



**ASX ANNOUNCEMENT
29 October 2007**

**DRAKE AND ZINIFEX AGREE TO EXTEND THEIR
BASE METAL EXPLORATION ALLIANCE**

**Budget for the 2007-2008 fiscal year (June 2008) increased
by \$1.0 million**

Drake Resources Ltd and Zinifex Ltd have agreed to extend their successful base metal exploration Alliance until December 2008.

The Zinifex (ASX Code: ZFX) – Drake (ASX Code: DRK) 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. Zinifex has the project evaluation, financing and mining skills to progress the projects generated by the Alliance.

The Alliance started in September 2006 with an initial budget of \$640,000 including a cash budget of \$400,000. With this funding, Drake, as Manager of the Alliance, has successfully generated fourteen projects as Drake-Zinifex exploration joint ventures to date.

To facilitate a continuation of this productive arrangement, the parties have approved a new budget of a further \$1.0 million for the period from September 2007 to 30 June 2008. This new budget is in addition to the initial budget, and is funded by cash and in kind contributions from each company in the same proportions as the initial budget.

The two companies have also agreed in principle to extend the term of the Alliance agreement for a further six-month period until the end of December 2008. the programme and budget for the period July 2008 to December 2008 is yet to be finalised.

The Alliance extension will focus on the following:

- Intensifying the search in the regions of current focus: Sweden and Australia
- Extending the search to other regions, including elsewhere in Scandinavia, North America and Southern Africa

For further information contact

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