



**ASX ANNOUNCEMENT
31 October 2007**

**Progress summary on the Drake-Zinifex Alliance and base
metal exploration joint ventures
October 2007**

- **The Drake (ASX Code: DRK) - Zinifex (ASX Code: ZFX) Alliance has recently been extended until December 2008, with a budget of \$1.0 million, as recently released to the market**
- **To date, Drake Resources as Manager of the generative exploration phase for the Alliance, has submitted fourteen targets which have all been accepted by Zinifex as Drake-Zinifex exploration joint ventures**
- **Zinifex will sole fund these joint ventures to a level of \$400,000 per target before Drake has to commit funds**
- **Several further targets are under consideration**
- **Project development activities continue in Australia, Sweden and Canada**
- **As recently disclosed, the Drake-Zinifex Alliance has recently been extended with a renewed budget of \$1.0 million for the period to June 2008, for Drake to continue developing new exploration projects**

A comprehensive program of geological test work, structural geological mapping and geophysical surveys has commenced in four Drake-Zinifex joint venture areas

The Drake - Zinifex Alliance was established to identify high-quality zinc-lead-silver-copper targets within selected regions of Australia, Scandinavia, North America and southern Africa. Drake has a generative team with a unique understanding of target characteristics and wide-ranging knowledge and practical experience in the type terrains where the known deposits occur.



The Drake - Zinifex Alliance started in September 2006 with a budget of cash and in-kind contributions totalling \$640,000. The budget for Stage 1 of the Alliance included cash contributions of \$300,000 by Zinifex Australia Ltd and \$100,000 by Drake Resources Limited.

Drake's generative activities within Stage 1 have been very productive for the Alliance. To date, the fourteen specific target proposals put forward by Drake have all been accepted by Zinifex. These will become 50:50 exploration joint ventures within the Alliance, initially sole-funded by Zinifex. Field programmes on four (4) of these commenced in the northern summer, two of which, those at Falun 100 and Falun 101, have been recently reported to the market.

The Alliance started in September 2006, several years into a sustained exploration boom. The Alliance has moved very quickly to generate a portfolio of projects in Bergslagen, and has begun acquiring properties in Australia. Given the competitive position in exploration worldwide, and the tight tenement positions in the proven provinces, Drake considers this to be excellent progress.

Zinifex will now sole-fund the fourteen target-specific exploration joint ventures to a level of \$400,000 per target to earn majority participating interest before Drake has to commit funds.

Several further targets are under consideration in Australia, Sweden and Canada.



Drake believes that of the key factors leading to the rapid implementation of the Alliance programme and its positive outcomes to date:

- The Drake team has the intellectual property required for success, namely:
 - unparalleled knowledge of the target deposit type in its variety of forms around the globe
 - on-the-ground experience in the Alliance regions to select fundamental criteria for the target selection process
- The relationships that the team has established with stakeholders in the Alliance regions

The success and rapid progress to date, particularly in Sweden, has allowed joint venture project work to take place during the current northern field season. Exploration in four joint venture areas commenced.

Drake is temporarily acting as Manager of the exploration joint ventures on behalf of the Alliance while Zinifex establishes its support base in Sweden. From its exploration base in Falun, Drake is coordinating a comprehensive program of geological test work, structural geological mapping and geophysical surveys.

Another measure of the success of the Alliance is the decision by both Drake Resources Limited and Zinifex Limited to continue the generative activity of the Alliance by boosting the Phase 1 budget by a further \$1 million. This will allow, Drake as Manager of the Alliance, to continue identifying and presenting exploration project opportunities to Zinifex which, if accepted, will become new Drake-Zinifex exploration joint ventures.

For further information contact

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