



ABN: 99 110 439 686

64 Thomas Street West Perth WA 6005  
PO Box 781 West Perth WA 6872

T: (08) 6102 4140, F: (08) 6102 6543  
[www.draigresources.com](http://www.draigresources.com)

ASX Announcement  
8 May 2012

## **DRAIG COMPLETES TEEG DRILL PROGRAM WITH THICKEST COAL SEAM INTERCEPTS TO DATE**

### **Highlights**

- **Coal seam intersected with apparent seam thickness of 86.28m (BT\_37)**
- **Seam was continually intersected over range of 27m to 146m depth**
- **Twin cored angle hole with 30m selected intercepts at < 82m (BT\_37C)**
- **Coal quality testing underway**
- **Phase 1 drill program complete with over 6000m, Phase 2 planning underway**
- **Mongolian Office established - General Manager appointed**

Draig Resources Limited (ASX: DRG) ("Draig" or "the Company") is pleased to announce it has intercepted a coal seam with apparent coal thickness of 86.28m in drill hole BT\_37 during exploration on its Teeg licence in Mongolia's Ovorkhangai province.

The seam, which was intersected over a depth of 27m to 146m, was the thickest coal seam logged by Draig during its Phase 1 exploration program on Teeg. The second thickest intercept recorded during the Phase 1 drill program on Teeg was on BT\_36, with a cumulative thickness of 66.75m.

In addition, a twin angled cored hole intercepted 30m thick coal seam intercepts at < 82m.

Draig's extended Phase 1 drill program has now been completed. A total of just over 6000m was drilled, with multiple shallow coal seam intersections logged on a total of 16 holes at less than 175m depth over a 3.5km strike length.

Three holes have been completed, adjacent to drill holes BT\_37, BT\_24 and BT\_38 which were drilled to core representative coal intervals for quality and petrographic testing. Drill hole BT\_37C selectively cored coal seams intercepts of 30m of coal at < 82m and BT\_24C selectively intercepted 13m at <87m.

The logging results on BT\_7, BT\_38 and BT\_38C are still to be finalised.

Further drilling is required in the Phase 2 program to potentially connect the due diligence coal intersection at BTE\_005 (27m cumulative thickness) achieved in July 2011, adjacent to the Teeg open cut, with the northern extent of the current strike at BT\_01 (37.8m cumulative thickness). This, if successful, could extend the strike length to over 6.5kms. We also believe there is potential for other coal bearing sequences in the east of the Teeg licence.

The Phase Two drilling program will also include exploration on the neighbouring Nariin Teeg licence where geophysics identified a number of potential coal bearing targets, and within the Company's four South Gobi licences, one of which has yielded significant coal outcropping following surface mapping.

Draig Managing Director Mark Earley said: "A hard coal seam with apparent thickness of 86.26m is something I have not seen before. We hit the coal at 27m below surface and followed coal all the way down to our drilling cut off at 146m. We are excited about the extent and depth of potential coal bearing strata in the Teeg area."

"I'm extremely pleased with the progress we made in the tough operating conditions imposed by the harsh Mongolian winter-spring period. We are now busy assessing the current information and will then plan a Phase 2 program, which will include drilling on our licences in both the Overhangay and the South Gobi regions over the summer," Mr Earley said.



**Figures 1 & 2 – Drilling in snow and dust storms, Teeg licence**

The drill hole locations are shown on the Teeg licence map below. The table below provides the details of the logged coal intercepts achieved.

Draig has commenced assimilating the drilling data and will shortly begin resource modelling to determine the initial (Phase 1) JORC resource estimate for Teeg.

Coal samples and cores are now at the ALS labs in Ulaanbaatar for a range of quality testing. Petrographic analysis will be undertaken at the ALS laboratory in Queensland, Australia once the results from the quality testing have been reviewed

### **Mongolian Office Established**

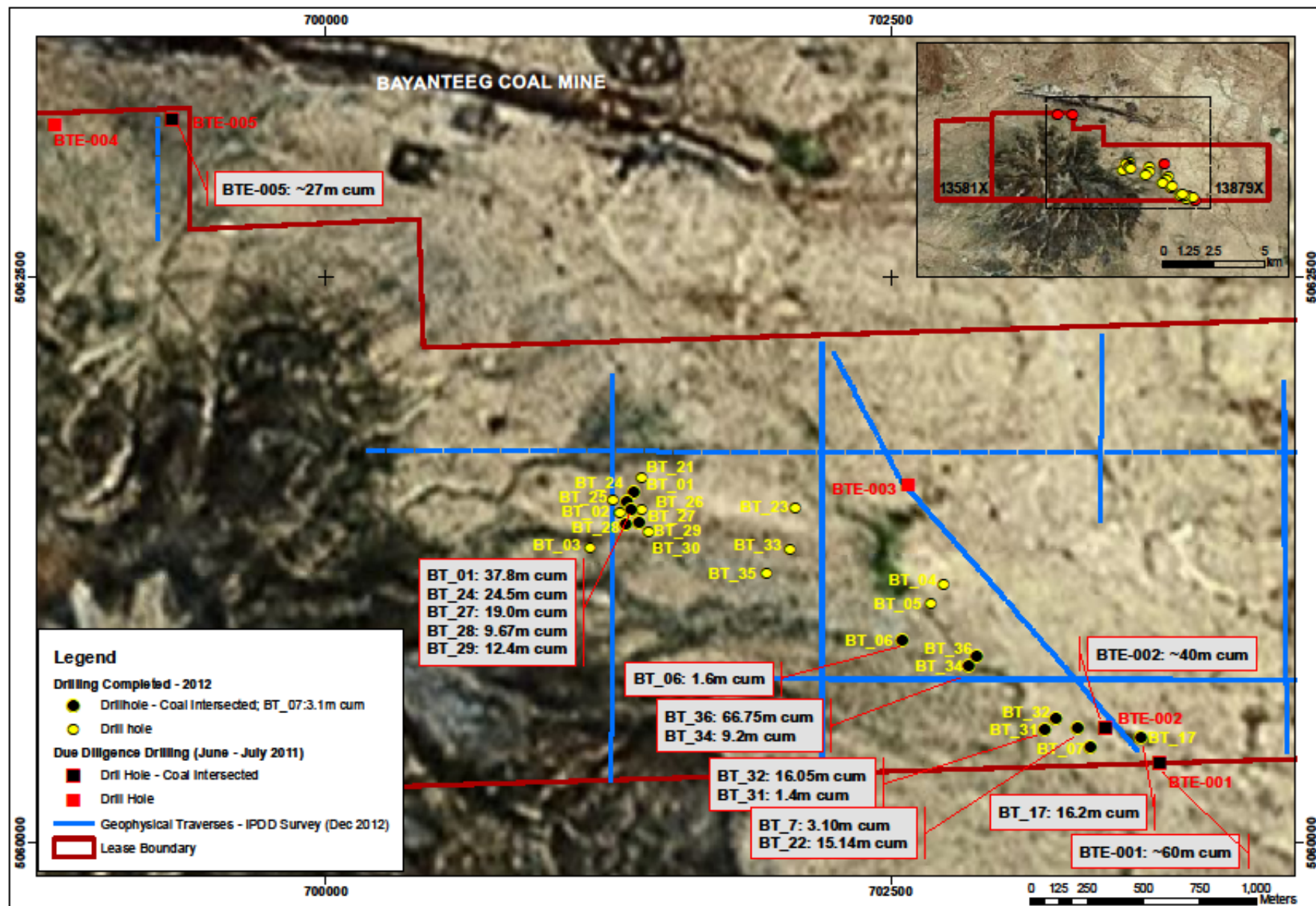
Draig also wishes to announce that it has completed the establishment of its Mongolian Office, and has appointed Mr Terrence Thompson as its Mongolian based General Manager.

Mr Thompson has had 25 years experience in the startup, administration and expansion of domestic and international businesses, including the Project Management of construction and mining projects. His career has been based in Mongolia, Africa and Australia.

Most recently he was the General Manager of mining and mineral brokerage firm Mongolian Mineral Properties (MMP).

Draig is pleased to have made a successful in-country appointment to the team.

For personal use only



## Logged Coal Intercept Drill Results – Teeg Licence

Note: all apparent coal thicknesses shown exclude any partings or interburdens. All depths and total coal thickness estimates are based on open hole drilling chips corrected with geophysical logs.

Hole	Eastings	Northings	Final depth (m)	Interval From (m)	Interval To (m)	Coal Seam thickness (m)	Cumulative thickness (m)	Drilling Type
BT_01	701363	5061554	115.60	3.00	8.90	5.90	37.80	PCD 123mm
				10.10	20.20	10.10		
				35.20	41.20	6.00		
				63.60	74.50	10.90		
				83.90	88.40	4.50		
				92.80	93.20	0.40		
BT_06	702551	5060895	216.00	142.20	143.80	1.60	1.60	PCD 123mm
BT_7	703387	5060422	176.00	88.40	89.10	0.70	3.10	PCD 123mm
				121.60	122.40	0.80		
				123.4	124.20	0.80		
				129.4	130.20	0.80		
BT_17	703606	5060467	200.00	14.00	18.80	4.80	16.20	PCD 123mm
				21.00	27.20	6.20		
				28.00	33.20	5.20		
BT_22	703331	5060505	114.00	47.80	48.40	0.60	15.14	PCD 123mm
				48.60	52.64	4.04		
				53.20	53.40	0.20		
				53.64	55.00	1.36		
				55.24	56.34	1.10		
				57.92	59.30	1.38		
				61.04	61.72	0.68		
				80.12	81.00	0.88		
				81.90	82.20	0.30		
				82.80	84.40	1.60		
				86.00	89.00	3.00		
BT_24	701333	5061508	149.20	43.70	46.00	2.30	24.50	PCD 123mm
				51.20	66.40	15.20		
				67.30	67.90	0.60		
				69.00	71.00	2.00		
				74.00	77.60	3.60		
				84.40	85.20	0.80		

Hole No.	Easting	Northing	Final depth (m)	Interval From (m)	Interval To (m)	Coal Seam thickness (m)	Cumulative thickness (m)	Drilling Type
BT_24C	701333	5061512	96.60	48.34	49.54	1.20	13.08	PCD 123mm to 44.35m. PQ Core 123mm from 44.35m to 96.60m
				54.56	55.35	0.79		
				56.66	59.36	2.70		
				62.34	63.20	0.86		
				63.40	64.06	0.66		
				75.38	75.49	0.11		
				75.54	76.51	0.97		
				76.74	77.04	0.30		
				77.18	78.75	1.57		
				78.85	81.25	2.40		
				84.25	84.85	0.60		
				85.88	86.03	0.15		
				86.17	86.94	0.77		
BT_27	701354	5061474	159.00	24.80	25.20	0.40	19.00	PCD 123mm
				25.40	26.20	0.80		
				26.60	34.50	7.90		
				35.00	38.70	3.70		
				113.24	114.40	1.16		
				114.60	115.40	0.80		
				115.64	115.72	0.08		
				116.50	117.20	0.70		
BT_28	701328	5061412	120.00	118.50	121.96	3.46	9.67	PCD 123mm
				88.35	90.23	1.88		
				90.80	94.40	3.60		
				94.87	96.40	1.53		
				96.80	99.08	2.28		
BT_29	701387	5061422	182.00	99.62	100.00	0.38	12.40	PCD 123mm
				40.60	41.80	1.20		
				43.20	46.20	3.00		
				46.80	51.80	5.00		
BT_31	703181	5060501	144.00	55.40	58.60	3.20	1.40	PCD 123mm
				112.64	114.00	1.36		



Hole No.	Easting	Northing	Final depth (m)	Interval From (m)	Interval To (m)	Coal Seam thickness (m)	Cumulative thickness (m)	Drilling Type
BT_32	703232	5060550	117.00	30.00	30.85	0.85	16.05	PCD 123mm
				31.45	34.00	2.55		
				34.40	34.80	0.40		
				36.30	37.20	0.90		
				37.60	38.00	0.40		
				40.75	42.00	1.25		
				43.20	45.60	2.40		
				46.10	50.80	4.70		
				52.00	53.80	1.80		
				56.20	56.60	0.40		
				62.20	62.60	0.40		
BT_34	702845	5060783	194.00	115.50	116.80	1.30	9.20	PCD 123mm
				123.80	124.60	0.80		
				125.90	127.20	1.30		
				128.70	129.20	0.50		
				130.30	131.30	1.00		
				143.30	143.70	0.40		
				148.40	149.00	0.60		
				158.60	159.10	0.50		
				159.90	160.50	0.60		
				161.50	162.40	0.90		
				174.10	175.40	1.30		
BT_36	702883	5060826	168.00	38.80	42.30	3.50	66.75	PCD 123mm
				43.50	44.40	0.90		
				44.90	56.10	11.20		
				56.60	59.80	3.20		
				60.70	94.10	33.40		
				94.50	109.05	14.55		
BT_37	701874	5061134	168.00	27.85	32.20	4.35	86.28	PCD 123mm
				32.70	40.70	8.00		
				58.40	78.35	19.95		
				80.20	81.50	1.30		
				81.90	85.70	3.80		
				85.95	95.33	9.38		
				95.60	95.80	0.20		
				99.75	111.90	12.15		
				117.20	123.30	6.10		
				123.65	138.85	15.20		
				139.65	140.00	0.35		
				141.15	146.65	5.50		

Hole No.	Easting	Northing	Final depth (m)	Interval From (m)	Interval To (m)	Coal Seam thickness (m)	Cumulative thickness (m)	Drilling Type
BT_37C	702626	5060982	81.40	38.72	54.02	15.30	30.43	PCD 123mm to 21.20m. PQ core 123mm from 21.20m to 81.40m.
				65.25	73.88	8.63		
				74.90	81.40	6.50		

--ENDS--

**For more information, please contact:**

Mark Earley  
Managing Director  
Draig Resources Limited  
(02) 9230 0760

Jane Grieve  
FTI Consulting  
(08) 9386 1233  
0488 400 248

#### **About Draig Resources Limited**

Coal explorer Draig Resources Ltd (ASX: DRG) is developing eight coal licences in Mongolia's Ovorkhangai and South Gobi provinces. In late 2011, Draig acquired the coal licences through BDBL LLC, previously a subsidiary of Peabody-Winsway. The Company has completed a geophysical survey and commenced its 2012 exploration program, with the aim of defining a JORC-compliant resource in Q2 2012. Draig is seeking further quality coal opportunities in Mongolia and other regions.

In 2010, international coal veteran Mark Earley was appointed as Managing Director. Mark has over 30 years' experience in the coal industry in the key areas of operations, project development, mine management and senior advisory roles. He has also been involved in green field mine developments in both Australia and Indonesia, has advised on several successful start-up projects and holds a masters degree in mining engineering. Most recently Mark held the position of Executive Director of Barlow Jonker Pty Ltd, one of the world's leading coal advisory and research firms.

#### **Competent Persons Statement**

The information provided in this report that relates to exploration results is based on information provided by Shaun Tamplin of Tamplin Resources Pty Ltd. Shaun is a member of the Australian Institute of Mining and Metallurgy (AusIMM) and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activities which are being undertaken to qualify as a Competent Person as defined in the 2004 edition of the "Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Shaun is an independent consulting coal geologist and consents to the inclusion of the matters based on his information in the form and context in which it appears. Shaun has over 17 years' experience in exploration and mining of coal.

#### **Forward Looking Statements**

This news release contains 'forward-looking information' that is based on the Company's expectations, estimates and projections as of the date on which the statements were made. This forward-looking information includes, among other things, statements with respect to the targets and expectations, mineral reserves and resources, studies, results of exploration and related expenses. Generally, this forward-looking information can be identified by the use of forward-looking terminology such as 'will', 'expect', 'potential', 'outlook', 'anticipate', 'project', 'target', 'likely', 'believe', 'estimate', 'intend', 'may', 'would', 'could', 'should',



‘scheduled’, ‘plan’, ‘forecast’, ‘evolve’ or variations of such terms and similar expressions. Persons reading this news release are cautioned that such statements are only predictions, and that the Company’s actual future results or performance may be materially different. There can be no assurance that forward looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward looking statements. The Company disclaims any intent or obligation to update or revise any forward-looking statements whether as a result of new information, estimates or options, future events or results or otherwise, unless required to do so by law.

For personal use only