



DANAE RESOURCES NL

(ABN 11 009 173 880)

DIRECTORS:

J.A. CORCORAN
D.P. LEWIS
J.G. BOVARD
A.T. ROBERTS

CHAIRMAN
MANAGING DIRECTOR

LEVEL 1, THE OLD SWAN BREWERY
173 MOUNTS BAY ROAD, PERTH, WESTERN AUSTRALIA
AUSTRALIA 6000
P.O. BOX 7414, CLOISTERS SQUARE
PERTH, WESTERN AUSTRALIA, 6850

COMPANY SECRETARY:
R.S. MIDDLEMAS

TEL: +61 (0) 8 9321 8821
FAX: +61 (0) 8 9226 2454

ANNOUNCEMENT TO THE AUSTRALIAN STOCK EXCHANGE: 13 MARCH 2006

CAPITAL RAISING ASSOCIATED WITH THE PROPOSED MERGER WITH GREENWICH RESOURCES PLC ("GREENWICH") AND BUKA MINERALS LIMITED ("BUKA")

- **Greenwich announces underwritten capital raising of £20 million (A\$47.2 million) after expenses.**
- **Issue price of 2.42 pence per share (72.6 pence per consolidated Greenwich share) equates to 7.3 cents per Danae share and represents a premium of 15.9% to the last traded Danae share price of 6.3 cents.**

Danae is pleased to report the announcement in London on Friday 10 March 2006 by Greenwich (to be renamed Scarborough Minerals plc) of an underwritten Placing and Open Offer (the "capital raising").

The capital raising is being conducted in connection with the proposed merger of Greenwich, Danae and Buka for which Bidder's and Target's Statements, including offers for all of the issued securities of Danae and Buka ("the Offers") were issued to shareholders of Danae and Buka last week.

The key terms of the capital raising, being undertaken by Greenwich's sponsoring broker, Collins Stewart, following investor presentations by management in London in recent days, are:

- i) The total amount being raised is £20 million (A\$47.2 million) after issue expenses. The takeover documents envisaged a capital raising of a minimum of £15 million.
- ii) The issue price of the new Greenwich ordinary shares is 2.42 pence (72.6 pence on a consolidated basis). Based on the terms of the Offers and the current exchange rate of A\$1.00=£0.4234, this equates to 7.3 cents per Danae share, a premium of 15.9% to the last traded price of Danae shares on 10 March 2006.
- iii) the net proceeds of the Placing and Open Offer will be used to assist the merged entity in advancing its existing projects and opportunities, as well as providing funds with which the merged entity can pursue its strategy, as set out in the Prospectus.
- iv) The capital raising is conditional, inter alia, upon completion of the proposed merger.

Danae's Directors are extremely pleased with the amount and pricing of the capital raising which demonstrates a high level of interest from the U.K, attracting a range of new investors.



Timetable

As set out in the takeover documents dispatched last week, the offers are scheduled to close on 7 April 2006. The Offers are conditional, inter alia, on the approval of Greenwich shareholders at a general meeting to be held on 27 March 2006. Shareholders will be advised of the outcome of that meeting immediately after it is held.

Danae's Directors continue to unanimously recommend acceptance of the offers, in the absence of a superior offer.

Enquiries: Managing Director: Don Lewis

Tel: (08) 9321 8821

Fax: (08) 9226 2454

Website: www.danaeresources.com

Email: info@danaeresources.com