

31 March 2018 Quarterly Report

Highlights

Bellevue Gold Project

- Tribune Lode – A new high-grade gold discovery at the Bellevue Gold Project. Drill results have extended high grade gold mineralisation to 550 metres of strike length with high grade mineralisation intercepted to a depth of 380 metres below surface. Reported drill results during the quarter have included:
 - **12m @ 12.0 g/t gold** from 68m downhole in DRDD010.
 - **15.5m @ 5.8 g/t gold** including **0.3m @ 284 g/t gold** from 79.5m downhole in DRCD006.
 - **2.4m @ 21.9 g/t gold** from 162.8m downhole in DRDD013.
 - **2.5m @ 29.0g/t gold** from 147.5m and **3.8m @ 5.2g/t gold** from 133m downhole in DRCD020.
 - **4m @ 9.0g/t gold** from 57m downhole in DRCC033.
 - **2.4m @ 16.6 g/t gold** 102.4m downhole in DRDD036.
 - **7m @ 7.20g/t gold** including **2m @ 17.8g/t** from 288m downhole in DRCD034 the **southernmost drill intersection to date and confirms mineralisation is open to the south.**
 - **9m @ 5.4 g/t gold** from 375m including **2m @ 15.2g/t gold** in DRDD031 **the deepest drill intersection to date and confirms high grade gold mineralisation at depth.**
- Tribune Lode appears analogous in lithology, alteration, mineralization style and width to the nearby Bellevue Lode (historically produced 800,000oz gold at 15g/t gold).
- Further assay results are expected over the coming weeks from the Tribune drilling.
- Drilling continues at the Tribune discovery with multiple drill rigs through the June 2018 quarter.
- Maiden Draig Resources Resource Estimate for the Bellevue Gold Project anticipated in Q3 2018.

Corporate

- As at 31 March 2018, Draig Resources held \$11.7 million in cash.
- Draig completed a fully underwritten \$8.0 million placement for 40.0 million shares at \$0.20 per share. The Placement was strongly supported by Australian, Asian and North American institutional and sophisticated investors.

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

Unlocking the potential of
 one of Australia’s historic
 great high-grade gold mines

Corporate Directory

Non-Executive Chairman
 Mr Ray Shorrocks

Executive Director
 Mr Steve Parsons

Non-executive Director
 Mr Guy Robertson

Company Secretary
 Mr Michael Naylor

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ASX Code: DRG

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Bellevue Gold Project, Western Australia

The Bellevue Gold Project is located in the northern part of the Norseman-Wiluna Greenstone belt in the Yilgarn Craton, Western Australia. The project is approximately 40 kilometres north by sealed highway from the regional centre of Leinster and covers approximately 1,930km.

High grade gold was mined at the project for over 100 years at the Bellevue lode 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 was completed at the project and Draig Resources is undertaking the first systematic exploration at the property in the last 20 years. At the time of closure, the prevailing interpretation was that mineralisation was offset by a significant shear zone termed the Highway Shear and very little exploration was conducted west of this structure.

Tribune Gold Discovery

A transformative discovery within the Western Mineralized Corridor.

Similar in style and nature to the historic Bellevue Lode (historically mined 800,000oz @ 15g/t gold).

The Tribune Lode is a previously untested Bellevue parallel structure located immediately to the west of the Highway Fault and the historic Bellevue underground mine. This largely untested area is obscured by shallow transported sand cover and lake sediment to the south and is known as the 'Western Mineralised Corridor'.

- **Mineralisation has now been confirmed over a strike length of 550 metres.**
- **The lode remains open to the south where, 800 metres further south the Southern Belle Lode is hosted within the same structural horizon. Mineralisation also remains open to the North for 350 metres of strike.**
- **Recent drilling has confirmed the continuation of significant gold mineralisation to a vertical depth of approximately 350 metres below surface in hole DRDD031 with an intersection of 9m @ 5.4 g/t gold including 2m @ 15.2 g/t gold from 375m downhole.**
- **The most southern drill hole DRDD034 intersected the Tribune Lode with an intersection of 7m @ 7.2 g/t gold including 2m @ 17.8 g/t gold from 289m downhole.**
- **Step-out drilling over the coming weeks is anticipated to test the northern and southern extensions of the lode system.**

The mineralised intersections from recent drilling have confirmed a strong association between massive to semi-massive pyrrhotite and milled quartz clasts with high gold grades in the Tribune system with evidence of hanging wall, footwall and total shear lodes within the overall Tribune Shear.

Down dip continuity of the Tribune mineralised structure has been tested to a vertical depth of approximately 380 metres with broad spaced drilling. Below this level the Tribune lode crosses the West Fault, an interpreted strike slip feature expected to offset the mineralisation.

The West Fault/Tribune Lode intersection is analogous to the Highway Fault/Bellevue Lode intersection to the east with both shear zones part of the same shear array. The sense and magnitude of movement of the West Fault is currently poorly constrained however evidence from the Highway Fault would suggest a west block south movement on the order of a few hundred metres. The evaluation of the relative movement and potential for offset of the high grade mineralised zones is a high priority for further drill testing.

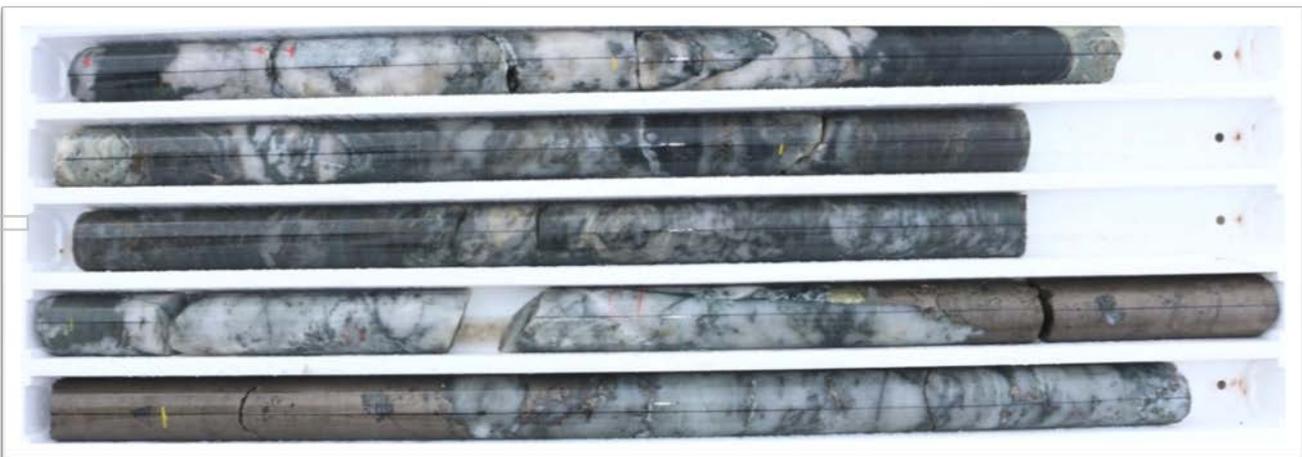
During the quarter, results have had been received for 21 diamond drill holes completed during 2018. Significant drill results included (Refer ASX Announcements dated 7 February 2018 and 22 March 2018)¹:

A significant amount of core drilled in the quarter is still being processed.

- DRDD006 15.5m @ 6.8 g/t gold from 79.5m (including 0.3m @ 284 g/t gold from 79.5m)¹
- DRDD010 12m @ 12.0 g/t gold from 68m
- DRDD013 2.4m @ 21.9 g/t gold from 162.8m
- DRCD018 0.9m @ 12.3 g/t gold from 144.6m, 0.4m @ 11.2 g/t from 170m and 0.58m @ 5.5 g/t from 177.7m
- DRCD020 3.8m @ 5.2 g/t gold from 133m and 2.5m @ 29 g/t gold from 147.5m
- DRCC033 8m @ 5.0 g/t gold from 53m including 4m @ 9.0 g/t gold from 57m
- DRDD034 7m @ 7.2 g/t gold including 2m @ 17.8 g/t from 289m
- DRDD036 2.4m @ 16.6 g/t gold from 102.4m
- DRCD004 5m @ 22.9 g/t gold from 25m¹

1. Updated with screen fire assay results refer "Screen Fire Testwork"

Figure 1: Diamond drill core from hole DRCD020 showing a typical quartz sulphide veining with massive to semi-massive pyrrhotite, interval assayed 3.8m @ 5.2 g/t from 133m & 2.5m @ 29.0 g/t gold from 147.5m. Core shown is from 145.5m-149.8m



Down Hole Electro-Magnetic (DHEM) Survey and Further Targeting

The Tribune drill grid has been followed up with DHEM to highlight high grade mineralised shoot positions within the overall structure. Recent drilling has confirmed a strong relationship with massive/semi-massive pyrrhotite and high-grade mineralisation (see above Figure 1), analogous to the historically mined Bellevue Lode as reported by previous workers. The mineralisation has a strong EM response which enables the targeting of mineralised shoot positions within the overall shear.

The mineralisation at the historic Bellevue Mine was characterised by bonanza grade mineralised shoots containing the bulk of the mined ore within the overall lode system. These shoots generally have limited dimensions in the dip direction (10-20m) and a significantly greater down plunge component of several hundred metres. These represent a relatively small target on the current exploration drill grid (generally 80metre x 80metre drilling piercements below 150metres depth below surface). Several detected EM plates at depth within the Tribune Lode system are currently being followed up with diamond drill testing and results will be made available in coming weeks.

Screen Fire Test Work

A total of 124 screen fire assays have now been received from the original 50g fire assays. In general, the original fire assays performed well versus the screen fire checks with low discrepancies. This is interpreted to be related to the close association of the gold mineralisation with the pyrrhotite in the mineralised system. Two holes where coarse free gold was noted in the logging were significantly upgraded:

DRCD004 re-assayed **5m @ 22.9 g/t gold** versus the original grade of 5m @ 16.7g/t gold (ASX 11/12/17)¹

And

DRRD006 re-assayed **15.5m @ 6.8 g/t gold** versus the original grade of 15m @ 5.8 g/t gold (ASX 7/2/18)¹

Screen fire test work will not be routinely applied unless coarse free gold is noted in the logging. Preference has been given to screen fire assays in the reporting of results. Removing the two assays relating to the intervals above resulted in average difference between the methods of 0.5% for the remainder of the sample set.

Ongoing Exploration

Drilling is currently continuing at the Tribune Lode. Current work is focused on testing northern extensions of the high-grade Tribune mineralised system. Upon completion of the downhole EM program, work will also focus on targeting mineralised shoot positions within the greater Tribune mineralised envelope. Wide spaced deep drilling is also planned to cover the current completely untested footwall position of the Tribune Lode eastwards and at depth to the Highway Fault.

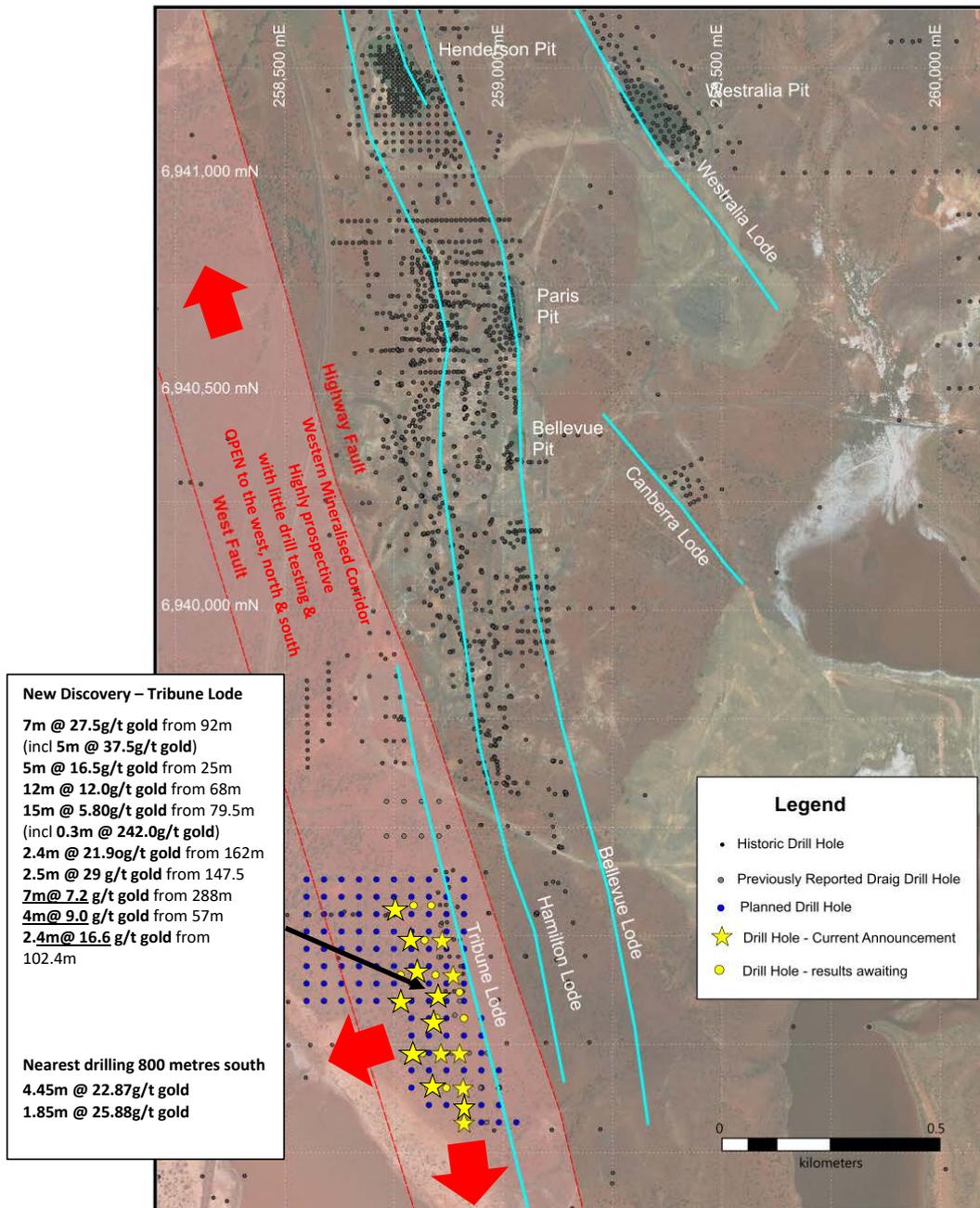
Following the recently announced fully underwritten placement of \$8million (refer ASX 16/3/18), the company is now in a position to begin follow up drilling of deep targets within the Western Corridor and beyond, targeting repeat lode mineralisation and potential offset mineralised positions of the Bellevue and Tribune Lodes.

The Western Mineralised Corridor has previously been subject to limited exploration drilling on very coarse centres and several priority targets have been identified for follow up including the Southern Belle Lode where historic drilling has returned several significant intersections.

Drilling will also target historically identified and untested DHEM plates within the Western Mineralised Corridor as well as to begin to step out further west of the West Fault, an area which has seen almost no drill testing.

Draig Resources has received a co-funding grant of \$200k for a single drill hole as part of the EIS scheme for the testing of these deeper EM plates which it intends to test in the coming weeks.

Figure 2: Map of drill collar locations of recently completed Diamond Drill holes



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Figure 3: Long Section of Tribune Lode Drilling Within the Western Corridor

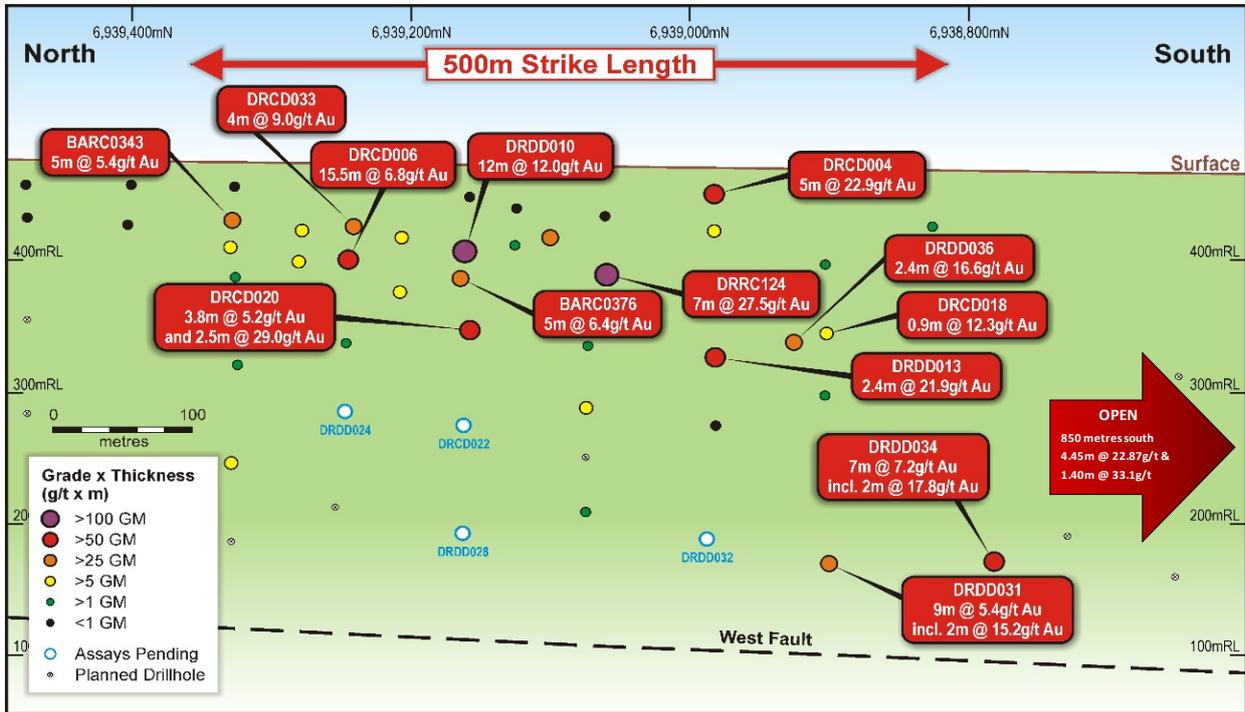
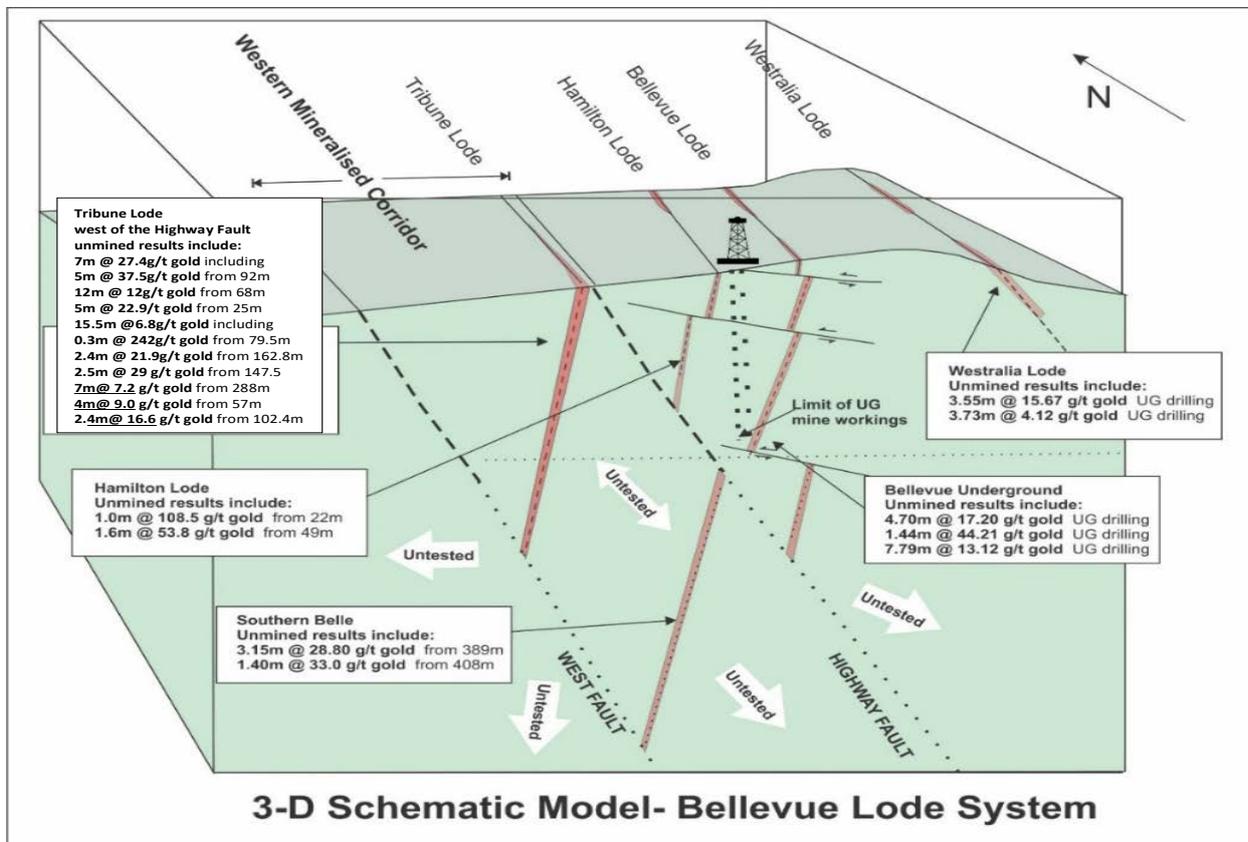


Figure 4: Schematic Overview of the Bellevue Gold Project Geology and Mineralisation



Settlement for the Acquisition of South Yandal Gold Project

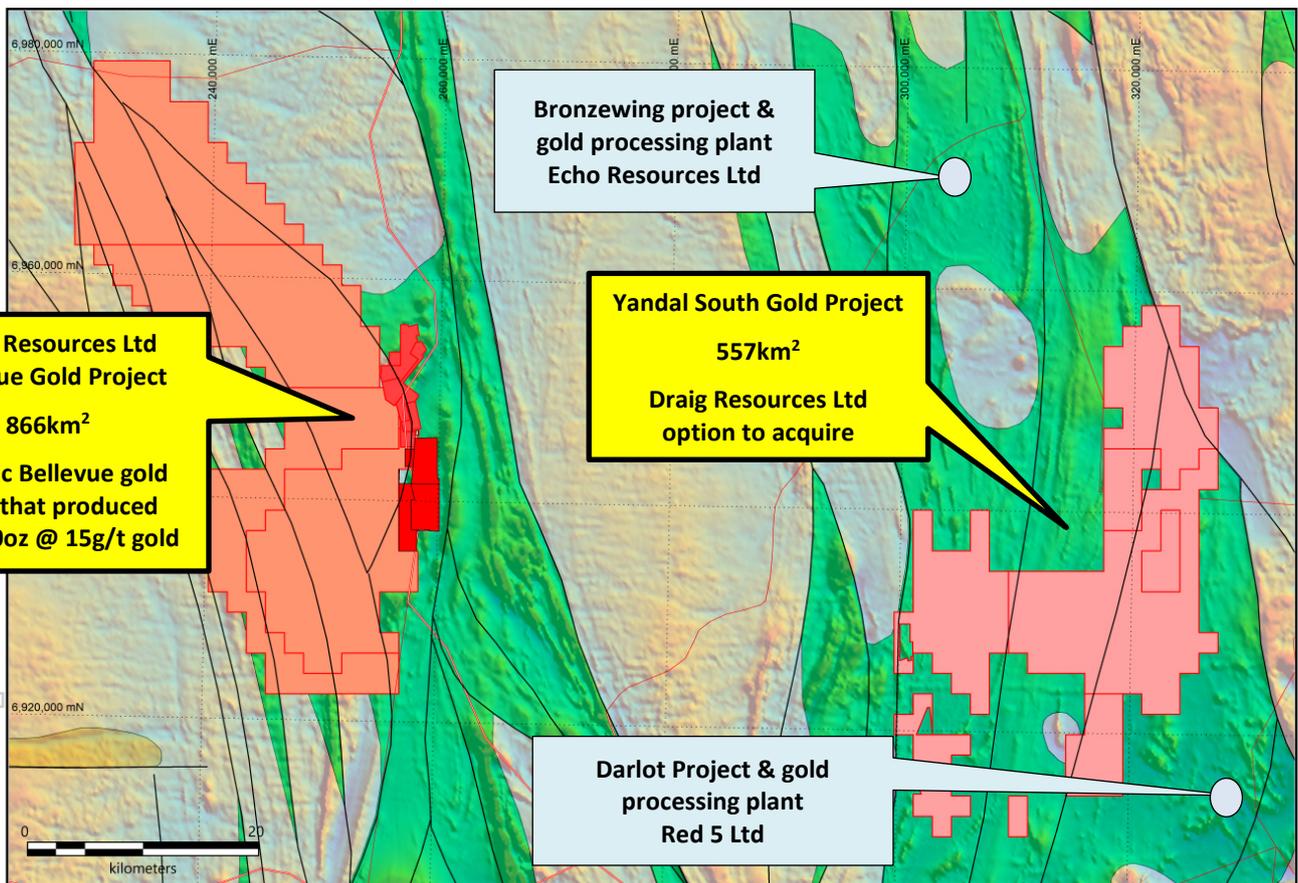
Draig exercised the option agreement to acquire 100% of the highly prospective and underexplored Yandal South Project. Draig’s land position has increased to over 1,400km² in close proximity to the company’s core asset the Bellevue Gold Project.

The Yandal 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 Company paid \$100,000 and issued 3,000,000 ordinary shares in accordance with the acquisition terms announced on 17 January 2018.

Draig views the Yandal South as having excellent potential to host significant gold mineralisation and exploration work has commenced building up the datasets and generating exploration targets on the property.

Figure 5 - Location of Yandal South Project tenements in relation to the Bellevue Gold Project



Corporate

Cash

As at 31 March 2018, Draig Resources held \$11.7 million in cash. Refer to the Appendix 5B (ASX website) for principal movements in cash for the quarter.

Capital Raising

Draig completed a fully underwritten \$8.0 million placement for 40.0 million shares at \$0.20 per share ("Placement"). The Placement was fully underwritten and was undertaken pursuant to ASX Listing Rule 7.1 and 7.1A.

The Placement received strong support from new institutional investors from Australia, Asia and North America as well as strong support from existing institutions & sophisticated investors.

Funds raised via the Placement will be used to advance the Company's Bellevue Gold Project including:

- Ongoing exploration activities including for a resource estimate which is expected to be released in 3Q2018; and
- General working capital purposes.

Canaccord Genuity (Australia) Limited acted as Lead Manager, Underwriter and Bookrunner to the Placement.

Section 18 consent

The Company received ministerial approval through Section 18 consent to undertake exploration drilling on an island within Lake Miranda. The current drilling at Tribune Lode is not affected by the Section 18 as all drilling undertaken to date is located on the mainland and away from the lake. The approval however will allow drill testing within the Western Corridor to the south.

The Company has been advised that the Native Title Party have submitted a Section 10 application of the Aboriginal & Torres Strait Islanders Heritage Protection Act 1984 (cth) over the area of Section 18 consent. The Minister will review and make a decision over the coming months as to the validity of the Section 10 application. The company will not be drilling in the area of the approved section 18 until a decision is made on the Section 10.

Change of Auditor

Grant Thornton Australia was appointed as auditor of the Company.

In accordance with section 327C of the Corporations Act 2001, a resolution will be placed at the 2018 Annual General Meeting to ratify the appointment of Grant Thornton Australia as the Company's auditor.

Further information

Please visit the ASX platform (ASX: DRG) or the Company's website www.draigresources.com

Appendix 1

The following information is provided pursuant to Listing Rule 5.3.3 for the quarter ended 31 March 2018.

Tenement	Location	Registered Owner	Structure and Ownership
Bellevue Gold Project			
M36/24	Western Australia	Golden Spur Resources Pty Ltd	100%
M36/25	Western Australia	Golden Spur Resources Pty Ltd	100%
M36/299	Western Australia	Golden Spur Resources Pty Ltd	100%
E36/535	Western Australia	Golden Spur Resources Pty Ltd	100%
P36/1867	Western Australia	Golden Spur Resources Pty Ltd	100%
M36/660	Western Australia	LRL (AUST) Pty Ltd	100%
M36/342	Western Australia	LRL (AUST) Pty Ltd	100%
M36/176	Western Australia	LRL (AUST) Pty Ltd	100%
M36/328	Western Australia	LRL (AUST) Pty Ltd	100%
M36/603	Western Australia	LRL (AUST) Pty Ltd	100%
M36/266	Western Australia	LRL (AUST) Pty Ltd	100%
M36/162	Western Australia	LRL (AUST) Pty Ltd	100%
E36/919	Western Australia	Giard Pty Ltd	100%
P36/1873	Western Australia	Giard Pty Ltd	100%
E36/920	Western Australia	Giard Pty Ltd	100%
E36/921	Western Australia	Giard Pty Ltd	100%
E36/924	Western Australia	Giard Pty Ltd	100%
E36/925	Western Australia	Giard Pty Ltd	100%
E36/926	Western Australia	Giard Pty Ltd	100%
E36/927	Western Australia	Giard Pty Ltd	100%
E36/928	Western Australia	Giard Pty Ltd	100%
E36/857	Western Australia	Peter Gianni	100%
E36/896	Western Australia	Weebo Exploration Pty Ltd	100%
E36/923	Western Australia	Giard Pty Ltd	100%
E37/1239	Western Australia	Croft Mining Pty Ltd	100%

E37/1279	Western Australia	Robin Cooper	100%
E37/1283	Western Australia	Weebo Exploration Pty Ltd	100%
E37/1293	Western Australia	Weebo Exploration Pty Ltd	100%
E37/1318	Western Australia	Croft Mining Pty Ltd	100%
E37/1337	Western Australia	Giard Pty Ltd	100%
E37/1338	Western Australia	Giard Pty Ltd	100%
P36/1874	Western Australia	Giard Pty Ltd	100%
P36/1875	Western Australia	Giard Pty Ltd	100%
E36/922	Western Australia	Giard Pty Ltd	100%
E36/906	Western Australia	Green Empire Pty Ltd	100%
E36/907	Western Australia	Green Empire Pty Ltd	100%
E36/908	Western Australia	Green Empire Pty Ltd	100%
E36/909	Western Australia	Green Empire Pty Ltd	100%
E53/2003	Western Australia	Giard Pty Ltd	100%
Ovorkhangai Province, Mongolia			
13879X	Mongolia	Teeg	0%
13581X	Mongolia	Nariin Teeg	0%

Mining Tenements disposed: 13879X & 13581X - Mongolia

Mining Tenements acquired: E53/2003 - Western Australia

Beneficial percentage interests held in farm in or farm-out agreements: Nil

Beneficial percentage interests in farm-in or farm-out agreements acquired or disposed: Nil

End Notes

1. For full details of these Exploration results, refer to the said Announcement or Release on the said date. Draig Resources is not aware of any new information or data that materially affects the information included in the said announcement.

Competent Persons' Statement

The information in this report that relates to Exploration Results and Exploration Targets is based on information compiled by Mr Shane Hibbird who 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 is a full-time employee of Draig Resources and has consented to the inclusion of the matters in this report based on his information in the form and context in which it appears. The historical information was prepared and first disclosed under JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported. The current results have been reported under JORC Code 2012 and the Company confirms that they have not materially changed since release to the market on 7 August 2017, 18 September 2017 and 16 October 2017.

Disclaimer

This report has been prepared by Draig Resources Limited (the Company) based on information from its own and third-party sources and is not a disclosure document. No party other than the Company has authorised or caused the issue, lodgement, submission, despatch or provision of this report, or takes any responsibility for, or makes or purports to make any statements, representations or undertakings in this announcement. Except for any liability that cannot be excluded by law, the Company and its related bodies corporate, directors, employees, servants, advisers and agents (Affiliates) disclaim and accept no responsibility or liability for any expenses, losses, damages or costs incurred by you relating in any way to this presentation including, without limitation, the information contained in or provided in connection with it, any errors or omissions from it however caused, lack of accuracy, completeness, currency or reliability or you or any other person placing any reliance on this announcement, its accuracy, completeness, currency or reliability. This report is not a prospectus, disclosure document or other offering document under Australian law or under any other law. It is provided for information purposes and is not an invitation nor offer of shares or recommendation for subscription, purchase or sale in any jurisdiction. This announcement does not purport to contain all the information that a prospective investor may require in connection with any potential investment in the Company. Each recipient must make its own independent assessment of the Company before acquiring any shares in the Company (Shares). The Company has made reference to historic drilling and exploration results from a variety of exploration companies over the past 30 years that had previously explored the Project.

Forward Looking Information

This report contains forward-looking statements. Wherever possible, words such as "intends", "expects", "scheduled", "estimates", "anticipates", "believes", and similar expressions or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved, have been used to identify these forward-looking statements. Although the forward-looking statements contained in this release reflect management's current beliefs based upon information currently available to management and based upon what management believes to be reasonable assumptions, The Company cannot be certain that actual results will be consistent with these forward-looking statements. A number of factors could cause events and achievements to differ materially from the results expressed or implied in the forward-looking statements. These factors should be considered carefully and prospective investors should not place undue reliance on the forward-looking statements. Forward-looking statements necessarily involve significant known and unknown risks, assumptions and uncertainties that may cause the Company's actual results, events, prospects and opportunities to differ materially from those expressed or implied by such forward-looking statements. Although the Company has attempted to identify important risks and factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors and risks that cause actions, events or results not to be anticipated, estimated or intended, including those risk factors discussed in the Company's public filings. There can be no assurance that the forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, prospective investors should not place undue reliance on forward-looking statements. Any forward-looking statements are made as of the date of this presentation, and the Company assumes no obligation to update or revise them to reflect new events or circumstances, unless otherwise required by law. This presentation may contain certain forward-looking statements and projections regarding:

- estimated, resources and reserves;
- planned production and operating costs profiles;
- planned capital requirements; and
- planned strategies and corporate objectives.

Such forward looking statements/projections are estimates for discussion purposes only and should not be relied upon. They are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors many of which are beyond the control of the Company. The forward looking statements/projections are inherently uncertain and may therefore differ materially from results ultimately achieved. The Company does not make any representations and provides no warranties concerning the accuracy of the projections, and disclaims any obligation to update or revise any forward looking statements/projects based on new information, future events or otherwise except to the extent required by applicable laws.