

ASX ANNOUNCEMENT 24 January 2007

DRAKE - ZINIFEX ALLIANCE

Application for two exploration licences surrounding the Falun copper-zinc-gold mine in Sweden

The Drake (ASX Code DRK) - Zinifex (ASX Code ZFX) Alliance has made application for two exploration licences that contain the highly prospective, under-explored stratigraphy immediately along strike from the world-class Falun copper mine in Sweden.

Falun has been one of the major copper mines of the world. Production in the area commenced in the 13th Century, and in the 17th Century Falun supplied two-thirds of the world's copper. The Falun mineralisation is also rich in zinc and gold.

The previously mined Falun orebody is believed to have contained approximately 28 Mt of ore @ 2-4% Cu, 3-6% Zn and 2-4 g/t Au. The Falun deposit lies within a semi-continuous zone of base metal mineral occurrences and silica-magnesium alteration that trends over a distance of 20 kilometres. The Alliance has made application for the central, and what Drake considers the most prospective, ten-kilometre sector of this trend.



The Falun mine ceased production in 1992, after more than 700 years of continuous production. A tourist mine now operates at the site.

The opportunity for the Alliance

The Drake-Zinifex Alliance applications provide the opportunity to secure the immediate strike extensions of a world-class copper-zinc-gold deposit as well as highly prospective, under-explored stratigraphy along-strike.

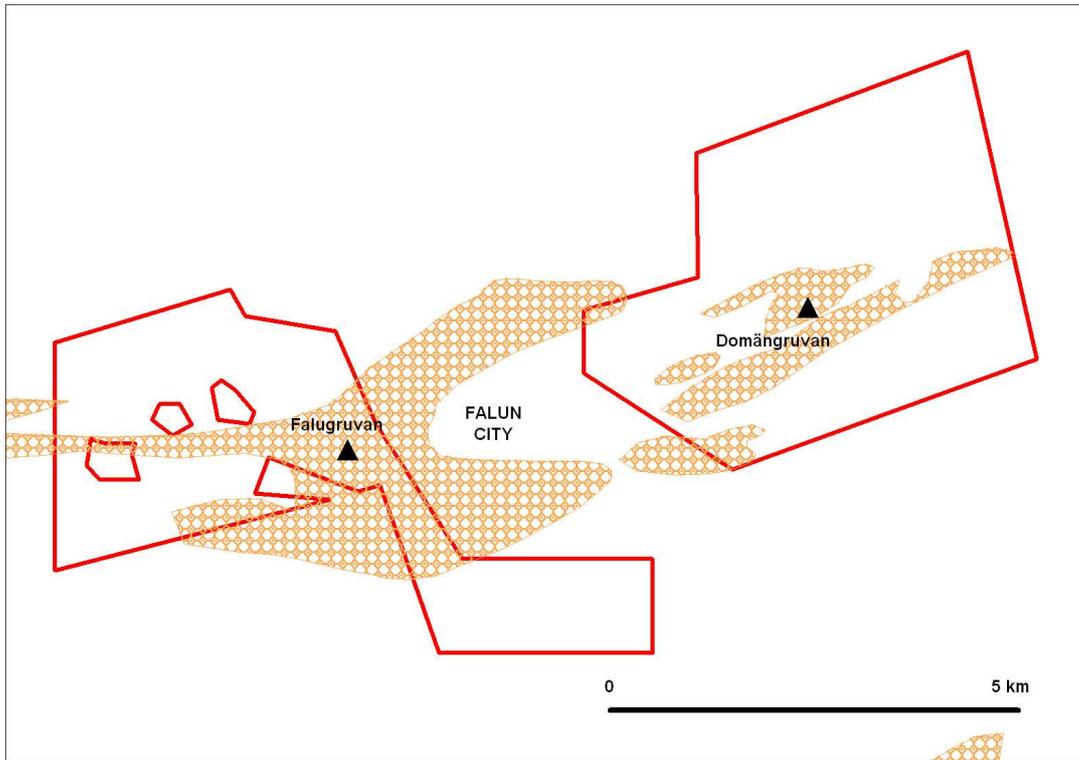
Assessment of historic records indicates that the area has not been subject to modern, deeply penetrating geophysical exploration. The geophysical methods used previously would at best only have detected very shallow conductors, within the top-most 50 metres in most areas. Nor has there been any modern geological mapping, particularly detailed structural mapping, which is a key exploration technique in such highly mineralised districts.

Application Falun 100 covers the area immediately around the old Falun mine. Although past records of exploration around the mine are incomplete, the area contains the along strike stratigraphy of the orebody, and is believed to have been only partly tested.

Application Falun 101 is the area immediately east of the Falun township. This application contains the Domängruvan massive sulphide occurrence, also the site of a historic mine that closed in 1917. Since then, this area has been occupied by the Swedish military. This highly prospective zone has therefore not been subject to any exploration, including any drilling, for almost a century.



Sulphides at Domängruvan include pyrite, galena, chalcopyrite and pyrrhotite. The sulphides occur in a unit 5-10 metres in thickness as bands, stringers and disseminations.



Location of the Alliance exploration licence applications at Falun; the shaded area indicates the distribution of the prospective alteration zones mapped by the Sveriges Geologiska Undersökning

About the Drake – Zinifex Alliance

Drake Resources and Zinifex Australia Ltd (“Zinifex”) (ASX Code – ZFX) have formed an alliance to seek out zinc exploration and development opportunities in several of the most prospective areas around the world. Drake is 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 is focusing 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 is funded jointly with cash and in-kind contributions. Drake is identifying and presenting opportunities to the Alliance for consideration. Any project identified by the Alliance, but not accepted by Zinifex, can be taken up by Drake.

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