



Drummond Gold Limited
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Update on proposed acquisition of Maldon Gold Project

Drummond Gold Limited (Drummond or the Company – ASX code: DGO) is pleased to advise that one of the conditions agreed with Alliance Resources Limited (Alliance – ASX code: AGS) for the proposed acquisition by Drummond of the Maldon Gold Project from Alliance has been met.

The transaction was agreed subject to several conditions announced on 17 August 2009, one of which was that the current board of DGO remain substantially the same following the Extraordinary General Meeting of DGO members scheduled for 4 September 2009.. This condition was achieved at the Extraordinary General Meeting, the results of which were announced on 4 September 2009.

The Maldon Project is 30 km south-west of Bendigo and the goldfield has produced historically a total of 1.75 million ounces of gold at an average grade of 28 g/t. The Project includes major mine development work aimed at bringing the Alliance South gold lode into production, as well as a fully operational CIL gold treatment plant.

Drummond will be seeking to achieve early gold production and cash flow from the Maldon Project, thus lifting Drummond to the ranks of Australian gold producers and strengthening the Company's capacity to develop projects in the Drummond Basin in Queensland.

Drummond is progressing its due diligence on Maldon, has appointed an Independent Expert to produce its report and is in discussions with its financial advisers to begin a capital raising program.

For further details on this announcement please contact

Doug Grewar

Managing Director

About Drummond Gold

Drummond Gold Limited is a gold and base metals company focussed on growth through exploration success and acquisition with an early production strategy. The Company operates in the well-known Drummond Basin of Central Queensland around the former gold mining centre of Mt Coolon and at nearby Yandan where it is earning a majority interest. The Company is also pursuing the potential for early gold production by considering the acquisition of the Maldon gold project in Victoria.