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NEWSLETTER – 22 November 2007

To Shareholders of the Company

Drilling last financial year at Clunes produced every reason to follow up, and investigate how gold might be again produced from this most historic location.

Your Directors sought and progressively obtained the various approvals needed to undertake new works on site. Gold cannot be produced without a sustainable water source (industrial quality). It is believed that such a source exists on-site below MIN 5391. The works now needed are those which produce water, set up its storage, open excavations to attain larger samples for bulk testing, and – most importantly – find out which parts within MIN 5391 will be best suited to a constructed treatment plant, and the siting of waste products.

Your Directors have prepared for presentation to each of you (and to the public, on the Company website) an Offer document, lodged today at ASIC, for a Non-Renounceable Rights Issue of New Ordinary Shares.

This Offer is the Director's preference for the raising of funds in anticipation of on-going approvals for much larger scale bulk testing at Clunes involved as it must be with a purpose-built treatment plant. The Offer is not underwritten.

There is no obligation on shareholders to participate by taking up their entitlements under this issue. Where the members themselves elect not to lodge their entitlement applications, the Offer may be subscribed for by the public.

Because this is a Rights Issue, there are a fixed number of shares available, with no oversubscriptions to be accepted. Shareholders who would like to take up more than their rights entitlement may apply for additional shares, in the knowledge that –

- those applications will be in competition with applications received from the public, and
- under the Shortfall Offer, priority can only be fair if it is according to the time of receipt

The money accompanying applications which turn out to be unsuccessful (due to the limited number of shares available) will be returned to the applicant after the close of the Offer.

Further details giving a full account of the affairs of the Company and the Offer will be available in the document being mailed to each shareholder on the Company register, at the Record Date.

Timetable

Record date for entitlement	30 November 2007
Mailing of the Offer Information Statement (OIS) and Entitlement and Personalised Application Form	6 December 2007
CLOSING DATE	27 December 2007
Allotment date	4 January 2008

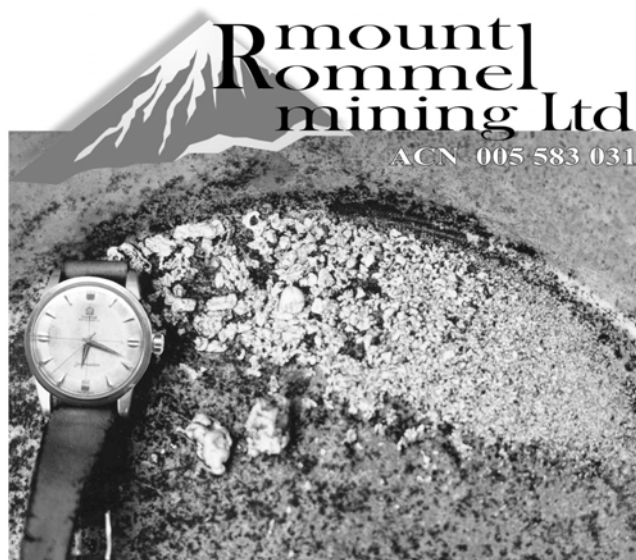
Shareholders will find that sufficient information on the Allendale program is set out in the Offer Document, in a manner which enables members of the public to gain an appreciation of the gold exploration technique being applied there.

Yours sincerely



F.L.Hunt

THIS DOCUMENT IS IMPORTANT



OFFER INFORMATION STATEMENT

FOR AN ENTITLEMENTS OFFER TO MEMBERS ON THE BASIS THAT EACH MEMBER WILL BE ENTITLED TO APPLY FOR ONE ORDINARY NEW SHARE AT AN ISSUE PRICE OF \$0.125 FOR EVERY 2 SHARES HELD AT THE RECORD DATE TO DETERMINE ENTITLEMENTS

SHARES NOT SUBSCRIBED FOR BY MEMBERS UNDER THE ENTITLEMENTS OFFER MAY BE SUBSCRIBED FOR BY THE PUBLIC UNDER THE SHORTFALL OFFER CONTAINED HEREIN.

EACH APPLICANT WILL BE GRANTED ONE FREE NEW OPTION TO ACQUIRE AN ORDINARY SHARE FOR EVERY FOUR NEW SHARES ISSUED TO THAT APPLICANT - THE NEW OPTIONS WILL BE EXERCISABLE AT 20 CENTS UP TO 5.00PM AEST ON 31 AUGUST 2009

ANY INVESTMENT IN THE COMPANY'S SECURITIES SHOULD BE CONSIDERED SPECULATIVE

This Offer Information Statement (OIS) is an important document and should be read in its entirety. If after reading this OIS you have any questions about the securities being offered for subscription under the OIS then you should consult your professional advisor.