



Drummond Gold Limited
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Monday 1 June 2009

DRUMMOND GOLD LAUNCHES EXPLORATION DRILLING PROGRAM AT YANDAN.

- **Focussed on the East Hill discovery and four other high potential Yandan prospects**
- **Objective to increase Drummond Basin gold Resources**

Drummond Gold Limited (“Drummond” or the “Company”) announces the immediate commencement of a deep RC and diamond exploration drilling program into the East Hill discovery at the Yandan gold project.

The program also includes 4,550 metres of planned drilling at the highly prospective prospects at Yandan including Illamahta, Sinter Hill, South Gemini and Golden Eye.

Drummond recently confirmed an agreement with Straits Gold Pty Ltd, a wholly owned subsidiary of Straits Resources Limited (“Straits”) to earn a majority interest in Yandan, allowing Drummond to significantly increase its gold Resources.

Yandan lies immediately to the west of Drummond Gold’s existing wholly owned Mt Coolon project, in the Drummond Basin of Central Queensland.

Drummond has a current total Inferred and Indicated Resource of 272,000 oz gold at Mt Coolon (Eugenia, Glen Eva and Koala projects).

Yandan has an Inferred Resource of 4.1 million tonnes @ 2.4 g/t gold, more than doubling the gold Resources under Drummond’s management.

The exploration program announced today targets the high grade feeder system discovered beneath the East Hill open pit. Drilling on all of the advanced prospects will target Resource increases from new geophysical and geochemical information.

Announcing the exploration program, Drummond Managing Director Mr Doug Grewar said:

“Agreeing the earn-in at Yandan was a landmark expansion for Drummond.

“The start of this drilling program provides the opportunity to increase the Yandan gold Resource, an important step towards Drummond becoming a gold producer in the Drummond Basin.

“Preparations for the program are well advanced, with the sites at East Hill as well as, Illamahta, Sinter Hill, Gemini South and Golden Eye all drill ready. This has allowed Drummond to establish the drilling program with immediate effect.”

Drummond is earning in to the joint venture with Straits at Yandan where gold was mined from three pits under previous ownership. Straits discovered the high grade feeder system below the East Hill open pit.

The exploration program at East Hill announced today is aimed at :

- evaluating the mining potential of the feeder zone
- extending the discovery by testing for continuity of the vein structures
- confirming the “bonanza” high grade gold results.

The Company has available the results of extensive exploration work undertaken by Straits which produced several advanced drilling targets. .

The program at Yandan will be followed by the development of drilling programs to investigate depth and strike extensions to known mineralisation at the nearby Mt Coolon projects (Glen Eva, Koala and Eugenia).

Yandan has a well equipped exploration camp with water and power services and is connected by a 45km well maintained, all weather haul road to Mt Coolon where Drummond has had under study a proposed Central Treatment Plant to service several potential mines.

About Drummond Gold

Drummond Gold Limited is a gold and base metals company focussed on growth through exploration success and acquisition with an early production strategy. The Company operates in the well-known Drummond Basin of Central Queensland around the former gold mining centre of Mt Coolon and at nearby Yandan where it is earning a majority interest.

Drummond Gold Resources 30 June 2008

Mine	Location	Resource Category									Total			cut-off Au g/t
		measured			indicated			inferred			t	Au g/t	Au oz	
		t	Au g/t	Au oz	t	Au g/t	Au oz	t	Au g/t	Au oz				
Koala	Ross Pit Deepening	27,000	3.69	3,203	60,300	3.55	6,878	41,025	3.90	5,143	128,325	3.69	15,224	1.0
	Ross Pit Extension	16,748	3.55	1,911	13,750	2.88	1,275	1,815	2.14	125	32,313	3.19	3,311	1.0
	Hectorina Pit	13,265	2.94	1,253	17,551	6.98	3,936	386	2.22	28	31,202	5.20	5,216	1.0
	Underground Extension				140,164	8.40	37,836	60,480	7.61	14,796	200,644	8.16	52,631	5.0
	Tailings from 1930's				218,400	1.61	11,305				218,400	1.61	11,305	0.0
	Total	57,013	3.47	6,367	450,165	4.23	61,230	103,706	6.03	20,090	610,884	4.46	87,687	
Eugenia	in whittle pit - direct mill				384,736	3.49	43,120	152,466	3.22	15,779	537,202	3.41	58,899	1.3
	in whittle pit - heap leach				138,494	0.97	4,306	32,520	1.05	1,102	171,014	0.98	5,408	0.7
	outside pit				502,261	1.55	25,093	921,021	2.39	70,748	1,423,282	2.09	95,841	0.7
	Total				1,025,491	2.20	72,519	1,106,007	2.46	87,629	2,131,498	2.34	160,148	
Glen Eva	Underground below pit				72,023	8.88	20,562	18,090	7.13	4,147	90,113	8.53	24,709	5.0
Total		57,013	3.47	6,367	1,547,679	3.10	154,311	1,227,803	2.83	111,867	2,832,495	2.99	272,545	

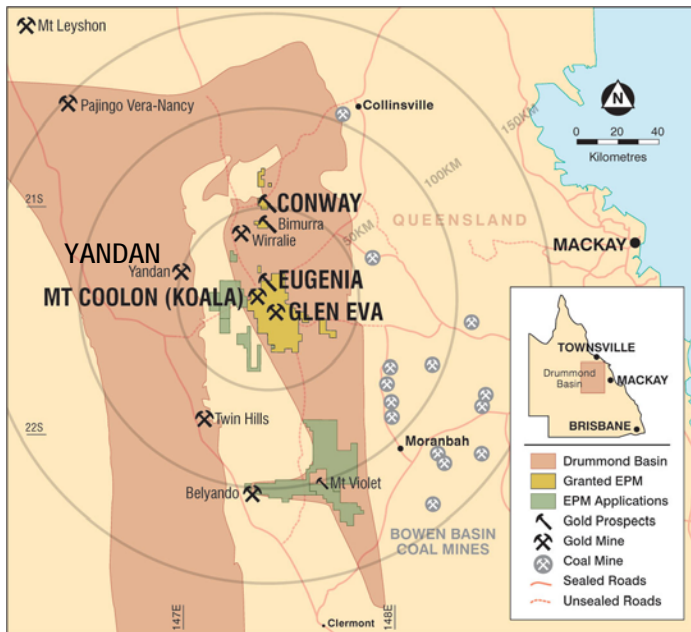
The information in this report that relates to Mineral Resources is based on information compiled by Mr Andrew Vigar, who is a Fellow of The Australasian Institute of Mining and Metallurgy. Mr Vigar is a director of the Company and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Vigar consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Exploration Results is based on information compiled by Mr Erik Norum, who is a Member of the Australian Institute of Geoscientists. Mr Norum has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Norum consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Yandan Gold Resources 30 June 2008

Commodity	Measured	Indicated	Inferred	Total
Tonnes			4,100,000	4,100,000
Au (g/t)			2.4	2.4

The information in this report that relates to Mineral Resources is based on information supplied by Peter Storey, who is a member of the Australian Institute of Mining and Metallurgy. Mr Storey is a full time employee of Straits Resources Limited and has sufficient experience relevant to the style of mineralisation, type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves". Mr Storey consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.



Drummond Gold Limited

ABN 98 124 562 849

ASX: DGO

Shares issued – 77.3 million

December 2009 options (unlisted) – 9.325 million

July 2010 options (unlisted) – 9.325 million

CASH

\$2.00 million (31.03.09), no debt

Directors:

John Dunlop **Chairman**
 Doug Grewar **Managing Director**
 Ross Hutton
 Brice Mutton
 Andrew Vigar
 Michael Ilett **Company Secretary & CFO**

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