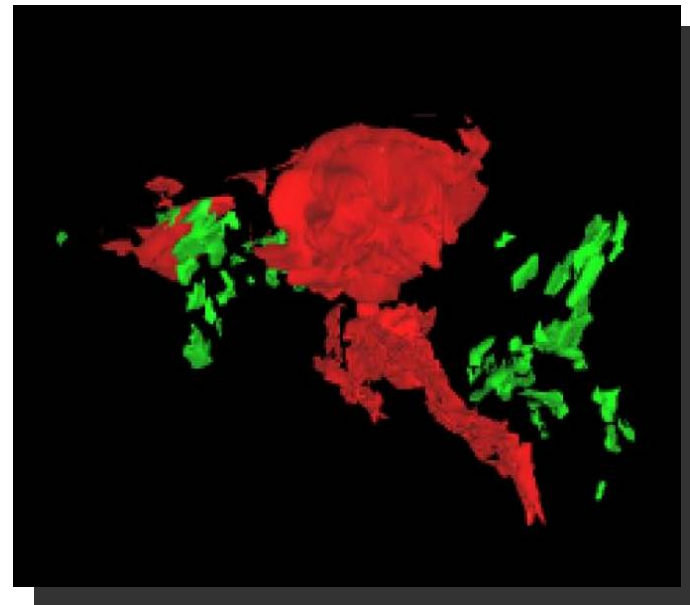
# Massive sulphide ores

- Funnel-shaped body of ore focus of previous mining
  - Mining to 450 metres depth
- Intersections of massive sulphides down to 850 metres
- Margins of orebody fault controlled



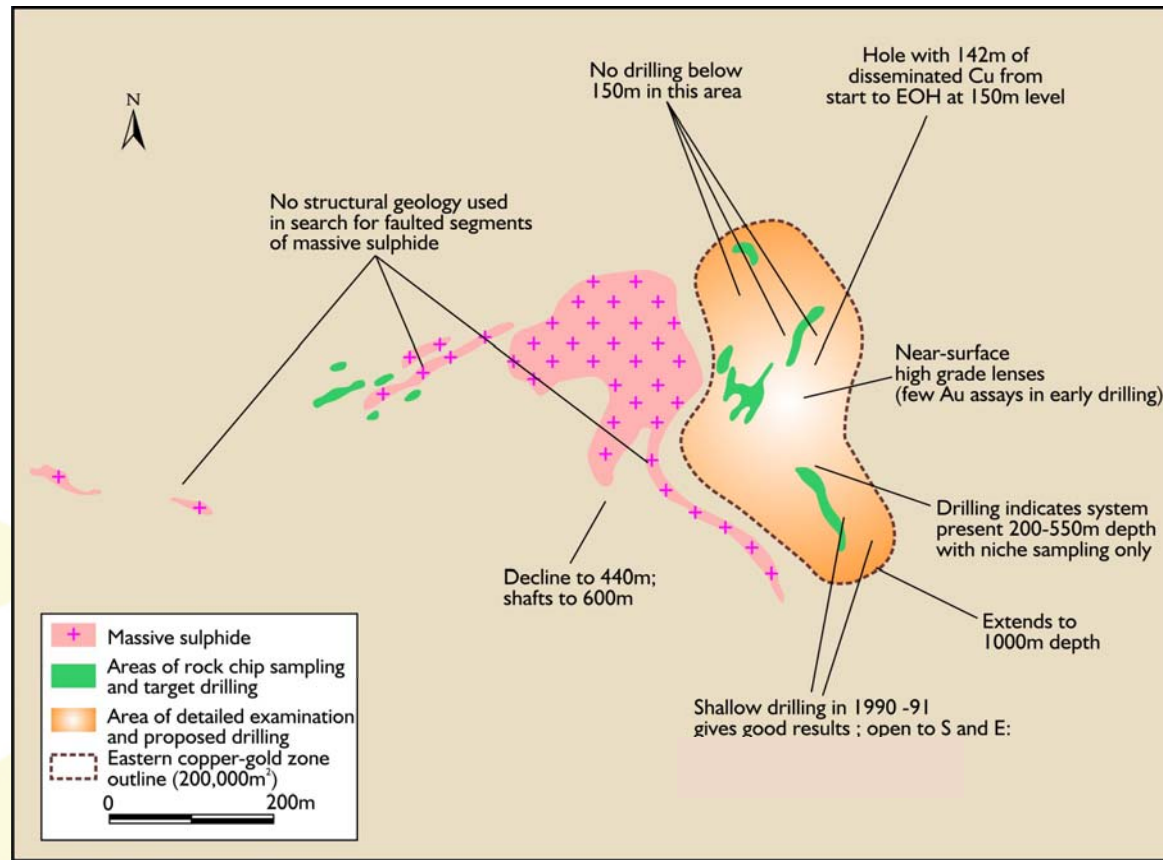
# Copper-gold ores

- Copper-gold system not considered by past miners
- Only high grade copper shoots mined 100-200 years ago
- Sub-vertical continuous zones of massive to disseminated mineralisation
- Traced to 1000 metres depth
- Few gold assays even though intersections of 500-800 g/t over short intervals





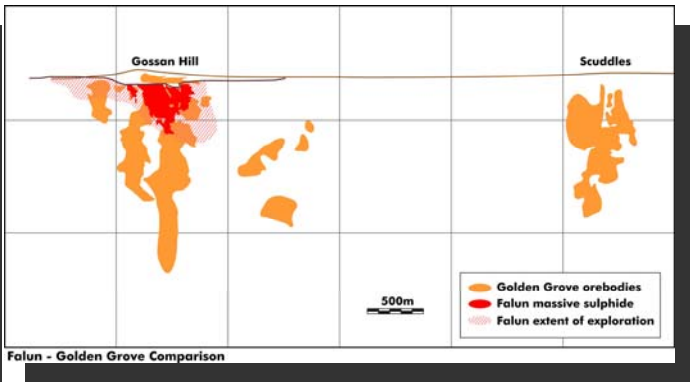
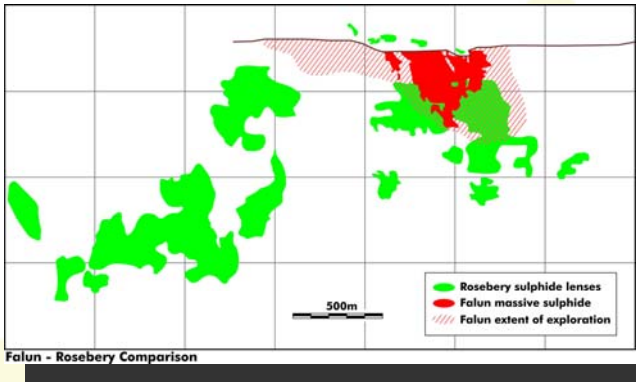
# High potential around an exceptional orebody



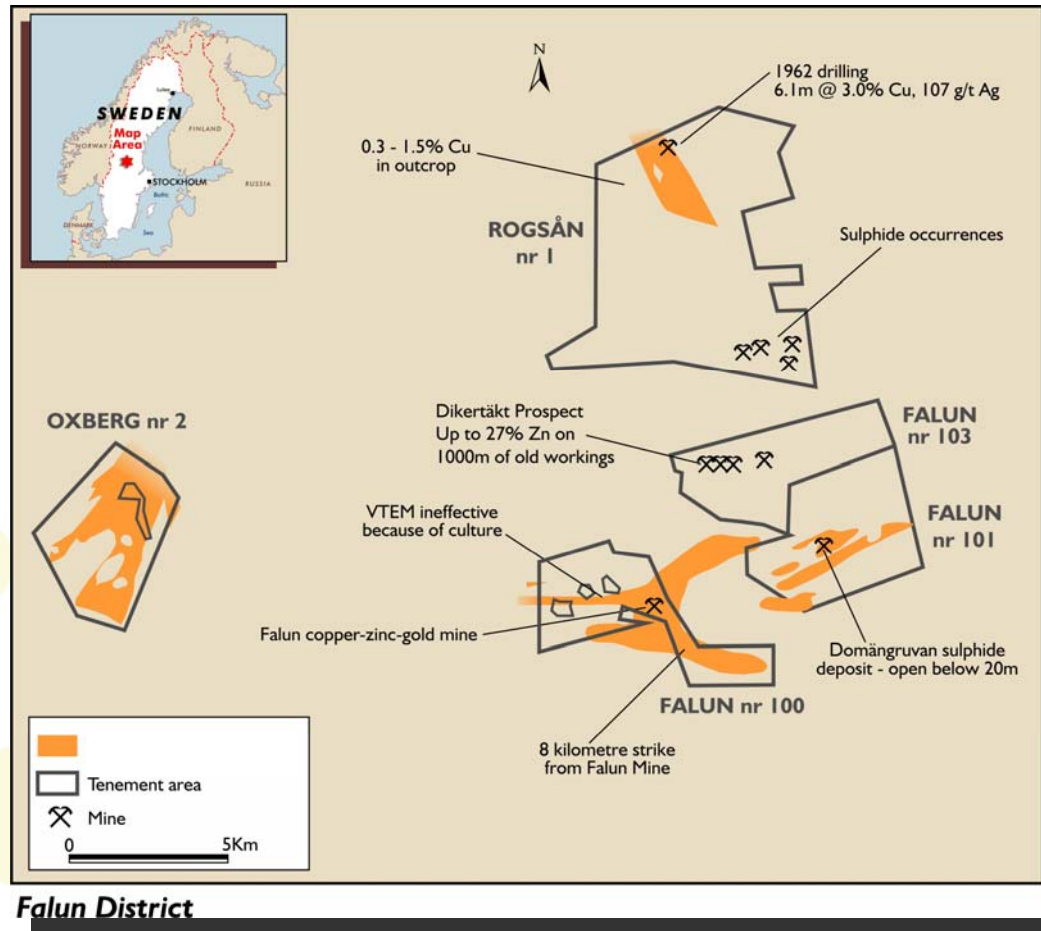
**Falun Copper-Zinc Mine - orebody projected to surface**



# Comparisons with other massive sulphide systems suggest that only some 10% of the Falun system tested



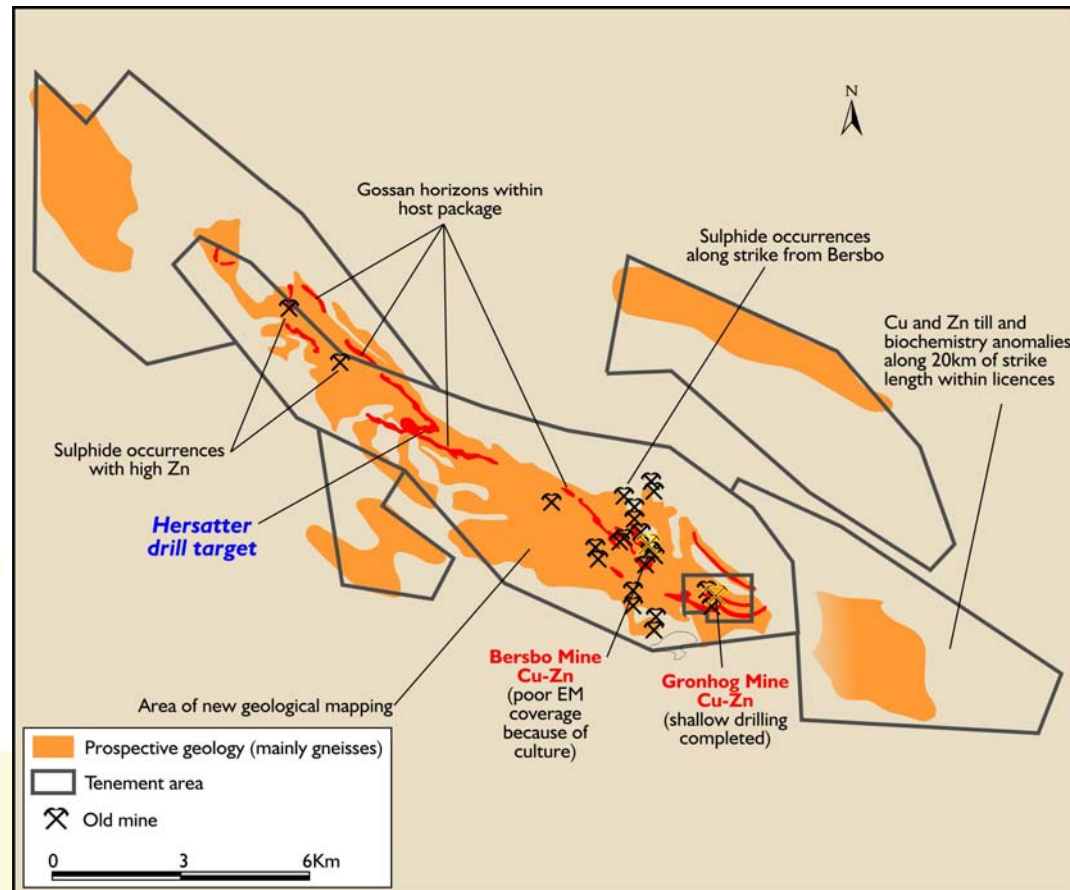
# Potential of the Falun district



Falun District

# Bersbo

Second largest historic copper mine in district



**Bersbo Location**

# Exploration completed



- VTEM electromagnetics survey
- Ultra-detailed magnetics
- Structural mapping
- Acquisition of past mining and exploration records
- 3D model for Falun



# Conclusions and summary



- Quality portfolio in an under-explored, world class mineral belt
- Copper-gold deposit to be defined at Falun
- High ranking VTEM conductors to be followed up
- Un-tested sulphide bodies waiting to be drilled
  - Up to 27% Zn in samples
- Very experienced project generation team continuing to identify further projects

