

30 December 2010

Company Announcements Office
ASX Limited
20 Bridge Street
SYDNEY NSW 2000

Dear Sirs,

RE: Share placement raising \$500,250

Drummond Gold Limited (“the Company”) is pleased to announce that it has made a share placement of 4,350,000 fully paid ordinary shares at an issue price of \$0.115 per share to Resource Capital Fund V L.P. raising a total of \$500,250. This placement represents the completion of the second and final tranche of the capital raising that was announced on 19 November 2010.

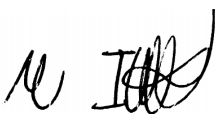
The funds raised will be used to continue the Company’s exploration activities and to provide additional working capital. After this placement the Company will have 235,688,642 fully paid ordinary shares on issue.

Accordingly the Company gives notice under section 708A(5)(e)(i) of the Corporations Act 2001 that:

1. the fully paid ordinary shares were issued without disclosure to investors under Part 6D.2 of the Corporations Act 2001;
2. as at the date of this note the Company has complied with:
 - a. the provisions of Chapter 2M of the Corporations Act 2001 as they apply to the Company; and
 - b. section 674 of the Corporations Act 2001; and
3. as at the date of this notice there is no information to be disclosed that is “excluded information” as defined in subsection 708(A)(7) of the Corporations Act 2001 that is reasonable for investors and their professional advisers to find in a disclosure document.

Any further queries regarding this placement can be made directly with this office.

Yours faithfully
DRUMMOND GOLD LIMITED



MICHAEL ILETT
COMPANY SECRETARY