

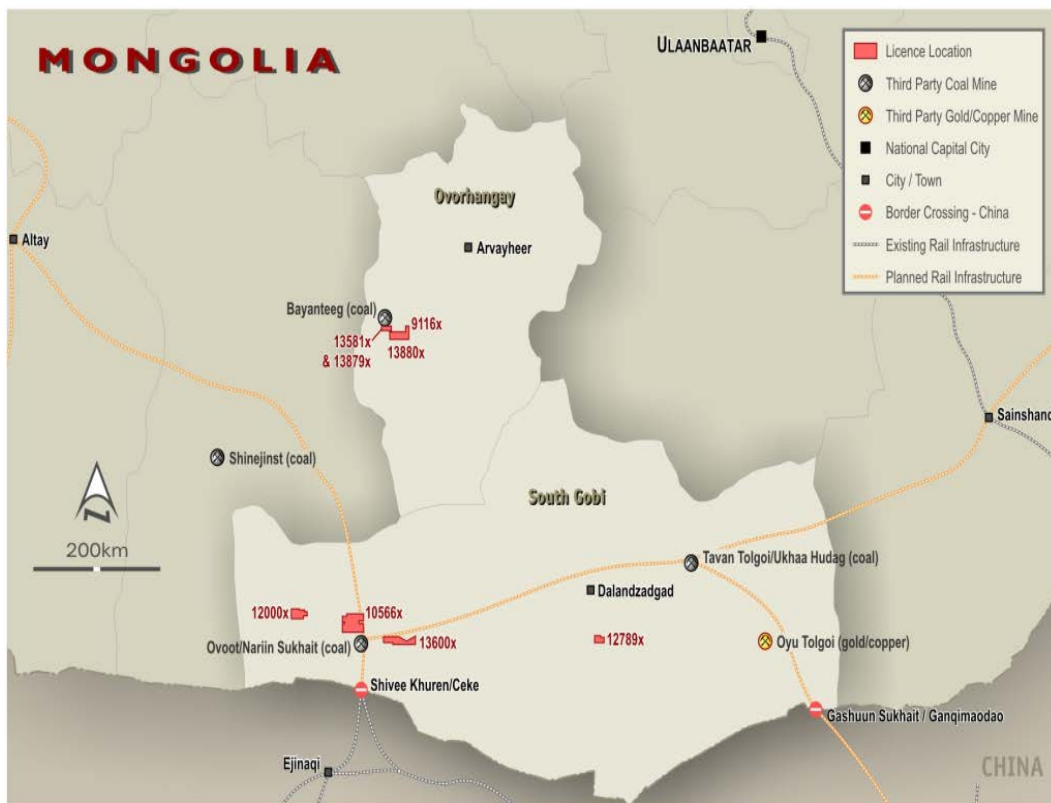
ASX Announcement

29 October 2013

QUARTERLY REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2013

1 HIGHLIGHTS

- Inferred Resource on exploration licence 13879X reassessed at approximately 10 million tonnes in accordance with JORC 2012;
- Decision made to relinquish four exploration licences due to low probability of coal deposits which could be extracted on a commercial basis; and
- Cash balance of \$3.0 million at the end of the quarter.



Location of Exploration Licences

2 JORC RESOURCE

The geological data for 13879X was reviewed and assessed by McElroy Bryan Geological Services (“MBGS”) during the reporting period. MBGS estimated an Inferred Resource of approximately 10 million tonnes of coal in accordance with the 2012 JORC Code. The details are summarised in the following table:

NEW COAL RESOURCE ASSESSMENT September 2013							
Minin g	Depth	Measured		Indicated		Inferred	
		Tonnes	Quality	Tonnes	Quality	Tonnes	Quality
OC	0 - 50					2.4	-
OC	50 - 100					3.6	
OC	100 - 150					3.0	-
Total Resources		0.0	CV: Ash: % -	0.0	CV: Ash: % -	9	CV: Ash: % -
Total Resources (Rounded)		0	CV: Ash: %	0	CV: Ash: %	10	CV: Ash: %
		0		0		0	

Resources and coal quality reported at in situ moisture basis

Further information was included in the announcement which was made to the ASX on 23 September 2013.

3 EXPLORATION LICENCE RELINQUISHMENTS

Analysis of the data from the exploration activities undertaken during the prior quarter showed that some of the exploration licences were not prospective for coal. Consequently the Board and the Joint Venture Management Committee decided to relinquish exploration licences 12000X, 10566X and 9116X. An announcement to this effect was made to the ASX on 19 September 2013. In early October exploration licence 12789X was also relinquished.

4 CORPORATE

Administration expenditure for the quarter was \$0.254 million which is less than the expenditure in the previous quarter of \$0.281 million, and significantly less than the expenditure of \$1.082 million in the quarter ended 30 September 2012.

The cash balance as of 30 September 2013 was \$3.0 million and there was no debt.

5 ENQUIRIES

Shareholder Enquiries

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

Media Enquiries

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6 ABOUT DRAIG RESOURCES LIMITED

Draig Resources Limited (“Draig” or “the Company”) is exploring for coal in Mongolia. Four 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 16% of Trinity.

7 COMPETENT PERSON

The information in this report that relates to Coal Resources, is based on information compiled under the supervision of, and reviewed by, the Competent Person, Charles Parbury, who is a full time employee of McElroy Bryan Geological Services Pty Ltd, is a Member of the Australasian Institute of Mining and Metallurgy and who has no conflict of interest with Draig Resources Limited.

The Coal Resource estimate for 13879X presented in this report has been carried out in accordance with the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012 Edition” prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia (JORC).

Charles Parbury has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken 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’. Charles Parbury consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.