

Chairman's Address

Annual General Meeting of

Draig Resources Limited

10.30 AM EDST

Monday, 25 November, 2013

Good morning ladies and gentlemen. Welcome to this annual general meeting of shareholders of Draig Resources Limited.

My name is Peter Doherty, I am the Executive Chairman of Draig Resources Limited and will be chairing this meeting.

I would now like to make some brief comments as Chairman.

Jarrod Smith, David Meldrum and I became directors of the Company in late November 2012, just prior to the 2012 annual general meeting. In December 2012 Mark Dougan was appointed as the Company's country manager in Mongolia.

In early 2013 the board decided to appoint McElroy Bryan Geological Services Pty Ltd ("McElroy Bryan") to undertake a review of the geological data and to provide ongoing geological advice in relation to the exploration licences in Mongolia.

Two exploration programmes were undertaken during the year: one during the period November to December 2012 and the other during the period May to June 2013. McElroy Bryan was involved in the latter exploration programme. The results, while useful, were disappointing and confirmed that several of the exploration licences were unlikely to host commercially extractable coal deposits. Consequently it was decided that three of the eight exploration licences should be relinquished. One further licence has subsequently been relinquished.

As part of its work, McElroy Bryan undertook detailed analysis of the geological data associated with exploration licence 13879X. In particular, the Inferred Resource was estimated by McElroy Bryan at approximately 10 million tonnes in accordance with JORC 2012. This was significantly less than the previous estimate.

Draig Resources Limited – ABN 99 110 439 686

Head Office: Level 28, 25 Bligh Street, Sydney NSW 2000 Australia; GPO Box 4309, Sydney NSW 2001

Phone: +61 2 9230 0760

Significant reductions in expenses have occurred since the new board and management team became involved in the Company. These reductions are ongoing.

Unfortunately Mongolia's economy continues to deteriorate and the board remains concerned with Mongolian country risk. It is therefore reluctant to consider any further significant investment in Mongolia until this situation changes.

Compounding this issue are depressed global equity and coal markets.

Your company is in the fortunate position of having a relatively significant amount of cash. The board remains focused on preserving this and is continuing to make decisions which reduce expenditure.

The board is currently evaluating future strategies for the Company. In the meantime, the four remaining exploration licences in Mongolia will continue to be evaluated and explored with the expectation that the optimum value will be realised in the future.

2013 was a difficult year for the Company and the parameters which caused these difficulties continue to prevail. The board is cognisant of the fact that significant change is required in order to increase value for shareholders.

Peter Doherty
Chairman