28 Lawson Crescent, Thomastown, Vic.3074
P.O. Box 80, Bundoora, Vic. 3083
Telephone: (03) 9462 0739
Facsimile: (03) 9462 0494
Email: info@mountrommel.com
WEBSITE: www.mountrommel.com

27th December, 2007

Dear Shareholder,

For those who do not know – the **closing date** of the Company OIS has been extended by Directors to **25th January, 2008**.

The Company has OIS contributions sufficient for the important primary step of independent water source development. Contributions need to continue, and this extension of time is a practical step in response to requests from shareholders for extra time due to the Christmas break.

The OIS set out how Directors propose the building of this Clunes gold resource, through a program of gold recovery campaigns. The gold values in the many intercepts already drilled would allow underground mining operations. Directors take the position that underground mining of higher grade gold intercepts should be set aside. The operation of a gold recovery plant near surface should in three campaigns of 100 days pay back its construction cost, assuming only 1 gram per tonne product.

This part of Clunes produced 142,000 oz gold from the surface down to 70 metres below surface in the first 7 years of mine life. So far as drilling has shown, the wall rock to these veins remain in place. The opening up of the surface, as intended, is likely to commence with low-grade material, then progress to take out wall rocks regarded in the 1860s as insufficient in grade. Given the mine average grade in those first 7 years was 11.4 grams per tonne, the expectation of residual gold in wall rocks is highly likely – which is also indicated by the analyses from all 11 drill holes as published on NSX – see the list of relevant dates of NSX releases, published on page 7 of the OIS.

This OIS was signed by Directors and lodged with ASIC on 22nd November, 2007. In the short time since –

1. On 26th November the Victorian Government released its initiative to support and encourage minerals exploration – including a grants scheme to holders of Victorian tenements (like Allendale). The closing date for Round 1 Applications is 11th January, 2008.

2. On 7th December, 2007, Bonshaw Gold again made application for ground at Ballarat West. In making this application, Bonshaw (the 100% subsidiary of Mount Rommel) has asked the Minister to consider that the Victorian gold prospectivity is likely greatest at the known major gold centres.

The Bonshaw way – the making of 5 Ha applications – is yet to be given the recognition deserved for a more thoughtful way forward, based on good geoscience, which could enable new drilling and in turn allow the public generally to appreciate an enlargement of the old Goldfield of Ballarat.

The 5 Ha area applied for by Bonshaw is shown on the Department of Primary Industries website - see “GeoVic”. In no way is this area a place where the Ballarat community should have critical environmental concerns.

The Directors consider the knowledge held by the Company as having considerable value. It would not be possible to make a case for either a portion of the grants scheme, nor the Bonshaw application, without that geophysical database of this Company which Directors know is unmatched in Central Victoria.

The extensive list of prerequisites expected to be completed by those applying for a portion of available grant money can be viewed on the website of the Department of Primary Industries – see “Rediscover Victoria”. These expected prerequisites represent considerable past-cost achievements – we have them all : they are in effect a statement of the value today of work done.

Those who would argue the share price of the current Offer ought to be based on a current market price (itself a moving image) are without appreciation of the inherent value of the work described above, and thus of the underlying value of the licences held by this Company.

Directors wish to take this Company directly to gold recovery based on their assessment of what meaning should be attributed to the results of sampling. Further drilling at Clunes is seen as an expense, with no cash return. Similar expense in plant construction is likely to provide recovered gold – sovereign wealth at present in the ground.

The program is –

- planned as a series of campaigns, 100 days;
- planned to be able to meet regulatory demands;
- planned to recover cost of plant during 2008;
- planned to be ongoing beyond 2008;
- planned around the lowest recovery of 20,000 grams gold per 100 days to begin.

This planned program begins with the practical steps needed to watch performance at the lowest grade. Your voluntary contribution to make these activities actually happen will be welcome -–as per the terms set out in the Offer document.

To close –

If your 1 for 2 entitlement seems too large to fill at this time, consider this :

- A voluntary contribution for part of the entitlement may have a better effect for the Company –

Why?

- money for the Company, and
- an opening is given for the public to apply for shares, through the shortfall Offer in the OIS.

The attachment to this letter is included for your further information.

Yours sincerely,

Frederick L Hunt

F. L. HUNT
Chairman

Att.

ATTACHMENT TO THE LETTER TO SHAREHOLDERS, 27 DECEMBER 2007

For those shareholders (and members of the public) who have not yet seen this information, this is an extract of The Chairman's Outlook 23rd December 2007 on the website of the Company.

On the ground today, 600 metres north along strike from the Company's MIN 5391, there is hard evidence that someone believes we have hit something valuable, which may have its repetition in their tenement.

This drilling by others - suspended for Xmas - would not be happening if Mount Rommel had not already significantly up-graded the worth of this line of gold mineralisation at Clunes.

Using the photos below, taken 20 December 2007, we suggest on the Company website how and why this drilling could be improved. The more gold found, the more the reason to build a treatment plant - and to support the OIS currently before the Market.

PHOTO 1 - View from east, rear (looking west)

This diamond drill rig is at Clunes, on the Crown land Common. It is well-positioned to test the target outlined before October 2000 by Golden Heritage Mining N.L. (when in joint venture).

PHOTO 2 - View from north of mystery rig,
looking south-west, across the grassy backfill which
rehabilitates the old site of the New North Clunes gold mine

The hole is being drilled to the west at minus 60 degrees, and here are the rocks down hole at 140 metres.

PHOTO 3 - Drill core

Mount Rommel does not own this ground

Mount Rommel has a strong interest in the conduct and outcome of any drilling near to its Mining Licence 5391.

Best news we could all have this Christmas is that there is more mineralisation and therefore more reason for Mount Rommel to pursue the preparation of its independent water supply needed for the operation of a treatment plant to recover gold.