

## ASX ANNOUNCEMENT

26 October 2016

### QUARTERLY REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2016

#### Summary

- Acquisition of Bellevue Gold Project, WA subject to shareholder approval
- Board restructure
- Cash balance of \$1.838 million at the end of the quarter

Draig Resources Limited (ASX: DRG) (**Draig** or **Company**) is pleased to provide its Activities Report for the quarter ended 30 September 2016.

#### Operations

During the quarter the Company announced the execution of an agreement for the acquisition of the Bellevue Gold Project<sup>1</sup>.

The Bellevue Gold Project is located 157km north west of Laverton in Western Australia and sits within a high-grade gold district that includes Ramelius' Kathleen Valley (KV) and Vivien projects, which are both 7km north, and 35km south of Bellevue respectively.

Having reviewed the exploration potential of the project, Draig believe Bellevue will provide a significant opportunity to apply modern exploration techniques to a historically significant Western Australian gold mine that is poorly understood and under explored.

Historic drilling results at Southern Belle, which include significant intersections of **4.4m @ 22.87g/t** and **1.4m @ 33.08g/t** are currently being evaluated to determine its size potential in conjunction with a review of historical open pits.

The acquisition is subject to shareholder approval at a meeting to be held on 31 October 2016.

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<sup>1</sup> See ASX Announcement 22 August 2016

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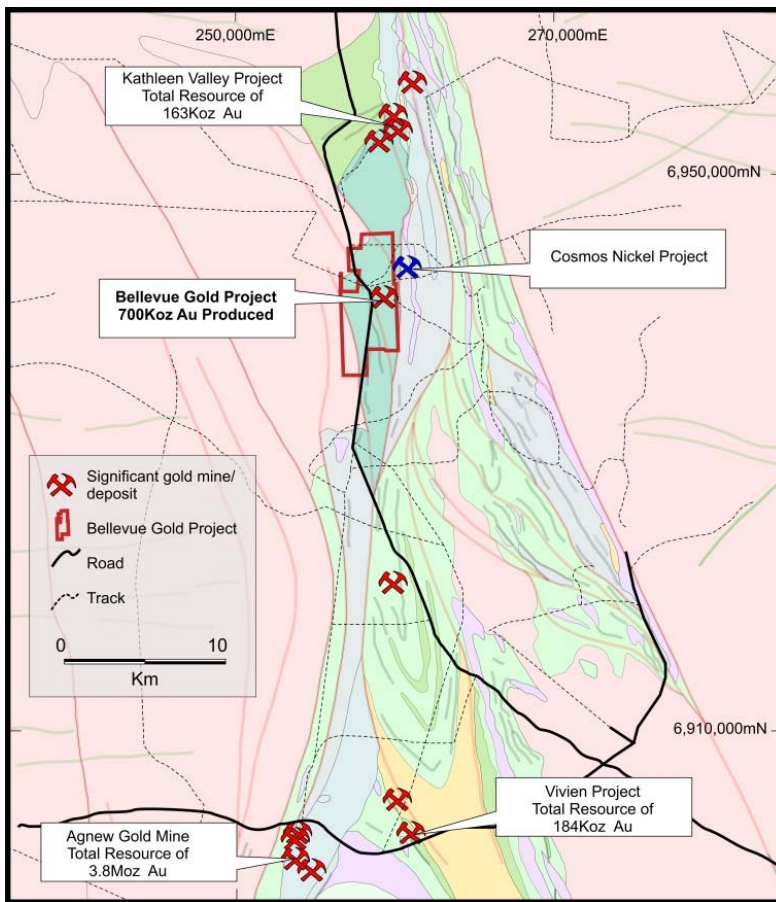


Figure 1: Bellevue Gold Project Location

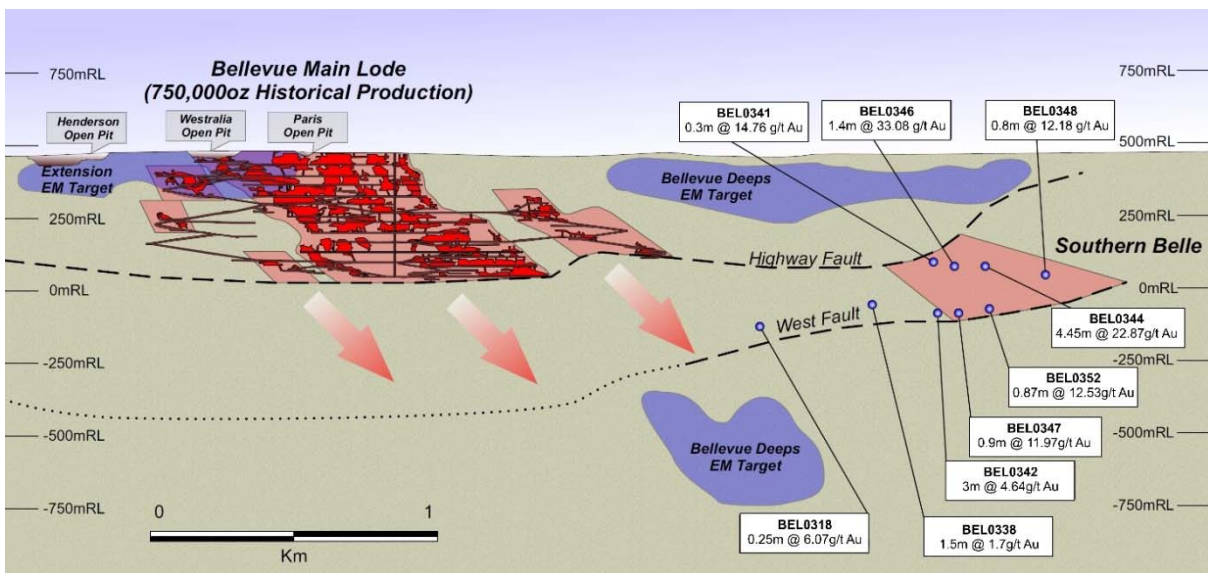


Figure 2: Bellevue Long Section

In parallel, the Company continued to maintain the two exploration licences in Mongolia.

### Corporate

During the quarter the Company appointed Mr Warren Staude as a Director of the Company.

Mr Staude is a qualified geologist and mineral economist and has over 45 years' professional experience in the mining industry, specialising in resource investment, evaluation and management. Mr Staude has held a number of positions as Director and Chairman of ASX listed resource companies.

Mr Staude holds a B.Sc in geology from Sydney University and an M.Sc in mineral economics from Macquarie University.

Mr Peter Doherty and Mr Jarrod Smith resigned as directors of the Company during the quarter and the Board thank Mr Doherty and Mr Smith for their contribution to the Company.

Mr Guy Robertson was appointed Company Secretary during the quarter.

The Company had a cash balance of \$1.982 million at the end of the quarter.

### Tenement Schedule

Name of Licence	Location	Licence Number	Interest at Quarter End	Change in Interest During Quarter
Teeg	Ovorhangay, Mongolia	13879x	75%	No Change
Urtiin Am	Ovorhangay, Mongolia	13581x	75%	No Change

### Board and Management

Enquiries:

Guy Robertson: +61 407 983 270

enquiries@draigresources.com

#### *Directors*

Raymond Shorrocks – Non-Executive Director

Warren Staude – Non-Executive Director

Guy Robertson – Executive Director

#### *Company Secretary*

Guy Robertson

## Appendix 5B

# Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

**Name of entity**

Draig Resources Limited

**ABN**

99 110 439 686

**Quarter ended ("current quarter")**

30 September 2016

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(1)	(1)
(b) development		
(c) production		
(d) staff costs		
(e) administration and corporate costs	(138)	(138)
1.3 Dividends received (see note 3)		
1.4 Interest received	18	18
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Research and development refunds		
1.8 Other (provide details if material)		
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(121)</b>	<b>(121)</b>

**2. Cash flows from investing activities**

- 2.1 Payments to acquire:
- (a) property, plant and equipment
  - (b) tenements (see item 10)
  - (c) investments
  - (d) other non-current assets

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## Mining exploration entity and oil and gas exploration entity quarterly report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment		
	(b) tenements (see item 10)		
	(c) investments		
	(d) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	-	-
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares		
3.2	Proceeds from issue of convertible notes		
3.3	Proceeds from exercise of share options		
3.4	Transaction costs related to issues of shares, convertible notes or options		
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	-	-
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	1,961	1,961
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(121)	(121)
4.3	Net cash from / (used in) investing activities (item 2.6 above)		
4.4	Net cash from / (used in) financing activities (item 3.10 above)		
4.5	Effect of movement in exchange rates on cash held	(2)	(2)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>1,838</b>	<b>1,838</b>

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<b>5. Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1 Bank balances	1,734	236
5.2 Call deposits	104	1,725
5.3 Bank overdrafts		
5.4 Other (provide details)		
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,838</b>	<b>1,961</b>

**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

<b>Current quarter \$A'000</b>
60

Directors fees and provision of Financial Controller and administrative services, including rent of premises.

**7. Payments to related entities of the entity and their associates**

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

<b>Current quarter \$A'000</b>

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## Mining exploration entity and oil and gas exploration entity quarterly report

8. <b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities		
8.2 Credit standby arrangements		
8.3 Other (please specify)		
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

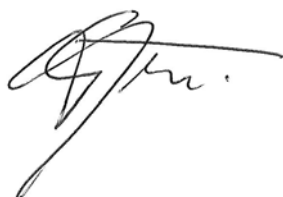
9. <b>Estimated cash outflows for next quarter</b>	\$A'000
9.1 Exploration and evaluation	150
9.2 Development	
9.3 Production	
9.4 Staff costs	
9.5 Administration and corporate costs	120
9.6 Other (provide details if material)	
<b>9.7 Total estimated cash outflows</b>	<b>270</b>

10. <b>Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

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**Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here: ..... Date: .....26/10/16.....  
(Director/Company secretary)

Print name: .....Guy Robertson.....

**Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.