

ASX ANNOUNCEMENT

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ASX Code: DRG

Rights Issue Closes Successfully

Placement and Rights Issue to Raise circa \$810,000 (before costs)

In accordance with the previously released timetable, Draig Resources Limited's (Draig) 2:5, \$0.02 non-renounceable rights issue (the Rights Issue) closed on Tuesday, 2 February 2016.

Under the terms of the Rights Issue, 30,523,954 new shares were offered. 13,125,373 shares were accepted by Eligible Shareholders pursuant to the Rights Issue and a further 14,184,172 shares were applied for by Eligible Shareholders as shortfall shares.

In accordance with clause 8.6 of the Prospectus lodged with ASIC on 12 January 2016, the Directors have resolved to scale back the applications for shortfall shares and will grant shortfall applications equal to or up to a shareholder's entitlement. Under the scale back shareholders will be allocated a further 2,831,858 shares.

The balance of the shortfall shares (14,566,723 shares) will now be placed by the Underwriter, Patersons Securities Limited, to entities where doing so is in the best interests of the Company in achieving its strategic objectives going forward.

Completion of the Rights Issue brings the Company's total raising in the last two months to approximately \$810,000 (before costs), placing the Company in a strong position to secure a strategic project this calendar year.

A revised Appendix 3B New Issues Announcement will be released shortly. New shares issued pursuant to the Rights Issue are expected to be allotted on Tuesday 9 February 2016, and the placement of the remaining shortfall shares shortly thereafter.

Yours faithfully



Jarrod Smith
Company Secretary