

ASX ANNOUNCEMENT 17 June 2008

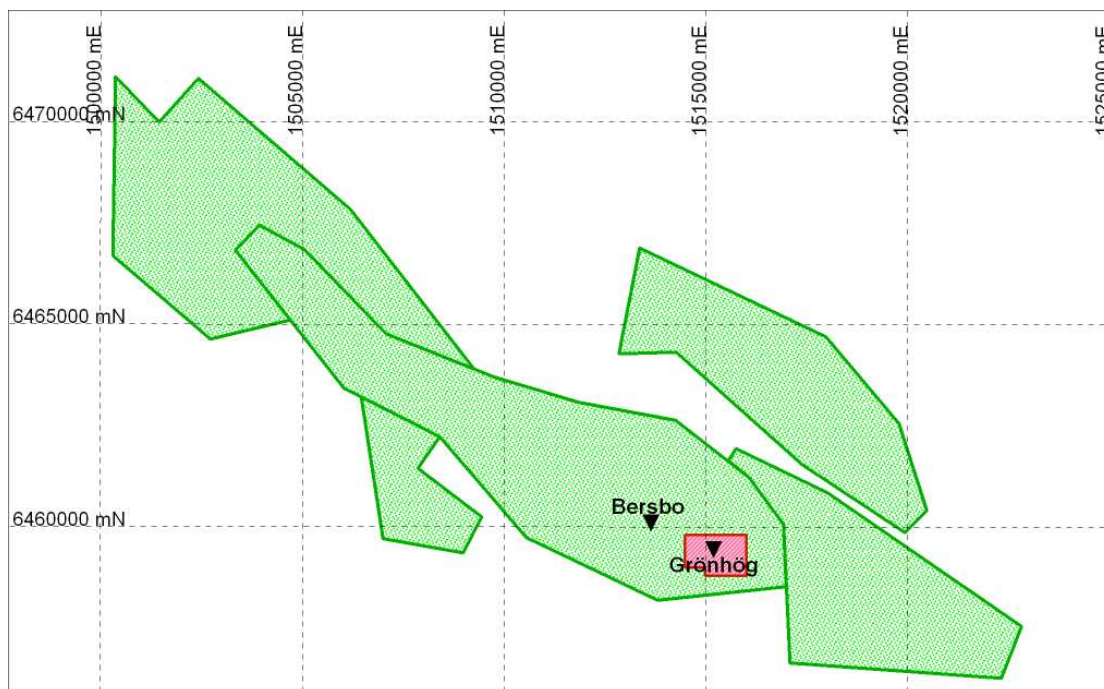
DRAKE-ZINIFEX ALLIANCE TO EARN AN 80% INTEREST IN THE HISTORIC GRÖNHÖG MINE SWEDEN

The Drake (ASX Code: DRK) Zinifex (ASX Code: ZFX) Alliance has reached agreement with Kopparberg Minerals SA (Kopparberg), a company listed on the Stockholm exchange, to earn an 80% participating interest in the Grönhög exploration licence in south-central Sweden.

The Alliance has agreed to the following terms to earn this interest in the Grönhög licence:

- A US\$20,000 cash payment upon signing an agreement
- A further expenditure of US\$130,000 for exploration within the licence

Grönhög is located within the larger Bersbo No. 2 licence, which is held by the Alliance. The licence contains the historic Grönhög base metal mine, which contained copper and zinc ore. This mine is located less than 2 kilometres southeast of The Alliance's Bersbo mine, which was historically the second largest copper producer in the Bergslagen province.



Location of the Grönhög mine and exploration licence (red), and the surrounding Drake-Zinifex exploration licences (green); the grid squares are 5 by 5 kilometres

The Grönhög base metal mineralised zone forms a shoot 50 metres long and 2-6 metres wide, plunging to a depth of 255 metres within a strongly folded sequence. The mine was essentially for copper; zinc held little value at the time.

A key factor in the exploration programme at Bersbo and Grönhög will be to determine how these mineralised zones are linked geologically. Gossans occur immediately along strike from the old shaft (photo, right), and geology, geophysics and shallow drilling will be used to find extensions of the prospective horizon.

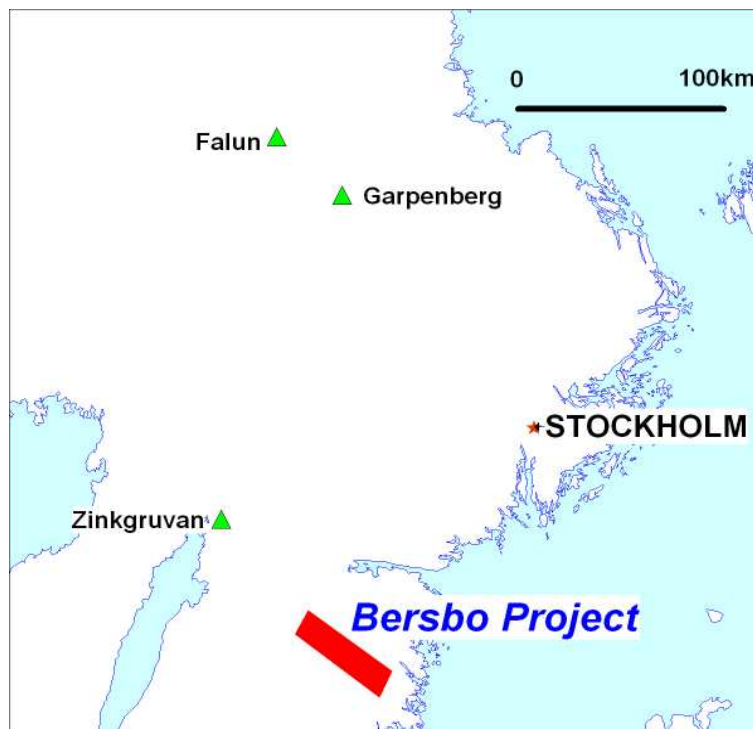
The Alliance will engage Kopperberg Minerals to drill approximately 70 shallow holes in the property to identify targets for deeper testing. Kopperberg is currently obtaining the necessary permits for this drilling.

The Alliance is currently flying an airborne VTEM survey over both the Drake-Zinifex and Kopperberg licences. It is anticipated that the VTEM will be key to defining drill targets in the district.



Pyrrhotite gossan along strike from the mine

The Drake-Zinifex Bersbo Project



**Project area approximately 150 km southwest of Stockholm;
Major deposits of Bergslagen given as green triangles**

The Drake-Zinifex Alliance now holds ten licences or license applications covering 240 square kilometres of what it considers to be the most prospective part of the Bersbo belt. Although Bersbo was the second largest copper mine in Bergslagen, the belt remains effectively unexplored.

Mining ceased at Bersbo in 1902. Since then, the only exploration work undertaken has been minor reconnaissance. The last government mapping programme in the area was in 1895.

Drake and Zinifex believe that there is potential for new ore discovery, both in the vicinity of the previous mining operations, and throughout the district. Previous mining focussed on the copper, not zinc. The records suggest that the amount of zinc was increasing with increasing depth, and indicate that there is a parcel of ore grading 20% Zn and 2% Cu at the bottom of the mine.

Three grab samples taken by Drake from the surface dumps give values in the range 0.02% – 0.38% Cu and 0.31% – 7.09% Zn.

For further information contact

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The information in this report that relates to Exploration Results, Mineral Resources, or Ore Reserves is based on information compiled by Dr Robert Beeson. 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.

Corporate Information

Directors

B Fraser	Non-Executive Chairman
Dr B Beeson	Managing Director
J Stephenson	Non- Executive Director & Company Secretary

Issued Capital

As at the date of this report the issued capital of the Company is comprised of:

36,903,000 fully paid ordinary shares
27,197,000 listed options



Water filled shaft of the Grönhög mine