



10 November 2009

Dear Sir,

RE: Rights Issue Cleansing Notice under section 708AA(2)(f) Corporations Act (Notice)

Drummond Gold Limited (**Drummond**) announced on 10 November 2009 that it will undertake a non-renounceable rights issue of up to 77,335,714 fully paid ordinary shares to its shareholders (**Issue**) on the basis of an entitlement to subscribe for 1 ordinary Drummond share (**New Shares**) for every 1 Drummond share held at the Record Date, being 18 November 2009 with each New Share being issued at a price of \$0.05 to raise up to \$3.87 million (**Offer**).

The company states that it will offer the New Shares for issue without disclosure to investors under section 708AA(2)(f) of the Corporations Act as notionally modified by ASIC Class Order 08/35 (**CO 08/35**).

Further details regarding the Offer are set out in the Information Booklet accompanying this Notice.

For the purposes of section 708AA(7) Corporations Act, Drummond advises:

- (a) the New Shares will be offered for issue without disclosure under Part 6D of the Corporations Act as notionally modified by CO 08/35;
- (b) this Notice is given under section 708AA(2)(f) Corporations Act as notionally modified by CO 08/35;
- (c) as at the date of this Notice, the Company has complied with the provision of:
 - (i) chapter 2M Corporations Act as they apply to Drummond; and
 - (ii) section 674 Corporations Act;
- (d) as at the date of this Notice, there is no excluded information of the type referred to in section 708AA(8) and 708AA(9) Corporations Act as notionally modified by CO 08/35;
- (e) the issue of New Shares pursuant to the Offer is not expected to have any material effect or consequence on the control of Drummond. However:
 - (i) if all members take up their entitlements under the Offer then the issue will have no effect on the control of the Company; and
 - (ii) to the extent that any members fail to take up their entitlement under the offer, those member's percentage holdings in Drummond will be diluted by those other members who take up some or all of their entitlement, or may be diluted should the company decide to place any shortfall.

The Offer is not underwritten, however, the company may place the shortfall of the offer. Further details regarding the Offer are set out in the Information Booklet.

Yours sincerely



John Dunlop
Chairman