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## **GENERAL ANNOUNCEMENT**

This Company is the responsible operator of a mining licence at Glenfine, holding also in its name only the Planning Permit, approved Work Plan, and "As Constructed" site clearance necessary for operations there. It proposes to conduct those Glenfine operations to recover gold. The notes below give up-dated information as to progress on site.

Mount Rommel is also holder of the sole exploration licence at Allendale. In area, this licence covers the original Spring Hill goldfield (worked 1872 - 1875) to the immediate east of the village of Broomfield. The licence is issued in respect of both Crown and private lands. It is an historic fact that these original workings developed into the upstream headwater workings, leading into the once-famous Madame Berry system of deep leads. In this licence the Company has continued to conduct geophysical surveys, believing these to be the only form of exploration likely to reveal ground conditions of substance, with any potential to be mineralized. The most recent of these surveys took place in two stages, in April and in June, 2012 - see below.

The Company holds a second mining licence at Clunes. Work there is suspended at present.

### **GLENFINE - ( MIN 5492)**

The approved Work Plan for MIN 5492 has one very unusual aspect - that is, all sands to be processed are to remain within the confines of the map-defined part of this registered historic site permitted for disturbance. The direct outcome of this particular statutory control is batch processing, and careful disposal control of treated sands.

Prior to obtaining all approvals, the Company issued an Offer Information Statement (OIS.) based on the best available knowledge at that time. In this way the Company attracted applicants for Preference Shares, redeemable in gold to be won from Glenfine. The OIS (29 May 2009) document does indicate some awareness that part of the gold was readily recoverable, and some gold less so - see page 23. The same document anticipated an early date for Mining Approval, not as it turned out.

Approval of the "As Constructed" site represents the date of final Mining Approval as defined under the above OIS. This date was 12 December, 2011. Immediately thereafter, the plant was set up at site, and trials commenced to test plant performance with increased quantities of sands. Progressively the two pachuca tanks attained "plant operational" status.

Then followed trials to evaluate actual gold recovery from bulk treatment of sands. These sequential trials indicated that the gold recovery process could be better managed at increased flow rates, through the existing pachuca plant. Further trials and tests of oxidised sands from Stockpile No.1 followed - the results of which are not yet to hand.

The Directors have confidence in the results of preliminary assays of pulps (sampling at 15 minute intervals), and have initiated modifications on site to enable anticipated variations to batch throughput rates.

These modifications include the ability to temporarily retain sands likely to be amenable to separate extraction procedures at a later time (and changed price for gold). Holding space has been found within the confines of the existing area permitted for disturbance. These are physical changes, which should be completed in the week ahead, to be followed by resumption of processing.

#### **ALLENDALE ( EL 3821)**

During July, 2012, principal geophysical contractors Zonge Engineering, of Adelaide, forwarded detailed reports of their findings after conducting a close-spaced series of CSAMT traverses east of Broomfield.

About the same time, the consultant to the Company received a satisfactory set of additional ground gravity results for 4 new lines of gravity traverse in the private lands south of Stag Road. Importantly, the most southern of these ground gravity lines is at the same location as CSAMT traverse line 2200 (June 2012). Both new geophysical traverses cover the 1989/90 BHP drilling traverse - holes #11, and #12, ( angled percussion holes, opposing directions, down hole length about 60 metres, supposedly testing a gold-in-soils anomaly ) and well beyond.

The work completed recently meets the licence activity stipulated for the past year, and ensures "good standing" going into 2012/13.

The Directors believe a careful independent assessment of these recent programs is appropriate, and this task is being undertaken at present.

F.L.Hunt,  
On behalf of Directors, Mount Rommel Mining Ltd.