

MOUNT ROMMEL MINING LIMITED
ACN 005 583 031

NOTICE OF GENERAL MEETING
PROXY FORM
AND
EXPLANATORY MEMORANDUM

Date of Meeting

Saturday 22 June 2013

Time of Meeting

10:30 am AEST

Place of Meeting

28 Lawson Crescent
Thomastown VIC 3074



28 Lawson Crescent, Thomastown, Vic.3074

P.O. Box 80, Bundoora, Vic. 3083

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MOUNT ROMMEL MINING LIMITED

ACN 005 583 031

NOTICE OF GENERAL MEETING (NOTICE)

In accordance with Rule 8.3 of the Constitution, **TAKE NOTICE** that a General Meeting of Members of Mount Rommel Mining Ltd ("**Mount Rommel**" or "**Company**") will be held on Saturday 22 June 2013 at 28 Lawson Crescent, Thomastown VIC 3074 at 10:30 am.

An Explanatory Memorandum containing information in relation to the resolutions to be put to the meeting accompanies this Notice.

AGENDA

ORDINARY BUSINESS: NIL

SPECIAL BUSINESS

1. Amendment of Constitution:

To consider and, if thought appropriate, pass the following resolution as a special resolution:

"That Rule 3A of the Constitution of the Company be amended by deleting all references to the words "no later than 31 December 2010" and replacing them with the words "at any time within the term of MIN5492 or any renewal thereof".

2. Licence Agreement with 4D Resources Pty Ltd:

To consider and, if thought appropriate, pass the following resolution as a special resolution:

"That the Company enter into the Licence Agreement substantially in the form tabled at this meeting with 4D Resources Pty Ltd to provide the Services set out in Schedule 1 of the Licence Agreement".

By Order of the Board of
Mount Rommel Mining Ltd

Fred Hunt
Executive Director
18 May 2013

NOTES

Voting and Instructions for Appointment of Proxy:

1. In accordance with the Corporations Act 2001 the Directors have determined that the shares of the Company that are quoted on the National Stock Exchange at 7:00pm on 14 May 2013, will be taken, for the purposes of the General Meeting, to be held by the persons who held them at that time.
2. Accordingly, those persons will be entitled to attend and vote at the meeting.
3. A Member entitled to attend and vote at a Meeting is entitled to appoint not more than two proxies to attend and vote on his behalf. Where more than one proxy is appointed, such proxy must be allocated a proportion of the Member's voting rights.
4. Rule 9.10 of the Constitution entitles of Members to vote and in particular Rule 9.10.1.3 provides:

"on a poll every person who is a Member or a proxy, attorney or representative of a Member shall, in respect of each fully paid share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the share, but in respect of partly paid shares, shall have a fraction of a vote for each partly paid share. The fraction must be equivalent to the proportion which the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited). In this Rule, amounts paid in advance of a call are ignored when calculating the proportion."

5. If a Member does not specify the proportion of votes the proxy may exercise, then each proxy will be taken to exercise one half of the votes held and subject to the proxy with fractional entitlements to votes being disregarded.
6. A proxy duly appointed need not be a Member of the Company. In the case of joint holders all must sign.
7. A form of proxy accompanies this Notice and, to be effective, the form and any document necessary to show the validity of the form of proxy must be returned to the Company as per instructions below not less than 48 hours before the time appointed for the General Meeting. Any proxy lodged after that time will be treated as invalid.
8. Directors and Officers of all corporate shareholders should note that unless the corporate shareholder either:
 - a. completes and lodges with the Company a valid appointment of proxy in accordance with the instructions in these notes; or
 - b. completes and either lodges with the Company prior to the meeting a form of appointment of or certificate of appointment of a personal representative in accordance with the provisions of Section 250D of the Corporations Law or causes such personal representative to attend the meeting with such form of appointment or certificate; or

c. has appointed an attorney,

and such proxy, personal representative or attorney attends the relevant meeting, then such corporate shareholder will be unable to exercise any votes at the General Meeting.

9. Proxies and corporate appointment of representative forms may be returned to the Company in either of the following ways:

a. by post to:

The Directors
Mount Rommel Mining Limited
PO Box 80
Bundoora VIC 3083

or

in person:

at 28 Lawson Crescent
Thomastown VIC 3074

10. Corporate Members should comply with the execution requirements set out in these notes or otherwise comply with the provisions of Section 127 of the Act. Sections 127 of the Act provides that a company may execute a document without using its common seal if the document is signed by:

- 2 directors of the company; or
- a director and a company secretary of the company; or
- for a proprietary company that has a sole director who is also the sole company secretary – that director.

For the Company to rely on the assumptions set out in Sections 129(5) and (6) of the Act, a document must appear to have been executed in accordance with Section 127(1) or (2). This effectively means that the status of the person signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of Section 127(1) or (2) as applicable.

In particular a person who witnesses the affixing of a common seal and who is the sole director and sole company secretary of the company must state that next to his or her signature.

11. Completion of a proxy form will not prevent individual Members from attending the meetings in person if they wish. Where a Member completes and lodges a valid proxy

form and attends the meeting in person then the proxy's authority to speak and vote for that Member is suspended while the member is present at the meeting.

12. Where a proxy form or form of appointment of or certificate of appointment of a personal representative is lodged and is executed under power of attorney the power of attorney must be lodged in like manner as a proxy.

Voting Exclusions

In relation to resolution 1, due to the content and effect of the proposed resolution,

no Preference Shareholders will be entitled to vote on the resolution.

In relation to resolution 2, Mr Fred Hunt, Mr Hamish Hunt and Mr Rod Bradshaw (and any of their Associates as that term is defined in the Corporations Act 2001) will not be entitled to vote on the resolution.

Mount Rommel will disregard any votes cast on the resolution by any of the parties referred to in the resolution or named above or any associate of any of them or of any such related party.

However, Mount Rommel will not disregard a vote if:

- (a) it is cast by any such person or any of its associates as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a directions on the proxy form to vote as the proxy decides.

EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for the information of members of the Company in relation to the General Meeting of Members of Mount Rommel which will be on Saturday 22 June 2013 at 28 Lawson Crescent, Thomastown VIC 3074 at 10:30 am.

It forms part of the Notice and contains a simplified summary of the basis for the proposed amendment to Rule 3A of the Constitution and the purpose of the Licence Agreement with 4D Resources Pty Ltd (**4DR**).

The Directors recommend shareholders read the Notice and this Explanatory Memorandum in full before making any decision in relation to voting on the resolution.

1. **Amendment of Constitution:**

To consider and, if thought appropriate, pass the following resolution as a special resolution:

"That Rule 3A of the Constitution of the Company be amended by deleting all references to the words "no later than 31 December 2010" and replacing them with the words "at any time within the term of MIN5492 or any renewal thereof".

The resolution is a special resolution. It is a resolution designed to rectify a drafting anomaly contained in Rule 3A of the Constitution.

Members will be aware that Mount Rommel completed an exploration program on its tailings project at Glenfine, prior to the year ending 2009.

Mount Rommel has since carried out detailed work programs in relation to its Glenfine project as reported to NSX and has prepared and lodged a work program for Glenfine with the Department of Primary Industries (Victoria).

At the time that the resolution for the inclusion of Rule 3A of the Constitution was passed, Mount Rommel contemplated that it would obtain Mining Approval in the year 2009, which meant that the Buyback Date of 31 December 2010 may have been appropriate.

A number of factors delayed the obtaining of the Mining Approval arising from the complex inter-department procedures.

As a direct consequence of these delays, Mining Approval was not obtained until 12 December 2011. Intermittent mining operations then commenced at Glenfine.

Accordingly, the intention and effect of Rule 3A of the Constitution has been frustrated. The proposed resolution will give the intended effect to Rule 3A of the Constitution.

Preference Shareholders are excluding from voting on this resolution. There is a perceived conflict of interest. The nature of this perceived conflict is to ensure that there is no suggestion that the Preference Shareholders would create any benefit for themselves as a result of the proposed Resolution being passed.

2. Licence Agreement with 4D Resources Pty Ltd

To consider and, if thought appropriate, pass the following resolution as a special resolution:

"That the Company enter into the Licence Agreement substantially in the form tabled at this meeting with 4D Resources Pty Ltd to provide the Services set out in Schedule 1 of the Licence Agreement".

As part of the exploration program on its tailings project at Glenfine, the Company has identified the following:

- Repeated analysis consistently demonstrates the presence of gold at levels previously reported to NSX;
- A number of trials by independent laboratories demonstrated that at bench scale, gold is recoverable (in a commercial sense); and
- Over 40 field trials have shown a 'mechanical' factor disrupts the conventional process of gold recovery.

For the past 11 months, the principals of 4DR have developed a concept for handling the 'mechanical' factors at Glenfine, and built a working scale plant to demonstrate proof of effective development. So as far as it is known, there is no other like equipment on the market.

As 4DR have developed the technology and expertise to address the issues with extraction of gold tailing from the Glenfine site, the Company seeks to enter into the Licence Agreement.

A summary of the Licence Agreement is attached to this Explanatory Memorandum.

From a practical perspective, the Licence Agreement is required due to the state of knowledge (at present) regarding gold recovery from Glenfine. It will be necessary to conduct operations at Glenfine firstly, as a full scale trial, over a period of 120 days. This is reflected in the Milestones contained in the Licence Agreement.

In that 120 day trial period, actual costs and variances as to gold recovery will become known.

The Company will benefit from 4DR's expertise and for this reason, requires the Licence Agreement to be executed to enable the trial to proceed.

An alternative for the Company is to engage another entity in the relevant field to develop the necessary concept to enable gold production at Glenfine. This will cause delays in the recovery of gold at commercial levels.

Mr Hamish Hunt and Mr Rod Bradshaw are directors of 4DR. Mr Fred Hunt is the father of Mr Hamish Hunt. These people are excluded from voting on this resolution, to ensure that there is no perception that Mr Hamish Hunt and Mr Rod Bradshaw, also being directors of the Company, have created any benefit for themselves as a result of the resolution being passed.

In accordance with Chapter 2E and Part 5C.7 of the Corporations Act, it is necessary for the Members to provide their approval to the Licence Agreement being entered into by the Company.

Summary of proposed Licence Agreement

13 May 2013

Key information	Details	Clause reference
Parties	Mount Rommel Mining Limited (Company) and 4D Resources Pty Ltd (4DR).	
Term of the Agreement	<p>The Commencement Date is the date that shareholder approval is given to authorise the Company to enter into the Agreement.</p> <p>The Completion Date is that date that the Services have been completed or the Agreement is terminated, whichever is the earlier.</p>	Clause 3
Services	<p>FIRST MILESTONE:-</p> <p>Achieve ten (10) sequential days of operation on the Land as defined at Glenfine where the combination of tonnes throughput per working day, within a thirty (30) day lapsed period, and rates of recovery from tailings yields a maximum of 600 grams of fine gold.</p> <p>SECOND MILESTONE:-</p> <p>Achieve thirty (30) days of operation beyond that initial ten day period, at not less than 60 tonnes throughput per day, within 60 calendar days, and recovering a minimum of 1,800 grams of fine gold.</p> <p>In achieving the First and Second Milestones, a factual dollar per tonne of treated gold developed is to be established by 4DR.</p> <p>THIRD MILESTONE AND ONGOING SERVICES:-</p> <p>Achieve an aggregate of eighty (80) days of operations within an elapsed period of 120 calendar days, at minimum work rates of 60 tonnes throughput of tailings per work day, to demonstrate an aggregate yield of at least 4,800 grams of fine gold in that 120 day time period.</p>	Clause 4 and Schedule 1

Fees and payment	<p>First Milestone - \$10,000.00 plus 300 grams of gold.</p> <p>Second Milestone - \$10,000.00 plus 300 grams of gold.</p> <p>Third Milestone and Ongoing Services - factual dollars per tonne of treated gold developed as a result of achieving the Milestones, together with an agreed management fee not exceeding 16% of the actual costs of production, provided to 4DR on a quarterly basis.</p>	Clause 8 and Schedule 2
Expenses	All other expenses for the Glenfine Project, aside from the Services will be paid by the Company.	
Insurances	<p>Unless a specific exemption is given 4DR must have the following insurances:</p> <ul style="list-style-type: none"> • Public Liability Insurance for at least \$10,000,000 per event; • Professional Indemnity Insurance for an amount of not less than \$10,000,000 per claim; • statutory workers' compensation insurance as required by law. <p>Whenever requested, 4DR must provide the Company, within 10 Business Days of the request, with copies of the relevant certificates of currency of insurance.</p>	Clause 6.5 and Schedule 3
Indemnities	<p>4DR must indemnify and hold harmless the Company and its directors, officers and employees from and against any and all losses, claims, damages and liabilities to the extent caused or contributed to by any contravention by 4DR of any:-</p> <ul style="list-style-type: none"> a) contravention by 4DR of any provision of this Agreement; b) negligence or wilful misconduct or unlawful act or omission of 4DR; or c) loss or expense incurred by the Company in dealing with any claim against it, including legal costs and expenses on a solicitor/own client basis and the cost of time spent, resources used, or disbursements paid. <p>4DR's liability will be proportionately reduced to the extent such loss or damage is contributed to or caused by the Company.</p> <p>Neither party will be liable to the other for any consequential loss sustained by the other party as a result of, or in connection with, the Agreement.</p>	Clause 9

Default and termination	<p>The Agreement will terminate automatically upon the completion or termination of the Services.</p> <p>In the event that MRM receive notice from the Department so as to vary, terminate or reduce the scope of the Glenfire Project or MRM determined, in its sole discretion that gold production from Glenfine is not commercially viable, then MRM by serving the same period of notice, may vary or terminate this Agreement and may either expand or reduce the scope of the Services to be provided pursuant to the terms of this Agreement.</p> <p>If a party:</p> <ul style="list-style-type: none"> a) fails to fulfil, or is in breach of any of its obligations under the Agreement, and does not rectify the omission or breach within 20 Business Days of receiving a notice in writing from the other party to do so; b) is unable to pay all of its debts as and when they become due and payable or the party fails to comply with a statutory demand within the meaning of sections 459E and 459F of the Corporations Act 2001 (Cth); c) has proceedings initiated in respect of it in accordance with the Corporations Act 2001 (Cth) with a view to obtaining an order for the party's winding up (and, where required, the Court is satisfied that there is a prima facie case that the company is insolvent); d) has any shareholder, member or director of it convene a meeting for the purpose of considering or passing of any resolution for the party's winding up; e) has applied to come under, or has otherwise come under one of the forms of external administration referred to in Chapter 5 of the Corporations Act 2001 (Cth) or an order has been made for the purpose of placing the party under external administration; f) breaches any law of the Commonwealth, or of a State or Territory in relation to this Agreement; g) ceases to carry on business; or h) has notice served on the party or proceedings taken to cancel the party's incorporation or registration or to dissolve the party as a legal entity, then the other party may terminate the Agreement by giving written notice to the first party of the termination. <p>If the Company terminates the Agreement, it will not be obliged to pay to 4DR any amount of Fees or other payments for or in relation to any further Services provided or performed after the date on which the notice of termination is deemed to be received.</p>	Clause 10

	<p>Upon receipt of a notice of termination of the Agreement 4DR must:</p> <ul style="list-style-type: none"> a) cease or reduce the performance of its obligations under this Agreement in accordance with the notice; b) promptly do all reasonable things to mitigate all losses, costs, and expenses, arising from the termination or reduction in scope contained in the notice; c) continue work on any part of the Services not affected by the notice; and d) immediately refund any Fees to the Company, subject to any such funds not being legally committed, of which any such demand as made by the Company shall become due and payable as at the date of notice of termination. <p>4DR will not be entitled to compensation for loss of prospective profits or loss of any benefits that would have been conferred on 4DR had the Agreement not been terminated or reduced in scope.</p>	
Reporting obligations	<p>4DR agrees to:-</p> <ul style="list-style-type: none"> a) liaise with and provide information to the Company as reasonably required and notified by the Company; and b) comply with all of the Company's reasonable requests, directions, or monitoring requirements. c) provide quarterly reports to MRM of progress of the Services against the Milestones noted within the Agreement. d) provide to the Company all details and data (including financial information) relating to the Services as is reasonably requested by the Company from time to time. e) provide all data, reports and information as required from time to time to enable the Company to meet its reporting obligations under the Mining Licence as and when required by the Company at the relevant Milestone dates. 	Clauses 4.4 and 6.3
Dispute resolution	The Agreement contains standard dispute resolution provisions which require the disputing party to resort to a mediation process before commencing legal action.	Clause 11
Assignment	4DR cannot assign the Agreement to a third party without the Company's consent which can be withheld in the Company's sole discretion.	Clause 12

Subcontracting	4DR cannot subcontract performance of the Services to a third party without the Company's consent which can be withheld in the Company's sole discretion.	Clause 6.7
Intellectual Property	<p>4DR agrees to take all reasonable steps to ensure the protection and continuance of the Company's right, title and interest in or to the Intellectual Property.</p> <p>4DR acknowledges ownership of all the Company's Intellectual Property remains vested at all times in the Company, as appropriate, the Company grants 4DR a licence to use, reproduce, adapt and exploit that Intellectual Property only for the purposes of the Agreement and in accordance with any conditions or restrictions either the Department of the Company may notify to 4DR.</p> <p>The Company hereby acknowledges ownership of all 4DR Intellectual Property remains vested at all times in 4DR.</p> <p>4DR agrees to grant the Company a non-exclusive, irrevocable licence to use, reproduce, adapt and exploit the Intellectual Property created as a result of provision of the Services for any other mining projects undertaken by the Company in the State of Victoria, at no additional expense to the Company.</p>	Clause 7