

Notice of annual general meeting

Drummond Gold Limited ACN 124 562 849

Notice is given that the annual general meeting of Drummond Gold Limited (**Company**) will be held at:

Location	McCullough Robertson Lawyers, Level 11, Central Plaza Two, 66 Eagle Street, Brisbane
Date	Friday 18 December 2009
Time	10.00am (AEST)

Ordinary business

Financial statements and reports

To receive and consider the Company's financial reports and the reports of the directors and the auditor for the financial year ended 30 June 2009.

Directors' remuneration report

- 1 To consider and, if in favour, to pass the following resolution under section 250R(2) *Corporations Act 2001* (Cth) (**Corporations Act**):

'That the section of the report of the directors for the financial year ended 30 June 2009, dealing with the remuneration of the directors, secretary and senior executives, be adopted.'

This resolution will be decided as if it were an ordinary resolution. However under section 250R(3) *Corporations Act*, the vote on this resolution is advisory only and does not bind the directors or the Company.

Election of director

- 2 To consider and, if in favour, to pass the following as an ordinary resolution:

'That Ross Hutton who retires by rotation under rule 16.1 of the Company's constitution, and being eligible, be re-elected as a director of the Company.'

Information about the candidate appears in the accompanying Explanatory Memorandum.

Special Business

Ratification of previous share issue

- 3 To consider, and if in favour, pass the following resolution as an ordinary resolution:

'That for the purpose of Listing Rule 7.4, and for all other purposes, shareholders ratify the issue of 10,085,714 Shares to sophisticated and professional investors on 19 May 2009 on the terms set out in the Explanatory Memorandum accompanying this Notice of Meeting.'

Re-adoption of proportional takeover approval rules

4 To consider, and if in favour, pass the following resolution as a special resolution:

'That the Company's constitution be amended by re-adopting rule 27 in the form of the Schedule to the Explanatory Memorandum for a period of three years, effective on the day on which the resolution is passed by shareholders in general meeting.'

Dated 10 November 2009

By order of the Board



Michael Ilett
Company Secretary

Notes

- (a) A member who is entitled to attend and cast a vote at the meeting is entitled to appoint a proxy.
- (b) The proxy need not be a member of the Company. A member who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.
- (c) If you wish to appoint a proxy and are entitled to do so, then complete and return the attached proxy form.
- (d) A corporation may elect to appoint a representative in accordance with the *Corporations Act 2001* (Cth) in which case the Company will require written proof of the representative's appointment which must be lodged with or presented to the Company before the meeting.
- (e) If you have any questions on how to cast your votes call Michael Ilett on 07 3367 2144 during business hours.

Voting restriction

Under the Act and Listing Rule 14.11, the Company will disregard any votes cast on the following resolutions by the following persons:

Resolution 3	Any party who was issued Shares and their associates.
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The Company will not, however, disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Voting entitlements

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the meeting are those who are registered as shareholders on Wednesday, 16 December 2009 at 7.00pm (Sydney time).

Explanatory memorandum

Drummond Gold Limited ACN 124 562 849

Ordinary business

Financial statements and reports

- 1 The *Corporations Act 2001* (Cth) (**Corporations Act**) requires that the report of the directors, the auditor's report and the financial report be laid before the annual general meeting. In addition the Company's constitution provides for these reports to be received and considered at the meeting.
- 2 Apart from the matters involving remuneration which are required to be voted upon, neither the Corporations Act nor the Company's constitution requires a vote of shareholders at the annual general meeting on the financial statements and reports. However, shareholders will be given reasonable opportunity at the meeting to raise questions with respect to these reports.
- 3 Shareholders may also submit written questions to the Company's auditor, Deloitte Touche Tohmatsu, if the question is relevant to the content of the audit report, or the conduct of its audit of Drummond Gold Limited's annual report for the year ended 30 June 2009. Relevant written questions for the auditor must be delivered by Friday 11 December 2009. Please send any written questions for Deloitte Touche Tohmatsu to the address listed in the proxy form attached to this notice of meeting.

Resolution 1: Directors' remuneration report

- 4 Section 250R(2) of the Corporations Act requires that the section of the Directors' Report dealing with the remuneration of the Directors, the secretary and up to five senior executives (**remuneration report**) be put to shareholders for adoption.
- 5 The resolution of shareholders is **not binding** on the Company.
- 6 The remuneration report is included in the Directors' Report in the Drummond Gold Limited Annual Report. If shareholders would like a copy of the Annual Report, please contact the company secretary, Mr Michael Ilett on 07 3367 2144 and a copy will be sent to you. It is also available on the Drummond Gold Limited internet site (www.drummondgold.com.au) and explains the board's policies in relation to the nature and level of remuneration paid to directors, secretaries and senior executives of the Company;
 - (a) discusses the link between the board's policies and Drummond Gold Limited's performance;
 - (b) sets out the remuneration details for each director and for each member of Drummond Gold Limited's senior executive management team; and
 - (c) makes clear that the basis for remunerating non-executive directors is distinct from the basis for remunerating executives, including executive directors.

7 A reasonable opportunity will be provided for discussion of the remuneration report at the meeting.

8 The Directors recommend you vote in favour of this resolution.

Election of director

Resolution 2: Election of Ross Hutton

9 Rule 16.1 of the constitution of the Company provides that one third of the Directors (other than the managing director) must retire at the end of each annual general meeting. In accordance with Rule 16.1 of the constitution of the Company, Ross Hutton retires at the end of this meeting. Ross, being eligible, presents himself for re-election.

10 Ross Hutton is a mining engineer with over 35 years experience in the minerals industry ranging from a technical, mining, metallurgical and exploration background to project management and executive management roles.

11 Ross has worked in corporate and consultative roles managing activities from feasibility studies to operations both in Australia and internationally. He held the position of vice president smelting and mining – Pasminco USA and more recently was superintendent for the construction of the Mt Garnet concentrator in North Queensland for Kagara Ltd and project manager for the bankable feasibility study of a large base metal project in Iran.

12 Ross is currently a director of Kagara Ltd.

13 Ross is chairman of the Company's audit and remuneration and nomination committees.

14 The Directors recommend you vote in favour of this resolution.

Special Business

Resolution 3: Ratification of previous share issue

15 Listing Rule 7.1 provides that (subject to certain exceptions, none of which are relevant here) prior approval of shareholders is required for an issue of securities if the securities will, when aggregated with the securities issued by the Company during the previous 12 months, exceed 15% of the number of the securities at the commencement of that 12 month period.

16 The allotment and issue of securities detailed in resolution 3 did not exceed the 15% threshold for the purpose of Listing Rule 7.1. Listing Rule 7.4 provides that where a Company subsequently approves an issue of securities, the issue will be treated as having been made with approval for the purpose of Listing Rule 7.1, thereby replenishing that Company's 15% capacity and enabling it to issue further securities up to that limit. The purpose of resolution 3 is for shareholders to approve, pursuant to Listing Rule 7.4, the issue of 10,085,714 Ordinary Shares to sophisticated and professional investors on 19 May 2009 which counted toward the Company's 15% limit under Listing Rule 7.1. The Company seeks approval of the issue to preserve its ability to issue shares under the 15% limit in Listing Rule 7.1 throughout the coming 12 months.

- 17 In accordance with Listing Rule 7.5, shareholders are advised of the following particulars in relation to the allotment and issue:

Persons to whom securities were issued	Mr Gerald Trower (3,942,857 Shares) Mr Sien Nguyen (3,142,857 Shares) Ms Laila Whitelegg (3,000,000 Shares)
Number of securities issued	10,085,714 Shares
Date the Company issued the securities	19 May 2009
Issue price of the securities	\$0.035 per Share
Terms of issue	Shares which rank equally with all existing Shares on issue and quoted on ASX
Use of funds	The funds received have and will be used to contribute towards the funding of exploration activities at Mt Coolon, the earn-in of the joint venture for the Yandan Project, mine studies for Mt Coolon and for working capital.

Who can vote on the resolution?

- 18 All shareholders can vote other than parties that were issued securities on 19 May 2009 and their associates.
- 19 Associates include any person:
- (a) with whom Gerald Trower, Sien Nguyen or Laila Whitelegg has an agreement, arrangement or understanding (whether or not formal, in writing or enforceable):
 - (i) because of which those persons will have the power to exercise control or substantially influence the exercise of voting power attached to Shares for the purpose of controlling or influencing the composition of the Board or the conduct of its affairs; or
 - (ii) under which one of those persons may acquire or be required by the other to acquire, Shares in which the other has a relevant interest;
 - (iii) under which one of those persons may be required to dispose of Shares in the Company at the other's direction; and
 - (b) who is acting in concert with Gerald Trower, Sien Nguyen or Laila Whitelegg or is proposing to become associated with them.

Resolution 4: re-adoption of proportional takeover rules

- 20 The law regarding takeovers allows companies to amend their constitutions to prohibit the registration of a transfer of shares resulting from an offer made under a proportional takeover bid, unless shareholders in a general meeting approve the bid.

- 21 The Company's constitution contains a rule (rule 27) that enables the Company to refuse to register shares acquired under a proportional takeover bid unless approved by a resolution of shareholders. Rule 27 has not been renewed since registration of the Company on 5 April 2007 and by its terms (and in accordance with section 648G(3) of the Act), will be deemed to be omitted from the Company's Constitution on 5 April 2010.
- 22 Given the pending omission of rule 27, it is now appropriate to consider reinsertion of rule 27 in the Company's Constitution. The proposed new rule 27 is in identical terms to the previous provision.

Effect of rule 27

- 23 The effect of rule 27 is that, if a proportional takeover offer is received, the directors are required to convene a meeting of shareholders to vote on a resolution to approve the proportional bid. That meeting must be held at least 14 days before the bid closes. If the proportional bid is not approved, the registration of any transfer of shares resulting from an offer made under the proportional bid will be prohibited and the bid will be deemed to be withdrawn. If the proportional bid is approved, the transfers will be registered, provided they comply with the other provisions of the Corporations Act and the Company's constitution. The provisions of rule 27 do not apply to takeover bids for the whole of the issued shares of the Company. The insertion of rule 27 will make it operational in the manner outlined above for a period of three years (or longer if it is subsequently renewed by further resolution/s of shareholders).

Reasons for proposing the resolution

- 24 Without the proposed rule, a proportional takeover bid may enable control of the Company to be acquired without shareholders having an opportunity to dispose of all their shares to the bidder. Shareholders could thus risk being left as part of a minority interest in the Company. If the shareholders considered that control of the Company was likely to pass under any takeover bid, they could be placed under pressure to accept the offer even if they do not want control of the Company to pass to the bidder. The proposed rule will prevent this, by permitting shareholders in general meeting to decide whether a proportional takeover bid should be permitted to proceed.
- 25 The bidder and its associates would not be permitted to vote on the matter at such a meeting and thereby influence the outcome.
- 26 As at the date of this notice, no director is aware of any proposal by any person to acquire or increase the extent of a substantial interest in the Company.

Review of the proportional takeover approval provisions

- 27 There have been no takeover bids made for the shares of the Company. Therefore, there are no actual examples against which to review the advantages and disadvantages of rule 27, for the directors and the shareholders respectively, of the Company during this period.

Potential advantages and disadvantages

- 28 The Directors consider that the proposed proportional takeover approval provisions have no potential advantages or potential disadvantages for them, as they remain free to make a recommendation on whether a proportional takeover offer should be accepted.
- 29 The potential advantages of the proposed proportional takeover approval provisions for shareholders of the Company are that:

- (a) they give shareholders their own say in determining, by majority vote, whether a proportional takeover bid should proceed;
 - (b) they may assist shareholders in not being 'locked in' as a relatively powerless minority;
 - (c) they increase shareholders' bargaining power and may assist in ensuring that any future proportional bid is adequately priced; and
 - (d) knowing the view of the majority of shareholders, assists each individual shareholder in assessing the likely outcome of the proportional takeover bid, and whether to accept or reject offers made under that bid.
- 30 With regard to possible disadvantages to shareholders, it could be argued that the proposed rule 27 reduces the possibility of a successful proportional takeover bid and that, as a result, proportional bids for the Company will be discouraged, with a consequent possible depressing effect on the Company's share price. The counter argument to this is that the procedure does not affect adversely bids which are attractive to the majority of shareholders.
- 31 The proposed rule 27 is set out in the Schedule.
- 32 The Directors recommend shareholders vote in favour of this resolution.

Definitions

A number of capitalised terms are used throughout this notice of meeting and explanatory memorandum. Except to the extent the context otherwise requires:

Term	Definition
Act or Corporations Act	the <i>Corporations Act 2001</i> (Cth).
ASIC	Australian Securities & Investments Commission
ASX	ASX Limited
Company or Drummond Gold	Drummond Gold Limited ACN 124 459 396
Constitution	means the constitution of the Company
Directors	the directors of the Company
Listing Rules	the Listing Rules of ASX
Shares	means ordinary fully paid shares in the capital of the Company.

Schedule

Proposed rule 27

27. Partial takeovers

27.1 Interpretation

For the purposes of this rule:

Term	Definition
Proportional Takeover Bid	has the same meaning as given to that term by section 9 of the Law
Relevant Day	in relation to a Proportional Takeover Bid, means the day that is 14 days before the end of the period during which the offers under the Proportional Takeover Bid remain open

a reference to a **'person associated with'** another person has the meaning given to that expression by Division 2 of Part 1.2 of the Law.

27.2 Approval of Partial Takeovers Bids

- (a) Subject to the Listing Rules, where offers have been made under a Proportional Takeover Bid in respect of shares in a class of shares in the Company, the registration of a transfer giving effect to a takeover contract for the bid is prohibited unless and until a resolution (in this rule referred to as an **'Approving Resolution'**) to approve the Proportional Takeover Bid is passed in accordance with the provisions of this rule.
- (b) A person (other than the bidder or an associate of the bidder) who, as at the end of the day of which the first offer under the Proportional Takeover Bid was made, held shares in that class is entitled to vote on an Approving Resolution and, for the purpose of so voting, is entitled to one vote for each of the shares held in that class.
- (c) An Approving Resolution is to be voted on at a meeting, convened and conducted by the Company, of the persons entitled to vote on the Approving Resolution.
- (d) The provisions of these rules that apply in relation to a general meeting of the Company, with such modifications as the circumstances require, apply in relation to a meeting that is convened to vote on an Approving Resolution as if such a meeting was a general meeting of the Company.
- (e) An Approving Resolution that has been voted on in accordance with this rule, is taken to have been passed if the proportion that the number of votes in favour of the resolution bears to the total number of votes on the resolution is greater than one-half, and otherwise is taken to have been rejected.

- (f) Where offers have been made under a Proportional Takeover Bid then the Board must ensure that a resolution to approve the Proportional Takeover Bid is voted on in accordance with this rule before the Relevant Day.
- (g) Where a resolution to approve a Proportional Takeover Bid is voted on, in accordance with this rule, before the Relevant Day, the Company must, on or before the Relevant Day:
- (i) give to the bidder; and
 - (ii) serve on each notifiable securities exchange in relation to the Company, a notice in writing stating that a resolution to approve the Proportional Takeover Bid has been voted on and whether the resolution has been passed, or has been rejected, as the case requires.
- (h) Where, at the end of the day before the Relevant Day no resolution to approve the Proportional Takeover Bid has been voted on in accordance with this rule, a resolution to approve the Proportional Takeover Bid is to be, for the purpose of this rule, deemed to have been passed in accordance with this rule.
- (i) Where a resolution under this rule is rejected, then:
- (i) notwithstanding section 652A of the Law, all offers under the Proportional Takeover Bid that have not, as at the end of the Relevant Day, been accepted, and all offers (in this paragraph referred to as the 'accepted offers') under the Proportional Takeover Bid that have been accepted and from whose acceptance binding contracts have not resulted, at the end of the Relevant Day, are deemed to be withdrawn at the end of the Relevant Day;
 - (ii) the bidder is, forthwith after the end of the Relevant Day, to return to each person who has accepted any of the accepted offers any documents that were sent by the person to the bidder with the acceptance of the offer;
 - (iii) the bidder is entitled to rescind, and is required, forthwith after the end of the Relevant Day, to rescind, each binding contract resulting from the acceptance of an offer made under the Proportional Takeover Bid; and
 - (iv) a person who has accepted an offer made under the Proportional Takeover Bid is entitled to rescind the contract (if any) resulting from that acceptance.
- (j) This rule ceases to have effect on the third anniversary of the later of the date of adoption or last renewal of this rule.

Section 1: Name and address of member

Mark this box with 'X' if you have made any changes to your address details (see overleaf).

Section 2: Appointment of proxy

I, being a member of the Company and entitled to attend and vote appoint

the Chairman of the meeting (mark with an 'X') **OR** Write here the full name of the person or body corporate you are appointing if this person is **someone other than** the Chairman of the meeting.

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the meeting, as my proxy to attend, to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit), and to act generally on my behalf, at the extraordinary general meeting of the Company to be held at:

Location	McCullough Robertson Lawyers, Level 11, 66 Eagle Street, Brisbane, Queensland
Date	18 December 2009
Time	10.00am

and at any adjournment of that meeting.

Section 3: Voting instructions

Voting directions to proxy – please mark to indicate your directions.

Resolution 1 – Director's remuneration report

Resolution 2 – Election of Ross Hutton as a director

Resolution 3 – Ratification of previous issue of Shares

Resolution 4 – Approval to amend the constitution to re-adopt the proposed rule 27

For	Against	Abstain*	Discretion
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

*If you mark the Abstain box for a particular item, you are directing your proxy **not** to vote on your behalf on a show of hands or on a poll **and your** votes will not be counted in computing the required majority on a poll.

If the Chairman of the meeting is appointed as your proxy, or may be appointed by default, and you do not wish to direct your proxy how to vote as your proxy, please place a mark in this box.

By marking this box you acknowledge that the Chairman may exercise your proxy even if he or she has an interest in the outcome of the resolution, and that votes cast by him or her, other than as proxy holder, would be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chairman will not cast your votes on any resolutions in which he has an interest in the outcome and your votes will not be counted in calculating the required majority if a poll is called on the resolution.

The Chairman intends to vote all undirected proxies in favour of the resolutions.

Section 4: Signing by member

This section **must** be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Member 1 <input style="width: 100%; height: 25px;" type="text"/> Sole Director and Sole Secretary	Member 2 (if joint holding) <input style="width: 100%; height: 25px;" type="text"/> Director/Company Secretary (delete one)	Member 3 (if joint holding) <input style="width: 100%; height: 25px;" type="text"/> Director
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Please provide the information below in case we need to contact you.

Contact name	Contact day time telephone	Date / /
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Instructions for completion of proxy form

Section 1: Name and address of member

- 1 This is your address as it appears in the register of members of the Company. If this information is incorrect, please mark the box and make the correction on the form. Members sponsored by a broker (in which case your reference number will commence with an 'x') should advise their broker of any changes. **Please note you cannot change the ownership of your shares using this form.**

Section 2: Appointment of proxy

- 2 If you wish to appoint the Chairman of the meeting as your proxy, mark the box. If the person or body corporate you wish to appoint as your proxy is someone other than the Chairman of the meeting, write the full name of that person or body corporate in the space provided. A proxy may be an individual or a body corporate. If you leave this section blank or your named proxy does not attend the Meeting, the Chairman of the meeting will be your proxy. A proxy need not be a member of the Company.
- 3 If you are entitled to cast two or more votes at the general meeting, you are entitled to appoint two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional proxy form may be obtained by telephoning the Company. Alternatively you may copy this form.
- 4 To appoint a second proxy:
- (a) on each of the first proxy form and second proxy form state the percentage of your voting rights or number of shares applicable to that form (if the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise one half of your votes, and fractions of votes will be disregarded); and
 - (b) return both forms in the same envelope.

Section 3: Voting instructions

- 5 You may direct your proxy how to vote on an item of business by placing a mark in one of the three boxes opposite that item of business. All of your shares will be voted in accordance with your direction unless you indicate a proportion of voting rights on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may decide whether or how to vote on that item. If you mark more than one box on an item, your vote on that item will be invalid.

Section 4: Signing by member

- 6 You must sign this form as follows in the spaces provided:

Individual	Where the holding is in one name, the member must sign.
Joint holding	Where the holding is in more than one name, all of the members must sign.
Power of Attorney	To sign under power of attorney, either the power of attorney must have already been lodged with the Company's share registry for notation or the original (or a certified copy) of the power of attorney must accompany this document.

Companies	<p>In the following cases, subject to the Company's constitution, the following person must sign:</p> <p>(a) Australian proprietary company with a sole director who is also the sole company secretary - that person must sign;</p> <p>(b) Australian proprietary company with a sole director and no company secretary - that person must sign;</p> <p>(c) other Australian companies - two directors, or one director and one company secretary must sign; and</p> <p>(d) foreign company - in accordance with the laws of the jurisdiction of incorporation and constituent documents.</p>
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Section 5: Lodging of proxy

- 7 This proxy form (and the original or a certified copy of any power of attorney under which it is signed) must be received by the Company not later than close of business on the date set out below, by mail, hand delivery, or facsimile.

Postal Address:
Company Secretary
Drummond Gold Limited
P.O. Box 844
Paddington Qld 4064
Australia

Hand delivery:
Suite 8, 60 Macgregor Terrace
Bardon Qld 4065

Telephone: + 61 7 3367 2144
Facsimile: + 61 7 3367 2165

Last time and date for lodgement*	10.00 am on 16 December 2009
By mail**	10.00 am on 16 December 2009
By delivery	10.00 am on 16 December 2009
By facsimile	10.00 am on 16 December 2009

* Any proxy form received after that time will not be valid.

** Using the enclosed reply paid envelope.