

MOUNT ROMMEL MINING LTD

COMMENTARY ON ACTIVITIES December 2009 / January 2010

Advancing all three projects of the Company relies on the completion of documentation to the satisfaction of officers of the Department of Primary Industries (DPI) and sometimes of other Victorian government agencies, due to the consequence of parallel legislation.

Here are two examples, both of which impinge upon the market value of the ordinary shares of this Company – matters which appear not relevant to government agencies.

1. The re-grant of EL3821, Allendale, was made (with the support of the Mining Warden) subject to the supply of technical data and of a technical opinion – all now lodged, but not yet cleared as “satisfactory”.
2. The DPI refused (before the Warden) to consider renewal of Clunes MIN 5391 until the matter was removed from the Warden, and a new Work Plan was lodged, all criteria of DPI’s making. In effect, this meant providing DPI with intellectual property – a situation of commercial risk, given the belief we have that the Minister in granting MIN 5414 over ground surrounding MIN 5391 gave credibility to an otherwise non-compliant application, this act of the Minister being promptly followed by DPI’s refusal to consider the properly lodged objections of landowners.

The point is simple enough – if knowledge exists to assist this Company to locate new gold-bearing veins (as at Clunes) for whose benefit is the government acting when it seeks that privately-held knowledge?

The appropriate commercial action requires care. There is also a need to share information with members of the Company (and those of the public following reports to the NSX). To this end, added knowledge on Clunes is given below.

DECEMBER 2009

For Clunes, the results of drill core analyses, together with information available from 90 petrological investigations of drill core samples, this gold field, have been used to speculate on the likely structural framework in which the gold-bearing veins occur.

The recorded locations of historically worked veins are much more abundant in that part of the Clunes gold field worked for so many years (1857 to 1894) by the Port Phillip Company – the centre of ground also held for over 30 years by the former Western Mining Corporation or related “Collins House” companies (1947 to 1989). The production facts, together with the very satisfactory drilling results of Mount Rommel Mining Ltd. in years 2006/2007, suggest that MIN 5391 is located over the gold-mineralised centre of this field. This licence area of 4.8 hectares presents the best position for **further** gold vein discovery, a renewal for which was lodged in December 2008 (yes, 2008!).

The Work Plan information lodged with DPI for MIN 5391 prior to Christmas 2009, set out an explanation for the veining intersected (see the accompanying drawing) but did not entirely explain the alternative structural framework seen as a rationale to anticipate vein repetition prospects. The Company awaits a formal response from DPI, beyond that of an acknowledgement.

JANUARY 2010

Directors are busy preparing documents about Glenfine for public disclosure, in reply to the DPI requests of 14th December, 2009. A further public statement (to NSX) about the physical activity in progress to advance Glenfine will be forthcoming prior to the end of January.

F. L. HUNT
Chairman

