

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

Drummond Gold Limited

ABN

96 124 562 849

Quarter ended ("current quarter")

30/12/07

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration and evaluation	(1,034)	(1,580)
(b) development	-	-
(c) production	-	-
(d) administration	(169)	(295)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received		
1.5 Interest and other costs of finance paid	28	45
1.6 Income taxes and GST paid/refunded	(29)	4
1.7 Other Bonds	-	-
Net Operating Cash Flows	(1,204)	(1,826)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(25)	(79)
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	(1)
1.11 Loans repaid by other entities	-	2
1.12 Other	-	-
Net investing cash flows	(25)	(78)
1.13 Total operating and investing cash flows (carried forward)	(1,229)	(1,904)

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1.13	Total operating and investing cash flows (brought forward)	(1,229)	(1,904)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	7,163	8,066
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Other – Deposits	-	-
1.19	Issue costs	(732)	(771)
Net financing cash flows		6,431	7,295
Net increase (decrease) in cash held		5,202	5,391
1.20	Cash at beginning of quarter/year to date	1,296	1,107
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	6,498	6,498

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	195
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Consultancy Fees, Directors Fees, Salaries and Reimbursement of Expenses

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

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Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities –Commercial Loan (equipment)	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	490
4.2 Development	-
Total	490

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	998	546
5.2 Deposits at call/Bank Bills	5,500	750
5.3 Bank overdraft	-	-
5.4 Other Bank Guarantee	-	-
Total: cash at end of quarter (item 1.22)	6,498	1,296

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	-		-	-
6.2 Interests in mining tenements acquired or increased	-		-	-

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Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (\$)	Amount paid up per security (see note 3) (\$)
7.1 Preference +securities <i>(description)</i>	-	-	-	-
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3 +Ordinary securities	63,300,000	41,140,800	Up to 25 cents per security	Up to 25 cents per security
7.4 Changes during quarter (a) Increases through issues	21,000 5,317,001	12,600 5,317,001	15 cents per security 20 cents per security	15 cents per security 20 cents per security
	28,000,000	28,000,000	25 cents per security	25 cents per security
7.5 +Convertible debt securities <i>(description)</i>	-	-	-	-
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	-	-	-	-
7.7 Options <i>(description and conversion factor)</i>	9,325,000 9,325,000	-	Exercisable at 30 cents on or before 31 December 2009 Exercisable at 40 cents on or before 31 July 2010	Exercisable at 30 cents on or before 31 December 2009 Exercisable at 40 cents on or before 31 July 2010
7.8 Issued during quarter	9,325,000 9,325,000	-	Exercisable at 30 cents on or before 31 December 2009 Exercisable at 40 cents on or before 31 July 2010	Exercisable at 30 cents on or before 31 December 2009 Exercisable at 40 cents on or before 31 July 2010
7.9 Exercised during quarter	-	-	-	-

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7.10	Expired during quarter	-	-	-	-
7.11	Debentures <i>(totals only)</i>	-	-	-	-
7.12	Unsecured notes <i>(totals only)</i>	-	-	-	-

Compliance statement

- 1 This statement has been prepared under accounting policies, which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:
(Company Secretary)

Date: 31 January 2008

Print name: Michael J Ilett

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 wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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