

Preliminary final report

Name of issuer

MOUNT ROMMEL MINING LIMITED

ACN or ARBN

005 583 031

Half yearly
(tick)Preliminary
final (tick)

X

Half year/financial year ended
(Current period)

YEAR ENDED 30 JUNE 2006

For announcement to the market

Extracts from this statement for announcement to the market (see note 1).

Extracts from the statement of announcement to the market (see Note 1).

					\$A'000
Sales (or equivalent) operating revenue (item 1.1)	down	100%	to		Nil
Operating profit (loss) before abnormal items and tax (item 1.4)	down	131%	to		(185)
Abnormal items before tax (item 1.5)		gain (loss) of	to		-
Operating profit (loss) after tax but before outside equity interests (item 1.8)	down	131%	to		(185)
Extraordinary items after tax attributable to members (item 1.13)		gain (loss) of	to		-
Operating profit (loss) and extraordinary items after tax attributable to members (item 1.16)	down	131%	to		(185)
Exploration and evaluation expenditure incurred (item 5.2)	down	62%	to		32
Exploration and evaluation expenditure written off (item 5.3)	down	100%	to		Nil
Dividends Franking rate applicable			N/A		
Current period	-¢	N/A	-¢	N/A	
Previous corresponding period	-¢	-¢	-¢	-¢	
Record date for determining entitlements to the dividend, (in the case of a trust distribution) (see item 15.2)			N/A		
Short details of any bonus or cash issue or other items(s) of importance not previously released to the market:					
N/A					

Consolidated profit and loss account*(The figures are not equity accounted)*

		Current period	Previous corresponding period
		\$A	\$A
1.1	Sales (or equivalent) operating) revenue	Nil	17,873
1.2	Other revenue	5,331	1,851
1.3	Total revenue	5,331	19,724
1.4	Operating profit (loss) before abnormal items and tax	(184,505)	(79,939)
1.5	Abnormal items before tax (detail in item 2.1)	-	-
1.6	Operating profit (loss) before tax (items 1.4 + 1.5)	(184,505)	(79,939)
1.7	Less tax	-	-
1.8	Operating profit (loss) after tax but before outside equity interests	(184,505)	(79,939)
1.9	Less outside equity interests	-	-
1.10	Operating profit (loss) after tax attributable to members	(184,505)	(79,939)
1.11	Extraordinary items after tax (detail in item 2.3)	-	-
1.12	Less outside equity interests	-	-
1.13	Extraordinary items after tax attributable to members	-	-
1.14	Total operating profit (loss) and extraordinary items after tax (items 1.8 + 1.13)	(184,505)	(79,939)
1.15	Operating profit (loss) and extraordinary items after tax attributable to outside equity interests (items 1.9 + 1.12)	-	-
1.16	Operating profit (loss) and extraordinary items after tax attributable to members (items 1.10 + 1.13)	(184,505)	(79,939)
1.17	Retained profits (accumulated losses) at beginning of financial period	(242,583)	(162,644)
1.18	Aggregate of amounts transferred from reserves	-	-
1.19	Total available for appropriation (carried forward)	(427,088)	(242,583)
1.20	Total available for appropriation (brought forward)	(242,583)	(162,644)

Consolidated profit and loss account continued

1.21	Dividends provided for or paid	-	-
1.22	Aggregate or amounts transferred to reserves	-	-
1.23	Retained profits (accumulated losses) at end of financial period	(427,088)	(242,583)

Abnormal and extraordinary items

		Consolidated - current period		
		Before tax \$A	Related tax \$A	After tax \$A
2.1	Abnormal items	-	-	-
2.2	Total abnormal items	-	-	-
2.3	Extraordinary items	-	-	-
2.4	Total extraordinary items	-	-	-

Comparison of half year profits*(Preliminary final statement only)*

		Current year \$A	Previous year \$A
3.1	Consolidated operating profit (loss) after tax attributable to members reported for the 1st half year (item 1.10 in the half yearly statement)	N/A	N/A
3.2	Consolidated operating profit (loss) after tax attributable to members for the 2nd half year	N/A	N/A

Consolidated balance sheet

(See note 5)

	Current assets	At end of current period	As shown in last annual report	As in last half yearly statement
		\$A	\$A	\$A
4.1	Cash	314,994	23,498	N/A
4.2	Receivable	9,919	30,500	N/A
4.3	Investments	20,655	5,346	N/A
4.4	Inventories	-	-	N/A
4.5	Other (provide details if material)	-	-	N/A
4.6	Total current assets	345,568	59,344	N/A
	Non-current assets			
4.7	Receivables	-	-	N/A
4.8	Investments	-	-	N/A
4.9	Inventories	-	-	N/A
4.10	Exploration and evaluation expenditure capitalised (see para 71 of AASB 1022)	1,027,089	897,015	N/A
4.11	Development properties (mining entities)	-	-	N/A
4.12	Other property, plant and equipment (net)	-	-	N/A
4.13	Intangibles (net)	-	-	N/A
4.14	Other (provide details if material)	-	-	N/A
4.15	Total non-current assets	1,027,089	897,015	N/A
4.16	Total assets	1,372,657	956,359	N/A
	Current liabilities			
4.17	Accounts payable	317	38,794	N/A
4.18	Borrowings	-	-	N/A
4.19	Provisions	8,000	11,000	N/A
4.20	Other - Amounts payable to directors	118,375	228,400	N/A
4.21	Total current liabilities	126,692	278,194	N/A
	Non-current liabilities			
4.22	Accounts payable	-	-	N/A
4.23	Borrowings	-	-	N/A
4.24	Provisions	-	-	N/A
4.25	Other (provide details if material)	-	-	N/A
4.26	Total non-current liabilities	-	-	N/A
4.27	Total liabilities	126,692	278,194	N/A
4.28	Net assets	1,245,965	678,165	N/A

Consolidated balance sheet continued

	Equity			N/A
4.29	Capital	1,673,053	920,748	N/A
4.30	Reserves	-	-	N/A
4.31	Retained profits (accumulated losses)	(427,088)	(242,583)	N/A
4.32	Equity attributable to members of the parent entity	-	-	N/A
4.33	Outside equity interests in controlled entities	-	-	N/A
4.34	Total equity	1,245,965	678,165	N/A
4.35	Preference capital and related premium included as part of 4.31	-	-	N/A

Exploration and evaluation expenditure capitalised

To be completed only by issuers with mining interests. If amounts are material, include all expenditure incurred regardless of whether written off directly against profit

		Current period \$A	Previous corresponding period \$A
5.1	Opening balance	897,015	108,712
5.2	Expenditure incurred during current period	31,569	82,603
5.3	Expenditure written off during current period	-	(827)
5.4	Acquisitions, disposals, revaluation increments, etc.	98,505	706,527
5.5	Expenditure transferred to Development Properties	-	-
5.6	Closing balance as shown in the consolidated balance sheet (item 4.9)	1,027,089	897,015

Development properties*(To be completed only by issuers with mining interests if amounts are material)*

		Current period \$A	Previous corresponding period \$A
6.1	Opening balance	N/A	N/A
6.2	Expenditure incurred during current period	N/A	N/A
6.3	Expenditure transferred from exploration and evaluation	N/A	N/A
6.4	Expenditure written off during current period	N/A	N/A
6.5	Acquisitions, disposals, revaluation increments, etc.	N/A	N/A
6.6	Expenditure transferred to mine properties	N/A	N/A
6.7	Closing balance as shown in the consolidated balance sheet (Item 4.10)	N/A	N/A

Consolidated statement of cash flows

(See note 6)

		Current period \$A	Previous corresponding period \$A
	Cash flows related to operating activities		
7.1	Receipts from customers	-	17,873
7.2	Payments to suppliers and employees	(164,956)	(100,769)
7.3	Dividends received	-	-
7.4	Interest and other items of similar nature received	5,331	1,851
7.5	Interest and other costs of finance paid	(70)	-
7.6	Income taxes paid	-	-
7.7	Other (provide details if material)	-	-
7.8	Net operating cash flows	(159,695)	(81,045)
	Cash flows related to investing activities		
7.9	Payments for purchases of property, plant and equipment	-	-
7.10	Proceeds from sale of property, plant and equipment	-	-
7.11	Payment for purchases of equity investments	-	-
7.12	Proceeds from sale of equity investments	-	-
7.13	Loans to other entities	-	-
7.14	Loans repaid by other entities	-	-
7.15	Other – exploration expenditure	(31,569)	(81,776)
7.16	Net investing cash flows	(31,569)	(81,776)
	Cash flows related to financing activities		
7.17	Proceeds from issues of securities (shares, options, etc.)	563,800	142,212
7.18	Proceeds from borrowings	6,950	74,210
7.19	Repayment of borrowings	(72,681)	(30,137)
7.20	Dividends paid	-	-
7.21	Other (provide details if material)	-	-
7.22	Net financing cash flows	498,069	186,285
	Net increase (decrease) in cash held	306,805	23,464
7.23	Cash at beginning of period (see Reconciliations of cash)	28,844	5,380
7.24	Exchange rate adjustments to item 7.23	-	-
7.25	Cash at end of period (see Reconciliation of cash)	335,649	28,844

Non-cash financing and investing activities

Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows. If an amount is quantified, show comparative amount.

2006: 2,189,000 ordinary shares were issued at \$.45 (\$98,505) to Joint Venture Participants in exchange for the whole of their right, title and interest in and to all future gold production from the area of MIN 5391 and all of their right, title and interest in and to data generated in exploration and work programs partially funded by them.

2005: 7,850,300 ordinary shares were issued at \$.09 (\$706,527) as part of the consideration for the intellectual property in relation to EL 3821 and MIN 5391.

Reconciliation of cash

Reconciliation of cash at the end of the period (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

		Current period \$A	Previous corresponding period \$A
8.1	Cash on hand and at bank	4,989	23,498
8.2	Deposits at call	310,005	-
8.3	Bank overdraft	-	-
8.4	Other – Performance Guarantee Bonds	20,655	5,346
8.5	Total cash at end of period (item 7.25)	335,649	28,844

Ratios

		Current period	Previous corresponding period
	Profit before abnormals and tax/sales		
9.1	Consolidated operating profit (loss) before abnormal items and tax (Items 1.4) as a percentage of sales revenue (Items 1.1)	N/A	(447.3%)
	Profit after tax/equity interests		
9.2	Consolidated operating profit (loss) after tax attributable to members (item 1.10) as a percentage of equity (similarly attributable) at the end of the period (item 4.34)	(16.1%)	(11.8%)

Earnings per security (EPS)

10.1	Calculation of basic, and fully diluted, EPS in accordance with AASB 1027: Earnings per Share		
(a)	Basic EPS	(0.01)	(0.59)
(b)	Diluted EPS (if materially different from (a))	N/A	N/A

NTA backing
(see note 7)

		Current period	Previous corresponding period
11.1	Net tangible asset backing per ordinary security	\$0.06	\$0.05

Details of specific receipts/outlays, revenues/expenses

		Current period \$A	Previous corresponding period \$A
12.1	Interest revenue included in determining Items 1.4	5,331	1,851
12.2	Interest revenue included in Item 12.1 but not yet received (if material)	-	-
12.3	Interest expense included in Item 1.4 (include all forms of interest, lease finance charges, etc.)	15,776	15,519
12.4	Interest costs excluded from Item 12.3 and capitalised in asset values (if material)	-	-
12.5	Outlays (excepts those arising from the acquisition of an existing business) capitalised in intangibles (if material)	-	-
12.6	Depreciation (excluding amortisation of intangibles)	-	-
12.7	Amortisation of intangibles	-	-

Control gained over entities having material effect
(See note 8)

13.1	Name of <i>issuer</i> (or <i>group</i>)	N/A
13.2	Consolidated operating profit (loss) and extraordinary items after tax of the <i>issuer</i> (or <i>group</i>) since the date in the current period on which control was acquired	\$-
13.3	Date from which such profit has been calculated	-
13.4	Operating profit (loss) and extraordinary items after tax of the <i>issuer</i> (or <i>group</i>) for the whole of the previous corresponding period	\$-

Loss of control of entities having material effect

(See note 8)

14.1	Name of entity (or group)	N/A
14.2	Consolidated operating profit (loss) and extraordinary items after tax of the entity (or group) for the current period to the date of loss of control	\$-
14.3	Date from which the profit (loss) in Item 14.2 has been calculated	-
14.4	Consolidated operating profit (loss) and extraordinary items after tax of the entity (or group) while controlled during the whole of the previous corresponding period	\$-
14.5	Contribution to consolidated operating profit (loss) and extraordinary items from sale of interest leading to loss of control	\$-

Reports for industry and geographical segments

N/A

Dividends

15.1	Date the dividend is payable	N/A
15.2	Record date to determine entitlements to the dividend (ie. on the basis of registrable transfers received up to 5.00 pm)	N/A
18.3	Amount per security	N/A

		Franking rate applicable	30%	36%	33%
	<i>(Preliminary final statement only)</i>				
15.4	Final dividend: Current year	-¢	N/A	-¢	N/A
15.5	Previous year	-¢	-¢	-¢	-¢
	<i>(Half yearly and preliminary final statements)</i>				
15.6	Interim dividend: Current year	-¢	N/A	-¢	N/A
15.7	Previous year	-¢	-¢	-¢	-¢

Total annual dividend (distribution) per security
(Preliminary final statement only)

		Current year	Previous year
15.8	Ordinary securities	-¢	-¢
15.9	Preference securities	-¢	-¢

Total dividend (distribution)

		Current \$A	period	Previous corresponding period - \$A
15.10	Ordinary securities	\$-		\$-
15.11	Preference securities	\$-		\$-
15.12	Total	\$-		\$-

The dividend or distribution plans shown below are in operation.

N/A

The last date(s) for receipt of election notices to
the dividend or distribution plans

N/A

Any other disclosures in relation to dividends (distributions)

N/A

Equity accounted associated entities and other material interests

Equity accounting information attributable to the economic entity's share of investments in associated entities must be disclosed in a separate notice. See AASB 1016: Disclosure of Information about Investments in Associated Companies.

Investments in associated entities		Current period \$A	Previous corresponding period \$A
16.1	Statutory carrying value of investments in associated entities (SCV)	N/A	N/A
16.2	Share of associated entities' retained profits and reserves not included in SCV:	N/A	N/A
	Retained profits	N/A	N/A
	Reserves	N/A	N/A
16.3	Equity carrying value of investments	N/A	N/A

Material interests in entities which are not controlled entities

The economic entity has an interest (that is material to it) in the following entities.

		Percentage of ownership interest (ordinary securities, units etc) held at end of period		Contributing to operating profits (loss) and extraordinary items after tax	
17.1	Equity accounted associated entities	Current period	Previous corresponding period	Current period	Previous corresponding period
		N/A	N/A	Equity accounted	
				N/A	N/A
17.2	Other interests material	N/A	N/A	Not equity accounted (ie part of item 1.14)	
				N/A	N/A

Issued and listed securities

Description includes rate of interest and any redemption or conversion rights together with prices and rates.

Category of securities		Number issued	Number listed	Par value (cents)	Paid-up value (cents)
18.1	Preference securities (description)	N/A	N/A	N/A	N/A
18.2	Issued during current period	N/A	N/A	N/A	N/A
18.3	Ordinary securities				
	Opening balances	15,171,400	15,171,400	-	6
18.4	Issued during current period				
	- before IPO	1,000,000	1,000,000	6	6
	- Not for cash pursuant to IPO	2,189,000	2,189,000	4.5	4.5
	- Fully paid pursuant to IPO	4,186,506	4,186,506	10	10
	- Partly paid pursuant to IPO	1,304,200	1,304,200	10	4.4
18.5	Convertible debt securities (description and conversion factor)	N/A	N/A	N/A	N/A
18.6	issued during current period	N/A	N/A	N/A	N/A

Issued and listed securities continued

Category of securities		Number issued	Number listed	Par value (cents)	Paid-up value (cents)
18.7	Options (description and conversion factor)			Exercise price (cents)	Expiry date (cents)
	Opening balances	-	-	-	-
18.8	Issued during current period				
	- At IPO at \$0.01	5,888,668	5,888,668	10	28.2.2007
	- At IPO at \$0.01	5,888,668	5,888,668	20	28.2.2008
18.9	Exercised during current period	N/A	N/A	N/A	N/A
18.10	Expired during current period	N/A	N/A	N/A	N/A
18.11	Debentures (totals only)	N/A	N/A		
18.12	Unsecured Notes (totals only)	N/A	N/A		

Comments by directors

Comments on the following matters are required by the Exchange or, in relation to the half yearly statement, by AASB 1029: Half-Year Accounts and Consolidated Accounts. The comments do not take the place of the directors' report and statement (as required by the Corporations Act) and may be incorporated into the directors' report and statement. For both half yearly and preliminary final statements, if there are no comments in a section, state NIL. If there is insufficient space in comment, attach notes to this statement.

Basis of accounts preparation

It should be read in conjunction with the last annual report and any announcements to the market made by the issuer during the period.

The financial report is prepared on the historical cost basis. This is a report for the year ended 30 June 2006 and the comparatives are for the year ended 30 June 2005. As this is the first period the company has been listed the report does not disclose information relating to the six months ended 31 December 2005.

The company acquired 50% of Bonshaw Gold Pty Ltd on 1 December 2004 with the remaining 50% of the shares acquired by Frederick L Hunt a director of the company. As the controlled entity has not traded from its date of incorporation and on the basis of materiality, the consolidated results do not include separate disclosures for the parent entity and the economic entity.

Material factors affecting the revenues and expenses of the issuer for the current period

Official quotation of the company's securities on The Stock Exchange of Newcastle commenced on 12 May 2006.

A description of each event since the end of the current period which has had a material effect and is not related to matters already reported, with financial effect quantified (if possible)

On 11 September 2006 the Minister for Planning, State of Victoria, gave authorisation to amend the Heritage Overlay to the Planning Scheme across the entire Shire of Hepburn, resulting in some advantage to the company(in the opinion of the directors).

Franking credits available and prospects for paying fully or partly franked dividends for at least the next year

NIL

Changes in accounting policies since the last annual report are disclosed as follows.

(Disclose changes in the half yearly statement in accordance with paragraph 15(c) of AASB 1029: Half-Year Accounts and Consolidated Accounts. Disclose changes in the preliminary final statement in accordance with AASB 101: Accounting Policies-Disclosure.)

All accounting policies have been applied consistently.

Annual meeting*(Preliminary final statement only)*

The annual meeting will be held as follows:

Place

Date

Time

Approximate date the annual report will be available

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OCTOBER 2006

Compliance statement

1. This statement has been prepared under accounting policies which comply with accounting standards as defined in the *Corporations Act* or other standards acceptable to the Exchange (see note 13).

Identify other standards used

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2. This statement, and the financial statements under the *Corporations Act* (if separate), use the same accounting policies.
3. This statement ~~does not~~ *does not* (delete one) give a true and fair view of the matters disclosed (see note 2).
4. This statement is based on financial statements to which one of the following applies:

- ☐ The financial statements have been audited. ☐ The financial statements have been subject to review by a registered auditor (or overseas equivalent).
- ☐ The financial statements are in the process of being audited or subject to review. ☒ The financial statements have *not* yet been audited or reviewed.

5. If the accounts have been or are being audited or subject to review and the audit report is not attached, details of any qualifications ~~are attached~~ will follow immediately they are available* (delete one). (Half yearly statement only - the audit report must be attached to this statement if the statement is to satisfy the requirements of the *Corporations Act*.)

6. The issuer has ~~does not~~ have* (delete one) a formally constituted audit committee.

Sign here: _____
(Director/Company secretary)

Date: 13 September 2006

Print name: NICHOLAS STORER