



**ASX ANNOUNCEMENT**  
**21 November 2005**

**DRAKE RESOURCES TO EXPLORE  
MEXICAN SILVER-ZINC BELT**

- Mexico - a highly prospective but under-explored region for base and precious metals
- Mexico - The world's largest silver producing region
- Drake exploits its local Mexican knowledge
- Drake to use its skills in exploration of under cover

Drake Resources Ltd (ASX code DRK) has begun a programme of project identification and acquisition in Mexico.

Mexico is one of the world's major mining countries. It has exceptional deposits of copper, zinc and silver, and has an emerging gold mining industry. It is the world's largest silver producer (99 million ounces in 2004), and has a recorded production of approximately 10 billion ounces.

Drake holds a significant silver resource at its Mt Carrington Project in New South Wales, which contains JORC-compliant inferred resource of 4.6 million ounces of silver within a large global resource. Drake plans to build on its silver resources both at Mt Carrington and in its new venture in Mexico.

Drake has selected Mexico as its next exploration region for several reasons:

- The country has over 400 years of mining history.
- The government is very supportive of mining, and has active programmes to support exploration at federal and state levels.
- Mexico has exceptional infrastructure to support mining, including transport both within the country and to the USA, and in mineral processing facilities such as zinc and copper refineries.
- Mexico's people are very supportive of mining as the industry provides the opportunity for economic development in rural communities.
- Mining staff are well-trained at all levels.
- The country has favourable fiscal policies and is a member of NAFTA.
- Mining law allows for 100% foreign participation in projects.
- Drake's technical team possess extensive knowledge and experience in Mexico

Drake considers Mexico to be relatively under-explored. A new mining law was enacted in 1992, and there has been limited modern exploration since then. In particular, there has been little exploration under cover, apart from the Sonora porphyry belt. Drake has considerable experience in this type of exploration

The recent exploration successes of Bolnisi Gold Limited (ASX Code: BSG) and Kings Minerals Limited (ASX Code: KMN) in Mexico are testament to the potential for substantial ore discovery there.

Drake is making full use of the digital data sets that have become available only since the decline of exploration in the late 1990s. It is re-compiling the digital geology to enable better identification of key units, structures and geological associations.

Direct targeting information is being obtained from purchased mineral occurrence data sets, geochemistry and alteration mapping. This has already led to the identification of target areas for pegging.

The techniques Drake is using have been applied previously by Drake personnel in Mexico and elsewhere, and have led to the discovery of ore. Such techniques have had limited application in Mexico..

The Drake programme is being led by Dr Rodney Hammond, a very experienced exploration geologist who is based in Mexico. Dr Hammond has held regional management positions in both North and South America for North Limited, MIM and Xstrata.

For further information contact the Company on 08 9228 0703

Jay Stephenson  
Company Secretary

*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 to qualify 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.*