



DRUMMOND
DRUMMOND GOLD LIMITED

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19 May 2009

Company Announcements Office
ASX Limited
20 Bridge Street
SYDNEY NSW 2000

Dear Sir

RE: Capital Raising Update

Further to Drummond Gold Limited's ("The Company") recent announcement of a Heads of Agreement with Alliance Resources Limited and A1 Consolidated Pty Limited, the Company has received interest from another party by way of a draft proposal for discussion. The Board of Directors of the Company are currently considering these proposals and this process will involve further discussions and due diligence.

The Company has appointed Shaw Corporate Finance as its financial adviser to assist in the appraisal of the proposals at hand and to investigate other possible alternative proposals.

The Company continues to seek growth opportunities and will keep shareholders informed and updated as to further developments.

Yours faithfully
DRUMMOND GOLD LIMITED

Mr. Doug Grewar
MANAGING DIRECTOR

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