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ASX Announcement  
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## **DRAIG DRILLS AHEAD WITH THICK COAL SEAM INTERCEPTS**

### **Highlights**

- **Coal seam intersected with cumulative seam thickness of up to 66.75m, which included a single seam thickness of up to 33.4m, starting at depth of <61m (BT\_36)**
- **Previously announced thick coal sequences continue to be intersected, potentially covering a 3.5 km subcrop along strike**
- **Multiple shallow coal seam intersections logged on a total of 12 holes at less than 120m depth**
- **Visual reports on chip samples noted as bright coal**
- **Drill program extended to complete initial JORC resource and additional coal test work**
- **One rig continuing PCD drilling, second rig selectively coring representative coal intervals for quality test work**
- **Further drilling to be undertaken in northern part of licence to test potential coal sequence extension of up to 3kms from adjacent open cut**

Draig Resources Limited (ASX: DRG) (“Draig” or “the Company”) is pleased to announce that the Company has intercepted and logged a coal seam with a cumulative thickness of 66.75m, which included a single continuous seam thickness of up to 33.4m starting at a depth of <61m (BT\_36).

Draig said its current drill program has made a significant number of intersections along the previously-announced thick coal sequence, which now covers a potential strike distance of 3.5km.

A total of 24 holes have been completed for 3,400m, of which 12 holes have intersected relatively shallow multiple coal seams at less than 120m in depth as far as 3.5km apart. Further testing, up to

3kms from current drilling around BT\_01, is still required in the northern part of the licence to test for potential coal sequence extensions.

Draig Managing Director Mark Earley said the outstanding results means the Phase 1 drilling program will now be extended and will contribute to a JORC resource being established.

“The depth and thickness of the coal seams encountered have exceeded our expectations and, while we await coal quality analysis, the coal samples so far are reported as being visually hard, bright coal.

“The latest drill holes have been frequently intercepting a steeply dipping coal sequence. Further drilling will test the potential extension or possible repeat of this sequence in the northern part of the Teeg licence,” Mr Earley said.

Draig’s Phase 1 drill program sought to confirm one of the potential sequences identified in a due diligence exploration program undertaken in 2011, which intersected black coal seams of up to 40m.

Further drilling is intended to infill the sequence and test the potential extension of this sequence in the northern part of the Teeg licence.

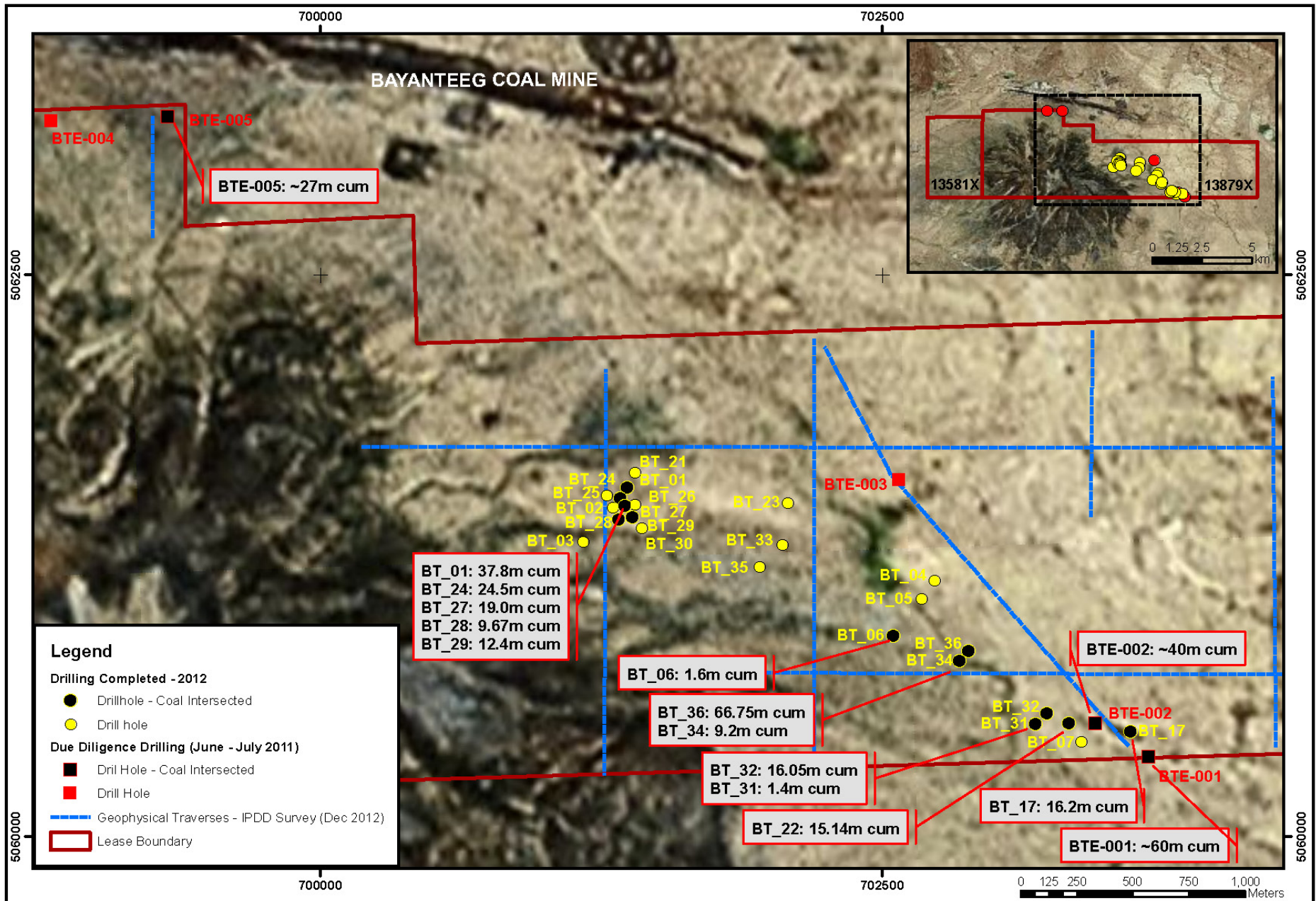


**Figures 1 & 2 – Rock chip samples at BT\_36**

The drill hole locations with coal intersections, which notably were all intersected at depths less than 120m, are shown on the Teeg licence map and detailed in the table below.

The two rigs continue to work around the clock, achieving up to 300m per day. To gain a better understanding of the coal quality, one of the rigs has commenced diamond drilling to core all representative coal intervals for quality and petrographic analysis at the ALS laboratory in Ulaanbaatar. The second rig will continue PCD drilling.

At the time of this announcement, the drilling of two further holes had commenced.



## Teeg Licence - Coal Intercept Drill Results

Note: all coal thicknesses shown exclude any partings or interburdens. All depths and total coal thickness estimates are based on open hole drilling chips corrected with geophysical logs.

Hole	Eastings	Northings	Final depth (m)	Interval From (m)	Interval To (m)	Coal Seam thickness (m)	Cumulative thickness (m)	Drilling Type
BT_01	701363	5061554	115.60	3.00	8.90	5.90	37.80	PCD 123mm
				10.10	20.20	10.10		
				35.20	41.20	6.00		
				63.60	74.50	10.90		
				83.90	88.40	4.50		
				92.80	93.20	0.40		
BT_06	702551	5060895	216.00	142.20	143.80	1.60	1.60	PCD 123mm
BT_17	703606	5060467	200.00	14.00	18.80	4.80	16.20	PCD 123mm
				21.00	27.20	6.20		
				28.00	33.20	5.20		
BT_22	703331	5060505	114.00	47.80	48.40	0.60	15.14	PCD 123mm
				48.60	52.64	4.04		
				53.20	53.40	0.20		
				53.64	55.00	1.36		
				55.24	56.34	1.10		
				57.92	59.30	1.38		
				61.04	61.72	0.68		
				80.12	81.00	0.88		
				81.90	82.20	0.30		
				82.80	84.40	1.60		
BT_24	701333	5061508	149.20	43.70	46.00	2.30	24.50	PCD 123mm
				51.20	66.40	15.20		
				67.30	67.90	0.60		
				69.00	71.00	2.00		
				74.00	77.60	3.60		
				84.40	85.20	0.80		
BT_27	701354	5061474	159.00	24.80	25.20	0.40	19	PCD 123mm
				25.40	26.20	0.80		
				26.60	34.50	7.90		
				35.00	38.70	3.70		
				113.24	114.40	1.16		
				114.60	115.40	0.80		
				115.64	115.72	0.08		
				116.50	117.20	0.70		
				118.50	121.96	3.46		

Hole No.	Easting	Northing	Final depth (m)	Interval From (m)	Interval To (m)	Coal Seam thickness (m)	Cumulative thickness (m)	Drilling Type
BT_28	701328	5061412	120.00	88.35	90.23	1.88	9.67	PCD 123mm
				90.80	94.40	3.60		
				94.87	96.40	1.53		
				96.80	99.08	2.28		
				99.62	100.00	0.38		
BT_29	701387	5061422	182.00	40.60	41.80	1.20	12.40	PCD 123mm
				43.20	46.20	3.00		
				46.80	51.80	5.00		
				55.40	58.60	3.20		
BT_31	703181	5060501	144.00	112.64	114.00	1.36	1.40	PCD 123mm
BT_32	703232	5060550	117.00	30.00	30.85	0.85	16.05	PCD 123mm
				31.45	34.00	2.55		
				34.40	34.80	0.40		
				36.30	37.20	0.90		
				37.60	38.00	0.40		
				40.75	42.00	1.25		
				43.20	45.60	2.40		
				46.10	50.80	4.70		
				52.00	53.80	1.80		
				56.20	56.60	0.40		
62.20	62.60	0.40						
BT_34	702845	5060783	194.00	115.50	116.80	1.30	9.20	PCD 123mm
				123.80	124.60	0.80		
				125.90	127.20	1.30		
				128.70	129.20	0.50		
				130.30	131.30	1.00		
				143.30	143.70	0.40		
				148.40	149.00	0.60		
				158.60	159.10	0.50		
				159.90	160.50	0.60		
				161.50	162.40	0.90		
174.10	175.40	1.30						
BT_36	702883	5060826	168.00	38.80	42.30	3.50	66.75	PCD 123mm
				43.50	44.40	0.90		
				44.90	56.10	11.20		
				56.60	59.80	3.20		
				60.70	94.10	33.40		
				94.50	109.05	14.55		

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**About Draig Resources Limited**

Coal explorer Draig Resources Ltd (ASX: DRG) is developing eight coal licences in Mongolia's Overhangay and South Gobi provinces. In late 2011, Draig acquired the coal licences through BDBL LLC, previously a subsidiary of Peabody-Winsway. The Company has completed a geophysical survey and commenced its 2012 exploration program, with the aim of defining a JORC-compliant resource in Q2 2012. Draig is seeking further quality coal opportunities in Mongolia and other regions.

In 2010, international coal veteran Mark Earley was appointed as Managing Director. Mark has over 30 years' experience in the coal industry in the key areas of operations, project development, mine management and senior advisory roles. He has also been involved in green field mine developments in both Australia and Indonesia, has advised on several successful start-up projects and holds a masters degree in mining engineering. Most recently Mark held the position of Executive Director of Barlow Jonker Pty Ltd, one of the world's leading coal advisory and research firms.

**Competent Persons Statement**

The information provided in this report that relates to exploration results is based on information provided by Shaun Tamplin of Tamplin Resources Pty Ltd. Shaun is a member of the Australian Institute of Mining and Metallurgy (AusIMM) and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activities which are being undertaken to qualify as a Competent Person as defined in the 2004 edition of the "Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Shaun is an independent consulting coal geologist and consents to the inclusion of the matters based on his information in the form and context in which it appears. Shaun has over 17 years' experience in exploration and mining of coal.