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4 December 2013

GENERAL ANNOUNCEMENT – ALLENDALE PROJECT GEOPHYSICS

PART A of a two-part Information Release

Introduction

In the week ended 16 November 2013, geophysical contractors to the Company conducted a series of field surveys south-east of Allendale. Some of the results of that work were provided for discussion among those shareholders able to attend the recent AGM, at Ballarat. At the time, results were only available in hard-copy form, the provisional prints being at table size. Information in that and other subsequent data from the field surveys has been condensed and combined, to prepare a Statement to NSX today.

Those mid-November surveys were of two types. Both types required there be two transmitter electrodes with insulated connecting wires, placed at pre-determined widely spaced locations, viz.;

* for the survey of 3 lines CSAMT, two transmitter electrodes 4000 metres north of the grid, wired together yet about 1,300 metres apart;

* to survey 7 traverses mise a la masse, two connected transmitter electrodes placed about east-west and 1,700 metres apart, positioned on the south edge of the grid, one electrode at depth 92 metres in hole H6, and the other just behind the houses, the village of Kingston.

The layout of the transmitter wires is on a scale indicative of the work being undertaken.

There are several outcomes, because this activity generates five (5) different sets of geophysical information. These are --

* apparent resistivity data from 3 extra lines of CSAMT,

* the capacity to develop comparative conductivity / resistivity data, integrated over a strike length of 1,800 metres,

* the mise a la masse and chargeability data -- for the present, incomplete for the full extent of the grid, and

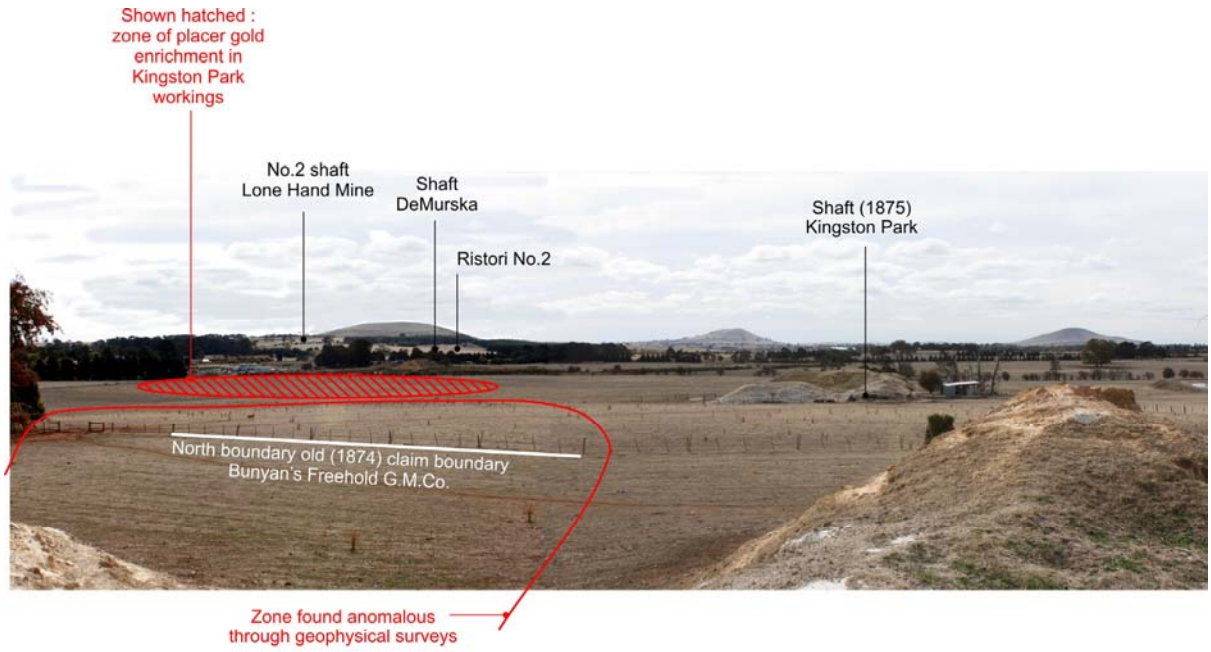
* spontaneous polarization responses for the 7 line grid area, considered due to spontaneous voltages present in the earth.

A review of readily available published data suggests that this NSX Release may be the first public account of a collection of spontaneous polarization (SP) data from below the basalt, in the Central Goldfields of Victoria. The combination of SP data with data from comprehensive CSAMT and detailed ground gravity geophysical surveys appears to be a powerful exploration tool. Effective value from these techniques follows their application in a comprehensive manner, not as isolated traverses.

Mise à la masse means excitation of the earth's mass through electrification. The transmitter layout used for this activity was sufficient to have extended the survey coverage some 700 metres to the south. Any extension work south of Stag Road has been deferred for the present.

The collective results given below are for the area north of Stag Road : these results warrant preparations for drilling in year 2014.

The following series of photos and diagrams presents the exploration and geophysical information as understood at present, in respect of Lot 16 Parish of Spring Hill. This area in 1875 was known as the Bunyan's Freehold Gold Mining Company claim.



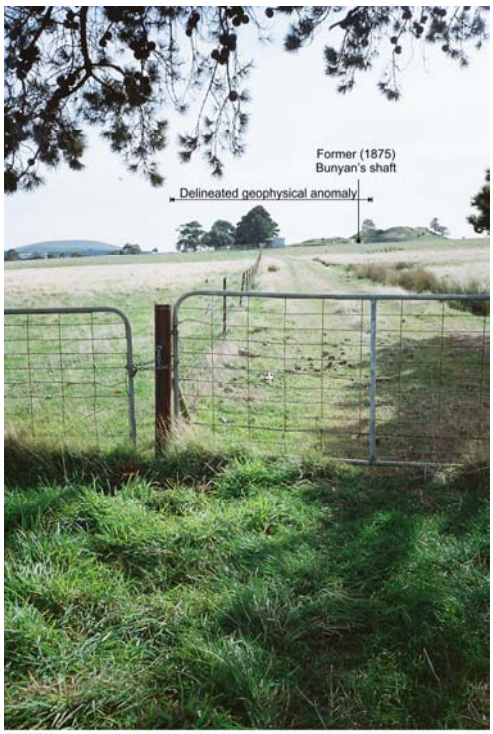
FLH121304

Photo 1 Taken on Bunyan's dump, looking north and north-west across Bunyan's/Kingston Park former claims

"Bunyan's" was never intended (in 1876) to be more than a deep lead gold company. It produced a profitable 8,820 oz gold and was then sold up. The area, Lot 16, is directly upstream of the gold-enriched headwaters of Kingston Park, De Murska, Ristori and other once famous mines.

A record unique in the archives of this Allendale district (to my knowledge) is in those for Bunyan's mine. This is the only mine where miners report treating the bedrock itself (not quartz) to recover gold, and the amounts recovered warrant those reports. The details appear in the *Creswick Advertiser* between 7 August 1876 and 4 September 1876. There was no further investigation of bedrock on record. The location is from 200 to 220 metres west of Bunyan's shaft.

Viewed from Stag Road, Allendale, the track to Bunyan's is straight ahead, to the north, as shown centrally in the photo 2 below.



FLH121303

Photo 2 Looking North from Stag Road

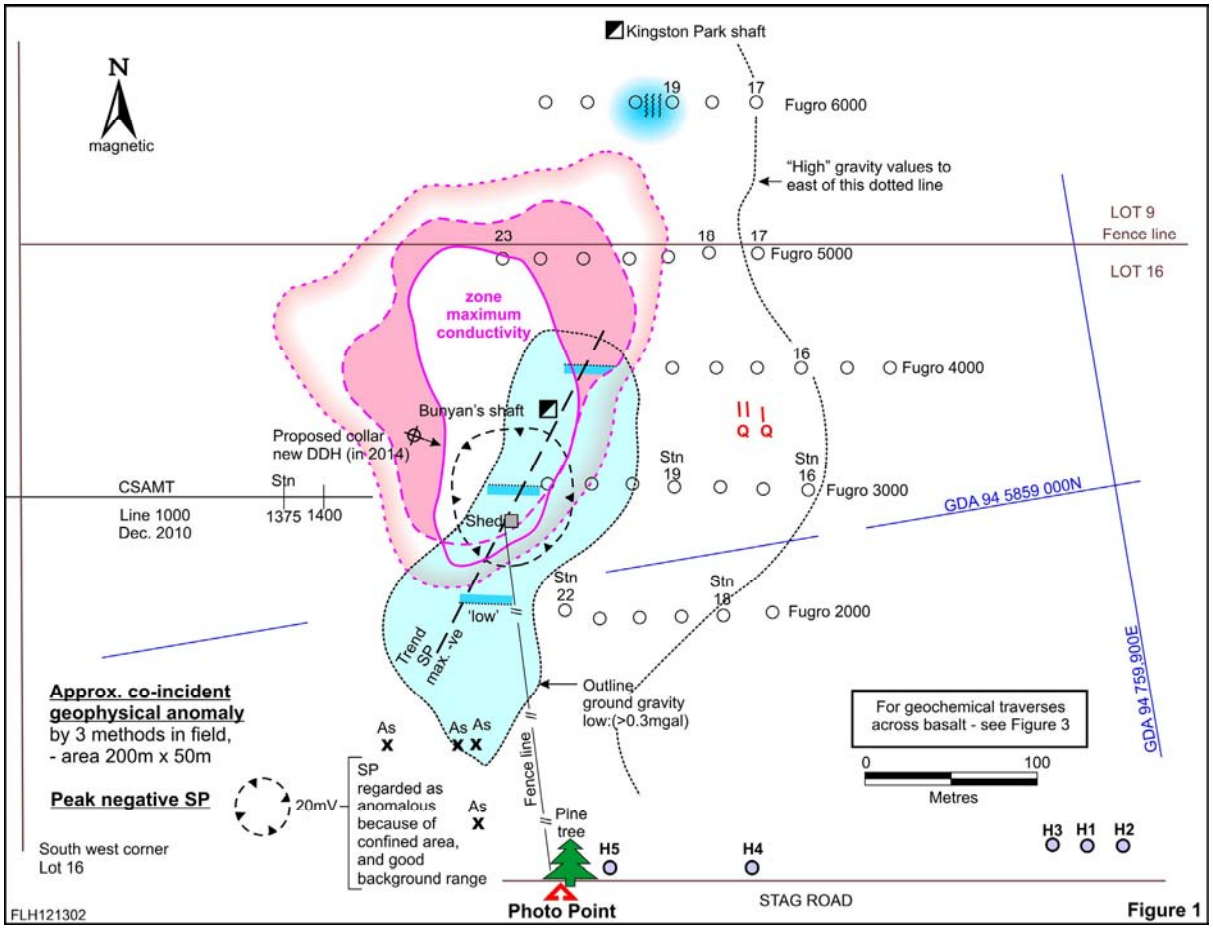
The surface elevation of the track at this gate is 484.7m AHD. The surface elevation at the Bunyan's old shaft, 270 metres north of the gate, is 488m AHD.

The lava at the Bunyan's shaft is 34 metres thick. Residual weathered material occurs on the ancient surface. The bedrock (Ordovician) is at depth 450m AHD – or 28 metres *lower* than the bedrock at the gate. Thus, the ancient surface apparently slopes down to the north at about 1 in 10; and perhaps to the east.

Within this lower bedrock geophysical investigations (ground gravity, CSAMT and Spontaneous Polarization or SP) have together delineated on anomaly of significant dimensions (200m x 50m) which warrants investigation by diamond drilling.

It can be noted that the principal part of the anomaly delineated by each method overlaps, so directing attention to that particular area. This anomalous location may be viewed from one of the entry gates to Lot 16, where marked on Photo 2.

The 3 overlapping anomalies (that is, by each of 3 methods) are located on the plan diagram of Lot 16 and part of Lot 9, to the north, see Figure 1



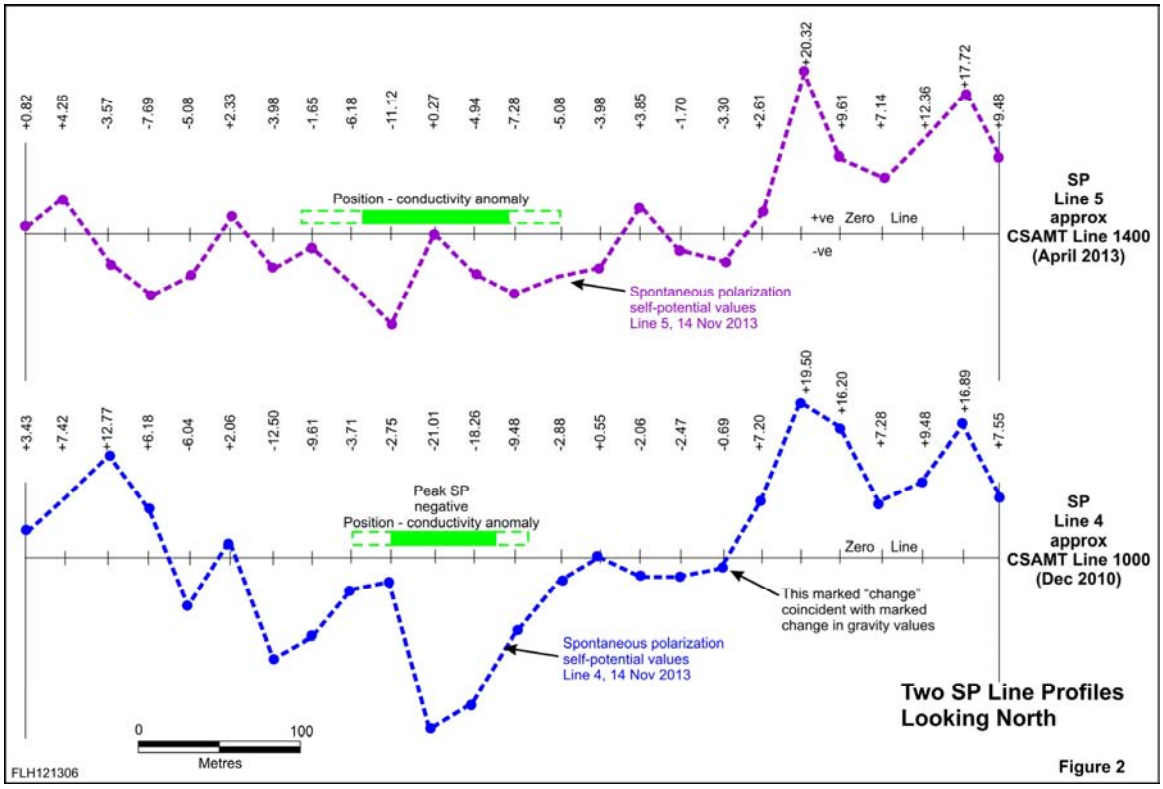
The series of small circles on the plan represent locations where ground gravity readings were recorded in Lots 4, 9 and 16. A total of 472 such recordings were collected years 2006, 2007, and 2010. These (collated in Fugro Report G2510) enable delineation of the ground gravity 'low' where marked in blue on the plan Figure 1. It is seen to be place-related to a zone of maximum conductivity (Zonge Nov 2013 unpublished data provided to the Company) and of SP information collected 14th, 15th of November 2013.

Seven (7) lines of SP values were collected as the *mise à la masse* survey took place, more or less in positions overlapping 7 lines of earlier ground gravity traverses.

The SP profiles for two (2) adjacent lines are given on Figure 2.

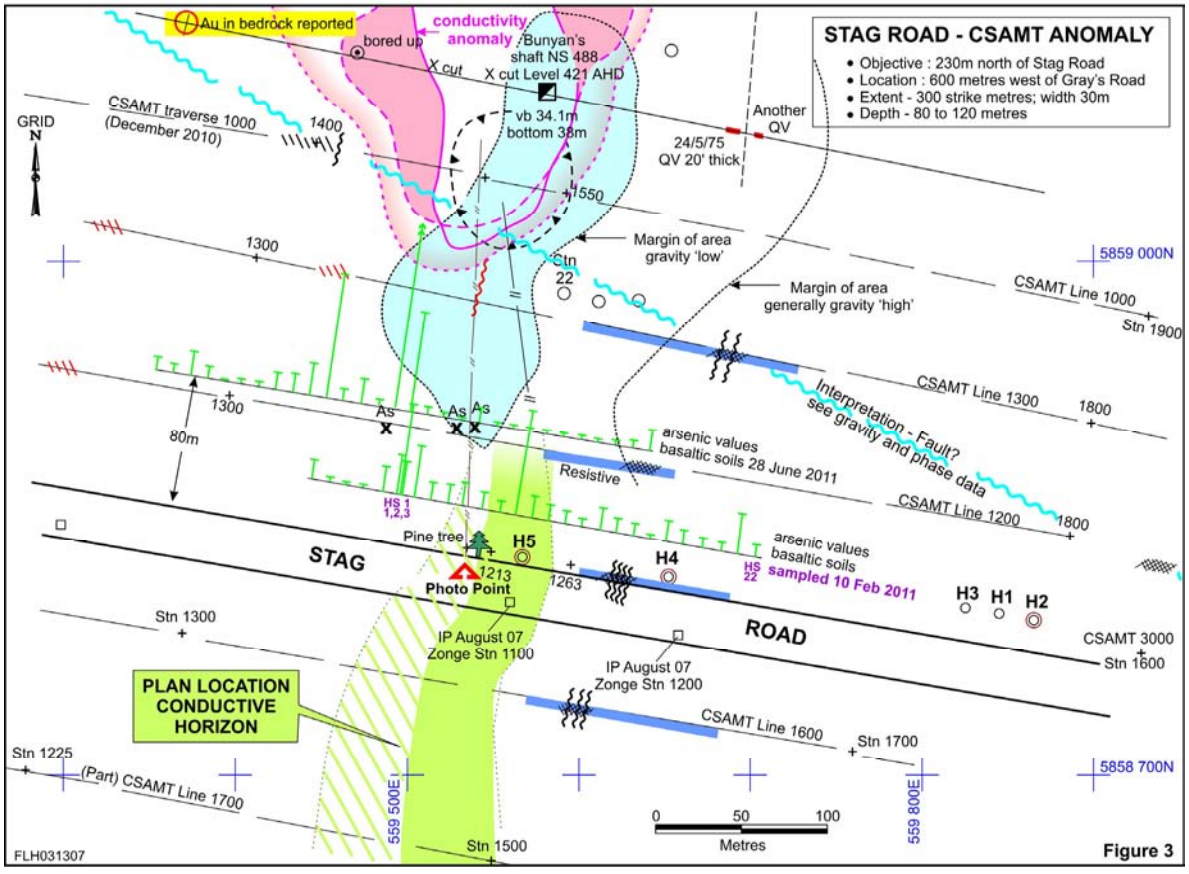
The two profiles demonstrate the position of maximum SP negativity, and the character of the SP anomaly. Clearly, the anomalous location is well-defined by SP values, and a good range of SP background values exist.

The question of topographic effect, if any, on this SP anomaly cannot be determined without drilling. The good ground gravity correlation must be a factor to be considered in relation to questions in this regard, as are the arsenic geochemical values found to occur in basalt soils 120m south of this peak SP negative.



There were geochemical investigations of the basaltic soil just north of the gate in Photo 2. The traverses to collect basalt soil samples in year 2011 are shown on Figure 3.

These samples were collected (in year 2011) at a depth of 400mm below the surface. At that time, all involved understood the level of arsenic as reported to be quite strongly anomalous, for no evident reason. Today, on Figure 3 the relative positions of the geochemistry, and CSAMT traverse Line 1000 (December 2010) can be seen to be positioned in respect of the SP and Conductivity anomalous zones. The addition of a further 20 traverses of CSAMT has generated a greater understanding of that first CSAMT traverse, Line 1000.



It is possible that both the gravity response and the SP anomaly are due to halo rock alteration – that is, perhaps the residual only of a body long ago removed / displaced into the placer environment by the repeated forces of erosion.

In regard to such a possibility, facts to be considered are the contradicting evidence in the old mine data. Those facts are that wash horizons carrying good gold enrichment occur in the Kingston Park workings at distances of 14 feet, 18 feet and up to 40 feet above the gutter level, giving good indications of active erosion from a nearby source, until no further erosion was possible – see details in Part B of this Release.

There were (to my knowledge) no underground workings of the old Kingston Park mine which tested the ancient surface south-west of the mine shaft in that claim, and none nearer to Bunyan's on the west side than about 100 metres. The area of ancient surface encompassed by the delineated conductivity anomaly is (to the best of my knowledge) unexplored. The depth to the ancient surface is likely to be a total of about 35 metres, and through two lava flows.

The whole exploration objective for drilling has become clear. The company will now proceed to –

- Lodge the necessary application for approval of a Work Plan, new drilling in 2014, and
- Pursue licence renewal, February 2013.

Those persons interested in checking the overall spontaneous polarization values as numbers, and in contours, will find the data in attached Figure 4.

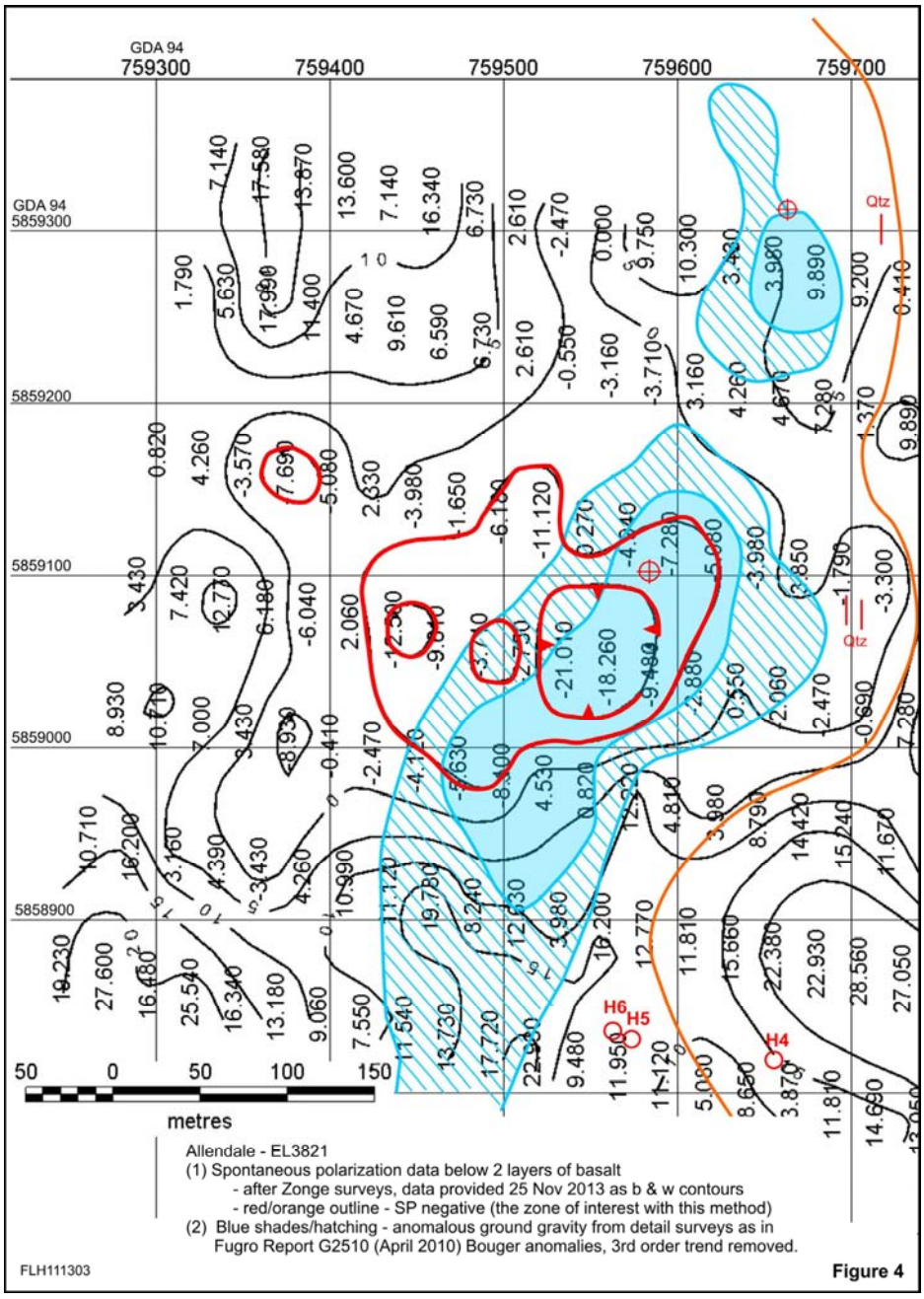


Figure 4

The other useful data for consideration at this time is the previous geochemical data from sampling of basaltic soils, just to the north to the gate in Photo 2, above. This now seems to be some form of leakage anomaly from the delineated zone further north. The year 2011 geochemical data (and related year 2010 CSAMT) is provided in Figure 3, the following Figure 5, and the Table of results, showing anomalous arsenic.

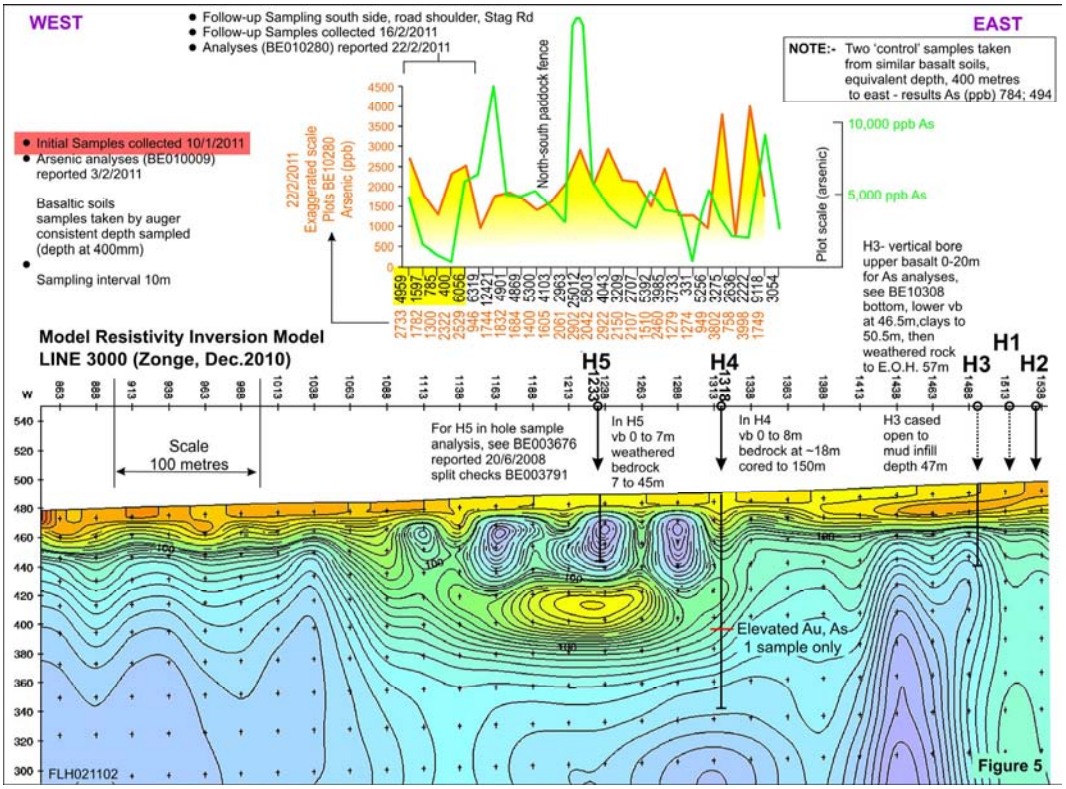


Table of results showing anomalous arsenic

ON SITE LABORATORY SERVICES
JOB: BE010009
DATE RECEIVED: 10/01/2011
DATE REQUIRED: 10/01/2011
DATE REPORTED 18/01/2011 CORRECTED 03/02/2011

JOB: BE010289
DATE REPORTED 17/02/2011

IDENT	Au	Au(D)	Au(R)	As	Co	Mn	Cu	Ni	Pb	Zn
UNITS	ppb	ppb	ppb	ppb.	ppm	ppm	ppm	ppm	ppm	ppm
DET.LIM	1	1	1	1	5	5	5	5	10	5
SCHEME	PE05	PE05	PE05	B010	B010	B010	B010	B010	B010	B010
HS1 1	1			8682	LLD	83	LLD	7	15	40
HS1 2	1			21716	8	91	6	11	20	76
HS1 3	LLD			6319	20	147	10	16	11	54
HS2 1	1			12421	7	150	5	8	26	90
HS3 1	1			4901	10	88	7	11	11	40
HS4 1	1			4869	11	115	7	12	10	38
HS5 1	1			5300	7	109	7	11	12	41
HS6 -1	LLD			4103	11	85	8	13	LLD	44
HS7 1	1			2963	6	117	5	9	13	33
HS8 -1	LLD			25012	9	222	7	11	33	137
HS9 1	3		3	5803	8	102	7	12	15	60
HS10 1	LLD			4043	6	70	LLD	9	14	53
HS11 -1	1			3209	11	63	7	14	14	52
HS12 -1	1			2707	9	80	6	12	11	38
HS13 1	LLD			5392	8	93	6	11	17	61
HS14 1	2			3985	7	127	7	11	17	62
HS15 1	1			3733	6	135	5	11	19	63
HS16 1	LLD			331	13	138	9	17	13	60
HS17 1	4		4	5256	7	161	5	12	23	88
HS18 -1	2			3275	5	112	LLD	11	19	64
HS19 1	LLD			2636	6	118	5	12	13	43
HS20 -1	LLD			2222	5	104	LLD	10	18	56
HS21 1	LLD			9118	10	167	10	20	27	130
HS22 1	LLD			3054	8	119	LLD	15	16	107

NOTES:

- Sample Nos HS1-1,2,3 are from near surface; down 200mm; and down 400mm, **same hole**
- Sample No. HS 2 is located 10m east of H1, similar environment (basalt soils)
- Sample line HS 1 to HS 22 - samples at 10m intervals, plotted as dwg 031307 - this traverse extended 50m to west at a later date.

Anomalous values

FLH121305

All information provided above (and in Part B) is the opinion of the writer, based either on research by him, or on data provided to him by an established geophysical contractor of merit, working in Industry.

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