



ABN 96 124 562 849

Principal office:  
Suite 8, 60 Macgregor Terrace  
Bardon Qld 4065  
Australia

Postal address:  
P.O. Box 844  
Paddington Qld 4064  
Australia

Telephone: + 61 7 3367 2144  
Facsimile: + 61 7 3367 2165  
Email: [drummond@drummondgold.com.au](mailto:drummond@drummondgold.com.au)  
Website: [www.drummondgold.com.au](http://www.drummondgold.com.au)

14 May 2010

Company Announcements Office  
ASX Limited  
20 Bridge Street  
SYDNEY NSW 2000

Dear Sir

**RE: Capital Raising for Gold Exploration**

Drummond Gold Limited ("Drummond" or "The Company") is pleased to announce that it will raise approximately \$3.3 million through the issue of 87 million fully paid ordinary shares at an issue price of 3.8 cents per share.

It has also been agreed that capital raising fees comprising of \$50,000 and the issue of 2.5 million shares and 48 million options for no consideration will be made on successful completion of the placements.

The placement of these securities will be subject to shareholder and regulatory approvals. Further details of the placements will be provided by a Notice of General Meeting and Explanatory Memorandum.

Participants in the capital raising include Mr Eduard Eshuys and other investors. The funds will be used for gold exploration and working capital purposes. The Company has planned a drilling program for its Central Queensland projects located at Mt Coolon and at Yandan.

Mr Eshuys is a geologist with several decades of exploration experience in Australia. In the late 1980s and early 1990s he led the teams that discovered the Plutonic, Bronzewing and Jundee gold deposits, and the Cawse nickel deposit. He has also had involvement in the Maggie Hays and Mariners nickel discoveries in the 1970's. More recently Mr Eshuys was the Managing Director and CEO of St Barbara Limited from July 2004 to March 2009. During this period the company grew substantially as a gold producer.

Upon completion of the placements and obtaining the required approvals the Drummond board will offer Mr Eshuys a directorship. Chairman, Mr John Dunlop, and Mr Doug Grewar will retire from the Board following completion of the transaction.

The Company will shortly issue a Notice of Meeting for shareholders providing further information to consider and approve the placements.

Yours faithfully

**DRUMMOND GOLD LIMITED**

A handwritten signature in black ink, appearing to read "John Dunlop". The signature is written in a cursive style with a large initial 'J' and 'D'.

Mr John Dunlop

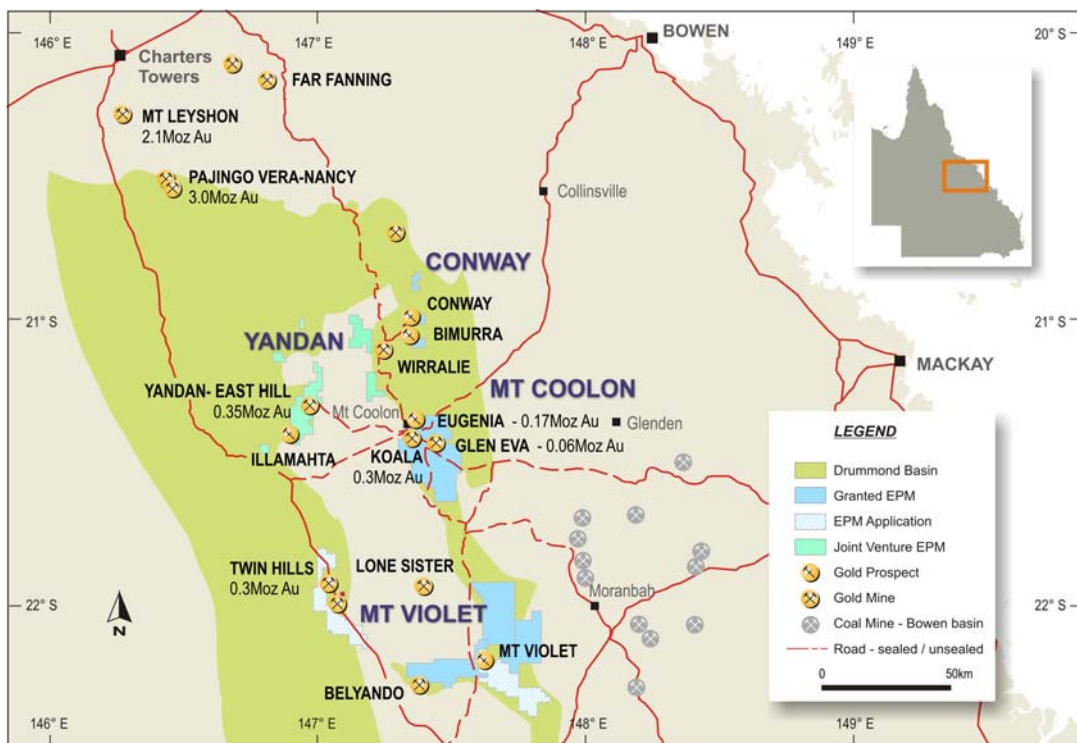
**CHAIRMAN**

For further information please contact:

**Doug Grewar**  
**Managing Director**

Drummond Gold Limited  
ACN 118 550 593  
Suite 8, 60 Macgregor Terrace  
Bardon Q 4065  
PO Box 844 Paddington Q 4064

**T 07 3367 2144**  
**F 07 3367 2165**  
[www.drummondgold.com.au](http://www.drummondgold.com.au)



## About Drummond Gold Limited

*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 has developed and planned a highly focussed exploration program at both Yandan and Mt Coolon for 2010.*