ASX Announcement **30 May 2018**

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

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

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Executive Director
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New High-Grade Gold Zone Targeting Bellevue Underground Mine Extension

Bellevue Gold Project

New high grade mineralised gold zone intersected in latest drilling targeting the Bellevue underground mine extension. Results include:

- **3.4m @ 10.4 g/t gold** from 576.2 metres within a **4.3 metres @ 8.8g/t gold** from 575.3 meters downhole and 5.9 meters below the main zone and a secondary zone of **0.3 metres @ 44.4g/t gold** from 584.3 meters downhole in BRDD059
- **Results are similar in widths and style of mineralisation to the historical Bellevue mine.**

Draig Resources is pleased to update the market on results of the company's first deeper drill hole designed to test the area known as the "Gap" targeting the **offset and extension of the historic high-grade Bellevue Lode position**.

The drill hole was collared in the Western Mineralised Corridor and initially intercepted the Tribune Lode discovery as anticipated at a depth of 308 meters (assays pending) and continued into the footwall where a significant mineralized shear was intercepted at a depth from 575.3 meters downhole.

- Intercepted mineralization of **3.4m @ 10.4g/t gold** (within a zone of 4.3m @ 8.8g/t gold) consists of semi-massive pyrrhotite and quartz clasts similar to the historic Bellevue Lode.

- Abundant fine grained visible gold is observed in the mineralised interval.

- A separate narrow vein 5.9 meters below the mineralised zone intersected **0.3m @ 44.4g/t gold** from 584.3 metres down hole and also contains visible gold.

- Nearest historical drill holes are 600 meters to the north and 500 metres to the south of this drill hole.

- Existing historical Bellevue underground mine development is located only 190 metres from the mineralised drill intercept.

The company has commenced a step-out drill program to understand this potentially significant mineralised zone.

The Company is pleased to acknowledge the support of the West Australian government with this drill hole being co-funded by the Exploration Incentive Scheme (EIS).

Executive Director Mr Steve Parsons commented:

"The company is very excited with this initial drill hole and the high-grade gold mineralisation that has been intercepted.

The drill hole was designed to test the potential of the offset and extension of the Bellevue Lode which historically produced 800,000oz @ 15gt gold down to only 450 metres below surface.

The new mineralised intercept is only 500 meters below surface and is located 190 meters west of the southern extent of previous underground mine workings.

The company is highly encouraged by the observed style of mineralisation and grade tenor in the hole, and the significance of the mineralised gold zone is currently being assessed by the technical team.

The Company will now undertake a broad spaced step out drill program within the 1200 metres of untested strike potential of the Tribune Footwall known as the 'Gap'.

Figure 1: DRDD059 diamond drill core mineralised intersection with semi-massive pyrrhotite and brecciated quartz similar in style and widths to the Bellevue Lode. Abundant fine grained visible gold is observed in the mineralised interval.

Table 1: Coordinates for Bellevue "Gap" EIS co-founded drillhole.

Hole ID	MGA East	MGA North	EOH	Azi	Dip	From	To	Interval	Gold
								(m)	(g/t)
DRDD059	258734	6939100	750	90	-60	575.3	579.6	**4.3**	**8.8**
						576.2	579.6	**3.4**	**10.4**
						584.3	584.6	**0.3**	**44.4**

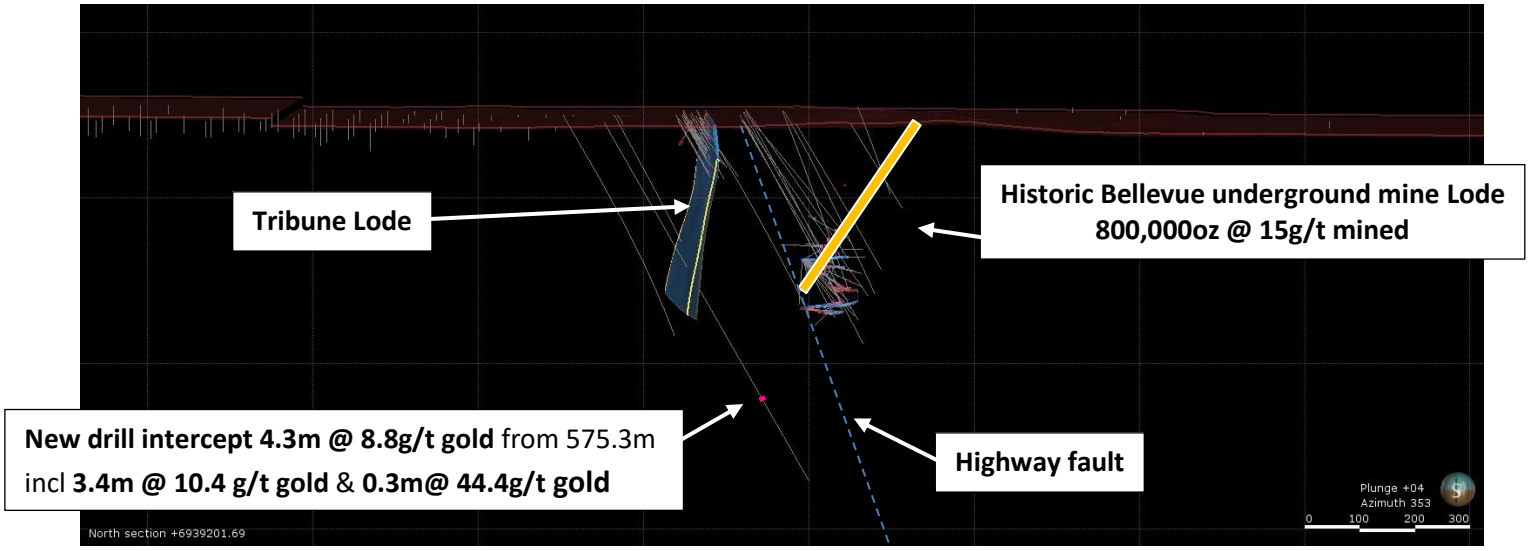

Figure 2: Cross Section through Bellevue underground lode showing mined (yellow) with historic drill holes and the Tribune Lode discovery mineralised zone (Blue). The new drill intercept below the historic underground workings is annotated.

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

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. • 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.	• The holes were sampled by NQ Diamond Core drilling. • Sampling was nominally at 1 m intervals however over narrow zones of mineralisation it was a short as 0.3 m. • QAQC samples were inserted in the sample runs, comprising gold standards (CRM's or Certified Reference Materials) and commercially sourced blank material (barren basalt). • 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).	• Diamond coring was undertaken with a modern truck mounted rig and industry recognized quality contractor. Core (standard tube), was drilled at HQ3 size (61.1mm) from surface until competent ground was reached. The hole was then continued with NQ size (45.1mm) to total depth. The core was orientated using a Reflex Ez-Ori tool.

Criteria	JORC Code explanation	Commentary
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.	• Diamond core recovery was measured for each run and calculated as a percentage of the drilled interval, in weathered material, core recoveries were generally 80 to 90%, in fresh rock, the core recovery was excellent at 100%. • There has been no assessment of core 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, 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.	• All core was geologically logged. Lithology, veining, alteration, mineralisation and weathering are recorded in the geology table of the drill hole database. Final and detailed geological logs were forwarded from the field following cutting and sampling. • Geological logging of core 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.	• Core was cut in half, one half retained as a reference and the other sent for assay. • Sample size assessment was not conducted but used sampling size typical for WA gold deposits.

Criteria	JORC Code explanation	Commentary
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. • 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.	• Assaying and laboratory procedures used are standard for the industry. 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. The assay method is considered a total technique. • 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. • There were no adjustments to the assay data.
Location of data points	• Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine	• All drill collars are located with hand held GPS. These positions are considered to be within 5

Criteria	JORC Code explanation	Commentary
	workings and other locations used in Mineral Resource estimation. • Specification of the grid system used. • Quality and adequacy of topographic control.	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. • 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.	• Data spacing is not sufficient to establish a mineral resource. 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 s in Perth 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 security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.	• 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%. • 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.

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		• 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.

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	• Drill hole intersections are reported above a lower cut-off grade of 1 g/t Au and no upper cut off grade has been applied. A minimum intercept length of 0.3 m applies to the sampling in the tabulated results presented in the main body of this release. Up to 5 m of internal dilution have been included. • No metal equivalent reporting has been applied.

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	some typical examples of such aggregations should be shown in detail. • 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 0.3 m at 1.0 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	• Down hole electromagnetic surveys support the in hole geological observations and will continue to be used to vector drill targeting.

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	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 that the Tribune Lode has the potential to contribute significantly to future gold resources within the project is currently the companies major focus. Other targets exist in the project and the company continues to assess these.