



DRUMMOND
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DRUMMOND GOLD ANNOUNCES A FARM IN OF THE BENDIGO REGION

Drummond Gold Limited (DGO) is pleased to announce that it has entered into a Farm In Agreement to explore for sediment hosted gold mineralisation under shallow cover in the Bendigo Region of Victoria, Australia.

The exploration activity will specifically focus on the exploration ground which surrounds the historic and current gold mining areas of Unity Mining Limited (Unity) formerly Bendigo Mining Limited. Details of the land position are attached.

The initial exploration effort will consist of reviewing past exploration activity, re-interpretation of airborne magnetic and gravity data and regional geology followed by drilling.

A summary of the significant terms and conditions of the Farm In Agreement with Unity are as follows:-

1. DGO to meet a minimum expenditure of \$500,000 on the Bendigo Region by 30 September 2011;
2. DGO has the right to withdraw from the Farm In Agreement at any time after meeting its minimum expenditure;
3. DGO has the right to earn a 51% interest in the Bendigo Region by spending a further \$5 million within 3 years;
4. After earning a 51% interest in the Bendigo Region, DGO has the right to earn a further 19% interest taking its interest in the Bendigo Region to 70% by spending a further \$3 million in the following 2 years; and
5. If DGO earns a 51% interest in the Tenements (and it elects not to earn a 70% interest in the Tenements) or if DGO earns a 70% interest in the Tenements, each of DGO and Unity will contribute to the Bendigo Region on the basis of their respective interests in the Tenements or dilute under a standard dilution formula.

Yours faithfully

DRUMMOND GOLD LIMITED

EDUARD ESHUYS
EXECUTIVE CHAIRMAN

Bendigo Region

The Bendigo Region consists of exploration licences EL3327 and EL5035. Excluded from the farm in agreement are mining leases MIN5344, MIN5364 and MINs 4622, 4872 and 4878 which are wholly contained within MIN5344.

A pictorial representation of the tenements is as follows:-

