

**Mount Rommel Mining Limited
and Controlled Entity
ACN 005 583 031**

**Financial Report
for the half-year ended**

31 December 2008

MOUNT ROMMEL MINING LIMITED
ACN 005 583 031

CORPORATE DIRECTORY

Board of Directors

Frederick L Hunt (Executive Director, Chairman)
Hamish Hunt (Non-Executive Director)
John G Miedecke (Non-Executive Director)

Company Secretary

Melanie Leydin

Registered Office

Suite 304, 22 St Kilda Road
St Kilda Victoria 3182
Telephone: 613 9692 7222
Facsimile: 613 9529 8057
Website: www.mountrommel.com

Share Registry

Link Market Services Limited
Level 9
333 Collins Street
Melbourne Victoria 3000
Telephone: 613 9615 9908
Facsimile: 613 9615 9921

Auditor

MSI Ragg Weir
Level 2
50 Burwood Road
Hawthorn Vic 3122

Solicitor

Menzies & Partners
Level 9
356 Collins Street
Melbourne Victoria 3000

Stock Exchange Listing

Mount Rommel Mining Limited is listed
on the National Stock Exchange of Australia.
NSE Code: MMT

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MOUNT ROMMEL MINING LIMITED
ACN 005 583 031

DIRECTORS' REPORT

The Directors of Mount Rommel Mining Limited submit herewith the half yearly financial report for the period ended 31 December 2008. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

DIRECTORS

Details of the Directors of the Company in office at any time during or since the end of the half-year and at the date of this report are:

Name

Mr Frederick L Hunt	Executive Director, Chairman
Mr Hamish Hunt	Non Executive Director
Mr John G Miedecke	Non Executive Director

PRINCIPAL ACTIVITIES

The principal activity of the Company during the greater part of the financial period was supervised diamond drilling for gold.

OPERATING RESULTS

The consolidated loss for the half year of Mount Rommel Mining Limited and Controlled Entity after providing for income tax was \$123,393 (2007: \$111,532).

REVIEW OF OPERATIONS

In the half-year to 31st December, 2008, the two advances made were those through drilling on Stag Road (EL 3821) and by the continuation of hand sampling at Glenfine (MIN 5492).

ACHIEVEMENTS AND DEVELOPMENTS

Glenfine

There is no doubt that this small area of sands continues to respond to sampling, with positive results. At the AGM (1 November, 2008) those attending elected to support a more intensive and larger-scale program, which took place in December (and into January, 2009). Subsequent results led to this conclusion –

- about 40,000 tonnes of sand await treatment, and
- the likely recoverable grade is of the order 2.5 g/t gold.

Steps are in place to obtain the necessary mix of approvals necessary before site works could commence.

Allendale

The Stag Road results have defined the sub-basalt presence of a ridge marking the eastern margin of the valley which holds the historic Ristori channel. Data presented at the AGM (1 November 2008) showed how that ridge seemed associated with anomalous ground gravity 'low' readings further north, and could be coupled with the evidence of gold in early Government Bores near the east margin of EL 3821.

New work is planned, but deferred for the present.

OTHER FACTORS RELEVANT TO COMPANY PROGRESS

Clunes

An absence of decisions by Government with respect to this land and tenure continues to be all that can be recorded.

AFTER BALANCE DATE EVENTS

On 30 January 2009, the Company lodged an application for a Work Plan with respect to MIN 5492 at Glenfine. The eventual grant of a Work Authority with respect to this application is likely to have an effect beneficial to shareholders.

On 6 February 2009, the Company issued 800,000 non-escrowed shares worth \$100,000 at a deemed share price of \$0.125 under a heads of agreement dated February 2008 of which a third party would have to assist the Company in obtaining a mining lease over a gold resources in Rockwood, Victoria.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out at Page 5.

Signed in accordance with a resolution of the Board of Directors.

A handwritten signature in black ink, appearing to read 'Frederick L Hunt'.

Frederick L Hunt
Director

23 February 2009

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF MOUNT ROMMEL MINING LIMITED**

As lead auditor for the review of Mount Rommel Mining Limited for the half year ended 31 December 2008, I declare that, to the best of my knowledge and belief, during the year ended 31 December 2008 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

MSI Ragg Weir

MSI RAGG WEIR
Chartered Accountants

L.S. Wong

L.S. WONG
Partner

Melbourne: *23 February 2009*

MOUNT ROMMEL MINING LIMITED
ACN 005 583 031

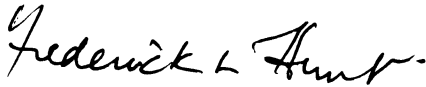
DIRECTORS' DECLARATION

The Directors declare that:

- a) in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
- b) in the Directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001 and giving a true and fair view of the financial position as at 31 December 2008 and performance of the consolidated entity for the half year ended on that date.

Signed in accordance with a resolution of the Directors made pursuant to s.303(5) of the *Corporations Act 2001*.

On behalf of the Directors,



Frederick L Hunt
Director

MELBOURNE,

23 February 2009

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
MOUNT ROMMEL MINING LIMITED**

Report on the half-year financial report

We have reviewed the accompanying half-year financial report of Mount Rommel Mining Limited and controlled entities (the consolidated entity), which comprises the balance sheet as at 31 December 2008, and the income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the 31 December 2008 or from time to time during the financial year.

Directors' responsibility for the half-year financial report

The directors of the consolidated entity are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standards on Review Engagements ASRE 2410 Review of an Interim Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including; giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Mount Rommel Mining Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
MOUNT ROMMEL MINING LIMITED**

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, was provided to the directors of Mount Rommel Mining Limited at the same date of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any other matter that makes us believe that the half-year financial report of Mount Rommel Mining Limited and its controlled entities is not in accordance with the Corporations Act 2001 including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

MSI Ragg Weir

MSI RAGG WEIR
Chartered Accountants

L.S. Wong

L.S. WONG
Partner

Melbourne 23 February 2009

MOUNT ROMMEL MINING LIMITED
ACN 005 583 031

CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE HALF YEAR ENDED 31 DECEMBER 2008

	CONSOLIDATED ENTITY	
	Half year ended 31 December 2008 \$	Half year ended 31 December 2007 \$
Other Revenue	440	1,154
Administrative expenses	(27,758)	(28,118)
Corporate costs	(71,069)	(52,209)
Depreciation	(1,038)	-
Finance costs	(401)	(1,368)
Exploration and evaluation expenses written off	(13,567)	(15,991)
Directors' remuneration	(10,000)	(15,000)
Loss before income tax	(123,393)	(111,532)
Income tax expense	-	-
Loss attributable to members of the parent entity	(123,393)	(111,532)
Earnings Per Share:		
Overall operations:	Cents per share	Cents per Share
Basic loss per share	(0.35)	(0.35)
Diluted loss per share	(0.30)	(0.29)

This statement is to be read in conjunction with the notes to the financial statements.

MOUNT ROMMEL MINING LIMITED
ACN 005 583 031

CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2008

	CONSOLIDATED ENTITY	
	31 December	30 June
	2008	2008
	\$	\$
Current Assets		
Cash and cash equivalents	53,682	107,980
Trade and other receivables	8,212	10,998
Other current assets	11,032	12,500
Total Current Assets	72,926	131,478
Non Current Assets		
Property, Plant & Equipment	5,781	6,819
Other non-current assets	1,974,675	1,893,573
Total Non-Current Assets	1,980,456	1,900,392
Total Assets	2,053,382	2,031,870
Current Liabilities		
Trade and other payables	27,944	31,702
Borrowings	96,468	12,067
Total Current Liabilities	124,412	43,769
Net Assets	1,928,970	1,988,101
Equity		
Issued Capital	3,090,195	3,025,933
Accumulated losses	(1,161,225)	(1,037,832)
Total Equity	1,928,970	1,988,101

This statement is to be read in conjunction with the notes to the financial statements.

MOUNT ROMMEL MINING LIMITED
ACN 005 583 031

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

CONSOLIDATED	Attributable to equity holders of the parent		
	Issued Capital	Retained Earnings	Total
	\$	\$	\$
At 1 July 2007	2,285,752	(689,875)	1,595,877
Loss for the period	-	(111,532)	(111,532)
Issue of Shares	181,650	-	181,650
Funds Received for Shares to be Issued	242,978		242,978
At 31 December 2007	2,710,380	(801,407)	1,908,973

At 1 July 2008	3,025,933	(1,037,832)	1,988,101
Loss for the period	-	(123,393)	(123,393)
Issue of Shares	64,262	-	64,262
At 31 December 2008	3,090,195	(1,161,225)	1,928,970

This statement is to be read in conjunction with the notes to the financial statements.

MOUNT ROMMEL MINING LIMITED
ACN 005 583 031

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

	CONSOLIDATED ENTITY	
	Half year ended 31 December 2008 \$	Half year ended 31 December 2007 \$
Cash Flows From Operating Activities		
Payments to suppliers and employees	(121,898)	(107,937)
Interest received	440	1,154
	<hr/>	<hr/>
Net cash used in operating activities	(121,458)	(106,783)
	<hr/>	<hr/>
Cash Flows From Investing Activities		
Payments for exploration expenditure	(81,102)	(105,459)
	<hr/>	<hr/>
Net cash used in investing activities	(81,102)	(105,459)
	<hr/>	<hr/>
Cash Flows From Financing Activities		
Proceeds from the issue of shares	64,262	424,628
Repayment to related parties	(6,000)	(28,297)
Proceeds from shareholder loans	90,000	-
	<hr/>	<hr/>
Net cash provided by financing activities	148,262	396,331
	<hr/>	<hr/>
Net Increase (Decrease) in Cash Held	(54,298)	184,089
	<hr/>	<hr/>
Cash and cash equivalents at the beginning of the financial year	107,980	89,852
	<hr/>	<hr/>
Reclassification from cash and cash equivalents to other current assets	-	(5,000)
	<hr/>	<hr/>
Cash and cash equivalents at the end of the financial year	53,682	268,941
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This statement is to be read in conjunction with the notes to the financial statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half-year financial report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

Basis of preparation

The condensed financial statements have been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's 2008 annual financial report for the financial year ended 30 June 2008.

Going Concern

The company has accumulated losses of \$1,161,225 and a net current asset deficiency of \$51,486 at 31 December 2008. Notwithstanding the above, the directors believe that the company will be successful in its future operations and has accordingly prepared the financial report on the going concern basis. The directors are of the opinion that no asset is likely to be realised for an amount less than that recorded in the financial report at 31 December 2008 and as such no adjustment have been made to the financial report relating to the recoverability of assets and classification of the assets and liabilities that might be necessary should the company not continue as a going concern.

The directors have based their opinion on the following:

- the company will be able to obtain continuing support from shareholders to fund its future operations.
-

2. SEGMENT INFORMATION

Mount Rommel Mining Limited operates in the mineral exploration industry within Australia.

The principal activity of the Company during this half year period was –

- at Glenfine Collection of samples in the tailings quality evaluation assessment, to provide background data for the up-coming site management proposals.
- at Allendale Ongoing evaluation south-east part of EL 3821.

3. ISSUE OF EQUITY SECURITIES

During the half year 31 December 2008 period the following share and option issues have taken place:

Shares

- 958,700 options (A) were exercised raising \$27,212.50 through the exercise of 217,700 options at an exercise price of \$0.125 while 741,000 of these options were converted to partly paid shares of \$0.05 raising \$37,050.00

MOUNT ROMMEL MINING LIMITED
ACN 005 583 031

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

During the half-year 31 December 2007 period the following share and option issues took place.

Shares

- The company issued 1,297,500 ordinary shares at an average issue price of \$0.14 raising \$181,650.
- The company received in funds of \$242,977.50 in consideration for shares to be issued subsequent to the half-year end. These shares were issued under the Company's Offer Information Statement dated 31 October 2007.

4. BUSINESS COMBINATIONS

Name of Entity	Country of Incorporation	Ownership Interest	
		31 December 2008 %	31 December 2007 %
Parent Entity			
Mount Rommel Mining	Australia		
Subsidiaries			
Bonshaw Gold Pty Ltd	Australia	100%	100%

There have been no acquisitions or disposals of subsidiaries during the half year.

5. COMMITMENTS

There have been no significant changes in the commitments for the half-year period.

6. EVENTS AFTER THE BALANCE SHEET DATE

Subsequent to the end of the financial year the following significant events have occurred:

- On 30 January 2009, the Company lodged an application for a Work Plan with respect to MIN 5492 at Glenfine. The eventual grant of a Work Authority with respect to this application is likely to have an effect beneficial to shareholders.
- On 6 February 2009, the Company issued 800,000 non-escrowed shares worth \$100,000 at a deemed share price of \$0.125 under a heads of agreement dated February 2008 of which a third party would have to assist the Company in obtaining a mining licence over a potential gold resource at Glenfine.

7. CONTINGENT LIABILITIES

No contingent liabilities existed at the reporting date. Under tenement licences the consolidated entity is required to rehabilitate each licence area to a fair and reasonable state, prior to closing exploration works.