

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

**Financial Statements
for the year ended**

30 June 2009

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 1
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

Stock Exchange Listing

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

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REVIEW OF OPERATIONS

SUMMARY

A year ago the Company was seeking to resolve the perceptions of those persons representing large landowners, Glenfine, so that sands treatment could be progressed for eventual gold recovery.

Since that time, steady progress has been made towards understanding the character of the Glenfine sands worthy of retreatment.

It became clear during this past year that Directors should seek to develop Glenfine in the short term, and defer further work at Clunes or Allendale for the present. This is the present and continuing intention of the Company.

ACHIEVEMENTS

At Glenfine, the Company has –

1. finalised its landowner access agreement;
2. been issued with a permit to operate within a defined part of a registered historic precinct;
3. has (in the quarter to 30/9/2009) confirmed that brackish water suitable only for industrial uses exists below the basalts at Glenfine;
4. completed sufficient tests and trials to warrant processing.

These steps have been achieved at a time when the long-term purchasing power of gold appears to be steadily increasing.

COMMENTS ON CURRENT EVENTS

On 29 May 2009, the Company issued its Replacement OIS, and in doing so amended the OIS of 14 May 2009. The preparation of the Replacement document followed review of the 14 May version by the ASIC, the significant variation being the inclusion of cost estimates (for greater disclosure purposes).

The intent of both original and Replacement documents was to introduce a second means for investors to benefit from a commercial association with this Company, tied directly to the price of physical gold.

At the time of preparation of the OIS for the issue of the Preference Shares (now listed on NSX) the price of gold was taken as US\$910. At the time of writing these comments (11 September 2009) the price of gold had touched US\$1012.

There have been steady increases in the US\$ price of gold since the “low” prices of years 1999 to 2002.

The rise in the US\$ price of gold since 1997 is an indicator of on-going economic uncertainty around the world about paper money and its commodity equivalents.

The practical courses of action (made evident by the Preference share issue) of Directors, Mount Rommel, have unfolded along these lines –

1. work intensively at Glenfine, to seek value where there is the least down-side risk attached to gold-price fluctuations, or risk of operating losses.
2. endeavour to protect the known drilled gold intercepts at Clunes, and
3. from time to time, at modest cost to the Company, continue in the attempts to create opportunities for the Company in the eastern sector, the old Madame Berry goldfield.

Gold is again at around US\$1000 per fine oz. It reached this price in March 2008, and again in late February 2009.

The current prices appear to be coupled with a substantial shift of investor interest by large numbers of people, so much so that it appears gold is currently being thought of outside Australia as “currency” not commodity.

MOUNT ROMMEL MINING LIMITED
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The year ahead offers the good prospect that investors in Mount Rommel Mining Ltd may be seeing a recovery of all the exploration and development costs associated with all its operations to now.

In addition, Preference note-holders should see confirmation that their personal decision to acquire shares converting to physical gold was indeed well-founded in the data on Glenfine published on NSX.

THE YEAR AHEAD

The Directors are moving to meet the commitments of the Company, through the recovery of physical gold from remediation of the sands at Glenfine.

Directors are also looking at ways to replace the tonnes intended to be treated, in preparation for years 2010/2011.

OTHER FACTORS RELEVANT TO PROGRESS

Glenfine (MIN 5492)

On 19 August 2009 the Company was issued a licence to construct and operate a bore for water within MIN 5492. (Licence No.9038883). Contract drillers for the Company have since bored the hole to intersect salty water where anticipated. Directors believe all operations intended for Glenfine can be carried out progressively, internal to the boundaries of MIN 5492. The Work Plan is now being finalised

Clunes (MIN 5391)

Last year Directors were optimistic that the Section 98 Warden's Inquiry would bring about a sensible resolution of a long-standing dispute. This optimism turned out to be unfounded. The following notes explain subsequent events, including current circumstances.

On 14 April 2009 the Company received a letter from Peter Bachelor MP Minister of Energy and Resources, which gave rise for concern. This correspondence was followed by others in May from the Department, and then by advice of the grant of MIN 5414 to another party as an action by the delegate of the Minister (20/7/2009).

The Company has placed these several letters before Warden Swindells, seeking his review of what is now demonstrated to be a departure from the normal process of law. The first hearing on these issues took place on 9 September 2009. The Department successfully constrained the Warden from any enquiry into the decision of the Minister.

The Directors of Mount Rommel anticipate that because this grant of MIN 5414 (surrounding MIN 5391) has been made effective over all private land at Clunes without the normal procedures of public disclosure, it will in due course be questioned by other landowners at Clunes.

Allendale (EL 3821)

In year 2008 the Company drilled a series of holes near Stag Road. The last (short) percussion hole resulted in a number of samples in which gold occurs, at low levels (but anomalous). The conclusion from the work is that low cost drilling should next be applied in stages, to expand this zone of interest. Directors have set aside this program, until such time as an EL 3821 renewal is issued by the Department. The renewal has been delayed pending the supply to DPI by the Company of past technical data (some 10 years old), which is proceeding on a time-table agreed 7 September 2009. These are largely administrative matters which on completion, support the Company application for renewal of EL 3821.

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DIRECTORS' REPORT

The Directors of Mount Rommel Mining Limited submit herewith the annual financial report for the financial year ended 30 June 2009. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

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

DIRECTORS

Mr Frederick L Hunt	Executive Director, Chairman	
Qualifications	MIE Aust, CPEng, MAusIMM	
Experience	Over 35 years operating practice in mining sector.	
Special Responsibilities	Director of prospect development.	
Directorships in listed entities	None	
Interests in Shares and options	Fully Paid Ordinary Shares	2,585,812
	Options expiring 31 August 2010 at 20 cents	100,000
	Fully Paid Preference Share	5
Mr Hamish Hunt	Non-Executive Director	
Qualifications	B.Ap.Sc.Ap.Chem., MRACI	
Experience	Finance Controller of BHM Stainless Group Pty Ltd. An industrial chemist actively participating in manufacturing items for large-scale installations in various heavy industry environments.	
Directorships in listed entities	None	
Interests in Shares and options	Fully Paid Ordinary Shares	841,339
Mr John G Miedecke	Non-Executive Director (appointed 14 January 2008)	
Qualifications	MIE Aust, Dip.CE., Dip.Nat.Res., Dip. Env.St.	
Experience	John Miedecke is a civil and environmental engineer with over 30 years experience in the mining industry within Australia and internationally. He was a founding director of Beaconsfield Gold NL in 1993 and was involved with the reopening of the gold mine and bringing the mine into production. He resigned in 2003 after the Company was re-listed after falling into receivership. He is based in Hobart and operates an environmental and engineering consultancy.	
Directorships in listed entities	None	
Interests in Shares and options	Fully Paid Ordinary Shares	50,000
	Fully Paid Preference Share	1

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DIRECTORS' REPORT (CONT'D)

COMPANY SECRETARY

The following person held the position of company secretary at the end of the financial year:

Ms Melanie Leydin	Company Secretary
Qualifications	B.Bus CA
Experience	Ms Leydin is a Chartered Accountant and principal in a chartered accounting firm specialising in audit and company secretarial services. Ms Leydin has 18 years experience in the accounting profession and is a director and company secretary for a number of oil and gas, junior mining and exploration entities listed on the Australian Stock Exchange.

MEETING OF DIRECTORS

The following table sets out the number of meetings of the Company's Directors during the year ended 30 June 2009 and the number of meetings attended by each Director. During the financial year 3 board meetings were held.

Director	Full Meetings of Directors	
	Held	Attended
Mr Frederick L Hunt	3	3
Mr Hamish Hunt	3	3
Mr John G Miedecke	3	3

Share options on issue at year end or exercised during the year:

Details of unissued ordinary shares of the Company under option at the date of this report are as follows:

Item	Number of Shares under option	Exercise Price of options	Expiry Date of Options
Listed Options (B)	923,333	\$0.20	31 August 2010

The holder of these options does not have the right, by virtue of the option, to participate in any share issue or interest issue of the company.

During the year and up to the date of this report 174,750 listed options (B) lapsed and 923,333 were extended to 31 August 2010.

During the year and up to the date of this report 958,700 options (A) were exercised. 741,000 of these options were converted to partly paid shares of \$0.075.

During the year and up to the date of this report 3,645,218 options (A) lapsed.

DIRECTORS' REPORT (CONT'D)

PRINCIPAL ACTIVITIES

The principal activity of the Company during the greater part of the financial year was supervised evaluation of the remnant sands at Glenfine.

OPERATING RESULTS

The consolidated loss of Mount Rommel Mining Limited and Controlled Entity after providing for income tax was \$285,000 (2008: \$347,957).

REVIEW OF OPERATIONS

During the financial year, significant progress was made by the continuation of sampling at Glenfine (MIN 5492), analysis and related metallurgical evaluation of those samples for contained gold.

DIVIDENDS

The Directors do not recommend payment of a dividend. No dividend has been paid or declared since the commencement of the financial year.

ACHIEVEMENTS AND DEVELOPMENTS

Glenfine

This small area of sands continued 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.

The necessary mix of approvals necessary before site works could commence have been identified, and almost all are now held by the Company.

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.

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DIRECTORS' REPORT (CONT'D)

REMUNERATION REPORT

This report details the nature and amount of remuneration for each director of Mount Rommel Mining Limited and Controlled Entities.

Remuneration Policy

The Board policy is to remunerate Non-Executive Directors and the Chairman at market rates for time, commitment and responsibilities. The Board determines payments to the Non-Executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to Non-Executive Directors and the Chairman is subject to approval by shareholders at the Annual General Meeting.

Fees for Non-Executive Directors are not linked to the performance of Mount Rommel Mining Limited and Controlled Entities. However, to align directors interests with shareholder interests, the directors are encouraged to hold shares in the company.

Key Management Personnel Compensation

The compensation of each member of the key management personnel of the consolidated entity is set out below.

Details of Remuneration for Year Ended 30 June 2009

The remuneration for each Director and each of the five executive officers of the consolidated entity receiving the highest remuneration during the year was as follows:

	Short-term employment benefits	Post- employment	Equity		
	Salary, Fees and Commissions (2) \$	Superannuation Contribution \$	Shares Received as Compensation \$	Options Received as Compensation \$	Total \$
Mr F L Hunt ⁽¹⁾	80,000	-	-	-	80,000
Mr H Hunt	20,000	-	-	-	20,000
Mr J Miedecke	20,000	-	-	-	20,000
Ms M Leydin	25,099	-	-	-	25,099
	145,099	-	-	-	145,099

⁽¹⁾ Mr Hunt also received consulting fees during the period. Refer to Note 20 for further details.

⁽²⁾ Included in short term benefits to Directors is \$50,000 that has been accrued but not yet paid. It is anticipated \$30,000 of this amount owing to the directors will be settled in shares during the 2010 financial year.

Options Issued as Part of Remuneration for the Year Ended 30 June 2009

There were no options issued as part of remuneration for the year ended 30 June 2009.

Shares Issued as Part of Remuneration for the Year Ended 30 June 2009

There were no shares issued as part of remuneration for the year ended 30 June 2009.

DIRECTORS' REPORT (CONT'D)

REMUNERATION REPORT (CONT'D)

Details of Remuneration for Year Ended 30 June 2008

The remuneration for each Director and each of the five executive officers of the consolidated entity receiving the highest remuneration during the year was as follows:

	Short-term employment benefits	Post- employment	Equity		
	Salary, Fees and Commissions \$	Superannuation Contribution \$	Shares Received as Compensation \$	Options Received as Compensation \$	Total \$
Mr F L Hunt ⁽¹⁾	70,000	-	10,000	-	80,000
Mr H Hunt	10,000	-	10,000	-	20,000
Mr J L Venter	7,500	-	10,000	-	17,500
Mr J Miedecke	2,500	-	-	-	2,500
Ms M Leydin	26,700	-	-	-	26,700
	116,700	-	30,000	-	146,700

Options Issued as Part of Remuneration for the Year Ended 30 June 2008

There were no options issued as part of remuneration for the year ended 30 June 2008.

Shares Issued as Part of Remuneration for the Year Ended 30 June 2008

Shares are intended to be issued to Directors and executives as part of their remuneration. The shares are not issued based on performance criteria, but are issued to increase goal congruence between Directors and executives and shareholders and to conserve the cash reserves of the Company.

	Number of Shares allotted	Value of Shares Allotted at allotment date \$	Remuneration Represented by Shares Total %
Directors			
Mr F L Hunt	100,000	10,000	12.50
Mr H Hunt	100,000	10,000	50.00
Mr J L Venter ⁽¹⁾	100,000	10,000	57.15
Mr J Miedecke	-	-	-
	300,000	30,000	

⁽¹⁾ Mr J Venter received the shares for his involvement in Bonshaw Gold Pty Ltd. He resigned as a Director on 31 December 2007.

The shares were issued to the Directors after the Annual General Meeting at \$0.10 per share being the issue price per prospectus.

Employment Contracts of Directors and Senior Executives

The company has no employees and no employment contracts. The directors are remunerated as per the remuneration policy.

DIRECTORS' REPORT (CONT'D)

INDEMNIFICATION OF OFFICERS AND AUDITORS

During or since the financial year the Company has not indemnified or made a relevant agreement to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such an officer or auditor. In addition, the Company has not paid, or agreed to pay, a premium in respect of a contract insuring against a liability incurred by an officer or auditor.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of the Court under Section 327 of the Corporations Act 2001 to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any proceedings during the year.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There were no significant changes in the State of Affairs during the year, except as follows:

- The Company issued an replacement Offer Information Statement seeking to raise a minimum of \$330,000 and a maximum of \$500,000 through the issue of redeemable preference shares at an issue price of \$1,000. On 25 August 2009 the Company issued 334 redeemable preference shares raising \$334,000.

AFTER BALANCE DATE EVENTS

There has not been any matter or circumstance, other than that referred to in Note 25, that has arisen since the end of the financial year, that has significantly affected or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

FUTURE DEVELOPMENTS

Directors seek to minimise the uncertainty inherently associated with gold development. By continuing to base each program of work on gold assay data at Glenfine, Directors seek to progressively position the Company for growth in its scale of operations. At Clunes, the Company seeks clarification of rights to access freehold adjoining MIN5391 for work related purposes.

ENVIRONMENTAL AND OTHER REGULATIONS

The economic entity's operations are regulated by environmental regulation under the laws of the State of Victoria. The State of Victoria require the tenement holder to comply with certain terms of the grant of the tenement and all directions given to it under those terms of the tenement. There have been no known breaches of the entity's tenement conditions, and no such breaches have been notified by any government agencies during the year ended 30 June 2009.

The Company holds an approval from Heritage Victoria for 'consent to disturb' as a first step in the exploratory development at Clunes.

NON-AUDIT SERVICES

The Directors are satisfied that were it required, the provision of non-audit services, during any year by the auditor (or by another person or firm on the auditor's behalf) would be compatible with the general standards of independence for auditors imposed by the Corporations Act 2001.

There were no non-audit services provided by the Company's auditor during the year to 30 June 2009.

DIRECTORS' REPORT (CONT'D)

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 12.

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

30 September 2009

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

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2009 there have been:

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

MSI Ragg Weir

MSI RAGG WEIR
Chartered Accountants

L.S. Wong

L.S. WONG
Partner

Melbourne: *30 September 2009*

MOUNT ROMMEL MINING LIMITED
ACN 005 583 031

DIRECTORS' DECLARATION

The directors declare that:

1. The financial statements and notes, as set out on pages 16 to 44 and the remuneration disclosures on page 8 to 9:
 - (a) comply with accounting standards and are in accordance with the Corporations Act 2001, and
 - (b) give a true and fair view of the financial position as at 30 June 2009 and performance for the year ended on that date of the company; and
2. The Chief Executive Officer and Chief Finance Officer have each declared that:
 - (a) the financial records of the company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;
 - (b) the financial statements and notes for the financial year comply with the Accounting Standards; and
 - (c) the financial statements and notes for the financial year give a true and fair view.
3. 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.

Signed in accordance with a resolution of the directors made pursuant to s.295(5) of the Corporations Act 2001.

On behalf of the Directors



Frederick L Hunt
Director

30 September 2009

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

We have audited the accompanying financial report of Mount Rommel Mining Limited (the company) and Mount Rommel Mining Limited and controlled entities (the consolidated entity), which comprises the balance sheet as at 30 June 2009, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

As permitted by the Corporations Regulations 2001, the company has disclosed information about the remuneration of directors and executives (remuneration disclosures) required by Accounting Standard AASB 124: Related Party Disclosures under the heading Remuneration Report of the Directors' Report and not in the financial report.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes designing, implementing 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. In Note 1 the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that compliance with Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial report, comprising the financial statements and notes, complies with IFRS. The directors are also responsible for the remuneration disclosures contained in the directors' report in accordance with Corporations Regulations 2001.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement and that the remuneration disclosures comply with Accounting Standard AASB 124: Related Party Disclosures.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report and the remuneration disclosures in the directors' report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

Auditor's opinion

In our opinion:

- (a) the financial report of Mount Rommel Mining Limited and controlled entities is in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2009 and of their performance for the year ended on that date;
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;
- (b) the financial report complies with International Financial Reporting Standards as disclosed in Note 1; and
- (c) the remuneration disclosures contained in the directors' report comply with Accounting Standard AASB 124: Related Party Disclosures.

Significant Uncertainty Regarding Outcome of License Renewal

Without qualification to the opinion expressed above, we draw attention to Note 13 to the financial statements. As at 30 June 2009, \$756,509 and \$1,023,517 of exploration costs have been capitalised for exploration in Clunes (MIN 5391) and Allandale (EL 3821) respectively. The exploration rights expired during the year and the Company has lodged the applications for the renewal of exploration rights. Pursuant to the Mineral Resources (Sustainable Development) Act 1990, a licence continues in operation until the application is granted and registered or refused. No impairment has therefore been made against these exploration costs. Both licences are subject to further assessment by the Department Primary Industries as disclosed in the Directors' Report.

MSI Ragg Weir

MSI RAGG WEIR
Chartered Accountants

L.S. Wong

L.S. WONG
Partner

Melbourne 30 September 2009

MOUNT ROMMEL MINING LIMITED
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INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009

		Consolidated		Parent	
	Note	2009	2008	2009	2008
		\$	\$	\$	\$
Other Revenue	3	2,143	8,146	2,143	8,146
Administrative expenses		(51,018)	(70,365)	(51,018)	(70,365)
Corporate costs		(124,953)	(88,364)	(124,953)	(88,364)
Finance costs		(23,135)	(3,073)	(23,135)	(3,073)
Exploration and evaluation expenses written off		(3,962)	(73,331)	-	(4,304)
Directors remuneration		(82,000)	(120,000)	(82,000)	(120,000)
Depreciation		(2,075)	(970)	(2,075)	(970)
Write off of subsidiary receivable		-	-	(3,962)	(69,027)
Loss Before Income Tax	4	(285,000)	(347,957)	(285,000)	(347,957)
Income tax expense	5	-	-	-	-
Loss for the year		(285,000)	(347,957)	(285,000)	(347,957)
		Cents per Share	Cents per Share		
Loss per Share					
Basic Loss per share	23	(0.72)	(1.01)		
Diluted Loss per share	23	(0.72)	(1.01)		

The accompanying notes form part of these financial statements.

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BALANCE SHEET
AS AT 30 JUNE 2009

		Consolidated		Parent	
	Note	2009	2008	2009	2008
		\$	\$	\$	\$
Current Assets					
Cash and cash equivalents	8	130,223	107,980	130,213	107,970
Trade and other receivables	9	9,241	10,998	9,241	10,998
Other current assets	10	10,750	12,500	10,750	12,500
Total Current Assets		150,214	131,478	150,204	131,468
Non-Current Assets					
Property, plant and equipment	11	4,744	6,819	4,744	6,819
Other financial assets	12	-	-	505	505
Other non-current assets	13	2,124,540	1,893,573	2,124,045	1,893,078
Total Non-Current Assets		2,129,284	1,900,392	2,129,294	1,900,402
Total Assets		2,279,498	2,031,870	2,279,498	2,031,870
Current Liabilities					
Trade and other payables	14	107,428	31,702	107,428	31,702
Borrowings	15	118,182	12,067	118,182	12,067
Total Current Liabilities		225,610	43,769	225,610	43,769
Non-current Liabilities					
Other non-current liabilities	16	168,000	-	168,000	-
Total Non-current Liabilities		168,000	-	168,000	-
Total Liabilities		393,610	43,769	393,610	43,769
Net Assets		1,885,888	1,988,101	1,885,888	1,988,101
Equity					
Issued Capital	17	3,208,720	3,025,933	3,208,720	3,025,933
Accumulated losses		(1,322,832)	(1,037,832)	(1,322,832)	(1,037,832)
Total Equity		1,885,888	1,988,101	1,885,888	1,988,101

The accompanying notes form part of these financial statements.

MOUNT ROMMEL MINING LIMITED
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**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2009**

	Issued Capital	Retained Earnings	Total
CONSOLIDATED	\$	\$	\$
At 1 July 2007	2,285,752	(689,875)	1,595,877
Loss for the period	-	(347,957)	(347,957)
Total recognised income and expense for the year	2,285,752	(1,037,832)	1,247,920
Exercise of Options	5,000	-	5,000
Issue of Shares	751,340	-	751,340
Costs of Capital Raising	(16,159)	-	(16,159)
At 30 June 2008	3,025,933	(1,037,832)	1,988,101

At 1 July 2008	3,025,933	(1,037,832)	1,988,101
Loss for the period		(285,000)	(285,000)
Total recognised income and expense for the year	3,025,933	(1,322,832)	1,703,101
Issue of Shares	182,787	-	182,787
At 30 June 2009	3,208,720	(1,322,832)	1,885,888

	Issued Capital	Retained Earnings	Total
PARENT	\$	\$	\$
At 1 July 2007	2,285,752	(689,875)	1,595,877
Loss for the period	-	(347,957)	(347,957)
Total recognised income and expense for the year	2,285,752	(1,037,832)	1,247,920
Exercise of Options	5,000	-	5,000
Issue of Shares	751,340	-	751,340
Costs of Capital Raising	(16,159)	-	(16,159)
At 30 June 2008	3,025,933	(1,037,832)	1,988,101

At 1 July 2008	3,025,933	(1,037,832)	1,988,101
Loss for the period		(285,000)	(285,000)
Total recognised income and expense for the year	3,025,933	(1,322,832)	1,703,101
Issue of Shares	182,787	-	182,787
At 30 June 2009	3,208,720	(1,322,832)	1,885,888

The accompanying notes form part of these financial statements.

MOUNT ROMMEL MINING LIMITED
ACN 005 583 031

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2009

	Note	Consolidated		Parent	
		2009	2008	2009	2008
		\$	\$	\$	\$
Cash flows from operating activities					
Receipts from customers		-	-	-	-
Payments to suppliers and employees		(178,738)	(313,014)	(178,738)	(313,014)
Interest received		2,143	8,146	2,143	8,146
		<hr/>			
Net cash used in operating activities	21	(176,595)	(304,868)	(176,595)	(304,868)
Cash flows from investing activities					
Exploration expenditure		(134,929)	(338,258)	(134,929)	(288,401)
Payments to subsidiaries		-	-	-	(49,857)
Payment for property, plant and equipment		-	(7,789)	-	(7,789)
		<hr/>			
Net cash used from investing activities		(134,929)	(346,047)	(134,929)	(346,047)
Cash flows from financing activities					
Proceeds from the issue of shares		82,787	721,341	82,787	721,341
Payments for share issue costs		-	(16,160)	-	(16,160)
Proceeds from offer information statement		168,000	-	168,000	-
Proceeds from shareholder loan		90,000	-	90,000	-
Repayment to related parties		(7,020)	(36,138)	(7,020)	(36,138)
Proceeds from exercise of options		-	5,000	-	5,000
		<hr/>			
Net cash flows from financing activities		333,767	674,043	333,767	674,043
		<hr/>			
Net Increase/(Decrease) in Cash Held		22,243	23,128	22,243	23,128
Cash and cash equivalents at beginning of the financial year		107,980	89,852	107,970	89,842
Reclassification from cash and cash equivalents to other current assets		-	(5,000)	-	(5,000)
		<hr/>			
Cash and cash equivalents at the end of the financial year	8	130,223	107,980	130,213	107,970
		<hr/>			

The accompanying notes form part of these financial statements.

MOUNT ROMMEL MINING LIMITED
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Corporate Information

Mount Rommel Mining Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the National Stock Exchange of Australia.

Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards, Australian Accounting interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report includes the separate financial statements of the company and the consolidated financial statements of the Group.

Accounting Standards include Australian equivalents to International Financial Reporting Standards ('A-IFRS'). Compliance with A-IFRS ensures that the financial statements and notes of the company and the Group comply with International Financial Reporting Standards ('IFRS').

The financial statements were authorised for issue by the Directors on 29 September 2009.

Basis of preparation

The financial report has been prepared on the basis of historical cost except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2009.

Adoption of new and revised Accounting Standards

In the current year, the Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period.

Critical Accounting Judgments and Key Sources of Estimation Uncertainty

In the application of the Group's accounting policies, which are described in note 1, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affect both current and future periods.

Refer to Note 2 for a discussion of critical judgements in applying the entity's accounting policies and key sources of estimation uncertainty.

Principals of Consolidation

A controlled entity is any entity Mount Rommel Mining Limited has the power to control the financial and operational policies of so as to obtain benefits from its activities.

All inter-company balances and transactions between entities in the economic entity, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES cont'

Where controlled entities have entered or left the economic entity during the year, their operational results have been included/excluded from the date control was obtained or until the date control ceased.

Minority equity interests in the equity and results of the entities that are controlled are shown as a separate item in the consolidated financial report.

Significant accounting policies

The following significant accounting policies have been adopted in the preparation and presentation of the year financial report:

(a) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

(b) Financial instruments issued by the company

Transaction costs on the issue of equity instruments

Transaction costs arising on the issue of equity instruments are recognised directly in equity as a reduction of the proceeds of the equity instruments to which the costs relate. Transaction costs are the costs that are incurred directly in connection with the issue of those equity instruments and which would not have been incurred had those instruments not been issued.

Interest and dividends

Interest and dividends are classified as expenses or as distributions of profit consistent with the balance sheet classification of the related debt or equity instruments or component parts of compound instruments.

(c) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- ii. for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(d) Impairment of assets

At each reporting date, the entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES cont'

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years.

A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

(e) Income tax

Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax

Deferred tax is accounted for using the comprehensive balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, branches, associates and joint ventures except where the consolidated entity is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with these investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

(f) Exploration Expenditure

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

- (i) the rights to tenure of the area of interest are current; and
- (ii) at least one of the following conditions is also met:
 - (a) the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or
 - (b) exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES cont'

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortisation of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (or the cash-generating unit(s) to which it has been allocated, being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision is made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to exploratory development.

(g) Financial Assets

Investments are recognised and derecognised on trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the time frame established by the market concerned, and are initially measured at fair value, net of transaction costs except for those financial assets classified as at fair value through profit or loss which are initially measured at fair value.

Subsequent to initial recognition, investments in subsidiaries are measured at cost in the company financial statements. Subsequent to initial recognition, investments in associates are accounted for under the equity method in the consolidated financial statements and the cost method in the company financial statements.

Other financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss', 'held-to-maturity investments', 'available-for-sale' financial assets, and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed at each balance sheet date for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset the estimated future cash flows of the investment have been impacted.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES cont'

to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

(h) Plant and Equipment

Plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and accumulated impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including capitalised lease assets is depreciated on a straight-line basis over their useful lives to the economic entity commencing from the time the asset is held for use.

The depreciation rates used for each class of depreciable assets are:

<i>Class of Fixed Asset</i>	<i>Depreciation</i>
Plant and equipment	40%
Leased assets	23%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(i) Share-Based Payments

Equity-settled share-based payments with employees and others providing similar services are measured at the fair value of the equity instrument at the grant date. Fair value is measured by use of a binomial model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations. Further details on how the fair value of equity-settled share-based transactions has been determined can be found in the Remuneration Report.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest.

The above policy is applied to all equity-settled share-based payments that were granted after 7 November 2002 that vested after 1 January 2005. No amount has been recognised in the financial statements in respect of the other equity-settled share-based payments.

MOUNT ROMMEL MINING LIMITED
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES cont'

(j) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cashflows estimated to settle the present obligation, its carrying amount is the present value of those cashflows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

At the present date, no such obligation exists.

(k) Revenue

Revenue is measured at the fair value of the consideration received or receivable.

Interest Revenue

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

(l) Standards and Interpretations issued not yet effective

At the date of authorisation of the financial report, certain Standards and Interpretations were in issue but not yet effective. These standards and Interpretations have not been adopted in the preparation of the financial report for 30 June 2009.

Initial application of the following Standards will not affect any of the amounts recognised in the financial report, but will change the disclosures presently made in relation to the Group and the company's financial report in the future.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
<ul style="list-style-type: none"> AASB 101 'Presentation of Financial Statements' (revised September 2007), AASB 2007-8 'Amendments to Australian Accounting Standards arising from AASB 101' 	Effective for annual reporting periods beginning on or after 1 January 2009	30 June 2010
<ul style="list-style-type: none"> AASB 8 'Operating Segments', AASB 2007-3 'Amendments to Australian Accounting Standards arising from AASB 8' 	Effective for annual reporting periods beginning on or after 1 January 2009	30 June 2010

Initial application of the following Standards and Interpretations is not expected to have any material impact on the financial report of the Group and the company:

<ul style="list-style-type: none"> AASB 123 'Borrowing Costs' (revised), AASB 2007-6 'Amendments to Australian Accounting Standards arising from AASB 123' 	Effective for annual reporting periods beginning on or after 1 January 2009	30 June 2010
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MOUNT ROMMEL MINING LIMITED
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Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
<ul style="list-style-type: none"> AASB 3 'Business Combinations' (2008), AASB 127 'Consolidated and Separate Financial Statements' and AASB 2008-3 'Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127' 	AASB 3 (business combinations occurring after the beginning of annual reporting periods beginning 1 July 2009) AASB 127 and AASB 2008-3 (1 July 2009)	30 June 2010
<ul style="list-style-type: none"> AASB 2008-1 'Amendments to Australian Accounting Standard – Share-based payments: Vesting Conditions and Cancellations' 	Effective for annual reporting periods beginning on or after 1 January 2009	30 June 2010
<ul style="list-style-type: none"> AASB 2008-5 'Amendments to Australian Accounting Standards arising from the Annual Improvements Process' 	Effective for annual reporting periods beginning on or after 1 January 2009	30 June 2010
<ul style="list-style-type: none"> AASB 2008-6 'Further Amendments to Australian Accounting Standards arising from the Annual Improvements Process' 	Effective for annual reporting periods beginning on or after 1 July 2009	30 June 2010
<ul style="list-style-type: none"> AASB 2008-7 'Amendments to Australian Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate' 	Effective for annual reporting periods beginning on or after 1 January 2009	30 June 2010

Going Concern

The company has accumulated losses of \$1,322,832 and a net current asset deficiency of \$75,396 at 30 June 2009. 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 30 June 2009 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 able to obtain continuing support from shareholders to fund its future operations.

2. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Estimation of useful lives of Plant and Equipment

The estimation of useful lives of plant and equipment has been based on historical experience as well as manufacturers' warranties (for plant and equipment) and software developers' support and maintenance programs (operating computer software and intangible computer software). Adjustments to useful lives are made when considered necessary and reviewed at each balance date as stated in Note 1(h). Depreciation and amortisation charges as well as estimated lives are included in Notes 1(h) and 11.

MOUNT ROMMEL MINING LIMITED
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 30 JUNE 2009

	Consolidated		Parent	
	2009	2008	2009	2008
	\$	\$	\$	\$
3. REVENUE				
Non-operating activities				
Interest revenue - other entities	2,143	8,146	2,143	8,146
4. PROFIT/(LOSS) FOR THE YEAR				
Profit/(loss) for the year has been arrived at after crediting/(charging) the following gains and losses:				
Exploration expenses				
Exploration expenses written off	3,962	73,331	3,962	4,304
Employee benefits expenses				
Directors fees ⁽¹⁾	82,000	90,000	82,000	90,000
Equity settled share based payments	-	30,000	-	30,000
	82,000	120,000	82,000	120,000
Write off of subsidiary loan receivable	-	-	-	69,027
Interest paid on director related loan	22,500	-	22,500	-
Interest paid on director related loan	635	3,073	635	3,073
	23,135	3,073	23,135	3,073

(1): \$38,000 of Directors fees has been classified as exploration expenditure

MOUNT ROMMEL MINING LIMITED
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 30 JUNE 2009

	Consolidated		Parent	
	2009	2008	2009	2008
	\$	\$	\$	\$
5. INCOME TAX EXPENSE				
(a) The components of tax expense comprise:				
Current Tax	-	-	-	-
Deferred Tax	-	-	-	-
	-	-	-	-
(b) The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:				
	(285,000)	(347,957)	(285,000)	(347,957)
Prima Facie Tax payable on Profit from ordinary activities before income tax at 30% (2008 30%)	(85,500)	(104,387)	(85,500)	(104,387)
Add Tax effect of:				
- Various Permanent Differences	-	-	-	20,708
- Other timing differences	15,075	2,925	15,075	2,925
- Equity Raising Costs Written-Off	12,902	-	12,902	-
- Intercompany Loan Write-Off	-	20,708	-	-
- Exploration Expenditure Written-Off	1,189	21,999	1,189	1,291
	(56,334)	(58,755)	(56,334)	(79,463)
Less Tax effect of:				
- Capitalised deductible exploration expenditure	(70,479)	(101,477)	(70,479)	(86,520)
- Equity raising costs not recognised	(12,975)	(10,395)	(12,975)	(10,395)
	(139,788)	(170,627)	(139,788)	(176,378)
Add: Income tax losses carried forward not taken up as a benefit	139,788	170,627	139,788	176,378
Income Tax Expense/(Benefit)	-	-	-	-
- Tax Losses	1,003,054	660,723	1,003,054	660,723
- Timing Differences	(648,565)	(542,154)	(648,268)	(542,006)
	354,489	118,569	354,786	118,717

Future income tax benefits not brought to account. The following benefits will only be realised if:

- (i) the consolidated entity derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised.
- (ii) the consolidated entity continues to comply with the conditions for deductibility imposed by law and
- (iii) no changes in tax legislation adversely affect the consolidated entity in realising the benefit

MOUNT ROMMEL MINING LIMITED
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 30 JUNE 2009

6. KEY MANAGEMENT PERSONNEL COMPENSATIONS

a) Names and positions held of economic and parent entity key management personnel in office at any time during the financial year.

Mr F Hunt	Chairman, Executive Director
Mr H Hunt	Non-Executive Director
Mr J Miedecke	Non-Executive Director
Ms M Leydin	Company Secretary

b) Key Management Personnel Compensation for 2008 and 2009

The aggregate compensation of the key management personnel of the consolidated entity and the company is set out below:

	Consolidated		Parent	
	2009	2008	2009	2008
	\$	\$	\$	\$
Short-term employment benefits	145,099	116,700	145,099	116,700
Post employment benefits	-	-	-	-
Other long-term benefits	-	-	-	-
Termination benefits	-	-	-	-
Share based payments	-	30,000	-	30,000
	145,099	146,700	145,099	146,700

Refer to the Remuneration Report contained within the Directors Report for details of remuneration per director

c) Option holding by Key Management Personnel

	Balance 1.7.2008	Granted as Compensation	Options Exercised/ Lapsed	Purchased	Balance 30/06/2009	Total Vested
Mr F Hunt	100,000	-	-	-	100,000	100,000
Mr H Hunt	-	-	-	-	-	-
Mr J Miedecke	-	-	-	-	-	-
	100,000	-	-	-	100,000	100,000
Mr F Hunt					100,000	-
Mr H Hunt					-	-
Total					100,000	-

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 30 JUNE 2009

6. KEY MANAGEMENT PERSONNEL COMPENSATIONS (CONT'D)

	Balance 1.7.2007	Granted as Compensation	Options Exercised/ Lapsed	Purchased	Balance 30/06/2008	Total Vested
Mr F Hunt	-	-	-	100,000	100,000	100,000
Mr H Hunt	270,600	-	(270,600)	-	-	-
Mr J Venter	-	-	-	-	-	-
Mr J Miedecke	-	-	-	-	-	-
	270,600	-	(270,600)	100,000	100,000	100,000

	Total Exercisable	Total Unexercisable
Mr F Hunt	100,000	-
Mr H Hunt	-	-
Total	100,000	-

d) Share holdings by Key Management Personnel

	Balance 1.7.2008	Received as Remuneration	Options Exercised	Net Change Other	Balance 30.6.2009
Mr F Hunt	2,585,812	-	-	-	2,585,812
Mr H Hunt	841,339	-	-	-	841,339
Mr J Miedecke	50,000	-	-	-	50,000
	3,477,151	-	-	-	3,477,151

	Balance 1.7.2007	Received as Remuneration	Options Exercised	Net Change Other	Balance 30.6.2008
Mr F Hunt	2,085,814	100,000	-	400,000 ⁽²⁾	2,585,812
Mr H Hunt	741,339	100,000	-	-	841,339
Mr J Venter	97,619	100,000	-	(197,619) ⁽¹⁾	-
Mr J Miedecke	50,000	-	-	-	50,000
	2,974,772	300,000	-	202,381	3,427,151

⁽¹⁾ resigned as a Director 31 December 2007

⁽²⁾ These shares were purchased in accordance with the company's prospectus dated February 2006.

Consolidated		Parent	
2009	2008	2009	2008
\$	\$	\$	\$

7. AUDITORS REMUNERATION

Auditing or reviewing the financial report:

- MSI Ragg Weir	15,000	14,500	15,000	14,500
Offer Information Statement				
- MSI Ragg Weir	7,000	-	7,000	-
	22,000	14,500	22,000	14,500

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 30 JUNE 2009

	Consolidated		Parent	
	2009	2008	2009	2008
	\$	\$	\$	\$
8. CASH AND CASH EQUIVALENTS				
Cash at bank	105,574	85,032	105,564	85,022
Short term deposits	24,649	22,948	24,649	22,948
	130,223	107,980	130,213	107,970

Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:

Cash and cash equivalents	130,223	107,980	130,213	107,970
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9. TRADE AND OTHER RECEIVABLES

GST receivable	9,241	10,998	9,241	10,998
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10. OTHER CURRENT ASSETS

Prepayments	5,750	7,500	5,750	7,500
Security bonds	5,000	5,000	5,000	5,000
	10,750	12,500	10,750	12,500

11. PROPERTY PLANT AND EQUIPMENT

Freehold land - at cost ⁽¹⁾	2,600	2,600	2,600	2,600
Office equipment	5,189	5,189	5,189	5,189
Less: Accumulated Depreciation	(3,045)	(970)	(3,045)	(970)
	2,144	4,219	2,144	4,219
Property, plant and equipment	4,744	6,819	4,744	6,819

⁽¹⁾ Purchase of 2 tenant in common interests (Clunes)

Movement in Carrying Value

Carrying amount at beginning of the year	6,819	-	6,819	-
Additions	-	7,789	-	7,789
Depreciation expense	(2,075)	(970)	(2,075)	(970)
Carrying amount at end of the year	4,744	6,819	4,744	6,819

MOUNT ROMMEL MINING LIMITED
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 30 JUNE 2009

	Consolidated		Parent	
	2009	2008	2009	2008
	\$	\$	\$	\$
12. OTHER FINANCIAL ASSETS				
<u>Investments carried at cost</u>				
Non-Current				
Investments in subsidiaries	-	-	505	505
	-	-	505	505
Disclosed in the financial statements as:				
Current other financial assets	-	-	-	-
Non-current other financial assets	-	-	505	505
	-	-	505	505
13. OTHER NON-CURRENT ASSETS				
Costs carried forward in respect of areas of interest in:				
- exploration and evaluation stage	1,900,737	1,893,573	1,900,242	1,893,078
- development phase	223,803	-	223,803	-
	2,124,540	1,893,573	2,124,045	1,893,078
<i>Reconciliation of deferred exploration and evaluation costs</i>				
Balance at beginning of year	1,893,573	1,628,646	1,893,078	1,608,981
Current year expenditure	234,929	338,258	234,929	288,401
Reallocation to development phase expenditure	(223,803)	-	(223,803)	-
Write-off during the year	(3,962)	(73,331)	(3,962)	(4,304)
Balance at end of year	1,900,737	1,893,573	1,900,242	1,893,078
<i>Reconciliation of deferred development costs</i>				
Balance at beginning of year	-	-	-	-
Current year expenditure	-	-	-	-
Reallocation from exploration phase expenditure	223,803	-	223,803	-
Write-off during the year	-	-	-	-
Balance at end of year	223,803	-	223,803	-

Recoverability of the carrying amount of exploration assets is dependent upon the successful exploration and sale of resources.

Capitalised cost of \$134,929 (2008: \$338,258) have been included in consolidated cash flows from investing activities in the cash flow statement.

Allendale (EL 3821)

At the date of this report the exploration reporting for tenement (EL 3821) was under review by the Department. EL 3821 is likely to be renewed subsequent to the supply of past technical data.

Clunes (MIN 5391)

At the date of this report the mining tenement (MIN 5391) was in pendency and it is anticipated to be renewed.

MOUNT ROMMEL MINING LIMITED
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 30 JUNE 2009

	Consolidated		Parent	
	2009	2008	2009	2008
	\$	\$	\$	\$
14. TRADE AND OTHER PAYABLES				
Balance at beginning of year	-	-	-	-
Current year expenditure	-	-	-	-
Reallocation from exploration phase expenditure	223,803	-	223,803	-
Write-off during the year	-	-	-	-
Balance at end of year	223,803	-	223,803	-

⁽¹⁾ Total amount payable inclusive of Director's fees and equity based remuneration accrued for the financial year.

15. BORROWINGS

13. TRADE AND OTHER PAYABLES

Current

Trade Payables	41,538	21,952	41,538	21,952
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- (a) Amounts repayable to Director. Interest is being charged on the outstanding loan balance at 8.5% per annum calculated on the daily balance.
- (b) Amounts repayable to shareholders. Interest is applicable on the loan amount and is included in the carrying amount of the loan.

16. OTHER NON-CURRENT LIABILITIES

Offer Information Statement monies received	168,000	-	168,000	-
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The monies received from the Company's replacement Offer Information Statement represent the monies to be converted to redeemable preference shares.

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 30 JUNE 2009

	Consolidated		Parent	
	2009	2008	2009	2008
	\$	\$	\$	\$
17. ISSUED CAPITAL				
(a) Ordinary Shares				
38,161,089 fully paid ordinary shares (2008:				
37,143,389)	3,208,720	3,025,933	3,208,720	3,025,933

Fully paid ordinary shares carry one vote per share and carry the right to dividends. Changes to the Corporations' Law abolished the authorised capital and par value concept in relation to the Share Capital from 1 July 1998. Therefore, the Company does not have a limited amount of authorised capital and issued shares do not have a par value.

	No. of Shares	\$
Balance at 1 July 2007	31,144,569	2,285,752
Issue of shares	5,973,820	751,340
Issue of shares from exercise of options	25,000	5,000
Less: Costs of capital raising	-	(16,159)
Balance 30 June 2008	37,143,389	3,025,933
Issue of shares	800,000	100,000
Issue of shares from exercise of options	217,700	27,212
Transfer of partly paid balance	-	55,575
Balance 30 June 2009	38,161,089	3,208,720

(c) Partly Paid Ordinary Shares

During the year 741,000 options with an exercise price of \$0.125 and expiry date of 28 August 2008 were converted to partly paid ordinary shares.

	No. of Shares	2008 \$
Balance at 1 July 2008	-	-
7.5 cent call on partly paid shares	741,000	55,575
Balance at 30 June 2009	741,000	55,575

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 30 JUNE 2009

(c) Listed options

Mount Rommel Mining Limited has the following listed options on issue at 30 June 2009:

- (i) 1,094,803 options at an exercise price of \$0.20 exercisable on or before 31 August 2010.

	2009 No.	2008 No.
Balance at beginning of the financial year	1,094,083	-
Lapsed during the year	(174,750)	-
Granted during the financial year	-	1,094,083
Balance at end of the financial year	923,333	1,094,083

The Options entitle the holder to subscribe for one ordinary share in Mount Rommel Mining Limited upon the payment of \$0.20. The options will lapse at 5.00pm (AEST) on 31 August 2010. The options are transferable. The options carry neither rights to dividends nor voting rights.

- (ii) During the year the following options were exercised, lapsed and converted into partly paid ordinary shares:

	2009 No.	2008 No.
Balance at beginning of the financial year	4,603,918	5,888,668
Exercised during the financial year – Series 1	(217,700)	(25,000)
Converted into partly paid ordinary shares	(741,000)	-
Lapsed during the financial year – Series 1	(3,645,218)	(1,259,750)
Balance at end of the financial year	-	4,603,918

The Options entitled the holder to subscribe for one ordinary share in Mount Rommel Mining Limited upon the payment of \$0.20. The options lapse at 5.00pm (AEST) on 28 August 2008. The options are transferable. The options carry neither rights to dividends nor voting rights.

(d) Terms and Conditions of Contributed Equity

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 30 JUNE 2009

Consolidated		Parent	
2009	2008	2009	2008
\$	\$	\$	\$

18. COMMITMENTS FOR EXPENDITURE

(a) Exploration Tenements – Commitments for Exploration

In order to maintain current rights of tenure for tenements, the Company and economic entity is required to meet the minimum requirements requirements of the Victorian Department of Primary Industries. Where a tenement has pendency under a valid renewal application, expenditure may continue. The expenditure is not provided in the accounts and are payable:

Not later than one year*	-	18,000	-	18,000
Later than one year but not later than five	-	37,800	-	37,800
Later than five years	-	-	-	-
	-	55,800	-	55,800

**Refers to Tourello (renewed 28 February 2008)*

Allendale (EL 3821)

At the date of this report the exploration reporting for tenement (EL 3821) was under review by the Department. EL 3821 is likely to be renewed subsequent to the supply of past technical data.

Clunes (MIN 5391)

At the date of this report the mining tenement (MIN 5391) was in pendency and it is anticipated to be renewed.

(b) Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements

Not later than one year	-	4,400	-	4,400
Later than one year but not later than five	-	-	-	-
Later than five years	-	-	-	-
	-	4,400	-	4,400

Core shed – The core shed lease was a non-cancellable lease with a one year term, with rent payable monthly in advance. Rental provisions within the lease agreement require the minimum lease payments to be increased in accordance with the review of “rent to market” on the date specified in the rental agreement. The present rental is \$585 per month. Other rented facilities were terminated within calendar year 2009.

19. SEGMENT REPORTING

The company operated predominately as an explorer for base and precious metals, within Australia.

MOUNT ROMMEL MINING LIMITED
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 30 JUNE 2009

20. RELATED PARTY DISCLOSURES

Transactions between related parties are on normal commercial terms and conditions no more favorable than those available to other parties unless otherwise stated.

Transactions with controlled entities

During the year Mount Rommel Mining Limited, in the normal course of business, entered into transactions with its controlled entities, Bonshaw Gold Pty Ltd.

Aggregate amounts receivable from these entities is included in Note 12.

Transactions with Director Related Entities

During the year the Company paid Mr Fred Hunt \$60,000 (2008: \$60,000) for consulting services in relation to license compliance and technical drawings.

Transactions with Director Related Entities

	Consolidated		Parent	
	2009	2008	2009	2008
	\$	\$	\$	\$
Loan from Frederick L Hunt	5,682	12,067	5,682	12,067

The loan is unsecured with no defined repayment attracting an interest rate of 8.5% p.a. on the daily balance. The loan represents funds advanced by the director to ensure that the company is able to continue as a going concern and pay its debts as and when they fall due.

Loan interest accrued and included in the above balance for the year.

	635	3,073	635	3,073
Rent paid to BHM Stainless Group Pty Ltd	9,000	9,000	9,000	9,000

Hamish Hunt is a director and shareholder in the company BHM Stainless Group Pty Ltd that receives income in relation to the provision of administration services and offices to the company, on a casual monthly basis.

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 30 JUNE 2009

	Consolidated		Parent	
	2009	2008	2009	2008
	\$	\$	\$	\$
21. NOTES TO THE STATEMENT OF CASH FLOWS				
Reconciliation of Operating Profit/(Loss) After Income Tax to Net Cash Flows From Operating Activities:				
Operating Profit/(Loss) after income tax	(285,000)	(347,957)	(285,000)	(347,957)
Non-Cash Activities:				
Share Based Payments	-	30,000	-	30,000
Exploration cost written off	3,962	73,331	3,962	4,304
Write-off of intercompany receivable	-	-	-	69,027
Interest on Directors loan	635	3,073	635	3,073
Interest on shareholder loan	22,500	-	22,500	-
Depreciation	2,075	970	2,075	970
Changes in net assets:				
Decrease in trade and other receivables	3,507	27,913	3,507	27,913
Increase/(Decrease) in payables	75,726	(92,198)	75,726	(92,198)
Net Cash used in operating activities	(176,595)	(304,868)	(176,595)	(304,868)

Guarantee Facilities

The company currently has no financial guarantee facilities in place.

Non-cash finance and investing activities

During the financial year the Company issued 800,000 fully paid ordinary shares in consideration for services rendered by a third party at Glenfine. The value of the debts settled in consideration for these share issues was \$100,000.

During the previous financial year the Company issued 300,000 fully paid ordinary shares in consideration for services rendered by Directors and other parties. The value of the debts settled in consideration for these share issues was \$30,000.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 30 JUNE 2009

22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The consolidated entity's principal financial instruments comprise cash and cash equivalents.

The main purpose of these financial instruments is to finance the consolidated entity's operations. The consolidated entity has various other financial assets and liabilities such as receivables and trade payables, which arise directly from its operations. It is, and has been throughout the entire period, the consolidated entity's policy that no trading in financial instruments shall be undertaken.

The main risks arising from the consolidated entity's financial instruments are cash flow interest rate risk. Other minor risks are summarised below. The Board reviews and agrees policies for managing each of these risks.

(a) Cash flow interest rate risk

The consolidated entity's exposure to the risks of changes in market interest rates relates primarily to the consolidated entity's short-term deposits with a floating interest rate. These financial assets with variable rates expose the consolidated entity to cash flow interest rate risk. All other financial assets and liabilities in the form of receivables and payables are non-interest bearing. The consolidated entity does not engage in any hedging or derivative transactions to manage interest rate risk.

The following tables set out the carrying amount by maturity of the parent entity and consolidated entity's exposure to interest rate risk and the effective weighted average interest rate for each class of these financial instruments. Also included is the effect on profit and equity after tax if interest rates at that date had been 40% higher or lower with all other variables held constant as a sensitivity analysis.

The consolidated entity has not entered into any hedging activities to cover interest rate risk. In regard to its interest rate risk, the consolidated entity continuously analyses its exposure. Within this analysis consideration is given to potential renewals of existing positions, alternative investments and the mix of fixed and variable interest rates.

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 30 JUNE 2009

22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Consolidated Entity

	Note	Float Interest Rate	Fixed Interest Rate	Non-Interest Bearing		Total Carrying Amount		Interest Rate Risk Sensitivity					
		2009 \$	2008 \$	2009 \$	2008 \$	2009 \$	2008 \$	2009 \$	2008 \$	-40% 2009 \$	-10% 2008 \$	+40% 2009 \$	+10% 2008 \$
Financial Assets													
Cash at bank	8	130,223	107,980	-	-	-	-	130,223	107,980	(2,292)	(571)	2,292	571
Trade and other Receivables	9	-	-	-	-	9,241	10,998	9,241	10,998	-	-	-	-
Other Current Assets	10	-	-	-	-	10,750	12,500	10,750	12,500	-	-	-	-
Total		130,223	107,980	-	-	19,991	23,498	150,214	131,478	(2,292)	(571)	2,292	571
Weighted average interest rate		4.40%	5.29%										
Financial Liabilities													
Trade and other payables	14	-	-	-	-	107,428	31,702	107,428	31,702	-	-	-	-
Borrowings	15	-	-	118,182	12,067	-	-	118,182	12,067	-	-	-	-
Total		-	-	118,182	12,067	107,428	31,702	225,610	43,769	-	-	-	-
Weighted average interest rate		16.75%	8.50%										
Net Financial assets (liabilities)		130,223	107,980	(118,182)	(12,067)	(87,437)	(8,204)	(75,396)	87,709	(2,292)	(571)	2,292	571

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 30 JUNE 2009

22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Parent Entity

	Note	Float Interest Rate	Fixed Interest Rate	Non-Interest Bearing		Total Carrying Amount		Interest Rate Risk Sensitivity					
		2009 \$	2008 \$	2009 \$	2008 \$	2009 \$	2008 \$	2009 \$	2008 \$	-40% 2009 \$	-10% 2008 \$	+40% 2009 \$	+10% 2008 \$
Financial Assets													
Cash at bank	8	130,213	107,970	-	-	-	-	130,213	107,970	(2,292)	(571)	2,292	571
Trade and other Receivables	9	-	-	-	-	9,241	10,998	9,241	10,998	-	-	-	-
Other Current Assets	10	-	-	-	-	10,750	12,500	10,750	12,500	-	-	-	-
Total		130,213	107,970	-	-	19,991	23,498	150,204	131,468	(2,292)	(571)	2,292	571
Weighted average interest rate													
		4.40%	5.29%										
Financial Liabilities													
Trade and other payables	14	-	-	-	-	107,428	31,702	107,428	31,702	-	-	-	-
Borrowings	15	-	-	118,182	12,067	-	-	118,182	12,067	-	-	-	-
Total		-	-	118,182	12,067	107,428	31,702	225,610	43,769	-	-	-	-
Weighted average interest rate													
		16.75%	8.50%										
Net Financial assets (liabilities)		130,213	107,970	(118,182)	(12,067)	(87,437)	(8,204)	(75,406)	87,699	(2,292)	(571)	2,292	571

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 30 JUNE 2009

22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

A sensitivity of 40% has been selected as this is considered reasonable given the current level of both short term and long term Australian dollar interest rates. A 40% sensitivity would move short term interest rates at 30 June 2009 from 4.14% to 6.16% representing a 176 basis points shift. This would represent two to three increases which is reasonably possible in the current environment with the bias coming from the Reserve Bank of Australia and confirmed by market expectations that interest rates in Australia are more likely to move down than up in the coming period.

Based on the sensitivity analysis only interest revenue from variable rate deposits and cash balances is impacted resulting in a decrease or increase in overall income.

(b) Liquidity risk

The consolidated entity manages liquidity risk by maintaining sufficient cash reserves and through the continuous monitoring of budgeted and actual cash flows.

Financial Assets

The following tables detail the Company's and the Groups expected maturity for its non-derivative financial assets.

	Consolidated		Parent	
	2009	2008	2009	2008
Contracted maturities of receivables for the year ended 30 June 2009:	\$	\$	\$	\$
Receivable:				
- less than 6 months	9,241	10,998	9,241	10,998
- 6 to 12 months	-	-	-	-
- 1 to 5 years	-	-	-	-
- later than 5 years	-	-	-	-
Total	9,241	10,998	9,241	10,998

Financial Liabilities

The following tables the Company's and the Groups remaining contractual maturity for its non-derivative financial liabilities.

	Consolidated		Parent	
	2009	2008	2009	2008
Contracted maturities of payables year ended 30 June 2009:	\$	\$	\$	\$
Payable:				
- less than 6 months	77,428	-	77,428	-
- 6 to 12 months	118,182	43,769	118,182	43,769
- 1 to 5 years	-	-	-	-
- later than 5 years	-	-	-	-
Total	195,610	43,769	195,610	43,769

(c) Net Fair Values

For financial assets and liabilities, the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form. The consolidated entity has no financial assets where carrying amount exceeds net fair values at balance date.

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 30 JUNE 2009

22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

The consolidated entity's receivables at balance date are detailed in Note 9 and comprise GST input tax credits refundable by the ATO. The balance of receivables comprises amounts receivable from related parties and prepayments.

The credit risk on financial assets of the economic entity which have been recognised on the Balance Sheet is generally the carrying amount.

(d) Capital Risk Management

When managing capital, management's objectives is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management also maintain a capital structure that ensures the lowest cost of capital available to the entity.

In order to maintain or adjust the capital structure, the entity may adjust the amount of dividends paid to shareholders, return capital to shareholder, issue new shares, enter into joint ventures or sell shares.

The entity does not have a defined share buy-back plan.

No dividends were paid in 2009 and no dividends are expected to be paid in 2010.

There is no current intention to incur debt funding on behalf of the company as on-going exploration expenditure will be funded via equity or joint ventures with other companies.

The consolidated entity is not subject to any externally imposed capital requirements. Management reviews management accounts on a monthly basis and reviews actual expenditure against budget on a quarterly basis.

23. (LOSS) PER SHARE

	2009 Cents	2008 Cents
	Per Share	Per Share
Basic earnings (loss) per share	<u>(0.72)</u>	<u>(1.01)</u>
Diluted earnings (loss) per share	<u>(0.72)</u>	<u>(1.01)</u>

The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:

Earnings (i)	<u>(285,000)</u>	<u>(347,957)</u>
Weighted average number of ordinary shares (ii)	<u>37,845,560</u>	<u>34,347,605</u>

(i) Earnings are the same as profit after tax in the income statement.

(ii) The following potential ordinary shares are not dilutive and are therefore excluded from the weighted average number of shares, used in the calculation of diluted earnings per share.

<u>39,702,224</u>	<u>40,221,587</u>
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Diluted Earnings Per Share

The rights of options held by option holders have not been included in the weighted average number of ordinary shares for the purposes of calculating diluted EPS as they do not meet the requirements for inclusion in AASB 133 "Earnings per Share". The rights of options are non-dilutive as the exercise price was significantly higher than the Company's share price as at 30 June 2009.

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 30 JUNE 2009

24. SUBSIDIARIES

Name of Entity	Country of Incorporation	Ownership Interest	
		2009 %	2008 %
<u>Parent Entity</u>			
Mount Rommel Mining Limited	Australia		
<u>Subsidiaries</u>			
Bonshaw Gold Pty Ltd	Australia	100	100

25. AFTER BALANCE DATE EVENTS

There has not been any matter or circumstance that has arisen since the end of the financial year, that has significantly affected or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years other than:

- On 25 August 2009 the Company issued 334 redeemable preference shares through the Company's May 2009 replacement Offer Information Statement raising \$334,000.
- The call of \$0.025 on 741,000 partly paid shares raising \$18,525.
- On 29 August 2009 923,333 \$0.20 options expiring 31 August 2009 were extended to 31 August 2010 and 174,750 options lapsed.

26. CONTINGENT LIABILITIES

No contingent liabilities existed at the reporting date. Under tenement obligations, the consolidated entity is required to rehabilitate each area worked to a state in accordance with the approved worked plan.

CORPORATE GOVERNANCE STATEMENT

This statement outlines the main Corporate Governance practices that were in place since the last quarter of the 2009 financial year. These Corporate Governance practices comply with the NSX Practice Note #14 Corporate Governance disclosure in annual reports unless otherwise stated.

ROLE OF THE BOARD

The Board is responsible for ensuring that the Company is managed in a manner which protects and enhances the interests of its shareholders and takes into account the interests of all stakeholders. To fulfill this role, the Board is responsible for setting the strategic directions for the Company, establishing goals for management and monitoring the achievement of these goals.

Because of the limited size of the Company and its financial affairs and operations, the use of separate remuneration and audit committees of the Board of Directors is not considered generally appropriate. All matters that might properly be dealt with by such committees are currently dealt with by the full Board of Directors. Decisions of the Board are, to the extent practicable, unanimous. There were no occasions during the year when decisions were not unanimous.

The company acknowledges that the NSX guidelines for corporate governance require that the Chairman be an independent non executive Director, and that at any rate the Chairman and Managing Director roles should not be performed by the same person. Because of the limited size and nature of the Company's activities, this is not considered to be practical or appropriate at the current time. As the Company's activities expand, this policy will be reviewed, with a view to aligning the Company's policies to best practice guidelines.

The Board operates in accordance with the broad principles set out in its charter, which is available from the Corporate Governance section of the company's website at www.mountrommel.com.

COMPOSITION OF THE BOARD

The names and details of the Directors of the Company in office at the date of this Statement are set out in the Director's Report.

The composition of the Board is determined using the following principles:

- Persons nominated as Non-Executive Directors shall be expected to have qualifications, experience and expertise of benefit to the Company and to bring an independent view to the Board's deliberations. Persons nominated as Executive Directors must be of sufficient stature and security of employment to express independent views on any matter.
- All Non-Executive Directors are expected voluntarily to review their membership of the Board from time-to-time taking into account length of service, age, qualifications and expertise relevant to the Company's then current policy and program, together with the other criteria considered desirable for composition of a balanced board and the overall interests of the Company.
- Under the Company's Constitution, the minimum number of Directors is three. At each Annual General Meeting one third of the Directors (excluding the Executive Director) must resign, with Directors resigning by rotation based on the date of their appointment. Directors resigning by rotation may offer themselves for re-election.
- The Company considers that the Board should have at least three Directors (minimum required under the Company's Constitution) and strives to have a majority of independent Directors but acknowledges that this may not be possible at all times due to the size of the Company. Currently the Board has three Directors, of which only one is independent. The number of Directors is maintained at a level which will enable effective spreading of workload and efficient decision making.

The composition of the Board is reviewed on an annual basis to ensure the Board has the appropriate mix of expertise and experience. Where a vacancy exists, through whatever cause, or where it is considered that the Board would benefit from the services of a new Director with particular skills, the Board determines the selection criteria for the position based on the skills deemed necessary for the Board to best carry out its responsibilities and then appoints the most suitable candidate who must stand for election at the next general meeting of shareholders.

CORPORATE GOVERNANCE STATEMENT (CONT'D)

PERFORMANCE OF DIRECTORS

The performance of all Directors and the Board as a whole is reviewed at least annually in accordance with the Company's Corporate Governance guidelines.

A review was undertaken during the year ended 30 June 2009.

CONFLICT OF INTEREST

In accordance with the Corporations Act 2001 and the Company's constitution, Directors must keep the Board advised, on an ongoing basis, of any interest that could potentially conflict with those of the Company. Where the Board believes a significant conflict exists, the Director concerned does not receive the relevant Board papers and is not present at the Board meeting whilst the item is considered. Details of Directors related entity transactions with the Company and Consolidated Entity are set out in the related parties note in the financial statements.

INDEPENDENT PROFESSIONAL ADVICE AND ACCESS TO COMPANY INFORMATION

Each Director has the right of access to all relevant Company information and to the Company's executives and, subject to prior consultation with the Chairman, may seek independent professional advice at the Company's expense. A copy of advice received by the Director is made available to all other members of the Board.

REMUNERATION

The Company's NSX Practice Note #14 Corporate Governance disclosure in annual reports as adopted is to Remunerate Fairly and Responsibly and part of the remuneration is to be incentive based as considered appropriate by the Board. The Board of Directors maintains remuneration policies which are aimed at attracting and retaining a motivated workforce and management team. The intention is to match the outcomes from the remuneration system with the performance of the Company and ultimately the value received by shareholders on a long-term basis.

As an overall policy, the Company will remunerate in such a way that it:

- motivates Directors and management to pursue the long-term growth and success of the Company within an appropriate control framework; and
- demonstrates a clear relationship between key executive performance and remuneration.

Due to the limited size of the Company and of its operations and financial affairs, the use of a separate remuneration committee is not considered appropriate. The Board has adopted the following policies of Directors and executives remuneration:

A full discussion of the Company's remuneration philosophy and framework and the remuneration received by Directors and executives in the current period is included in the remuneration report, which is contained within the Report of the Directors.

COMPANY WEBSITE

Mount Rommel Mining Limited has made available details of all its Corporate Governance principles, which can be found in the Corporate Governance information section of the Company website at www.mountrommel.com.