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MOUNT ROMMEL MINING LTD

THE HISTORY OF THE COMPANY AND NOW

For nearly a decade, this Company has sought to be participants in the sensible development of Clunes as a continuing goldfield.

The Directors of the Company believe sufficient information has been provided by past miners to enable explorers today to place drill holes in the best locations to define new gold mineralisation. Its work in 2004, 2006 and 2007 was successful in locating an inner zone of gold-bearing ground, not previously revealed, on the north side of Creswick's Creek.

During October 2013, the Company was granted its first rights to explore south of Creswick's Creek. Again, it is believed that the work by past miners offers a very reasonable guide to the gold these South Clunes workers anticipated in Year 1893.

The public generally may become more interested in the future developments at Clunes, and of this Company. Accordingly, this public release sets out something of the early record of Company development.

The origins of this Company, through various name changes dates back to incorporation on 10th August 1979 (C-0158221S). That original company changed its name to Mount Rommel Mining Pty Ltd on 15 March 1984, first recording its ASC No. 005 583 031 on 21 December 1990.

The present Chairman, F.L. Hunt, was appointed a Director on 8 November 1993 – almost 20 years ago.

Mount Rommel Mining Pty Ltd became the applicant for the original exploration rights at Allendale, now EL3821.

Between 17 April 1996 and May 2000, in excess of \$4 million was expended on exploration at Allendale, mostly on drilling to investigate the ancient rocks beneath the overlying basalts. Throughout this period – and since – Mount Rommel has continued as the holder of the on-going exploration rights, progressively working to seek the source of such an abundance of gold as was won from the Madame Berry deep lead system. In 2012 geophysical traverses in the southern section of EL 3821 outlined within a sequence of 17 traverses a geophysical anomaly of character not previously recognised. This anomaly occurs to the immediate west of a low-level gold-in-soils anomaly outlined by BHP in 1989/1990 and then not resolved by relatively shallow percussion drilling.

The Company would like to undertake similar geophysics over the known veining at Clunes. No diamond drilling has yet been undertaken on either of the above anomalies. Probing with conventional percussion drilling at the extreme north end of this 900 metre long geophysical anomaly confirmed it coincides with a paleo-ridge near Stag Road intruded by late-stage dyke rock of mantle origin (benmoreite).

Over the years, the Company became the subsidiary of other companies, through its holdings of exploration and mining rights.

Mount Rommel Mining Pty Ltd became a wholly owned-subsiary of Golden Heritage on 19 April 1996. As a result of a restructure of Golden Heritage, 16 October 2000, the mining interests of that Company became vested in Clunes Gold Mines Ltd (CGM). Thus, Mount Rommel became a 100% owned subsidiary of CGM.

The Company "Golden Heritage" changed its name to Adex Holdings Ltd (ACN 072 871 133), and its Annual Report for year ended 30 June 2001 records that Company disposing of its investment in CGM by way of an in-specie distribution of shares to shareholders of the Company – thus disposing of its tenements. Later the corporate structure of CGM passed to Citic – the shareholders retaining the tenements.

There was a public Registered Agreement (8 December 1999) to enable exploration at Clunes within a licence then held by Target Exploration Pty Ltd. This activity became commercially frustrated. Attempts to overcome that situation, to allow exploration south of Creswick's Creek, were also frustrated - at a Warden's Hearing, and then by correspondence from the Minister, (19 June 2001).

*The important fact here is that in the ensuing period **no drilling has ever taken place south of Creswick's Creek on the east side of the reef system** – a wasted 12 years!* For this record, the US\$ price of gold in June 2001 was \$267. The commercial frustration described above may have taken away the capacity of shareholders, Mount Rommel, to develop through a period of rising gold prices, but in no way has reduced intent – as the present circumstances demonstrate.

On 28 November 2003 the Company converted to a public company, retaining its name, and operating on a stand-alone basis.

Looking back on all these changes some points need restating –

- 1) Clunes as a goldfield is outstanding not only for its past production, but as a place where records demonstrate people living in Clunes at the time of South Mine closure understood that this field was being forced to close while under active development. No other goldfield in Victoria has such a history.
- 2) In the past 38 years, only two diamond drill holes were sited south of Creswick's Creek - both on the same section, and both **drilling into the west lode structure.**
- 3) Mount Rommel have consistently sought to acquire the rights to explore at Clunes, both north and south of Creswick's Creek. In October 2013, this Company acquired its first rights to explore south of Creswick's Creek, **to test the east side of the lode structure.**

It is important to appreciate that south of Creswick Creek, the veining recorded on plans confirms continuity of development over a distance 3 times the length of veining in the old Port Phillip mine environs (now MIN 5391 of this Company). It is also a fact that vein continuity south of Creswick's Creek is **twice** the distance of that north of Creswick's Creek, yet is the area with (by far) the least number of investigative drill holes in any era.

It has been said by eye-witnesses that *".....bulged areas of lode systems constitute the quartz mining centres of the State (Victoria)....."* see Bradford W. 23 October 1902. One bulged area at Clunes is recognisable as being centred on Alliance Street, south of Creswick's Creek. At that location the *width* of the reef structure zone hosting numerous sub-parallel veins appear to be about *170 metres* (the equal of like zones at Ballarat).

F. L. HUNT
Chairman