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TSX:DRC

# DRC Resources Corporation

## Afton Copper-Gold Project, Kamloops, B.C.

### Afton Facts:

- Infrastructure Advantages
- High Grade / Low Cost
- Quick Lead time to Production

DRC Resources Corporation (TSX:DRC), incorporated in 1980, is focused on the exploration and development of the Afton Copper-Gold Project, located 6 miles (10 km) west of Kamloops, British Columbia. The Company is debt free and well financed to carry out the next phase of exploration with working capital of \$25 Million. Over the past years, DRC continued to deliver on its successful strategy of strengthening and expanding the mineral resource base for the Afton Copper-Gold Property.



Our main area of focus this year is to define and expand the mineral resource and complete a full feasibility study. We will maintain our strategic focus of strengthening and expanding the mineral resource base with the interest of creating shareholders value.

### Investor Relations:

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## Corporate Highlights

- \$24.15 Million Financing Completed
- Afton Studies Indicate Favourable Economics
- 68.7 Million Tonne Measured and Indicated Mineral Resource
- Afton Mineral Zone Extended to 1,000 metres
- 109 Diamond Drill Holes – 53,000 metres



### Stock Information

Exchange:	TSX
Ticker:	DRC
52 Week High:	C\$9.50
52 Week Low:	C\$3.95
Market Cap:	C\$110 Million
Shares O/S:	13 Million
Full Diluted:	14.5 Million

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## Mineral Resource Study



Adjacent to the previously mined Afton open-pit, 53,000 metres of diamond drilling during the 2000 to 2003 period, has indicated a significant copper-gold mineral resource.

Highlights of an Updated Mineral Resource Study by Behre Dolbear and Company Ltd. (January 2004) as follows:

### Afton Mineral Resource Estimate

Resource Category	Tonnes > Cutoff (tonnes)	Grade > Cutoff		Contained Product In-situ	
		CuEQ%	AuEQ(g/t)	Copper (lb)	Gold (oz)
Measured	9,540,000	1.956	3.039	271,000,000	290,000
Indicated	59,160,000	1.635	2.541	1,368,000,000	1,577,000
Measured and Indicated	68,700,000	1.679	2.609	1,639,000,000	1,866,000
Inferred	7,450,000	1.480	2.300	151,790,000	188,000

### **"Largest Advanced Exploration in B.C."**



British Columbia Ministry of Energy & Mines' Exploration 2002 Review identifies the Afton Project as the province's largest advanced exploration project. To date the Company had expended \$5 Million on exploration on the Afton Project. The 2003 exploration had increased and confirmed the size of the Afton Mineral Zone beyond the previously indicated mineral resource boundary. Diamond Drilling has tested the Afton Mineral Zone for 3,300 ft (1,000 m) in length and to 2,550 ft (775 m) in depth. Diamond Drilling on other areas of the property have indicated a shallow porphyry gold zone.

# DRC Resources Corporation

## Advanced Scoping Study

A recent Advanced Scoping Study by Behre Dolbear & Company Ltd. (filed on SEDAR) indicates that panel cave mining and conventional flotation technology are viable methods of application for mining and processing of a 50 Million Tonne Mineral Resource.

### Afton Proposed Mine Plan

Total Resource To Be Mined                      All Categories                      50 Million tonnes                      1.75% Cu Eq.

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Mining Method - Underground Panel (Block) Caving

Production Rate (Mine & Mill)		9,000 tonnes per day
Total Metals Produced	Copper	1.135 Billion lbs
	Gold	1.250 Million ozs
Avg. Annual Production	Copper (at full production)	75 Million lbs
	Gold (at full production)	80,000 ounces

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Initial Capital Cost	\$149.7 Million
Unit Operating Cost (at full production)	\$9.77/tonne milled
Life of Mine: Cash Cost*	US\$0.15/lb Cu
Capital Cost*	US\$0.40/lb Cu
*Cost of copper net of precious metal credits	
Internal Rate of Return (after-tax)	+20%
Mine Life	17.5 years
Payback Period	3.74 years

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#### NOTES

- Metal Prices Used: Copper \$US 0.85/lb, Gold \$US 375/oz, Silver \$US 5.25/oz and Palladium \$US 200/oz.
- Assumed Metal Recovery: Copper 90%, Gold 90%, Palladium 74%, and Silver 75%.
- Cutoff grade of 0.70% copper equivalent for application in the mine plan.
- Blocks greater than cut-off for tonnes and grade are included in the calculation for the specified grade cut-off.
- Not all tonnage will be recovered in mining, nor will all metal be recovered in milling and processing.
- Currency used is Canadian, unless otherwise indicated.

## Afton Advantage

- High Copper-Gold Grade, Low Budget Project, Quick Lead time to Production
  - Measured and Indicated Mineral Resource: 68.7 Million Tonnes
  - Copper Equivalent 1.68%; Gold Equivalent 2.61g/t
  - Scoping Study indicates favorable economics, moderate capital requirements and low environmental concerns (under certain parameters & assumptions)
  - Metallurgical Study indicates excellent metal recovery: Copper 90%, Gold 90%
  - Existing mining district, Trans-Canada Hwy, infrastructure, water, power, mine-site and local experienced mine labor force
  - Government supportive of mining, Mining Permits and Incentive Grants available
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## **Afton Underground Exploration Commences**



In December 2003, DRC Resources initiated the excavation for an underground decline and construction of the portal facility. The decline will provide underground access for the proposed 25,000 metre (80,000 ft) definition diamond drill program, bulk sampling and technical studies related to the completion of a feasibility study on the Afton Copper-Gold Zone.

Competent rock conditions encountered in the early stages of excavation are encouraging geotechnically for continuation of the underground program.

### **OFFICERS AND DIRECTORS**

John H. Kruzick – President/CEO  
Sharon L. Ross - Secretary/Director  
C. Robert Edington - Director  
Mike Muzykowski - Director  
Thomas O'Toole Taylor - Director  
Craig D. Thomas - Director  
Ian M. Beardmore - CFO  
Bruno J. Mosimann - VP, Corporate  
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Maurice Lee - VP, Business  
Development

### **CONSULTANTS / ADVISORS**

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Process Research Associates Ltd.  
SRK Consultants  
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