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ASX ANNOUNCEMENT
12th September 2006

ZINIFEX (ASX Code - ZFX), DRAKE RESOURCES (ASX Code - DRK) SIGN JOINT EXPLORATION ALLIANCE

Drake Resources Ltd (“Drake”) has entered into a Heads of Agreement to form an Alliance with Zinifex Australia Ltd (“Zinifex”) to seek out zinc exploration and development opportunities in several prospective areas around the world. Drake will be the Manager of the Alliance. The purpose of the Alliance is to bring together Drake’s technical project generation skills in base and precious metals exploration and Zinifex’s operational capabilities in advanced project exploration, mineral project development and mining.

The Alliance will primarily aim to identify zinc-lead-silver targets and opportunities that are prospective for the occurrence of metamorphosed zinc-lead-silver orebodies of the Broken Hill Type. However, it also extends to opportunities for other metals, such as copper and gold. The Alliance will focus its search on the known prospective mineral provinces in Australia, Scandinavia, North America and southern Africa, and will run initially until the end of June 2008.

Under the terms of the Heads of Agreement, the Alliance will be funded jointly with cash and in-kind contributions. Drake will identify and present opportunities to the Alliance for consideration. Projects accepted by Zinifex will progress as Zinifex – Drake Joint Ventures, initially sole-funded by Zinifex. Drake has the right to participate in these Joint Ventures with a minority (30% or 10%) participating interest, or to retain a free-carried 1.5% net smelter return royalty. Any project identified by the Alliance, but not accepted by Zinifex, can be taken up by Drake.

Drake Resources Chairman Mr Brett Fraser said today that the formation of the Alliance was a result of the internationally-recognised exploration skills that Drake offered.

“Dr Chris Blain, a well-known geologist, who established his reputation in this field as leader of the exploration team that found BHP Billiton’s world-class Cannington silver and base metals deposit in North Queensland, will lead the exploration programme. Dr Blain gained considerable global exploration experience as a senior manager with BHP Minerals.

“Drake’s Managing Director, Dr Bob Beeson, has experience in the majority of Broken Hill-Type regions around the world. He has published and given workshops on this deposit type, and is widely recognized in the industry for his expertise,” Mr Fraser said.

Drake regards this agreement as a good example of the way two companies can combine their strengths to address the current challenges in times of declining discovery rates of world-class orebodies and increasing resource scarcity.

Dr Beeson considers that the Alliance provides Drake with the opportunity to participate in a far wider range of projects than normally available to a junior exploration company in terms of both numbers and level of advancement. This significantly improves the opportunity of for exploration success, and for adding shareholder value.

Work within the Alliance has commenced, and a number of opportunities are currently being assessed by the Manager.

For further information
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