

ASX ANNOUNCEMENT 02 MAY 2006

DRAKE SET TO DRILL SILVER AT MT CARRINGTON

Highlights

- In-ground value of silver in the Lady Hampden, Silver King and White Rock inferred resources at Mt Carrington exceeds \$A75 million at current metal prices. ("In-ground value" does not represent economic value nor potential profit as it does not consider capital costs, extraction costs, nor market price on sale of the metal)
- This excludes significant credits from associated zinc, lead and gold with silver.
- Considerable scope to boost the size of the resource with further drilling.
- Drake Resources is seeking a joint venture partner to help fund further work on the project.
- Earlier work at Lady Hampden and Silver King deposits indicated a silver equivalent resource of 3.19 million ounces in inferred resources.
- Excellent potential remains to boost this figure to the north and east of Lady Hampden, to the south and east of Silver King, and at depth on both prospects.
- More than three-quarters of the Lady Hampden-Silver King-Mozart trend has not been tested.
- Aberfoyle planned to develop a silver mine in the early 1980's based on 4.8 million ounces of silver at the White Rock deposit.
- White Rock A and B lenses are open in several directions, and the zinc content of the B lens offers potential for significant zinc credits.
- An intersection of 36m at 111g/t of silver at White Rock North was never followed up.
- An intersection of 11m at the Mozart prospect averaging 89g/t of silver was never pursued. The intercept is completely open to the north, south, east, and west and at depth.

Drake Resources has estimated that the Lady Hampden, Silver King and White Rock silver deposits at its Mt Carrington project in North-Eastern NSW have an in-ground value of more than \$75 million at current prices.

This figure is based upon a reported JORC compliant inferred resource estimation conducted by Kanowna Lights Ltd. It excludes significant credits from zinc, lead and gold.

In addition Drake believes there is significant potential to increase these resources by further drilling.

This follows a comprehensive review by Drake of the results of earlier silver exploration and development work within the Mt Carrington leases.

Drake is now preparing to implement a drilling program on its silver deposits to prove up the resource.

The company is also seeking a joint venture partner to help fund a comprehensive evaluation of the project.

"The programs to extend the gold and silver resource at Mt Carrington require funding over and above Drake's current cash position," Managing Director Dr Bob Beeson said today.

“The Company has held discussions with a number of potential joint venture partners.

“Alternatively the company will need to raise additional funds to complete the planned programs,” Dr Beeson said.

Mt Carrington is an extensive property. It contains several mineral deposits including gold, silver, separate copper mineralisation and zinc in association with some of the gold and silver.

The silver mineralisation at Mt Carrington is located in two main areas:

- The Cheviot Hills Fault Trend which comprises the Lady Hampden, Silver King and Mozart prospects.
- The White Rock deposits.

Drake has carried out a comprehensive review of its silver resources and their exploration potential. Dr Beeson said the review was prompted by the fact that silver prices had increased recently to 23-year highs. In addition, he noted that, as zinc prices were at all-time highs of more than US\$1.40 per pound, the significant zinc levels at the White Rock deposit had the potential to yield zinc credits that would add significantly to the value of metal in ore and would therefore enhance the potential viability of the orebody.

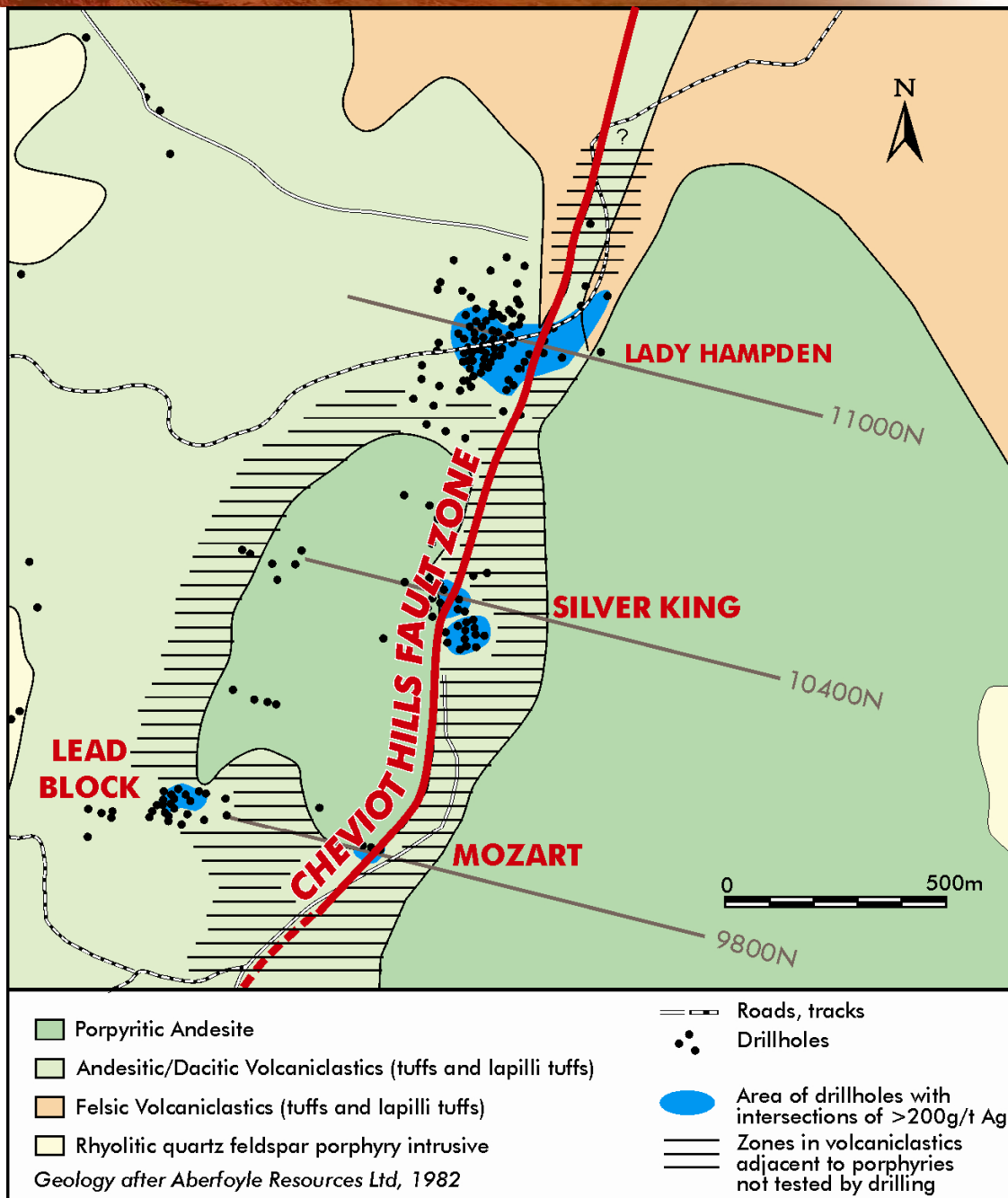
No silver exploration has been conducted at Mt Carrington since 1990.

CHEVIOT HILLS FAULT ZONE TREND RESOURCES AND EXPLORATION POTENTIAL.

In 2003 Kanowna Lights published a JORC compliant silver resource of 2.14 million ounces of silver in the **Lady Hampden** and **Silver King** deposits; Kanowna Lights used a silver price of US\$4.79 to estimate this inferred resource.

Deposit	Tonnes	Ag g/t	Au g/t	Ag Oz	Au Oz	Ag equiv.
Lady Hampden	403,138	148.48	1.65	1,924,457	21,386	2,953,124
Silver King	34,425	198.44	0.33	219,629	365	237,186
Total				2,144,086	21,751	3,190,309

The data were based on Aberfoyle and Mount Carrington Mines exploration conducted in the 1980s. Aberfoyle withdrew from the joint venture with Mt Carrington when the silver price collapsed in the mid-1980s, leaving significant exploration potential untested.



Plan showing the Cheviot Hills Fault Zone geology and drillhole locations

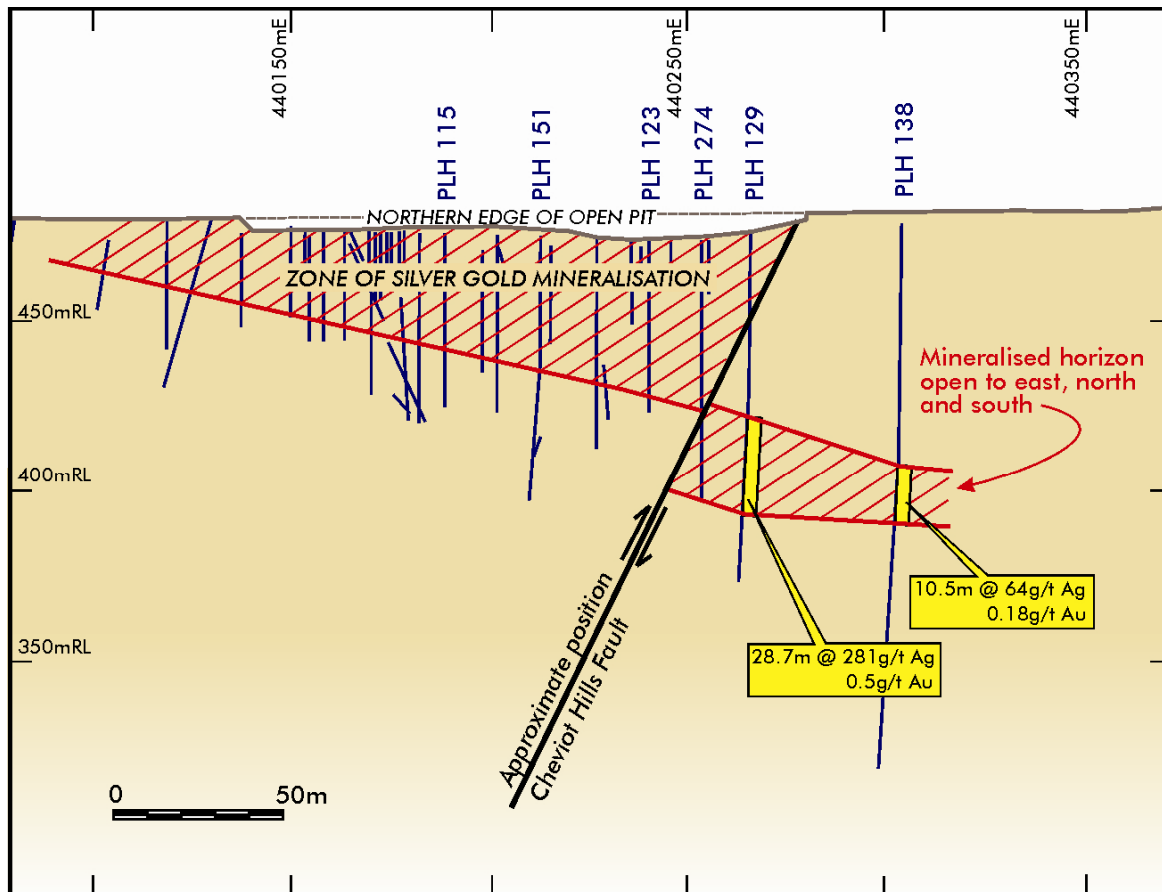
The average depth of all drilling on these prospects was only 44.5 and 35.7m respectively.

In addition to the potential beneath the two deposits, there has been almost no drilling in the 400 metres between the two deposits, nor to the south and north of the deposits.

Dr Beeson said there was excellent exploration potential to the north and east of **Lady Hampden**.

Immediately east of the Cheviot Hills fault and the northern edge of the Lady Hampden open cut, the downfaulted extensions of the mineralised Lady Hampden Member have been intersected in two holes with intercepts of:

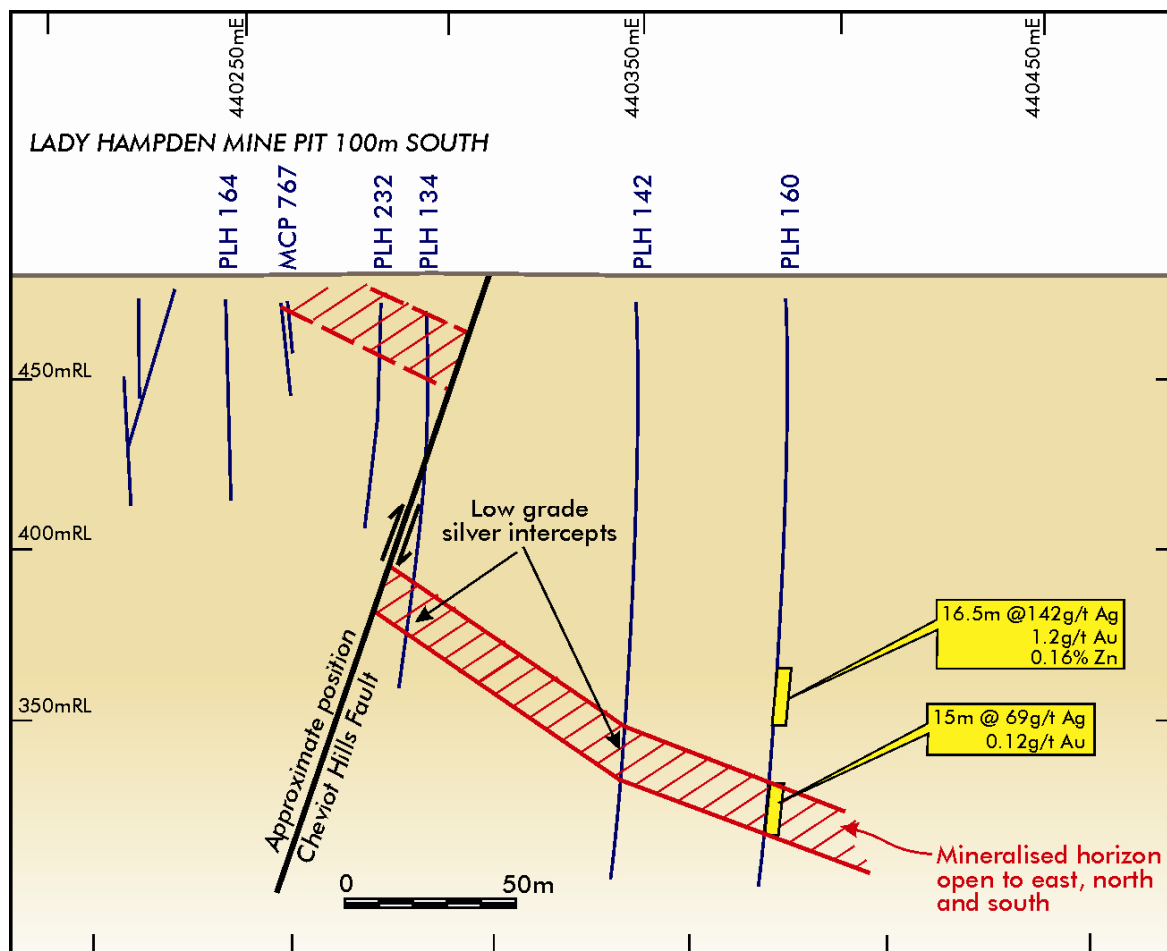
Intersected length (m)	Ag g/t	Au g/t	from	Hole No
28.7	281	0.5	53.7m	PLH 129
10.5	64	0.18	72.7m	PLH 138



Lady Hampden Cross Section 10980N Looking North

Intercepts are equally encouraging 70 metres north and show substantial potential open to the north, south and east.

Intersected length (m)	Ag g/t	Au g/t	from	Hole No
16.5	142	1.2	108.5m	PLH 160
15	69	0.12	141.5m	PLH 160

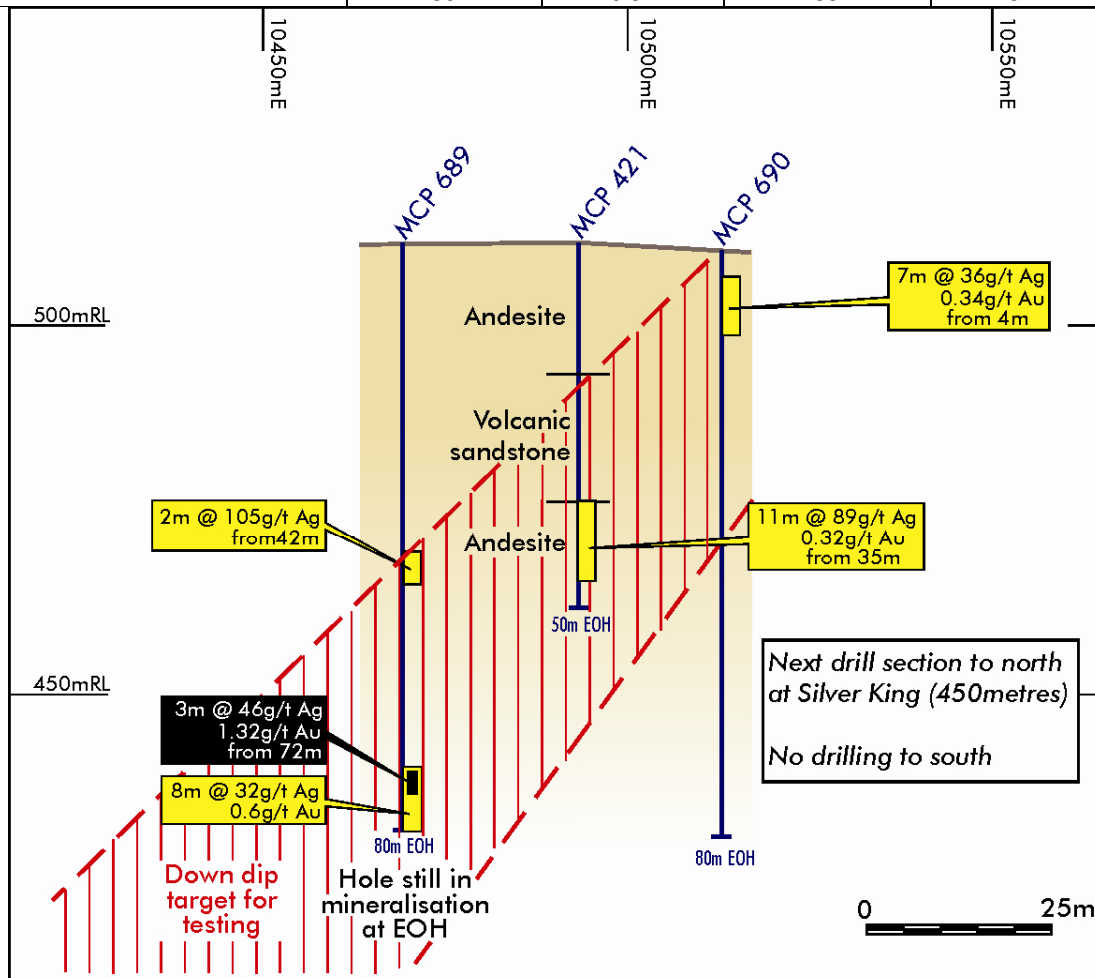


Lady Hampden Cross Section 11050N Looking North

Similar sections can be seen at **Silver King** 400 metres to the south where there is potential to extend the resources in depth as well as to the east.

At **Mozart** , 450 metres south of Silver King, there is a zone in which there has been no drilling apart from the 3 holes on line 9800N , where the underlying intercept is completely open to the north and south as well as at depth and to the east and west.

Intersected length (m)	Ag g/t	Au g/t	from	Hole No
11	89	0.32	35	MCP421



Mozart Prospect - Mount Carrington Drill Section 9800N, Looking North

Drake believes the Lady Hampden-Silver King-Mozart corridor has excellent exploration potential.

Dr Beeson said that exploration technologies had advanced considerably since the last systematic exploration by Aberfoyle more than two decades ago. The application of new generation geophysical technologies, and in particular the ability to model the data in three dimensions, offered Drake a major new opportunity at Mt Carrington. **More than three quarters** of the Lady Hampden/Silver King/Mozart trend has not been tested.

WHITE ROCK SILVER DEPOSIT

A review of the **White Rock** silver deposit exploration data has revealed that significant zinc mineralisation occurs within and adjacent to the silver resources defined by Aberfoyle in its evaluation of the prospect in the early 1980s. Aberfoyle and Kanowna Lights did not take account of the zinc mineralisation (which if extracted could form a significant credit) in their respective reviews of the project.

Aberfoyle's 1983 evaluation of the project reported an indicated and inferred resource. They are not Drake's view of the amount of silver at White Rock, but do indicate the potential of the deposit, and were generated by a competent exploration team:

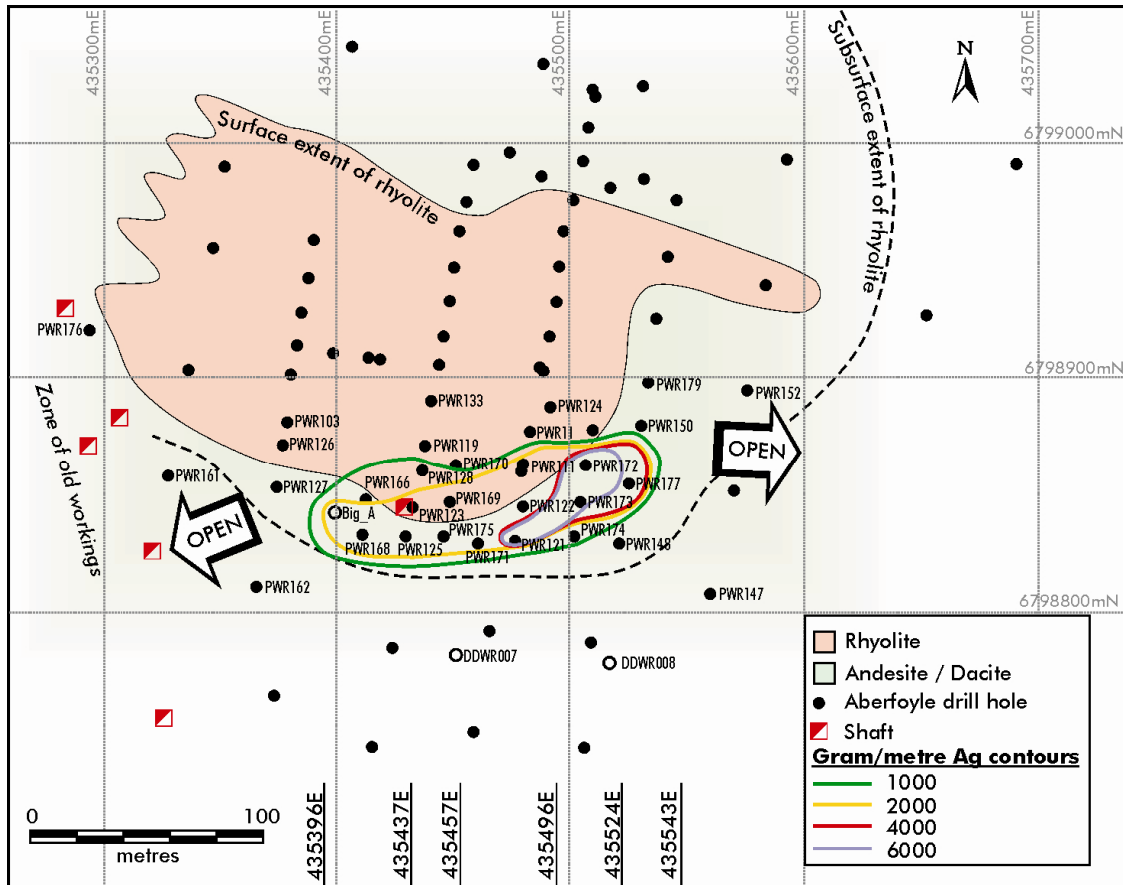
Lens	Tonnes	Ag (g/t)	Au (g/t)	Ounces (Ag)
A	793,000	102	0.06	2,600,836
B	508,000	118	0.12	1,927,459
C	134,000	70	0.06	301,608
Total	1,435,000	105	0.08	4,829,903

Review of the drill sections relating to the separate lenses reveals that the B lens has significant associated zinc mineralisation. Representative intersections of this zone are tabulated below.

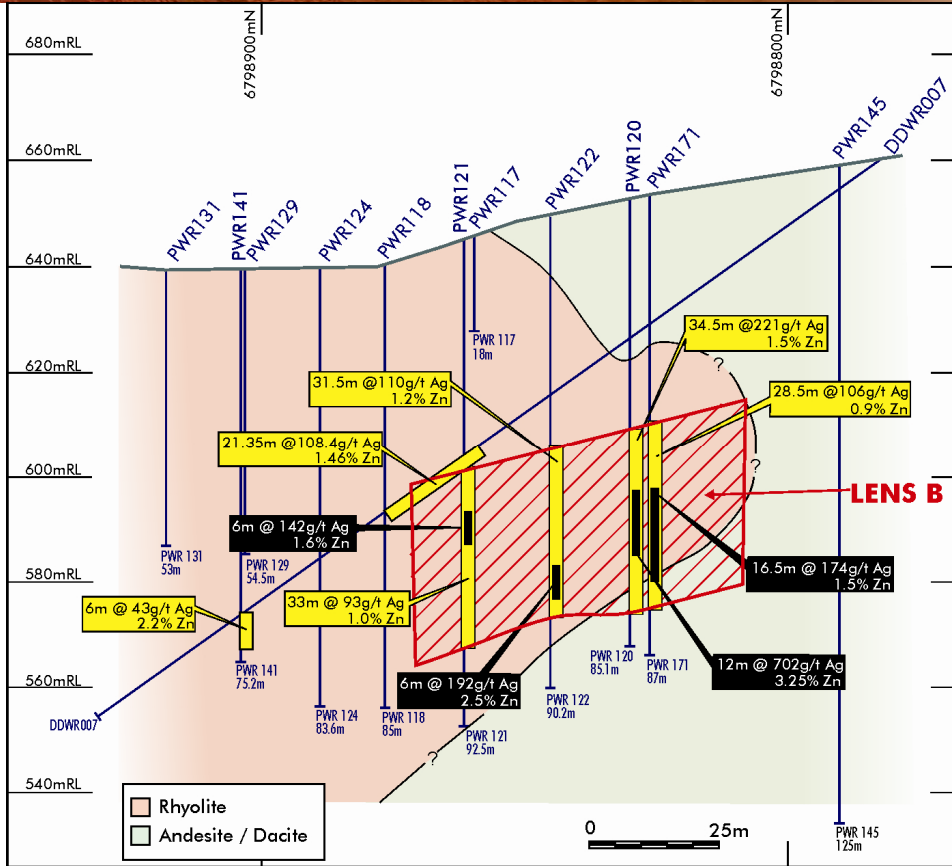
The data have been compiled using a 25 g/t Ag cut-off for the silver intercepts and where not within a silver zone a 0.5% Zn cut-off. Maximum internal waste used was the sample interval of 1.5m.

Hole	From (m)	To (m)	Intersection (m)	Ag g/t	Pb %	Zn %
Big A	41.15	68.58	27.43	107	0.7	2.8
WR120	43.1	77.6	34.5	221.1	0.6	1.5
Including	53.6	65.6	12	702.5	1.4	3.25
WR122	43.7	75.2	31.5	109.7	0.5	1.2
WR123	37.7	63.2	25.5	131.8	0.7	2.3
WR125	42.6	72.6	30	112.6	0.4	1.8
Including	42.6	53.1	10.5	315	1.0	3.1
And including	47.1	51.6	4.5	351	1.7	5.9
WR166	40.5	57.0	16.5	106.9	1.3	3.5
including	42.0	45.0	3	403	4.5	7.9
and	57.0	84.0	27	-	0.8	2.7
WR168	42.0	76.5	34.5	90.0	0.8	2.3
including	48	51	3	290	3.1	9.0
and	76.5	85.5	9	-	-	1.3
WR169	45.0	84.0	39	77.5	0.6	2.2
Including	70.5	79.5	9	78.8	1.0	4.4
WR171	42.0	70.5	28.5	106.5	0.3	0.9
Including	55.5	72	16.5	174.3	0.6	1.5
WR 172	48	57	9	772.2	0.3	1.6
WR 173	48	72	24	189	0.6	1.2
WR 174	72	78	6	94.5	0.2	0.5
WR 175	61.5	72	10.5	211	1.0	2.5

The Lens B zinc-silver mineralisation is open to the east and west.

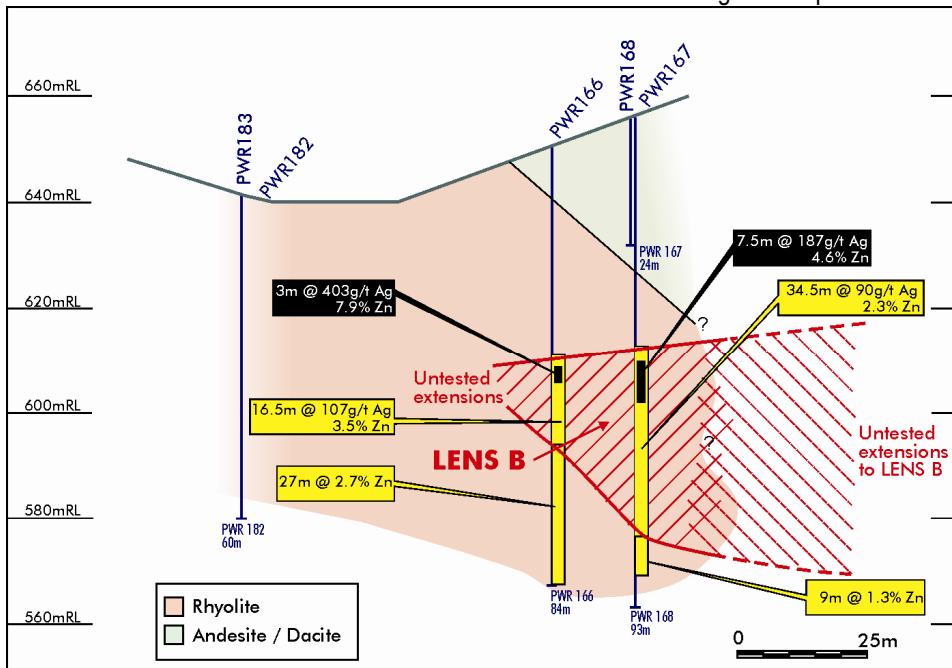


Plan showing Lens B, White Rock

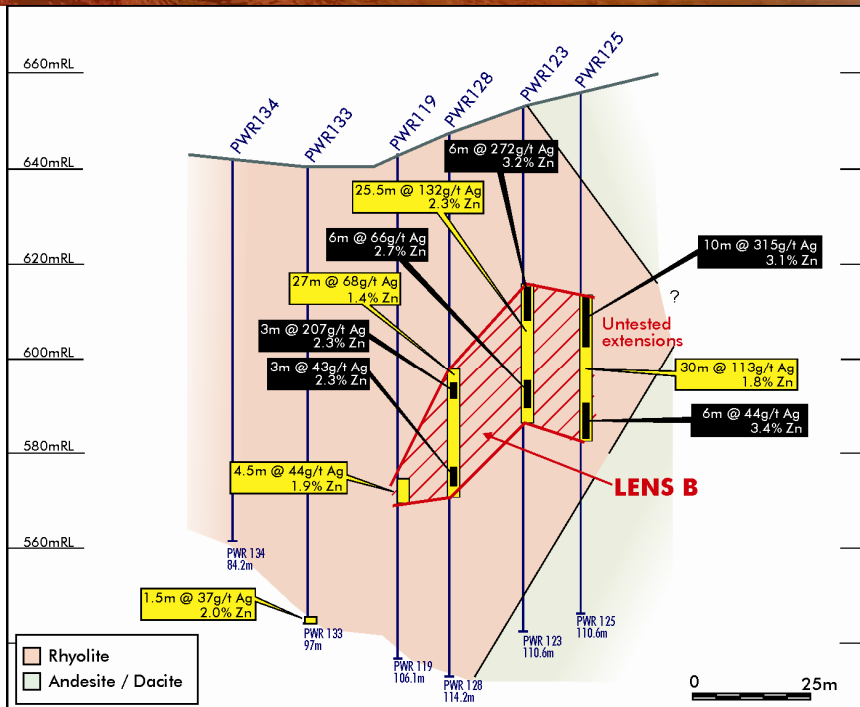


White Rock Cross Section 435496E

Drake Resources Ltd plans additional drilling to evaluate the potential extensions to mineralisation in the A, B and North East Zone Lenses and to allow the collection of metallurgical samples.

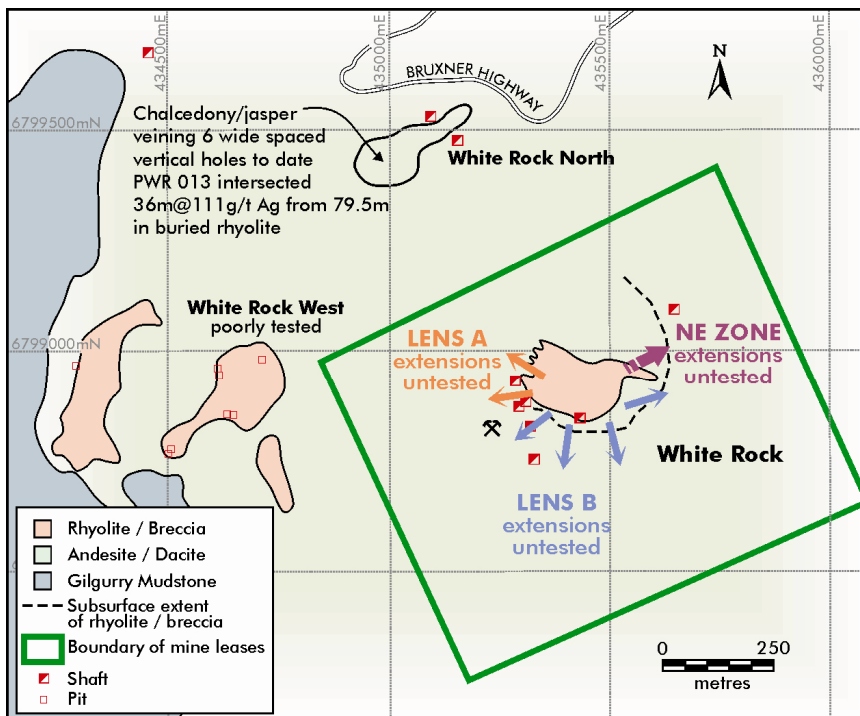


White Rock Cross Section 435437E



White Rock Cross Section 435457E

At the White Rock North prospect, hole PWR 013 encountered 36m averaging 111 g/t Ag from 79.5m in buried rhyolite. The potential of this intersection remains open. There is also significant potential for mineralized rhyolite to extend at depth between the White Rock and White Rock North prospects.



White Rock Summary Map

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.

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