

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

Significant landholding of
+4,500km² in a major gold
producing district

Corporate Directory

Non-Executive Chairman
Mr Ray Shorrocks

Executive Director
Mr Steve Parsons

Non-executive Director
Mr Guy Robertson

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Excellent gold recoveries at the high-grade Tribune Lode discovery

Bellevue Gold Project

Excellent initial gravity and cyanide leach recovery test work results reported from the Tribune Lode discovery at the Bellevue Gold Project in Western Australia. Three composite samples were tested in this metallurgical program of which all were derived from hard rock samples of primary Lode material. All test work was conducted by ALS Metallurgy in Perth.

Results are summarised as:

- Excellent total gold extractions of up to **98.8%** through a combination of gravity and 48-hour cyanide leach bottle rolls.
- Excellent gravity recoveries of up to **82.5%** of total gold recovered by the Knelson Concentrator prior to cyanide leaching.

Results of the preliminary program were in line with expectations based on historical performance at the adjacent Bellevue mine and indicate that Tribune Lode will be amenable to a conventional gravity and cyanide leach processing circuit.

Upcoming exploration news flow:

- The Company is continuing drill testing deeper extension targets below the Bellevue underground mine over the coming weeks.
- Resource estimate for Bellevue Gold Project is anticipated in Qtr 3.
- Regional targeting commenced to the north of Bellevue.

Executive Director Mr Steve Parsons commented:

"The confirmation of excellent gold recoveries from the Tribune Lode is in line with our expectations and demonstrates a conventional processing technique can be used to extract gold from the Tribune Lode."

We are looking forward to updating the market to our activities in Quarter 3 2018 in regard to the deeper drill targeting, our maiden resource estimate for the Bellevue Gold Project and the commencement of regional exploration".

Draig Resources is pleased to update the market on results of the company’s preliminary metallurgical test work undertaken at the Tribune Lode discovery at the Bellevue Gold Project.

Methodology

All test work was conducted under the supervision of ALS Metallurgy in Perth.

Composites for test work were derived from coarse rejects of 2 diamond core holes and a single RC hole submitted for regular assay as part of exploration activities. The composites were subsequently ground to P80 minus 75 microns and head assays completed for the total composite.

The composites were then put through a Knelson Concentrator and gravity gold recovered by intensive cyanidation with the non-gravity recovered residue then being added to a 48-hour bottle roll, using Perth tap water and oxygen sparge. The recovered gold from solution was then added to the gravity recovered component to give total recovered gold for the sample. Residues were assayed by fire assay and the total gold recovery calculated.

Three composites were selected from bulk rejects of core and chips with a total sample weight of ~ 8 kg.

Results

Composites displayed a high degree of head assay variability which is related to coarse gold within the samples and is consistent with observations from the drill core and the original fire assay repeats across the deposit. The calculated head grade based on the gold extractions also displayed high variability when compared to the original composited head grades.

The higher relative grade composites TRB01 and TRB03 displayed excellent gravity recoveries of **82.5%** and **66.0%** of total gold recovery respectively and the lower grade TRB02 composite recovered total gravity recoverable gold of **43.9%**.

Bottle roll cyanide leach recoveries of the tail was also excellent upgrading total recovery for the three samples to **98.2%, 89.6% and 98.8%** respectively. The total recovered gold over the 3 samples was **96.9%**.

The first pass results indicate that ore derived from the Tribune Deposit should be amenable to conventional gravity and cyanide processing and excellent recoveries should be achievable from an optimised process route.

Table 1: Summary Results of gravity + bottle roll test work on Tribune composites

| Composite | Composite Head Grade | | | Gravity Recovery | Cyanide recovery | Solution Samples | Residue | Calculated Head | Total Recovery |
|-----------|----------------------|------|------|------------------|------------------|------------------|---------|-----------------|----------------|
| | Au | Au1 | Au2 | | | | | | |
| TRB01 | 7.06 | 11.9 | 7.09 | 82.46% | 15.02% | 0.76% | 0.18 | 10.22 | 98.24% |
| TRB02 | 6.25 | 2.7 | | 43.88% | 43.07% | 2.60% | 0.32 | 3.06 | 89.55% |
| TRB03 | 3.01 | 7.95 | | 65.96% | 31.10% | 1.74% | 0.06 | 5.02 | 98.80% |

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

Yours 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.