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GENERAL ANNOUNCEMENT CONTINUED EXPLORATION AT ALLENDALE.

The Company has again turned its attention to field exploration within EL 3821, near Creswick. We have been busy in this licence area at various times since 1996.

In December, 2010 we tested CSAMT as an exploration method - 3 traverses. One of these traverses generated considerable exploration interest.

In April, 2012, the CSAMT coverage was expanded, and expanded again in June, 2012.

There is now detailed ground gravity coupled with 14 traverses of CSAMT along a strike extent of 1600 strike metres - many lines for such a short distance.

The findings were that the southern 800 metres of the present CSAMT coverage reveals several unusual "conductive" anomalies, appearing to have significant strength and extent. The cut-off features are marked. The conductive zones do have associated resistive features. The geological context appears to be as anomalies at varying depths, at intervals along a generally consistent strike.

Using the available 14 lines of CSAMT data, independent geophysical consultant Hugh Rutter has recently produced a longitudinal "profile". This "profile" introduces a concept which implies an erosion surface to this once-famous deep lead goldfield which is clearly different. The "profile" does assist in understanding why past drilling (Golden Heritage/Aberfoyle) lacked opportunity for success.

As a further test of the strength to this concept, the Company has contracted to add 4 more CSAMT lines, to infill gaps in the existing data. These new traverses are planned for the far south end of present coverage. Comprehensive cover of about two-thirds the ground seen to be prospective will then be complete. All the prospective land is private land owned by others, and is land not subject to Native Title.

The new CSAMT traverses should be surveyed before mid-November, 2012.

Back in year 1989-1990, BHP worked in some detail in the immediate area of these proposed traverses. Relying on a weak gold-in-soils anomaly over 800 metres in length, BHP drilled 12 percussion holes, but with disappointing results. The exploration done by Mount Rommel, to continue shortly, can explain why those early BHP holes failed to encourage, yet are in close proximity to these new CSAMT anomaly positions.

In its work, the Company program sought to position CSAMT parallel traverses at about 100 metre line space. In so doing, it established unusual results. The northern 6 lines were not encouraging. The southern lines reveal remarkable geophysical expressions - considered to be structures carrying sulphides (?). The proposed lines will establish whether or not these structures continue open-ended going south, in parallel with the gold-in-soils geochemical anomaly reported by BHP in Open File reports, former EL 2258.

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