DRAIG
RESOURCES LIMITED

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

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ASX Announcement 11th December 2017

Further High-Grade Gold, 5m @ 16.5 g/t from 21 metres depth in step out drill hole at Tribune Lode discovery

Bellevue Gold Project

- **5m @ 16.5g/t gold** intersected from only 21 metres down hole in DRDD0004 including **3m @ 26.6 g/t gold.**
- Result is from the step out drill hole located 80 metres south of the discovery drill hole of **5m @ 37.5 g/t gold** from DRRC0024 (refer ASX 20/11/17).
- Tribune Lode is **completely open along strike to the south.**
- **Nearest step out holes are 1.1 kilometers to the south** in the 'Western Mineralized Corridor' include historical drill intercepts of **4.45m @ 22.87 g/t gold** & **1.85m @ 25.88 g/t gold** at the Southern Belle Lode.
- Tribune Lode is also **open at depth** below the shallow drill hits.
- **Drilling continues at the Tribune Lode stepping out and at depth,** results will be made available as drilling progresses through December and into Qtr1 2018.
- Mineralisation appears **similar in style & nature to the previously mined Bellevue Lode** (800,000oz @ 15g/t historically mined).
- The 'Western Mineralized Corridor' is a major target area with relatively little drilling across 10 kilometers of the Bellevue Project.
- Further drilling at the Tribune Lode discovery has been accelerated and is continuing since the recent successful capital raising taking the Company's cash position to approximately A$7 million.
- Draig is making preparations for deeper drill targeting to test the Bellevue underground mine extensions below the limit of the underground workings in Qtr1 2018.
- The Company is also excited to commence geological targeting studies at its recently (ASX 4/12/17) acquired Yandal South Project between Echo Resources (ASX:EAR) Bronzewing Gold Project and processing plant (4Moz gold mined historically) and Red 5's (ASX:RED) Darlot Gold Project & processing plant (2Moz gold mined historically). The Yandal South Project is located only 40km east of Draig's Bellevue Gold Project.

Draig Resources Ltd (ASX:DRG) is pleased to announce results of the step out drill hole from drilling at the Tribune Lode discovery. The Tribune Lode is located to the west of the Highway Fault in the high priority 'Western Mineralised Corridor' at the Bellevue Gold Project in Western Australia.
Drilling is now continuing with a diamond drill rig operating full time at the Tribune Lode and a Reverse Circulation (RC) rig being mobilised.

Executive Director Mr Steve Parsons commented:

"We are extremely excited with this drill result as we continue step-out drilling to confirm strike extensions of the high-grade Lode at the Tribune discovery.

The mineralised zones intersected so far are characterised by broad intervals of quartz veining and sulphide mineralisation associated with coarse gold and we are very excited by the potential for Tribune to contain high grade Bellevue style ore shoots capable of hosting a significant orebody.

Mineralisation is open in all directions and the company is now focussed on stepping outwards and below the recent drill hits and we look forward to providing further updates to the market as drilling progresses."

Tribune Lode Discovery – located within the high priority 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 Bellevue parallel structure located immediately to the west of the Highway Fault and the historic Bellevue underground mine. This relatively untested area is mostly under shallow transported sand cover and is known as the 'Western Mineralised Corridor'.

This drill hole DRDD0004 (5m @ 16.5g/t gold) was collared 80 metres south of the Draig discovery drill hole DRRC0024 (5m @ 37.5g/t gold).

Approximately 100 metres to the north of the discovery hole DRRC0024 a number of historical shallow drill holes with significant mineralisation were intersected (refer table below). Draig has drilled 3 shallow holes into this northern area with similar drill results (refer table below). **Mineralisation of the Tribune Lode appears similar in widths and grade to the previously mined Bellevue Lode (800,000oz @ 15g/t historically mined).**

Draig Resources has continued to focus exploration attention on the Tribune Lode and the exploration potential of the Western Mineralised Corridor. A dedicated diamond rig is currently operating at the discovery targeting mineralisation along strike and down dip. Exploration programs currently underway & recently completed consist of;

- Reverse circulation drilling has been completed on two fences to the north of the existing historical RC drilling - results are pending.
- Diamond & RC drilling underway stepping to the south on 80 metre spacings on the Tribune Lode.
- Diamond holes centered on 80 metres drill lines are currently being completed through the historical RC drill grid. Drilling is being used to assist in the interpretation of the structural framework of the deposit and allow for detailed follow up targeting of the high-grade zones within the overall Tribune Lode system.

- Down hole electro-magnetic (DHEM) surveying has been completed on the first phase of drilling. A number of off hole and downhole conductors were highlighted by the survey. Results of the survey are currently being interpreted ready for drill targeting.

- Geological mapping for drill targeting to be undertaken over the 10 kilometers strike potential of the Tribune Lode as well as for identifying new parallel untested lode systems.

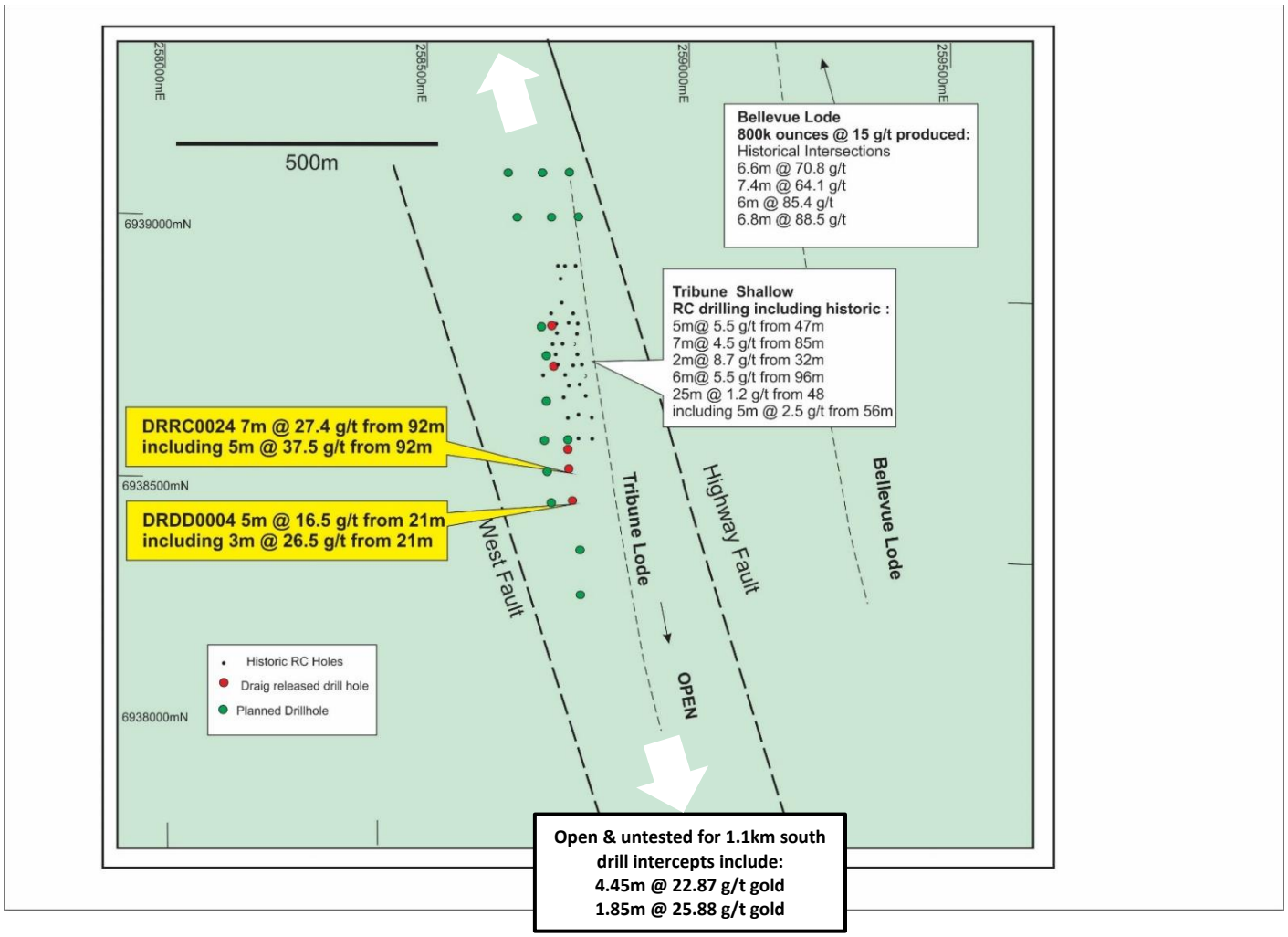


Figure 1: Plan of the Tribune Lode drilling within the 'Western Mineralised Corridor' to the west of the Bellevue mine Lode and the Highway Fault.

Table 1: Draig Resources drill intersections at Tribune Lode south of the area of historical shallow drill testing

Hole	East MGA 94	North MGA 94	EOH	Azi	Dip	From	To	Interval (m)	Gold (g/t)
DRRC0024	258889	6939067	118	90	-60	92	99	**7**	**27.4**
					including	92	97	**5**	**37.5**
DRDD0004*	258922	6938980	87	90	-60	21	26	**5**	**16.5**
					including	21	24	**3**	**26.6**
DRDD00005	258910	6938899	177.8	90	-60	Results Pending			

* Denotes drill hole from current ASX release

Table 2 Significant drill intersections from the Northern extensions of the Tribune Lode

Hole ID	MGA East	MGA North	EOH	Azi	Dip	From	To	Interval (m)	Gold (g/t)
BARC0343	258868	6939321	60	90	-60	46	52	**6**	**4.7**
BARC0376	258872	6939161	107	90	-60	96	102	**6**	**5.5**
BARC0378	258856.9	6939201	119	90	-60	108	112	**4**	**2.4**
BARC0380	258865.1	6939241	95	90	-60	79	92	**13**	**2.8**
DRRC0017*	258857	6939275	100	90	-60	17	19	**2**	**2.8**
						70	73	**3**	**2.4**
DRRC0018*	258853	6939201	136	90	-60	30	32	**2**	**8.7**
						109	111	**2**	**3.7**
DRRC0023*	258900	6939100	82	90	-60	48	73	**25**	**1.2**
					including	60	65	**5**	**2.5**
DRRC00032*	258856	6939461	80	90	-60			Results pending	
DRRC00033*	258815	6939462	94	90	-60			Results pending	
DRRC00034*	258772	6939464	80	90	-60			Results pending	
DRRC00035*	258737	6939465	80	90	-60			Results pending	
DRRC00036*	258862	6939559	82	90	-60			Results pending	
DRRC00037*	258812	6939558	80	90	-60			Results pending	
DRRC00038*	258773	6939562	80	90	-60			Results pending	
DRRC00039*	258732	6939564	80	90	-60			Results pending	

* Denotes Draig Resources drill holes

Table 3 Historical significant drill intersections from Southern Belle Lode- 1.1km south of Tribune discovery

Hole	MGA East	MGA North	EOH	Azi	Dip	From	To	Interval (m)	Gold (g/t)
BEL0342	259165.5	6938202	686	90	-81	515	519.3	**4.3**	**4.64**
BEL0344	259349.2	6938005	762	90	-87.2	389.35	394.9	**5.55**	**18.4**
BEL0346	259266.3	6938104	488	90	-75	408.8	411.1	**2.3**	**20.4**
BEL0347	259265.3	6938104	669	90	-87.6	582.1	585	**2.9**	**4.50**
BEL0348	259217.8	6937803	678	90	-68	556.3	557.17	**0.87**	**12.5**
BEL0352	259219.2	6938004	699	90	-79	465.75	466.75	**1.0**	**9.90**

Figure 3: **Schematic Long sections**:

a) through the Bellevue lode which hosts the 800,000oz @ 15g/t gold historically mined to 450 metres depth at the Bellevue Underground workings
and
b) drilling within the 'Western Mineralised Corridor', to the west of the Bellevue Lode and the Highway Fault.

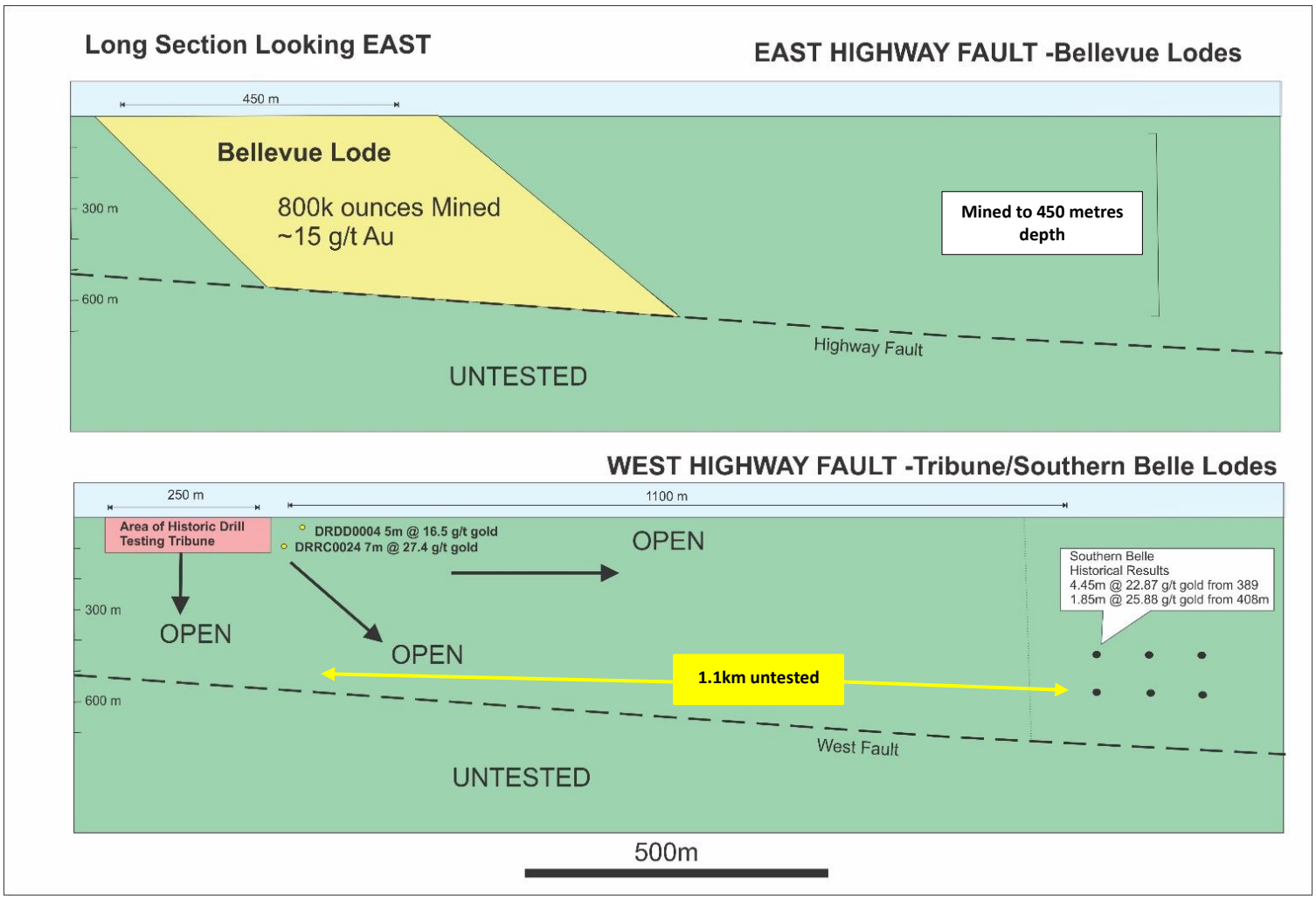


Figure 4: Schematic map of the mutiple mineralised Lodes at the Bellevue project. Mineralisation to the west of the Highway Fault is within what is known as the 'Western Mineralised Corridor'.

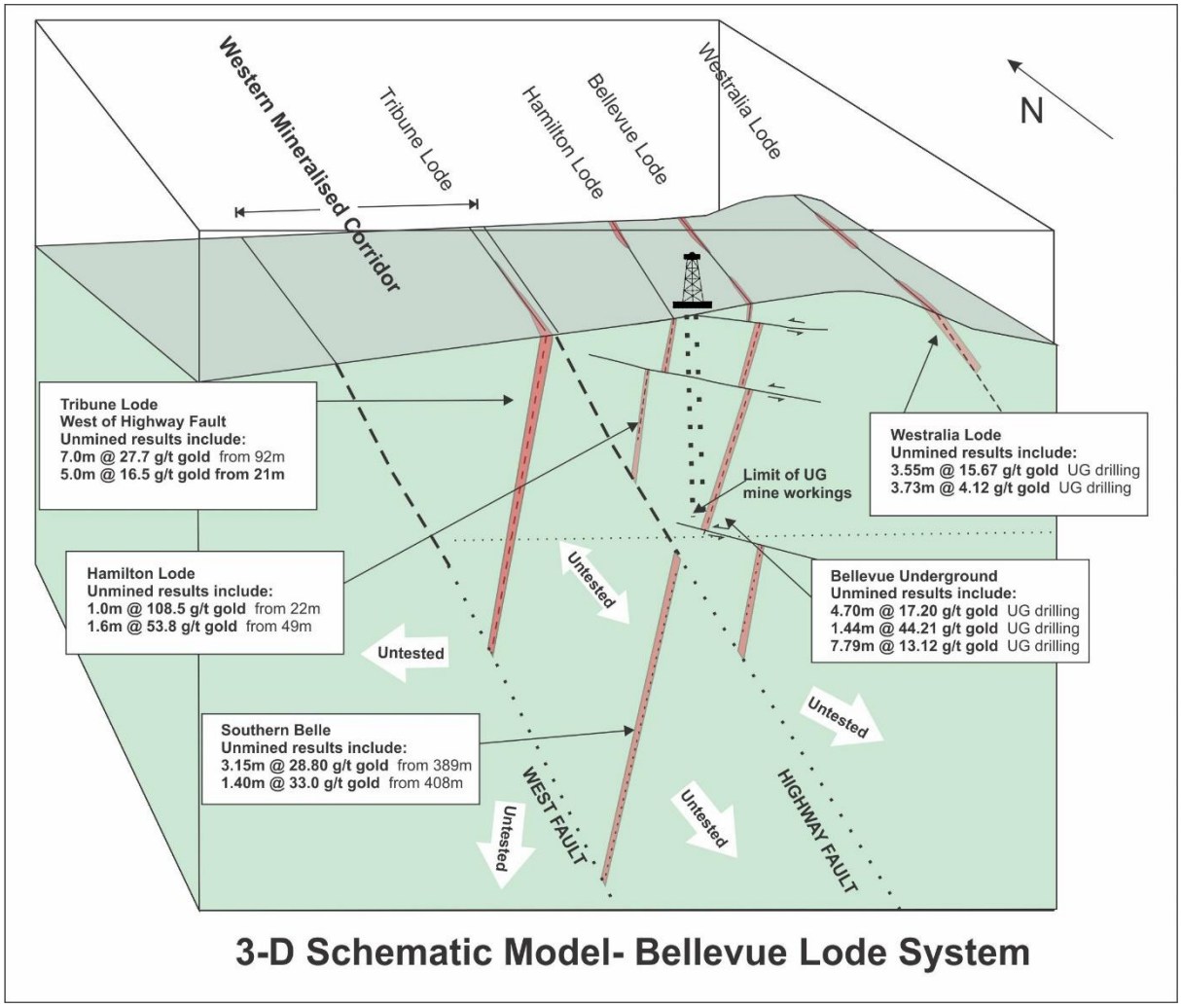
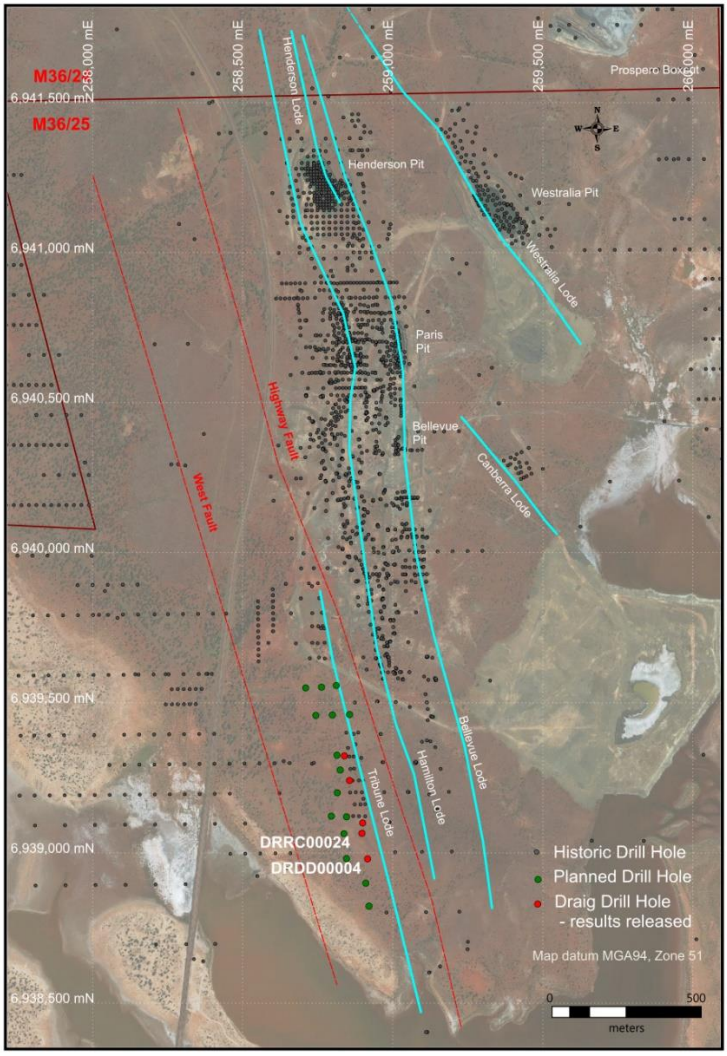


Figure 5: Airphoto plan of the Tribune Lode drilling within the 'Western Mineralised Corridor', to the west of the Bellevue mine Lode (historically 800,000oz mined @ 15g/t gold) and west of the Highway Fault. The Western Mineralised Corridor represents a significant mineralised target area relatively untested



Bellevue & Yandal South Gold Projects, Western Australia

Bellevue Gold Project: (100% Draig) 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-east from the regional centre of Leinster and covers 866km^2.

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.

Yandel South Project: (option to acquire 100% by Draig) is located between Echo Resources (ASX:EAR) Bronzewing Project and gold processing plant (4Moz mined historically) as well as Red 5's (ASX:RED) Darlot Gold Project and gold processing plant (2Moz mined historically. The Project covers 557Km^2 is located only 40 kilometers to the East of Draig's Bellevue Gold Project.

The Company is now 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.

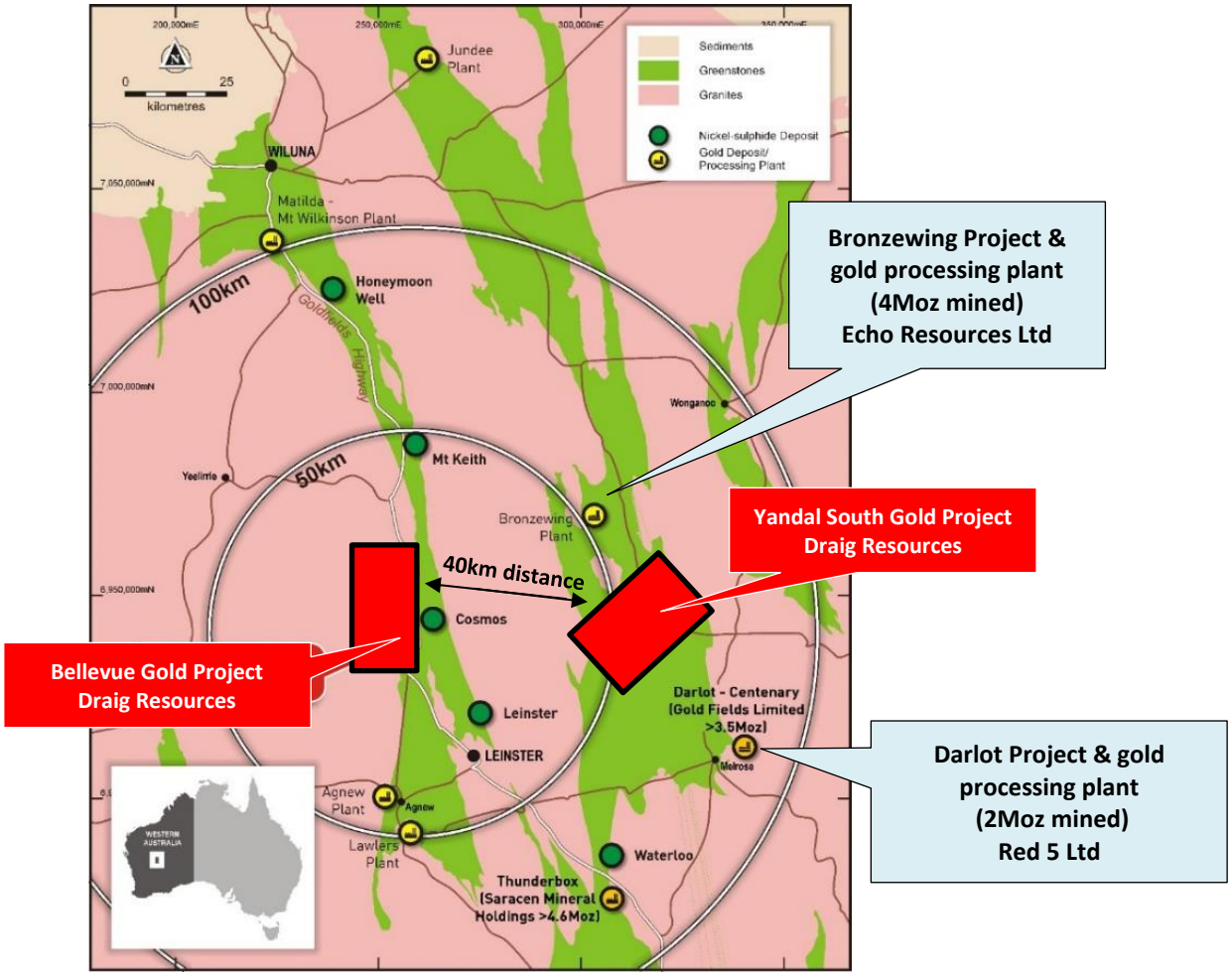


Figure 6: Bellevue & Yandal South Gold Project Locations.
A well-endowed mining district with several significant gold processing facilities in close proximity.

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

Your faithfully,

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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.

Table 1 - JORC Code, 2012 Edition.

Section 1 Sampling Techniques and Data (Criteria in this section apply to all succeeding sections.)

Section 2 Reporting of Exploration Results (Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• Nature and quality of sampling (eg cut channels, random chips, or specific specialized industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. • Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. • Aspects of the determination of mineralisation that are Material to the Public Report.	• The holes were sampled by reverse circulation (RC) drilling. • RC drilling was sampled on 1 m intervals. • RC drilling was used to obtain 1 m samples from which approximately 3 kg was pulverized to produce a 50 gm charge for fire assay. • QAQC samples were inserted in the sample runs, comprising gold standards (CRM's or Certified Reference Materials) and commercially sourced blank material (barren basalt).

Criteria	JORC Code explanation	Commentary
	• In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.	• Sampling practice is appropriate to the geology and mineralisation of the deposit and complies with industry best practice.
Drilling techniques	• Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	• RC drilling was conducted with a modern truck mounted drill rig utilizing high pressure and high volume and compressed air and a153 mm diametre face sampling percussion hammer. The drilling was completed by an industry recognized quality contractor.
Drill sample recovery	• Method of recording and assessing core and chip sample recoveries and results assessed. • Measures taken to maximise sample recovery and ensure representative nature of the samples. • Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	• RC sample recovery and sample condition (dry, moist or wet) was visually logged on the original drill logs and transferred to the digital drill hole database. All of the samples of this interval were dry. • There has been no assessment of RC sample recovery and grade.
Logging	• Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation,	• All RC samples were geologically logged. Lithology, veining, alteration, mineralisation and weathering

Criteria	JORC Code explanation	Commentary
	mining studies and metallurgical studies. • Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. • The total length and percentage of the relevant intersections logged.	are recorded in the geology table of the drill hole database. • Geological logging of RC samples is qualitative and descriptive in nature.
Sub-sampling techniques and sample preparation	• If core, whether cut or sawn and whether quarter, half or all core taken. • If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. • For all sample types, the nature, quality and appropriateness of the sample preparation technique. • Quality control procedures adopted for all sub-sampling stages to maximize representivity of samples. • Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. • Whether sample sizes are appropriate to the grain size of the material being sampled.	• RC samples were sub sampled using a rig mounted cone splitter to produce a split sample of approximately 3 kg in weight, and a main sample of approximately 20 kg in weight. A standard industry practice. • The splitter was routinely cleaned at the end of each drill rod (6 m) or as needed. • Sample size assessment was not conducted but used sampling size typical for WA gold deposits.
Quality of assay data and laboratory tests	• The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. • For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.	• RC samples were prepared and assayed at NATA accredited Minanalytical Laboratory Services in Perth. • All samples are weighed, dried, coarse crushed and pulverized in total to a nominal 85% passing 75 microns (method code SP3010) and a 50 gm subsample is assayed for gold by fire assay with an AAS finish (method code FA50/AAS). The assay method is considered a total technique.

Criteria	JORC Code explanation	Commentary
	• Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	• In addition to the Company QAQC samples (described earlier) included within the batch the laboratory included its own CRM's, blanks and duplicates.
Verification of sampling and assaying	• The verification of significant intersections by either independent or alternative company personnel. • The use of twinned holes. • Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. • Discuss any adjustment to assay data.	• Intersection assays were documented by Draig's professional exploration geologists and verified by Draig's Exploration Manager. • No drill holes were twinned. • All assay data were received in electronic format from Minanalytical, checked, verified and merged into Draig's database. • Original laboratory data files in CSV and locked PDF formats are stored together with the merged data. • No assay adjustment was applied.
Location of data points	• Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. • Specification of the grid system used. • Quality and adequacy of topographic control.	• All drill collars are located with hand held GPS. These positions are considered to be within 5 metres accuracy in the horizontal plane and less so in the vertical. The positions will be accurately survey with a differential GPS system to achieve x – y accuracy of 2 cm and height (z) to +/- 10 cm. • All collar location data is in UTM grid (MGA94 Zone 51). • Down hole surveys were by a north seeking gyroscope. .
Data spacing and distribution	• Data spacing for reporting of Exploration Results.	• Hole spacing is highly variable and of progressive exploration in nature, not suitable for

Criteria	JORC Code explanation	Commentary
	• Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. • Whether sample compositing has been applied.	mineral resource estimation at this time. • No sample compositing has been applied.
Orientation of data in relation to geological structure	• Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. • If the relationship between the drilling orientation and the orientation of key mineralized structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	• Drill lines are orientated approximately at right angles to the currently interpreted strike of the known mineralization. • No bias is considered to have been introduced by the existing sampling orientation.
Sample security	• The measures taken to ensure sample security.	• Samples were secured in closed polyweave sacks for delivery to the laboratory sample receival yard in Kalgoorlie by Draig personnel.
Audits or reviews	• The results of any audits or reviews of sampling techniques and data.	• No audits or reviews completed.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.	• The Bellevue Gold Project consists of three granted mining licenses M36/24, M36/25, M36/299 and one granted exploration license E36/535. Golden Spur Resources, a wholly owned subsidiary of Draig Resources owns the tenements 100%.

Criteria	JORC Code explanation	Commentary
	• The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.	• There are no known issues affecting the security of title or impediments to operating in the area.
Exploration done by other parties	• Acknowledgment and appraisal of exploration by other parties.	• Historical work reviewed was completed by a number of previous workers over 100 years. More recently and particularly in terms of the geophysical work reviewed the companies involved were Plutonic Operations Limited, Barrick Gold Corporation and Jubilee Mines NL
Geology	• Deposit type, geological setting and style of mineralisation.	• The Bellevue Project is located within the Agnew-Wiluna portion of the Norseman-Wiluna Greenstone belt, approximately 40 km NNW of Leinster. The project area comprises felsic to intermediate volcanic sequences, meta-sediments, ultramafic komatiite flows, Jones Creek Conglomerates and tholeiitic meta basalts (Mt Goode Basalt) which hosts the known gold deposits. • The major gold deposits in the area lie on or adjacent to north-northwest trending fault zones. • The Bellevue gold deposit is hosted by the partly tholeiitic meta-basalts of the Mount Goode Basalts in an area of faulting, shearing and dilation to form a shear hosted lode style quartz/basalt breccia.

Criteria	JORC Code explanation	Commentary
Drill hole Information	• A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: ○ easting and northing of the drill hole collar ○ elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar ○ dip and azimuth of the hole ○ down hole length and interception depth ○ hole length. • If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	• All requisite drill hole information is tabulated elsewhere in this release.
Data aggregation methods	• In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. • Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.	• Drill hole intersections are reported above a lower cut-off grade of 0.5 g/t Au and no upper cut off grade has been applied. A minimum intercept length of 1.0 m applies to the RC sampling in the tabulated results presented in the main body of this release. Up to 2 m of internal dilution have been included. • No metal equivalent reporting has been applied.

Criteria	JORC Code explanation	Commentary
	• The assumptions used for any reporting of metal equivalent values should be clearly stated.	
Relationship between mineralisation widths and intercept lengths	• These relationships are particularly important in the reporting of Exploration Results. • If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. • If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').	• Interpretation of the mineralized shapes is ongoing and until 3D modeling is completed only down hole lengths are reported.
Diagrams	• Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	• Included elsewhere in this release.
Balanced reporting	• Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	• All results above 0.2 m at 0.5 g/t lower cut have been reported.
Other substantive exploration data	• Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential	• Work is progressing on evaluating the potential of the historical tailings storage facility, waste landforms and safety bunds as a potential gold resource. It appears from observations and limited sampling that potentially significant mineralized material is present in these features.

Criteria	JORC Code explanation	Commentary
	deleterious or contaminating substances.	
Further work	• The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). • Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	• Draig is drill testing strike, down plunge and faulted off-set extensions to known gold mineralization. The recent work has confirmed numerous exploration targets exist in the project and the company has high expectations to define significant gold resources through on-going drilling programs guided by the geophysical methods.