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3 May 2012

NSX – GENERAL ANNOUNCEMENT ALLENDALE OVERVIEW

There is to be an informal meeting of Shareholders of the Company on Saturday 5 May 2012. Those at the meeting will be reviewing operational matters, and progress generally. Part of these conversations may lead to discussion about recent work at Allendale. The following NSX Release ensures similar information is disclosed to the market.

1. OVERVIEW - ALLENDALE EL 3821

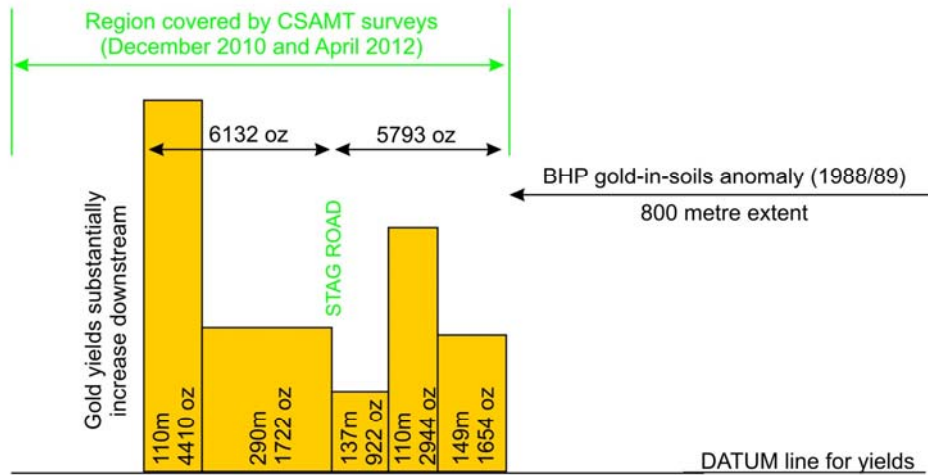
Many observers have noted that it is the measurable contrast between the physical properties of ore-related minerals and their host rocks that brings about a successful application of geophysical methods. In working throughout EL 3821, Mount Rommel has sought to apply methods to indirectly detect a zone which might become the target for drilling in search of commercial gold.

In the closer settled areas of the Central Victorian goldfields not all the geophysical exploration methods can readily be applied. The positions of power lines, the types of fence posts in use, and the like, place constraints which require consideration. Mount Rommel has, with the particular support of a group of adjoining landowners south-east of Allendale, progressively developed a program to enable exploration to proceed in more prospective places.

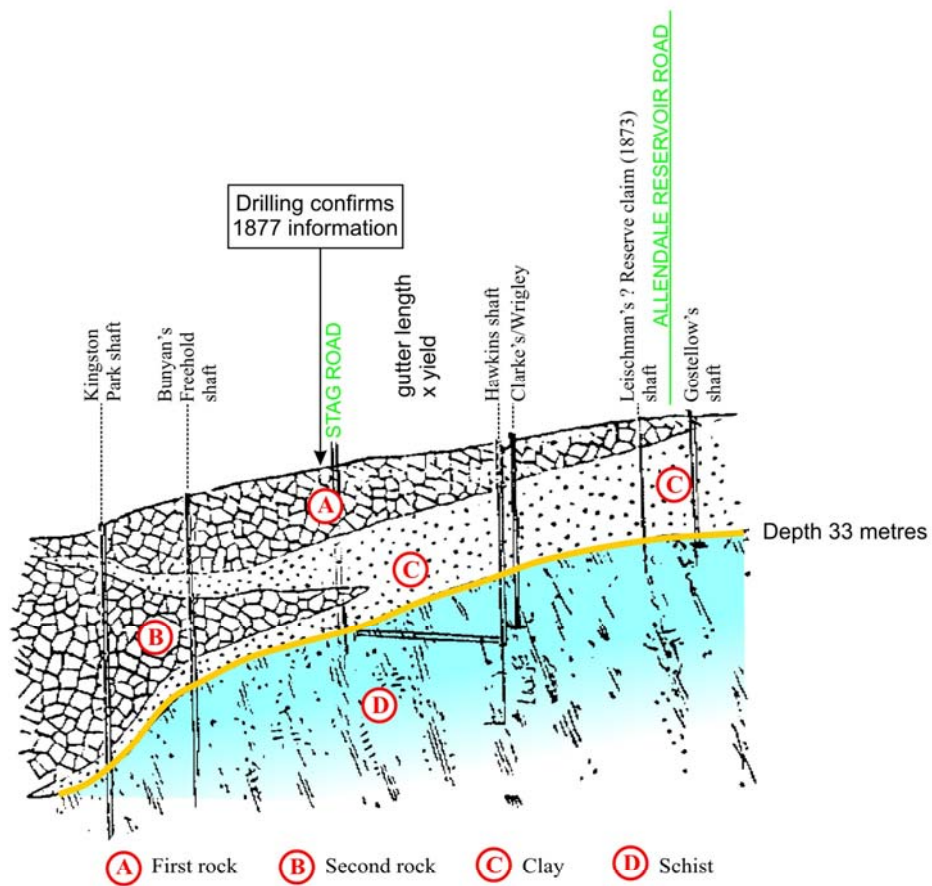
After September 2006 the ground to the south of Stag Road became potentially “open” for exploration, by variance to the Heritage Overlay, in the Planning Scheme Hepburn Shire. Between then and now, Mount Rommel has applied geophysical exploration to this location without assumptions – that either minerals associated with an unknown resource, or the host environs have physical and/or chemical properties that differ in some way from those in adjacent rocks. The Company risked money and time in this exploration activity, and today that risk appears justified.

For much of the EL 3821 licence period, the geophysical exploration method most generally applied was ground gravity, seeking variance in density. About September 2006 detailed gravity in Lots 4, 9 and 16, Parish of Spring Hill, directed attention to a trend in local mass deficiencies (a gravity anomaly) extending south from the old Bunyan's shaft area, to Stag Road. Follow up drilling demonstrated this trend area to be positioned near to a ridge in the ancient surface, now covered by one, sometimes two, lava flows. The prospectivity of this location may be assessed from the gold returns published circa 1875 – 1876 – see below.

Those 2006 ground gravity surveys (Fugro jobs 2379 and 2510) comprised over 380 readings in 12 lines, in an area of about 1000 metres N-S by 800 metres wide (part of Lot 4, and the whole of Lots 9 and 16). In April 2012, an additional 4 lines of ground gravity readings extended this detailed coverage through Lot 21 and into Lot 28, Parish of Spring Hill. The cost per reading of this type of work has doubled since year 2006. (The total investment in geophysics in the term of EL 3821 is substantial). The gold returns for the east side of Lots 16,21 & 28 (that is, along what was known as Hawkin's Lead) are given in the diagrams below. This location is considered especially prospective.



Gold yields data from week to week published reports



Original Scale { Horizontal 40 chains to the inch
Vertical 200 feet to the inch

Sketch-section (after Krausé April 1877) along Hawkins Lead, showing lava flows concealing gold-bearing gutters some yields as shown

E.L. 3821 - ALLEDALE PROJECT

The landscape in the prospective location can be appreciated from the following photograph



13 April 2012 collecting ground gravity data in Lot 16 - Photo looks south

This investment in ground gravity is seen as a valuable tool when used in conjunction with the mix of other available data.

In year 2007, in Lots 9 and 16 north of Stag Road, and along Stag Road, the Company attempted on 3 occasions to penetrate the lava cover with Induced Polarisation (IP) surveys. The results of these surveys were regarded as either not successful or not explainable at that time.

An alternative geophysical method was given a trial. The initial stage of what became a two stage CSAMT survey was completed in December 2010. A significant geophysical response on the traverse line known as 909.3000 was observed, the excitement at the time being tempered by some uncertainty as to what local influence (if any) may be due to a fence line coincident with that initial location – shown in the photograph below.



Photo shows gate and fence looking North to Lot 16

In April 2012 the second stage of the CSAMT program included 5 lines south of Stag Road, *where no equivalent fences exist to generate uncertainty.*

The 12 parallel lines of completed CSAMT survey extend over the same area covered by ground gravity – a strike extent of over 1500 metres, by a width exceeding 800 metres. In that area, one prominent CSAMT anomaly (geophysical signature) is observed to vary in strength over a strike extent of some 600 metres, open to the south. This geophysical signature (a target for future drilling) is given a depth of 90 to 130 vertical metres below present surface. It is north-west of the 1989/90 gold-in-soil geochemistry (probed to depth 60 metres by BHP without success, but without due follow-up at that time). Study of this new geophysical “anomaly” is continuing.

In addition, this intensive CSAMT program had identified two other sites within private land worthy of exploratory drilling in due course. One of those targets is the apparent position of the old Hawkin’s Reef.

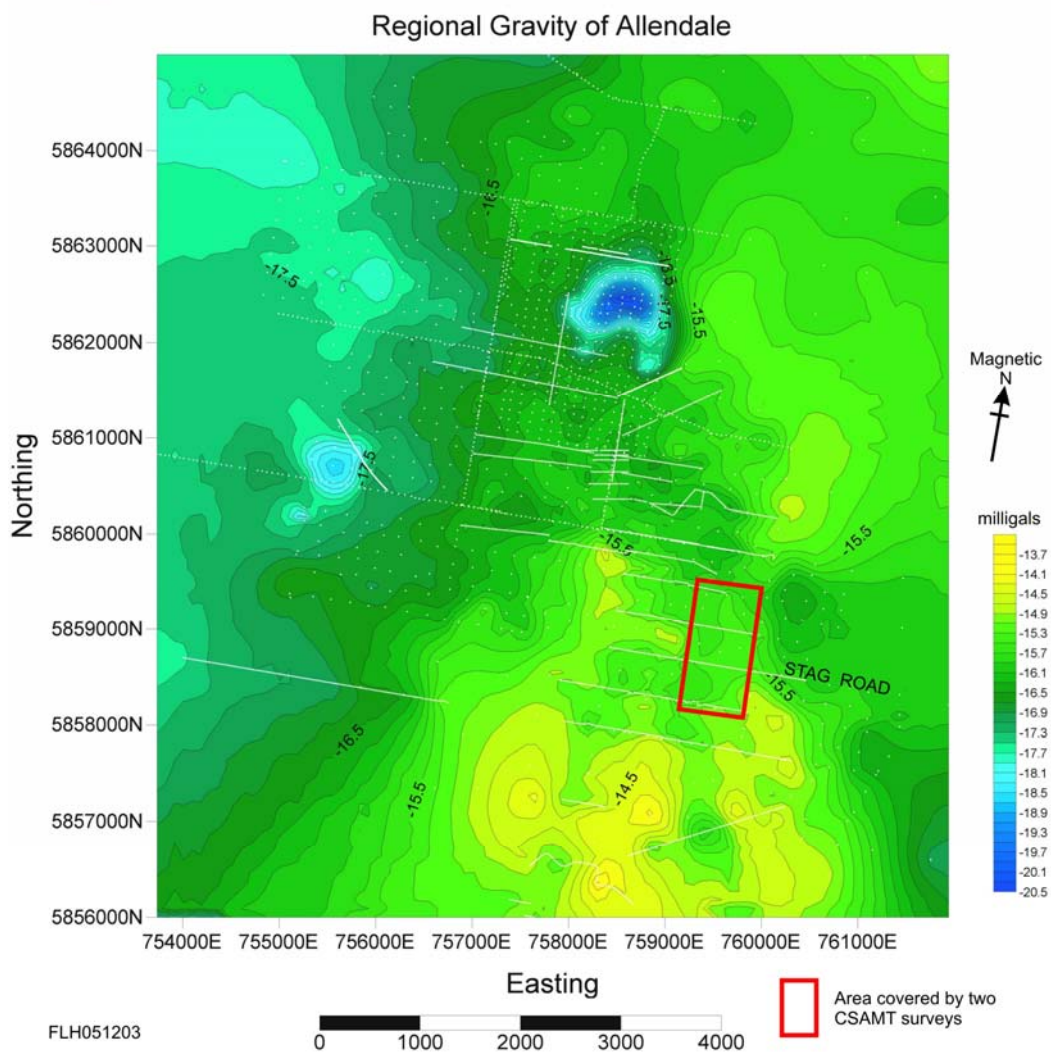
All new data is being assembled for assessment purposes.

2. FURTHER INFORMATION

This diagram – figure 2.7 in Melbourne Masters Thesis #298046, Thy Nguyen (2011) – demonstrates the extent and close-spaced character of ground gravity readings collected over time as part of the exploration activity under EL 3821.

Allendale village is located at the mid-point of the diagram below. The Company surveys substantially cover the entire area generally known as the Madame Berry Goldfield.

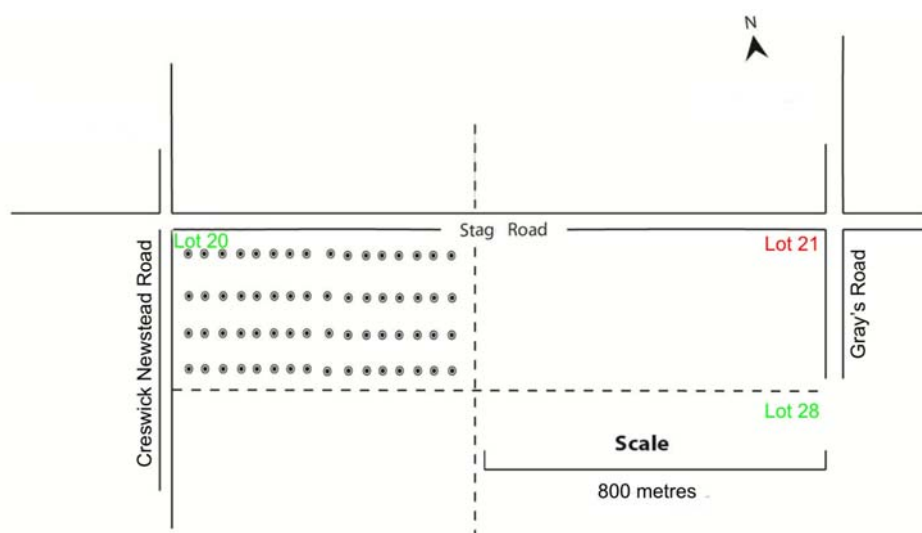
Figure 2.7 Gravity Maps with localities



The larger dark-blue zone in the Regional Gravity diagram is the gravity expression of Birch's Bald Hill, a prominent topographic feature north of Allendale located to the immediate east of the old Madame Berry gold mine. Birch's Bald Hill is a dormant volcanic vent.

The "white lines" are the plot of positions where close-spaced ground gravity readings took place. Readings were spaced at 20 metre intervals. The prominence of these "white lines" illustrates the way in which public roads were used in the early stages of investigative activity.

In the year 2011 student program, additional ground gravity stations were acquired in private land, and between roads, with the exception of Lot 21. The limited coverage south of Stag Road is clearly illustrated by the following diagram. In Lot 20, readings were taken on grid pattern (25m by 75m). There is an absence of readings across Lot 21 – resolved as noted below.



On 13 April 2012, contract geophysical surveys collected ground gravity readings on behalf of Mount Rommel, within Lot 21, and also traversed Lot 28. The data is being compiled in conjunction with that of relevant earlier surveys.

The portion of this ground gravity diagram covered by the April 2012 CSAMT surveys is added here for the purposes of identifying which part of the local district is considered immediately prospective.

3. CURRENT POSITION

In the first half of the 1870's, shafts were going down in every low point on the Allendale Reservoir Road looking for gold bearing gravels. The diagram below illustrates the section (looking north) along that road, and where gold was mined under the basalt.

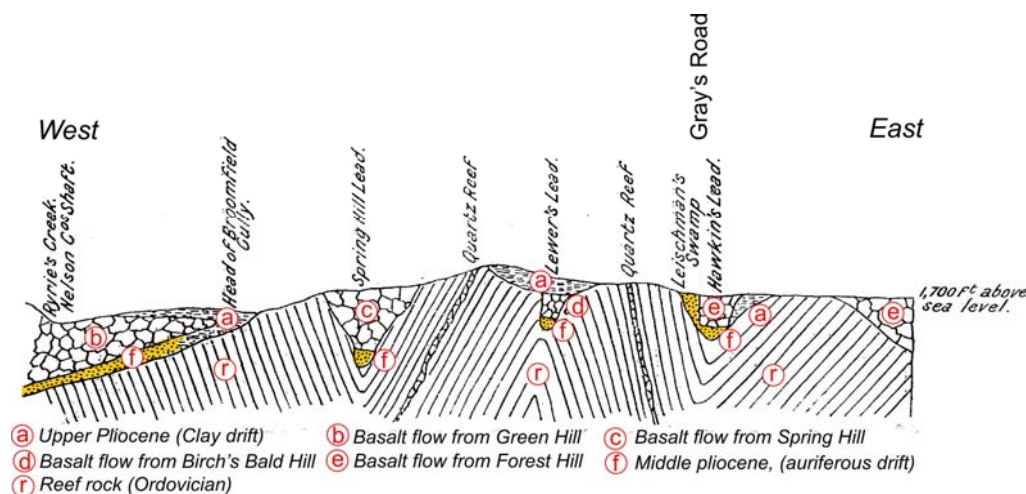


Fig.57 - Sketch section showing the basalt flows north of Spring Hill

From "Deep Leads of Victoria" GSV Memoir 7, Hunter S (1909)

Those gold bearing leads going north were found to be disrupted under Lot 20 south of Stag Road.

The same diagram illustrates what was thought to be the headwaters, the Madame Berry system of deep leads. It can be seen that east and west dipping quartz reefs were known at the time (though not exploited) and nothing appears known at depth between those reefs – a distance of some 700 metres.

The new CSAMT surveys are beginning to provide comprehensive information about the ground between the quartz reefs shown on the above diagram. Further information will be made public when all data is assessed.

4. WHERE TO FROM HERE

William Bradford (1851 – 1937) was the outstanding mining reporter for the Ballarat and District goldfields, who had been a mine manager, and the value of whose expert opinion was in those times publicly acknowledged. In an article published in his eighty second year Bradford clearly sets out the public opinion then as to why there should be a search effort to discover more about the head waters of the once famous Madame Berry deep lead. This particular article is to be found on the website of the Company under Allendale Project.

The opening up of the Victorian goldfields in the mid 1960's brought major companies to search in these areas – Newmont, BHP (twice) and CRA. These companies found that patience was required to resolve private land access, and they withdrew, circa 1990 – see Open File reports, DPI. Since 1996 the licence EL 3821 has been controlled by this Company.

On Saturday 5 May 2012 shareholders of Mount Rommel, including those in the “Top 20” intend to come together to discuss how best to nurture EL 3821. This licence term has been extended with two highly unusual mandatory conditions (that is – a government directive) as follows –

- Completion of CSAMT surveys, and
- The carrying out of drilling prior to the end of this licence term in February 2014

At the same gathering there will be a discussion about the status of other projects.

F.L. Hunt

P.S. The current Top 20 was amended 17 April 2012 and is published on the website of the Company under Investor Information.