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1 February 2013

GLENFINE - INTERIM STATEMENT.

During the 6 months to year end, 2012, contractors to the Company conducted a series of full-scale processing trials at Glenfine. There were 46 operating days, as follows –

July,.....12 days,

August,..... 11 days,

September,...8 days,

October,.....7 days,

November,...4 days,

December,...4 days.....for a total of 46 days, with all necessary labour and equipment required for servicing these activities.

These "activities" became "trials" of necessity. Operations at the larger scale in July began to reveal operational constraints, not encountered in any previous bench-scale evaluations. Progressive experience month to month led to awareness of various unsatisfactory outcomes, hence the distribution of work days as shown above. During this time a sequence of blockage problems were located, and overcome. There appeared to be an underlying cause related to the host rock mineralogy. Members who visited the site after the AGM on 17 November, 2012, were able to review field activity, and observe plant modifications being tested at that time. Continuation of this program at large scale became expensive ; an alternative program has since been devised, based on the mini-scale plant.

Samples were frequently taken to monitor the gold content of the pulp during these trials. Based on results of routine samples sent for external analyses, Directors can confirm the gold content of the stockpile carries through into the plant, and is open to recovery into standard activated carbon, when that carbon remains "clean".

The original material (as sent to the battery over 100 years ago, and thus spread throughout this stockpile) included a gangue mineral which, as trials revealed, acts to bind up equipment intended to assist pulp flows. Steps continue to be taken to progressively resolve this particular constraint to plant operation.

The now-recognized deleterious material - part of the original host rock - has been the subject of considerable study. In January, the mini-pachuca plant was moved to Thomastown from Glenfine. On-going trials continued in January, 2013, at Thomastown, using this mini-plant, plus specialized additional test equipment. The prime task is to establish a routine procedure for presentation of pulp to carbon, unconstrained in any way. Cleansing the carbon surfaces of unwanted adhering matter is a further test priority.

Directors are pleased with present progress, and plan to release the outcome of these latest trials during February.

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