

9 December 2011

### **DRAKE RESOURCES EXPANDS COPPER LANDHOLDING IN NORWAY**

**Drake has formed a new joint venture with Panoramic Resources Ltd in Norway.**

#### **Highlights:**

- **18 claims covering 178 km<sup>2</sup> in the major copper mining district of Sulitjelma, including parts of the historic operations**
- **Sulitjelma had a significant historical copper production of 25 Mt of ore containing 1.8% Cu, 0.86% Zn, 10 g/t Ag, 0.25 g/t Au**
- **No significant exploration in the district for more than 20 years**
- **VTEM airborne electromagnetic survey proposed to commence in mid 2012**

Drake Resources (ASX code: DRK) has taken up an extensive landholding in the copper zinc mining districts of Sulitjelma in Norway with its alliance partner, Panoramic Resources Ltd. These claims cover historic mine sites, and the surrounding prospective ground.

Norway has a long history of copper mining, but this had largely ceased by the 1980's. Drake considers that exploration opportunities exist in these areas using 21st century technologies.

Drake's Managing Director Dr Bob Beeson said the new land holdings in Norway represented significant exploration opportunities for copper-rich, massive sulphide deposits.

"Massive sulphide mineralisation occurs at several locations within the Drake permits. Modern geophysics, combined with detailed geological mapping, will identify areas where this mineralisation may attain economic thicknesses."

"Norway has a new Mining Act, excellent data sources, and provides very positive government support to explorers like Drake and Panoramic," Dr Beeson said.

"We regard this new joint venture as a significant opportunity for the company in what we consider to be an under-explored country."

Drake Resources has a strong operating presence in Scandinavia through its alliance with Panoramic Resources, joint ventures in Sweden and Finland, and its 100% owned properties.

-ENDS-

**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 and Company Secretary
J Hoon	Non-Executive Director
James Merrillees	Executive Director

**Issued Capital**

As at the date of this report the issued capital of the Company is comprised of:  
76,587,831 fully paid ordinary shares

**Competent Persons**

*Dr Robert Beeson 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.*

## **Norway Copper Mining History and Exploration Environment Overview**

Norway has a long history of copper mining dating back to circa 1630 with mining commencing in the Røros (1644) and Løkken Districts (1652). Both of these areas are now held by Drake. However, both fields closed down in the 1980's, as did most of Norway's copper production with declining metal prices and increased costs at the time.

The fast growing, high salaried oil and gas industry in the North Sea diverted many technically trained personnel from the mining industry and most new graduates, leading to the loss of a significant proportion of the base metal exploration and mining industry culture and expertise.

In January 2010, prompted by the envisaged future decline of the oil and gas sector and a need to generate wealth and employment, the new Norwegian Mineral Act came into force, merging five old and difficult mining and related acts, and making exploration and mining in Norway significantly easier and more effective.

The Norwegian economy is a prosperous home to welfare capitalism. The country is well endowed with natural resources and its oil and gas sector produces more than half of exports and 30% of revenue. It is the world's third largest gas exporter and seventh largest oil exporter. It has the highest human development index in the world. While it is not a member of the EU as a member of the European Economic Area it contributes to the EU budget.

The country is well endowed with infrastructure, is politically stable, has a well established European based legal and financial framework, and English is widely spoken.

## **Geology and Deposits**

The geology of mainland Norway is dominated by the Caledonide Orogeny, and most of the old base metal mines are volcanogenic massive sulphide deposits within these volcanic successions. Copper zinc mineralisation is found within the mafic volcanic segments with mid ocean ridge basaltic/ophiolitic sequences (Cyprus type) and basalt/sediment sequences (Besshi type). Historically these have higher copper grade than other copper deposit types.

There have been three mines producing in excess of 10Mt of copper ore and six producing in excess of 5Mt of copper ore.

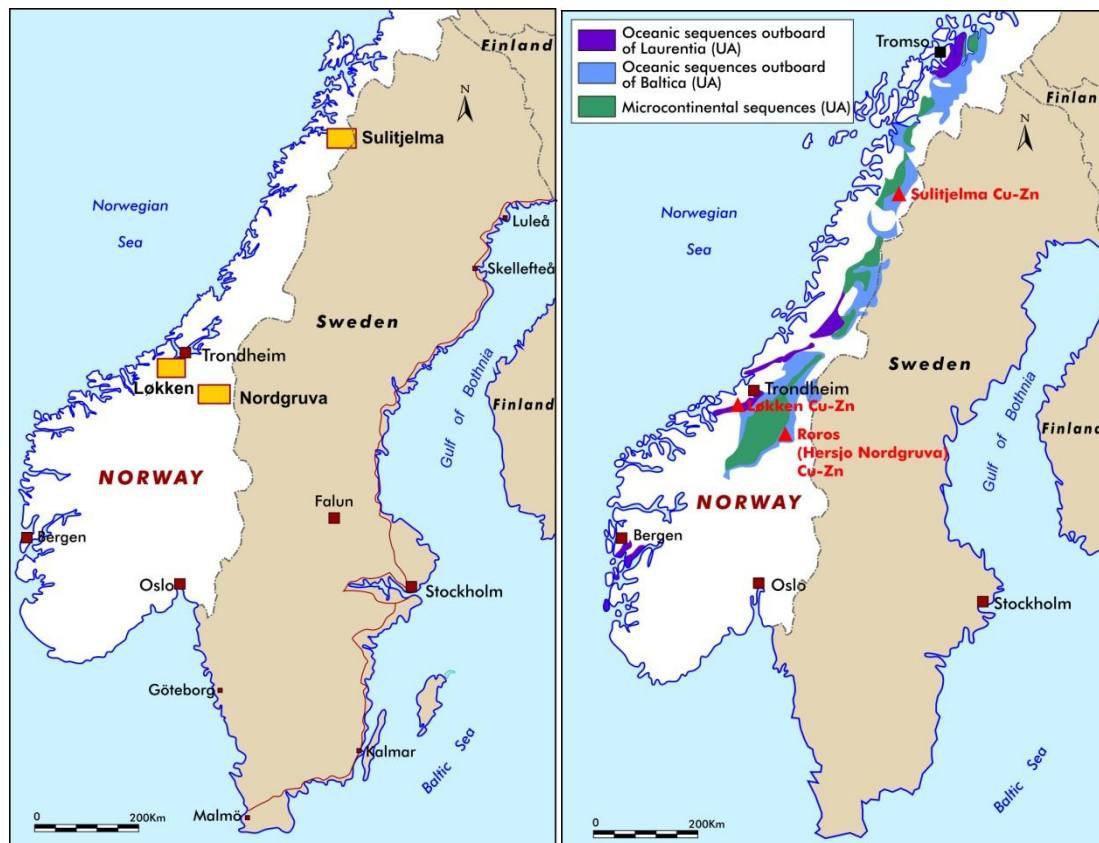
## **Drake Norway Status**

Drake believes the future for copper is strong, and Norway holds significant exploration potential for this key commodity. The country has deposit types which are higher grade than most, being underexplored with modern technology, as well as now having a favourable exploration environment.

Drake commenced a review of copper in Norway early in 2010 which resulted in claim applications being submitted over key ground over and adjacent to the major copper mining districts of Løkken, Røros and Sulitjelma.

Drake and its alliance partner, Panoramic Resources Ltd, now hold three joint ventures in Norway:

- 26 claims (258 km<sup>2</sup>) at **Løkken**
- 13 claims (130km<sup>2</sup>) cover deposits in the **Nordgruva** field in the Røros district
- 18 claims (178 km<sup>2</sup>) covering some of the mines and adjacent geology in the Sulitjelma District

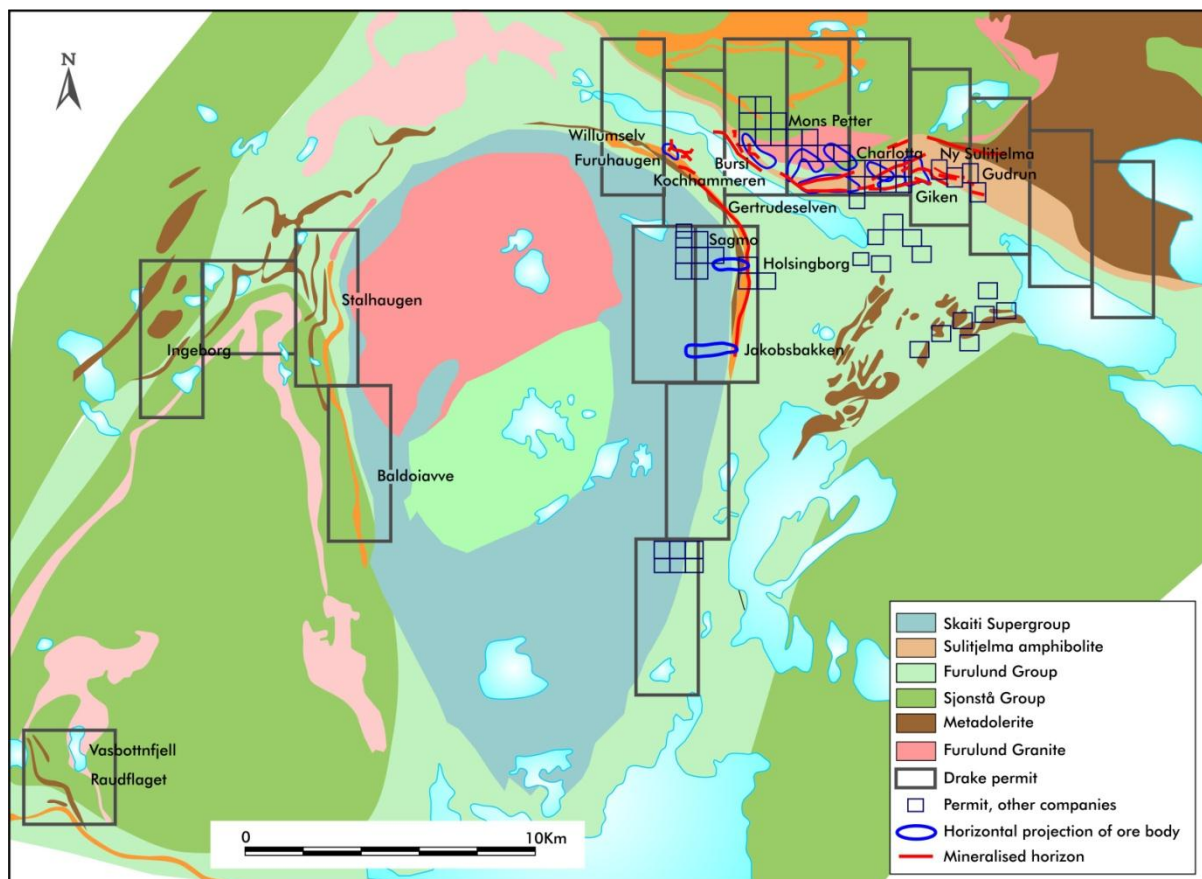


*Plan showing location of Drake Resources Copper Zinc tenements in Norway, relative to the Caledonide mafic volcanic segments with mid ocean ridge basaltic/ophiolitic sequences (Cyprus type) and gabbro/basalt/sediment sequences (Besshi type)*

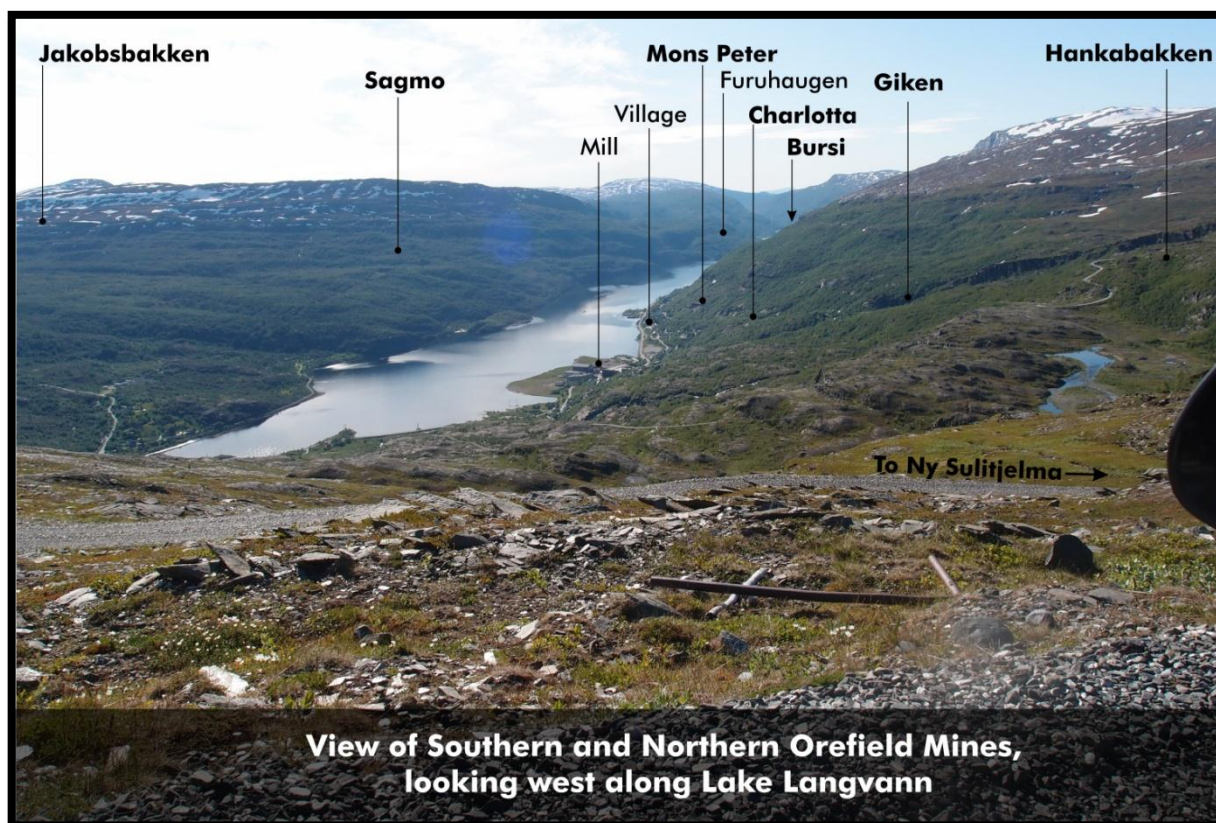
The Sulitjelma mines have historically produced 25 Mt from 11 deposits mined between 1887 and 1991, with average grades of 1.85% Cu and 0.86% Zn, 10 g/t Ag, 0.25 g/t Au. Mining ceased in 1991, and there has been no exploration in the district since then.

Parts of the ore bodies and outcropping massive sulphides extend into the Drake claims. The Norwegian state and a number of small groups hold small exploration and mining leases over parts of the previously mined orebodies and their extensions.





*Plan showing Drake Resources Ltd Claims in the Sulitjelma District of Northern Norway*



**View of Southern and Northern Orefield Mines,  
looking west along Lake Langvann**

### **Alliance and joint venture terms**

Under the Alliance terms, Panoramic will have first right of refusal on any projects proposed by Drake. If Panoramic accepts the proposals, each proposal will form a joint venture project and Panoramic has the right to sole-fund exploration by spending A\$800,000 to earn a 70% interest in the projects.

Drake can participate in the projects at 30% or 10% or revert to a 2% Net Smelter Return royalty.

The alliance will be for an initial period of three years, but may be extended or terminated by mutual agreement.