

**FINAL REPORT
HOSANGER PROJECT**

**HOSA CLAIM 1
SOUTH WESTERN NORWAY**

David Borton
March 2015

Copies To: Mining Directorate, Trondheim, Norway
Drake Resources Ltd, Perth
Drake Resources Ltd, Melbourne

EXECUTIVE SUMMARY

The Hosanger Mine was a significant producer of nickel and copper with historical production of 460,000 tonnes of 1.05% Ni, 0.35% Cu and 0.05% Co. Down strike and dip extensions of the orebody appeared to have been poorly explored.

Prior explorer Blackstone Ventures relinquished their claim without conducting any significant exploration and Drake applied for the same area in June 2012 with the objective of conducting modern geophysics followed if warranted by drilling.

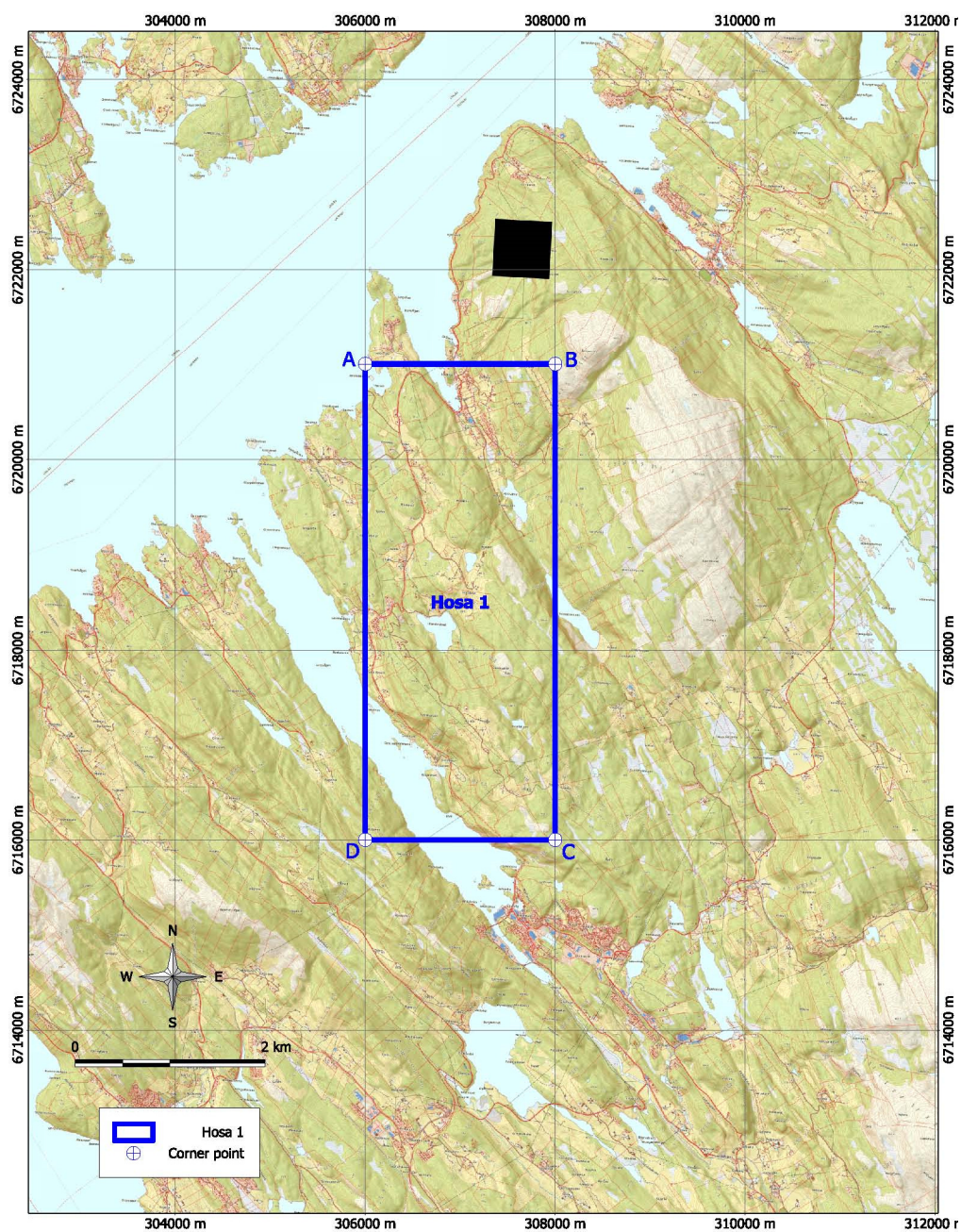
While at the time of grant Drake had every intension of exploring the property, as time progressed funding for nickel exploration projects dried up. Drake relinquished the area in January 2015.

No fieldwork was conducted, and no detailed reappraisal of prior work was conducted.

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Title

The Hosa 1 claim application was submitted in June 2012 to cover the old Hosanger Nickel Mines and strike and down dip extensions. The claim was granted, on 30/8/2012 as 1278-1/2012. The claim was not extended and rentals not paid in Jan 2015.

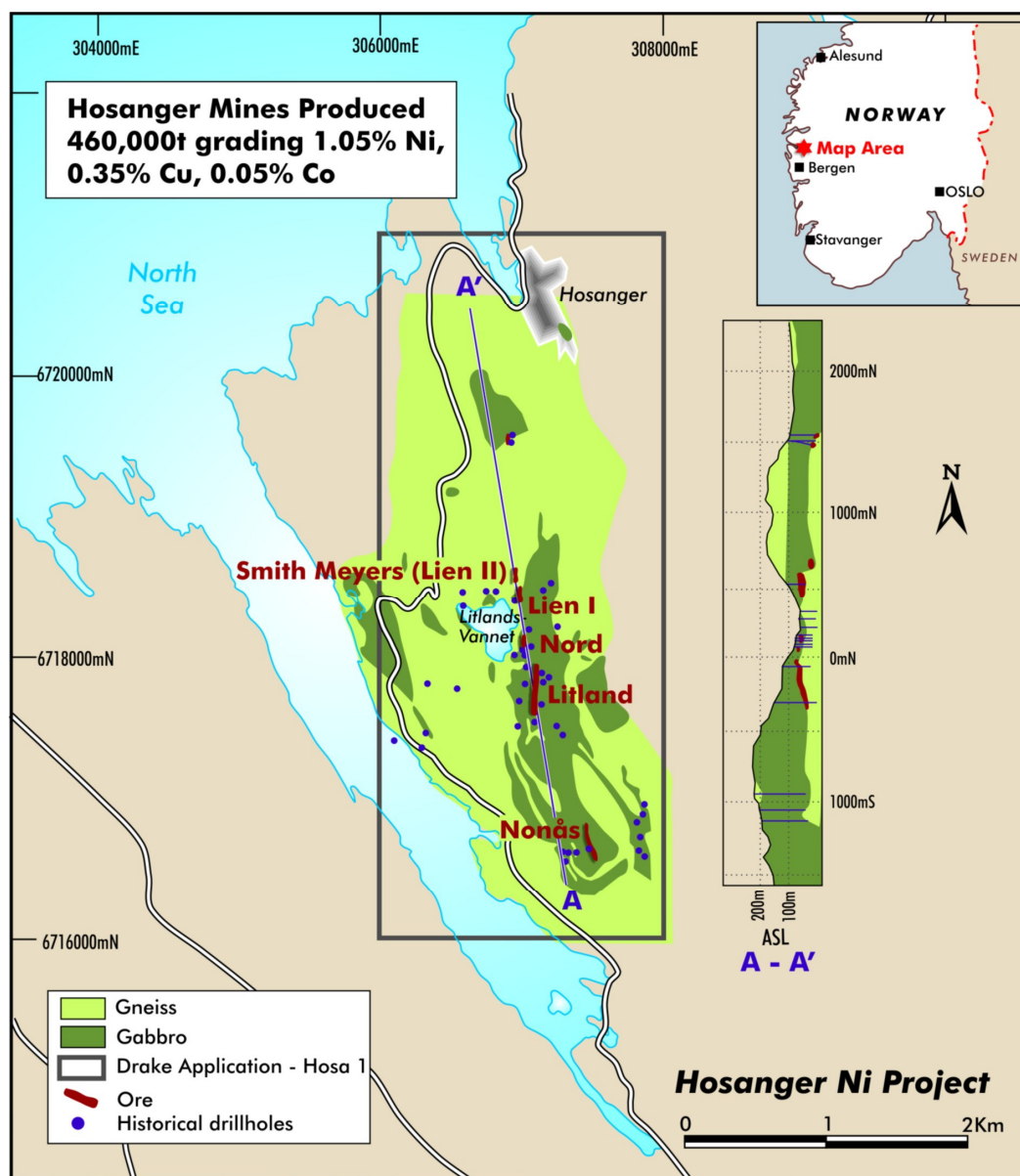


DRAKE RESOURCES LTD.
Hosa 1



Hordaland County
Osterøy Municipality
Map sheets: 1116 II Knarvik,
1216 III Stanghelle

UTM zone 32
World Geodetic 1984 (WGS84)
Scale A4: 1:50000
Printed at: 4.6.2012
Ab Scandinavian Geopool Ltd
Mathias Forss



Plan showing the Drake claim location and geology in plan and section form.

Location

The Hosa Mine and the claim application covering it, are located approximately 325 kms west north west of Oslo in Norway.

Objectives

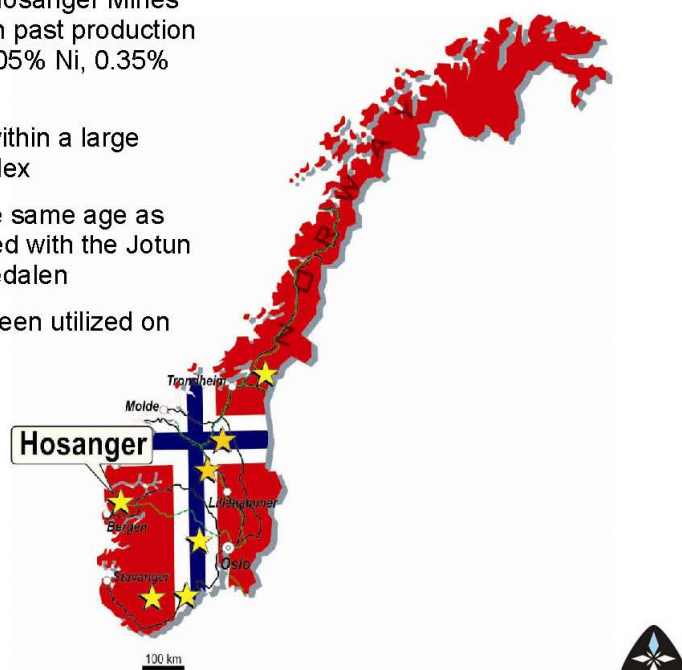
Having discovered the Granmuren Nickel Copper prospect in Sweden and having been granted the Espedalen claims over the Stormyra and Dalen Ni Cu resources in Norway, Drake was keen to secure title and build a nickel portfolio over the more significant Ni prospects in Norway.

Drake was planning to reappraise all the exploration and mine data over the Hosanger Nickel Mine and to then use modern geophysics and drilling to try and locate the down dip extension of the orebody.

Blackstone Ventures a Canadian company had held the claim area prior to Drake's application and their compilation summaries are presented below:

Hosanger Project – Past Production 460,000t @ 1.05%Ni

- ❖ Property covers the historic Hosanger Mines (Litland, Lien and Nonås) with past production of 460,000 tonnes grading 1.05% Ni, 0.35% Cu, 0.05% Co
- ❖ Ore hosted in a norite body within a large unexplored anorthosite complex
- ❖ Complex is approximately the same age as Voisey's Bay and is associated with the Jotun Nappe which also hosts Espedalen
- ❖ No modern geophysics has been utilized on the property



Litland Mine



Mine Site



Mill Site

Grab sample
from the
Litland Mine Dump



2.72% Ni
2.39% Cu
0.11% Co
0.05 g/t Pt
0.07 g/t Pd



Hosanger Project Summary

- ❖ Historic nickel mining area
- ❖ Good nickel grades present
- ❖ Similar age and rock types to Voisey's Bay
- ❖ Underexplored, no systematic modern geophysical exploration methods have been utilized



Nonas area waste dumps





Work Conducted

No fieldwork and no reappraisal of prior work was conducted by Drake Resources.

Office based work included acquiring 1:50,000 topo-cadastral sheets for the area and NGU geology plan. A search for literature revealed the following:

FAGRAPPORT

Forfatter(e): Mathiesen, C. O.
Tittel: Vurdering av Hosanger nikkelfelt, Osterøy, Hordaland.
Utgiver: Norges geologiske undersøkelse
Serie/Kilde: NGU-rapport
Serienummer: 1650/44A
Årstall: 1982
Fylke: HORDALAND
Kommune: OSTERØY
Fagområde: MALMGEOLOGI
Emneord: NIKKEL
Tilgjengelig: NGU-biblioteket
Sammendrag: Hosanger nikkelfeltet, bestående av tre hovedforekomster, Nonås, Litland og Lien, var i drift periodevis mellom 1883 og 1945. I alt ble det tatt ut knapt en halv million tonn råmalm med 0,4% Ni, og driften ble stanset p.g.a. mangel på reserver. Diamantboringer og geofysikk foretatt i driftstiden tyder på at det ikke finnes ytterligere massiv malm av noen størrelse. Geologiske og geofysiske arbeider forestått av Elkem i 1970-71 førte ikke til funn av interessant dagnær disseminasjon. Man må konkludere med at feltet ikke har potensiale som berettiger videre undersøkelser.

TIDSSKRIFTARTIKKEL

Forfatter(e): Bjørlykke, Harald
Tittel: Hosanger nikkelgruve.
Utgiver: Norges geologiske undersøkelse
Serie/Kilde: NGU
Serienummer: 172
Sidetall: 1-38
Årstall: 1949
Fylke: HORDALAND
Kommune: OSTERØY
Fagområde: MALMGEOLOGI
Emneord: GRUVE; MALMFOREKOMST; NIKKEL; KOBBER; KOBOLT; JERN
Tilgjengelig: NGU-biblioteket

Conclusion

Drake applied for the Hosanger claim at the same time as it applied for claims over the nickel resources at Espedalen and Evje. They formed part of a larger Drake Scandinavian Nickel portfolio that had been relinquished by Blackstone Ventures. Most effort was put into the Espedalen claims because of the known resources and potential. As a result Hosanger as a lower priority had no work conducted on it and when funding for Drake programs became an issue exploration was deferred and eventually terminated in late 2014.

Expenditure Statement



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