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6 May 2009

Company Announcements Office
ASX Limited
20 Bridge Street
SYDNEY NSW 2000

Dear Sir

RE: Capital Raising

Drummond Gold Limited ("Drummond" or "the Company") is pleased to announce it has received applications for private placements totaling 6,142,857 fully paid ordinary shares at an issue price of \$0.035 (3.5 cents) per share raising \$215,000 from investors who satisfy one or more of the classes of exemptions specified in section 708 of the Corporations Act 2001. The applications for placement will represent approximately 8.4% of the company's ordinary share capital once placed.

It is advised that the Company will complete the placement of shares on the receipt of the application monies and confirmation of sophisticated shareholder status. This process is expected to be completed by 19 May 2009. After the placement of these shares the Company will have 73,392,857 fully paid ordinary shares on issue.

The funds will contribute towards the funding of exploration activities at Mt Coolon, the earn-in of the joint venture for the Yandan Project, mine studies at Mt Coolon and for working capital purposes.

The applications for shares have been arranged through Shaw Corporate Finance. It is noted that shareholder approval is not required as the placement is within the Company's ability to place up to 15% of the issued capital pursuant to listing rule 7.1 of the ASX listing rules.

Yours faithfully

DRUMMOND GOLD LIMITED

A handwritten signature in blue ink, appearing to read 'Doug Grewar', with a long horizontal stroke extending to the right.

Mr. Doug Grewar
MANAGING DIRECTOR

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