

ASX Announcement

29 July 2014

QUARTERLY REPORT FOR THE PERIOD ENDED 30 JUNE 2014

1 SUMMARY

- Two exploration licences were maintained and two were relinquished;
- Expenses included some annual compliance costs; and
- Cash balance of \$2.3 million at the end of the quarter.



Location of Exploration Licences

2 EXPLORATION LICENCES

The Board and the Joint Venture Management Committee decided to relinquish exploration licence 13880X due to the assessed low probability of the presence of coal deposits which could be extracted on a commercial basis. As previously reported, 13600X was relinquished in April 2014.

Exploration licenses 13581X and 13879X continued to be maintained throughout the reporting period.

3 SUMMARY OF EXPLORATION LICENCES

Name of Licence	Location	Licence number	Interest at Quarter End	Change in Interest during Quarter
Teeg	Ovorhangay, Mongolia	13879x	75%	No change
Urtiin Am	Ovorhangay, Mongolia	13581x	75%	No change
Khonkhor	Ovorhangay, Mongolia	13880x	0%	Relinquished
Zamt-Uul	South Gobi, Mongolia	13600x	0%	Relinquished

4 CORPORATE

During the reporting period the office in Ulaanbaatar was closed and the local administration work was outsourced to a third party.

Administration expenditure for the quarter was \$0.229 million. A number of annual compliance costs were incurred during the reporting period.

The cash balance as of 30 June 2014 was \$2.3 million and there was no debt.

5 ENQUIRIES

Please contact Peter Doherty or Jarrod Smith on +61-2-9230-0760 or enquiries@draigresources.com for further information.

6 ABOUT DRAIG RESOURCES LIMITED

Draig Resources Limited ("Draig" or "the Company") is exploring for coal in Mongolia. Two exploration licences are managed under a joint venture arrangement ("Joint Venture"). A subsidiary of Draig holds a 75% interest in the Joint Venture and subsidiaries of Trinity Mongolia Pty Ltd ("Trinity") hold 10% and 15% interests. The Draig subsidiary is the operator of the Joint Venture. This subsidiary holds the licences on a 100% basis on behalf of the Joint Venture. Draig also owns 19% of Trinity.