NEWSLETTER

mount Rommel mining Ltd
ACN 005 583 031

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

16th January, 2008

Dear Shareholder

JANUARY 2008 : is bringing changes of value to the Company.

Money contributed up to now by existing shareholders has enabled the Company to show that gold has been left behind by the Pioneers.

To begin the recovery of this gold further money is needed to:

- Provide access to water
- Complete primary earthworks
- Construct a Gold recovery plant
- Develop the site

For this purpose, on 22nd November, 2007, your Directors authorised the issue of an Offer Information Statement (OIS).

The OIS is firstly a recognition that existing shareholders have an entitlement to maintain their proportionate interest in the Company – if not, to make provision for those members of the public who may care to join the Company at a stage full of practical developments.

The closing date of this OIS was extended to 25th JANUARY, 2008. There will be no further extension of time.

THE COMPANY : The OIS document has two sections, the second part being the financial statements to 30th June, 2007. On "page 36" of that second part there is a discussion about the role of the Board, and of the need for the composition of the Board to remain relevant to the program ahead.

Your Directors advise the following changes to the composition of the board.

- Johannes L. Venter – Commercial Accountant, withdrawn

On behalf of all shareholders we thank him for his contributions.

- John Miedecke – Civil Engineer has accepted an invitation to join the board.

We are pleased to announce that, John, a well-respected practising Civil Engineer, with extensive mining industry experience, including environmental control, will be assisting in the direction of the Company.

John, in conjunction with our Metallurgist, David Wright, brings to the Company key skills for your Company's future growth.

GETTING STARTED : OIS applications prior to the 27th December, 2007 have been allotted. This has freed up funds for immediate first steps towards on-site developments at Clunes.

- A 100 metre deep hole will be drilled to tap into the existing mine water. For those who have been to site, this hole will be to the east of the old Port Phillip South shaft, and within the old shaft pillar.

- Earthworks shortly thereafter will begin the near surface exposure of mineralization.

THE GOLD : The Pioneers worked by hand, no drilling equipment, no loaders, no excavators. They did it by hand in feeble light. The Pioneers made short work of the quartz veins that they could *see*, being able to pick and choose between quartz carrying gold and barren quartz.

The Company drilling in 2006/2007 from the east side (to the west, and near vertical) produced assays of sub-visible gold. Subsequent petrological examination of the core showed –

1. the rocks at Clunes have two main physical characteristics :
   a. a “greywacke”, a type of sandstone of fine to medium grain size, and
   b. a “slate” which is variously altered to what is known as sericitic slate;
2. the vein quartz disrupts the sericitic slate, and is regarded as a “late” arrival.

The gold occurrence of immediate interest to Mount Rommel is that near-surface, within the pervasively altered sericitic slate (not in quartz per se) associated with oxidised pyrite, and at particle sizes quite clearly visible to the modern petrologist (as micro-photographs confirm) but simply not able to be <u>*seen*</u> by the Pioneers.

Directors believe that the stripping away of backfill and degraded basalt at the surface will reveal the extent of altered slate. The initial targets will be:

- the lower grade gold in soft slates close to present surface,
- ground neighbouring the veins worked by the Pioneers. The illustration on page 5 of the OIS gives examples of what constitutes “lower grade gold”.

With technology we can see where the Pioneers could not. This is exciting!

The knowledge learned near-surface will guide expansion of the drilled intercepts below.

SUCCESS : is measured by progress against plan towards a goal. Your Mount Rommel Directors have from :

- 2003 – Believed new gold to be at Clunes.
- 2006 – Proved new gold to be at Clunes by drilling.
- 2008 – Intend to commence recovering new gold from Clunes.

This success is being achieved without seeking the huge amounts of shareholders’ funds used to outline a mine development to satisfy J.O.R.C. gold resource interpretation.

This success is coming from a steady accumulation of knowledge about a very special place - Clunes.

Mount Rommel Mining Ltd will build a small treatment plant, and work from the surface down and demonstrate actual recoverable gold, and it will do so at the earliest opportunity.

The difference between the approaches turns on the question :

> “What is represented by any single gold assay?”

Your Directors believe this question is best answered by a plant. In the final analysis, the recoveries from even a small treatment plant provide standards against which interpretations may be assessed.

THE FUTURE : Completed drilling indicates there are at least four underground “horizons” carrying new gold, the first of those is at about 75 metres below present surface.

The initial near-surface work will allow the Company to sensibly plan for the recovery of deeper gold.

TODAY : Directors have extended the OIS to 25th January, 2008, in parallel with the most spectacular rise in the US$ price of gold for many years.

It is considered that Shareholders have had ample time to complete and forward any response to the entitlement (in whole or in part).

In accordance with the role of the Board, as set out in the financial statements, the Directors have determined that it is now in the best interests of all Shareholders for the OIS (**closing date 25th January**) of the Company to be widely advertised in specific financial press. Advertisements will appear in the coming week.

MOUNT ROMMEL MINING LTD :
Success in Gold – Today & Tomorrow

F.L. HUNT
Chairman

Year	*Gold Price*
July 2003	US$344
July 2005	US$420
July 2006	US$580
July 2007	US$700
Jan 2008	US$900