

DRAIG

RESOURCES LIMITED

Draig continues to significantly increase its landholding by acquiring Yandal South Gold Project

- Draig has entered an option agreement to acquire 100% of the highly prospective and underexplored Yandal South Project.
- Draig's land position has increased to over 1,400km² in close proximity to the company's core asset the Bellevue Gold Project
- The Yandel South Project (557Km²) is located between Echo Resources (ASX:EAR) Bronzewing Project and gold processing plant as well as Red 5's (ASX:RED) Darlot Gold Project and gold processing plant and is only 40 kilometers to the East of Draig's Bellevue Gold Project.
- The acquisition is subject to the Company undertaking detailed geological reviews and final due diligence prior to final execution of the acquisition agreement.
- The Yandal South Project has been relatively under explored and appears highly prospective for gold and base metals. Further information on prospectivity will be released on completion of the acquisition.
- Drilling at Draig's core asset Bellevue Gold Project is continuing at the new Tribune Lode discovery with step-out drilling and Down Hole EM surveying commencing.

Executive Director Mr Steve Parsons commented:

"We are very pleased to add to our project portfolio with what looks to be a highly prospective group of tenements that are under explored and located between two significant gold camps of Bronzewing which produced historically around 4 million oz of gold and Darlot which historically produced around 2 million oz of gold.

The Yandal South Project is in close proximity, only 40 kilometres east of our core asset the Bellevue Gold Project, enabling exploration to be more easily undertaken and any future discovery to complement the Bellevue Project.

We anticipate due diligence for the acquisition to be completed quickly followed by geological targeting, however at this stage it is important to remember that our key focus is progressing our exciting new high-grade gold discovery at Bellevue and we look forward to updating the market as results come to hand."

Bellevue Gold Mine
"A forgotten treasure"
Historically produced
800,000oz @ 15g/t gold

New gold discovery at
Tribune Lode of 7m @ 27.7g/t
gold incl 5m @ 37.5g/t from
92m with visible gold

Corporate Directory

Non-Executive Chairman
Mr Ray Shorrocks

Executive Director
Mr Steve Parsons

Non-Executive Director
Mr Guy Robertson

Company Secretary
Mr Michael Naylor

Contact Details

Principal and Registered Office
Level 3, 24 Outram Street
West Perth, 6008
T: +61 8 6424 8077
E: admin@draigresources.com

ASX CODE: DRG

www.draigresources.com

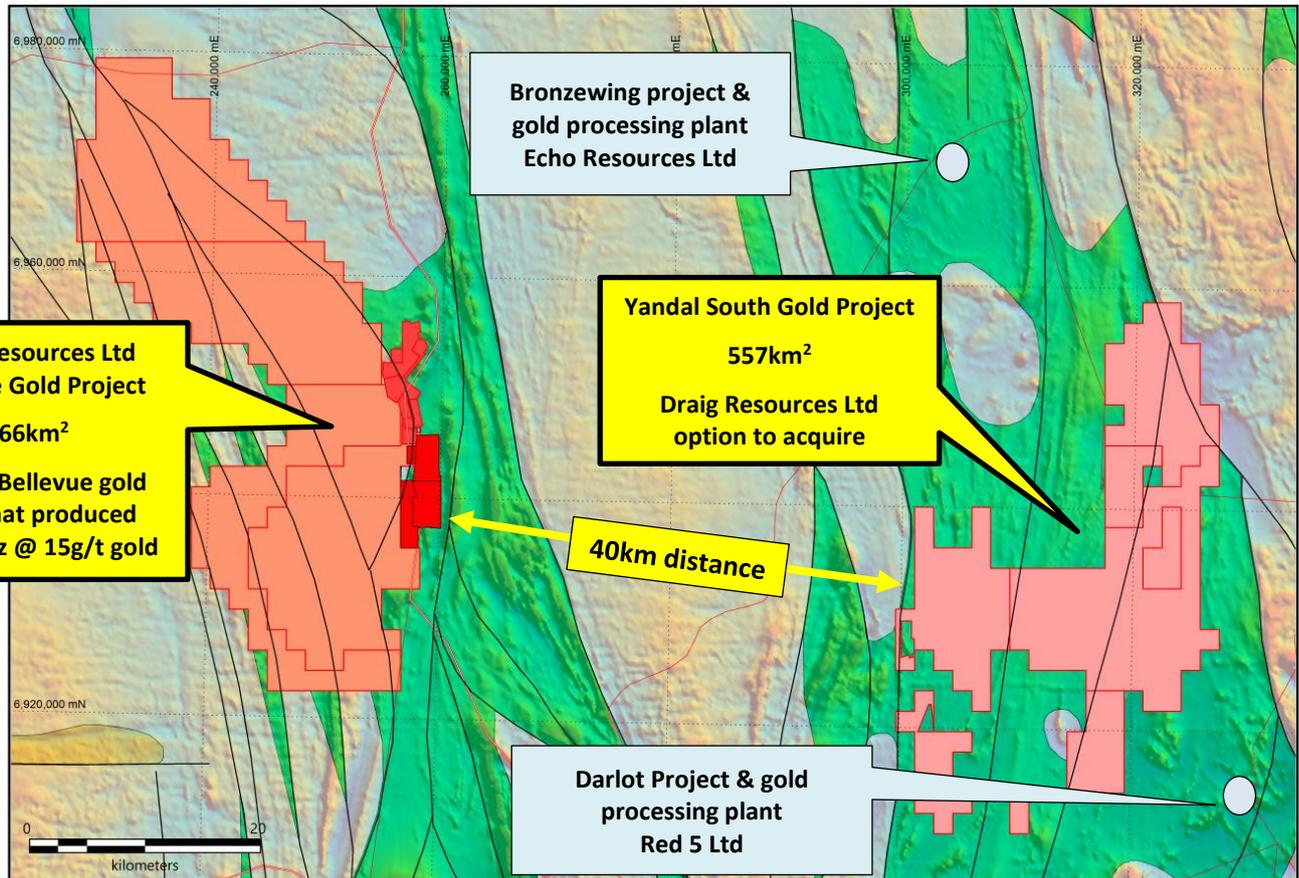


Figure 1 - Location of Yandal South Project tenements in relation to the Bellevue Gold Project

Acquisition Terms

The Company has signed binding term sheets with Croft Mining Pty Ltd and Weebo Exploration Pty Ltd whereby Draig has been granted an option to acquire six exploration licences and a further exploration licence that is currently an application upon successful grant of that application (**Tenements**).

Draig has a 45-day option period to complete the due diligence on the Tenements. Total consideration is as follows:

- Option fee = \$20,000

If Draig exercises its option to acquire the Tenements, on completion:

- \$100,000; and
- 3,000,000 fully paid ordinary shares in Draig.

The transfer of most of the licences are subject ministerial consent as they are within the first year of grant.

Bellevue Gold Project, Western Australia

The Bellevue Gold Project was acquired by Draig Resources due to the high potential of the project to host narrow vein, high grade gold mineralisation. The project is located in the northern part of the Norseman-Wiluna belt in the Yilgarn Craton, Western Australia. The project is approximately 40 kilometres north-west from the regional centre of Leinster and consists of two granted mining leases.

High grade gold was mined continuously at the project for over 100 years through to 1997 when the operation shut down at around 430 metres below surface. Around 800,000 ounces of gold have been produced at a reported head grade of ~ 15 g/t from a narrow vein operation. After the mine closure in 1997 very little modern exploration has been completed at the project.

Draig Resources has commenced on a systematic exploration program targeting the definition of high grade underground and open pit gold resources in the near term.

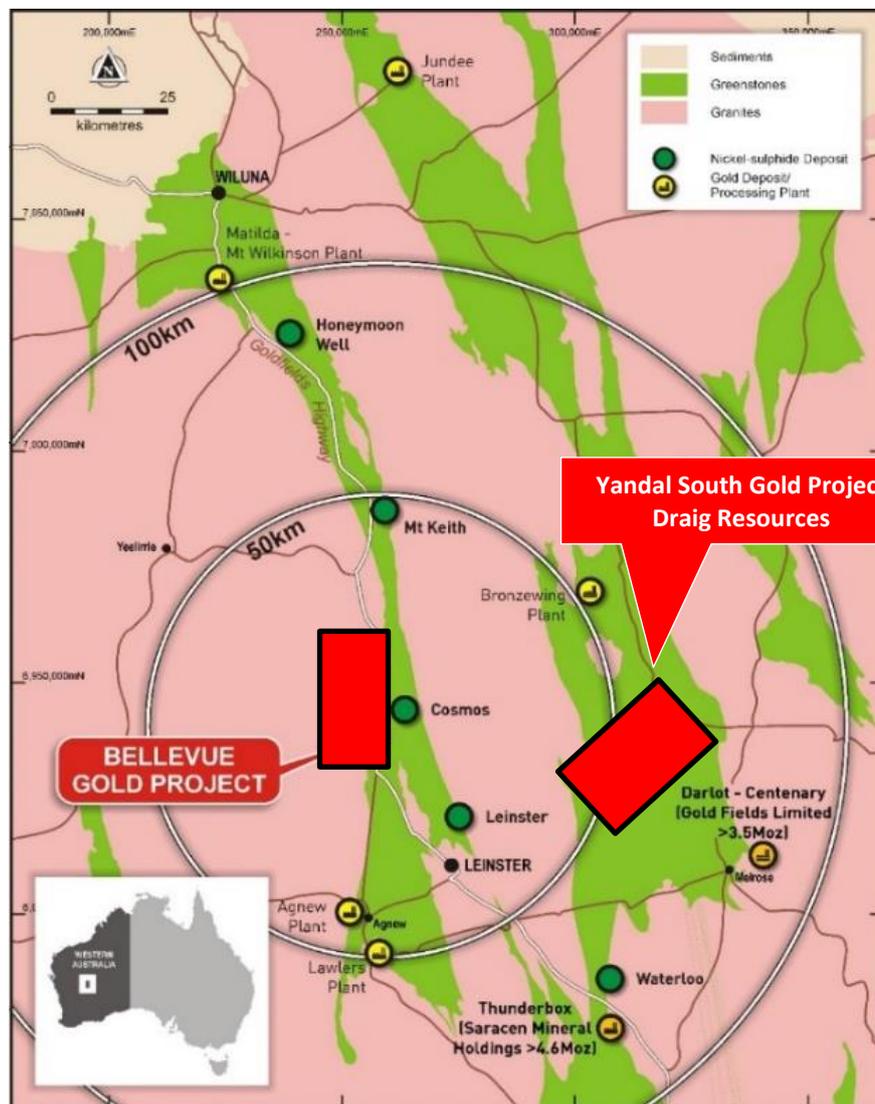


Figure 2: Bellevue Gold Project Location.

A well-endowed mining district with several significant gold processing facilities in close proximity.

For further information regarding Draig Resources please visit the ASX platform (ASX: DRG) or the Company's website www.draigresources.com.au

Yours faithfully,

Mr Steve Parsons
Executive Director

T: +61 8 6143 6740

E: admin@draigresources.com

Competent Person Statement

The information in this report that relates to Exploration Results is based on and fairly represents information and supporting documentation prepared by Mr Shane Hibbird. Mr Hibbird is a full-time employee of Draig Resources and is a member of the AusIMM, Australian Institute of Geoscientists (AIG) and the Society of Exploration Geologists (SEG). Mr Hibbird has sufficient experience relevant to the styles of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person, as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Hibbird has provided his prior written consent as to the form and context in which the Exploration Results and the supporting information are presented in this announcement.