

5 September 2013

Company Announcements Office
ASX Limited
20 Bridge Street
SYDNEY NSW 2000

Dear Sir,

RE: Capital Raising

Drummond Gold Limited (“the Company”) is pleased to announce the execution of a Share Subscription Agreement with Resource Capital Fund V L.P (“RCF”) for the placement of 175 million fully paid ordinary shares at an issue price of \$0.002 (0.2 cents) per share to raise \$350,000 before costs (“Placement”). The funds raised under the Placement will be used for working capital and or to identify and evaluate opportunities with potential for copper and gold.

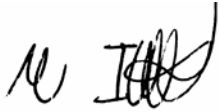
Under the Share Subscription Agreement the Placement will be completed under two tranches as follows:-

- An issue of 20 million fully paid ordinary shares to RCF (or its nominee) at an issue price of \$0.002 (0.2 cents) per share raising \$40,000. The issue of the first tranche is scheduled to occur within the next 10 business days. After the issue of securities under first tranche RCF’s voting power in the Company will be approximately 19.81%.
- An issue of 155 million fully paid ordinary shares to RCF (or its nominee) at an issue price of \$0.002 (0.2 cents) per share raising \$310,000 (“second tranche”). As the second tranche will result in RCF’s voting power in the Company increasing above 20%, the second tranche is conditional on the Company obtaining shareholder approval by 30 November 2013.

A Notice of General Meeting of Shareholders (which will include an independent experts' report on the second tranche) will be sent to shareholders in due course.

Yours faithfully

DRUMMOND GOLD LIMITED

A handwritten signature in black ink, appearing to read 'M Ilett', written over a light grey rectangular background.

Mr. Michael Ilett

COMPANY SECRETARY