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## **DRUMMOND GOLD CONFIRMS HIGH GRADE GOLD DRILL RESULTS AT YANDAN**

Drummond Gold Limited (Drummond or the Company) (ASX: DGO) announces high grade results from the Company's first diamond drill hole into the East Hill discovery at the Yandan Gold Project.

Intersections include:

- 13m @ 5.91 g/t gold (including 3m @ 20.92 g/t gold)
- 2m @ 9.96 g/t gold
- 1.9m @ 48.12 g/t gold

Full results are listed in Table 1 below.

Announcing the results, Drummond Managing Director Mr Doug Grewar said:

"These initial results confirm the presence of high grade mineralisation in the central portion of East Hill which may be amenable to underground mining. Additional drilling is now required to substantiate East Hill's potential as an economic mine.

"The latest results represent significant progress towards achieving Drummond's aim of becoming a gold producer in the Drummond Basin through the development of several mines in the Mt Coolon region."

As previously announced in December 2008, Drummond is earning a 51% interest in the Yandan gold project, comprising ML's 1095 and 1096 and EPM 8257, owned by Straits Gold Pty Ltd, a wholly owned subsidiary of Straits Resources Limited.

The Yandan Project produced more than 365,000 oz of gold during the 1990's and is situated 45km west of Mt Coolon, the historic gold producing region in which Drummond's existing, wholly owned gold Resources, mining leases and exploration tenements are located.

Drummond's current exploration drilling program at Yandan is targeting the discovery of a high grade feeder system beneath the East Hill pit, (which lies approximately 400 metres east of the main Yandan pit).

A preliminary resource estimation prepared for Straits (see Resource Table below) has outlined an Inferred Resource of 4.1mt @ 2.4g/t (cut) beneath the East Hill pit.

The historic drilling is based on 40 metre spaced drill traverses. Drummond is infilling the drilling to 20 metre spaced sections to determine continuity and extent of high grade zones and to better define the geometry of the mineralisation. Previous drilling beneath outcropping hydrothermal veinlets at East Pit has intersected irregular crustiform, bladed and massive veinlet mineralisation. High grade mineralisation is hosted by crustiform/colloform/bladed veining with associated adularia-silica alteration, surrounded by a broader zone of Illite and celadonite alteration.

The high grade intersections (>10g/t Au) in EHRCD003 are hosted by a series of crustiform banded veins to 30cm true width within a zone of hydrothermally brecciated and silicified andesite. Lower grade values relate to amorphous, grey cherty veins that form a stockwork through the breccia.

Results for a second diamond hole drilled at East Hill are pending and two further diamond holes are currently being completed. These are aimed at not only evaluating the mining potential of the feeder zone and confirming the “bonanza” high grade gold results, but also extending the discovery by testing for continuity of the vein structures.

**Table 1. East Hill significant assays results**

HOLE_ID	MGA EAST	MGA NORTH	AZI (MGA)	DIP	FROM	TO	WIDTH (m)	GRADE (g/t Au)
EHRCD003	497655	7644955	360	-65	198.20	199.50	1.30	3.95
					208.00	211.80	3.80	2.02
					223.00	225.00	<b>2.00</b>	<b>9.96</b>
					248.10	255.10	7.00	1.06
					266.10	269.10	3.00	2.36
					275.10	276.30	1.20	9.17
					290.10	292.00	<b>1.90</b>	<b>48.12</b>
				includes			0.90	99.40
					295.10	297.00	1.90	9.80
					302.00	315.00	13.00	5.91
				includes			<b>3.00</b>	<b>20.92</b>
					319.00	332.00	13.00	2.15
					339.00	344.00	5.00	1.35

**Results for intersections > 1m width, > 1.0g/t Au and <2m internal waste**

### Illamahta Prospect

A drilling program has also recently been completed at the Illamahta prospect, located 12 kilometres south from the Yandan Mine, where drilling by Ross Mining and WMC in the early 1990's outlined gold mineralisation over a 300m strike extent. There is potential to extend the zone of mineralisation to the west and at depth. The Illamahta mineralisation is hosted by the same stratigraphy and within a

similar structural setting to the Yandan ore body. No assay results have been received to date for the Illamahta drilling.

## YANDAN GOLD RESOURCES 30 JUNE 2009

Mine	Location	Estimated Gold Resource and Category									Total			cut-off Au g/t
		measured			indicated			inferred						
		'000t	Au g/t	'000oz	'000t	Au g/t	'000oz	'000t	Au g/t	'000oz	'000t	Au g/t	'000oz	
Yandan	Yandan							4,100	2.4	308	4,100	2.4	308	
<b>Total</b>								4,100	2.4	308	4,100	2.4	308	

The information in this report that relates to Mineral Resources is based on information supplied by Peter Storey, who is a member of the Australasian Institute of Mining and Metallurgy. Mr Storey is a full time employee of Straits Resources Limited and has sufficient experience relevant to the style of mineralisation, type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves". Mr Storey consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

The information in this report which relates to Exploration Results is based on information compiled by Mr. Erik Norum, who is a Member of the Australian Institute of Geoscientists. Mr. Norum who is an employee of Drummond Gold Limited, has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Norum consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

## About Drummond Gold

Drummond Gold Limited is a gold and base metals company focused 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.

