

ASX ANNOUNCEMENT

4 April 2006

DRAKE RESOURCES ENTERS AN AGREEMENT WITH AURA ENERGY FOR THE SALE OF ITS URANIUM ASSETS

Drake Resources Limited (ASX Code: DRK) has entered into a conditional agreement with Aura Energy Limited to sell the company's uranium tenements.

Under the agreement, Drake Resources will gain a substantial shareholding in Aura, an unlisted public company dedicated to uranium exploration and development. Drake Resources has also negotiated a priority issue for Drake's shareholders in the proposed IPO of Aura. The record date for Drake Resources shareholder entitlement has not been set.

The sale of Drake's uranium tenements under the agreement is subject to the approval of Drake's shareholders. For this purpose, a notice of meeting, together with an accompanying independent expert's report, will be sent to Drake shareholders in the near future.

Managing Director of Drake Resources, Bob Beeson said, "The agreement is part of a strategic decision to position Drake Resources within the market and maximise value for its shareholders".

"The agreement will enable Drake to capitalise on the value of its gold and silver assets while retaining a considerable interest in Aura's uranium assets. Separating the company's assets will result in two entities with distinct stories. Aura will seek to capitalise on the strong uranium market".

The initial emphasis of Aura's exploration programmes will be the Altona Project and three recently acquired uranium tenements in the Yilgarn Province of Western Australia. However, Aura intends to actively pursue quality uranium projects to further develop its uranium tenement portfolio.

Drake Resources will continue its current exploration programmes at its Mt Carrington gold-silver-zinc project in New South Wales and at its other projects in Western Australia, while seeking to expand the portfolio through further strategic acquisitions.

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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.