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## **GENERAL ANNOUNCEMENT ALLENDALE - CURRENT POSITION, 17 July, 2014.**

Directors wish to provide certain information as to why field activity on the Allendale Exploration Licence is, for the time being, suspended.

The application for a Work Plan lodged in December was approved so that drilling planned earlier could and did commence on 29 March, 2014.

The initial diamond drill hole successfully located an anticline, at the hole depth of 126 metres, well below interference from deep weathering.

There is petrological evidence of fine metal sulphides about this hole depth. Only core to the east of that position was analysed for gold, and none found.

So far, the continued program of drilling indicates significant alteration has penetrated these rocks. No further comment should be given at this time.

Due to the suspension of this program, no analyses have been carried out on core from this hole to the west of the observed anticline, first hole.

No geological or geochemical assessment has been made of the core from the second diamond drill hole, other than general observation.

These two holes provide geology across about one-half of what is regarded as the area of immediate significance west of Bunyan's shaft, where none previously existed.

Neither hole probes the zone where the 1876 miners recorded gold in bedrock development, for a tunnel distance of 15 metres (as in press).

The Directors intended to pursue further down-hole geophysics, and for that purpose directed a probe be positioned in hole one at the depth of 126 metres.

The suspension arose due to correspondence from the Department, advising that questions needed to be answered in relation to the licence renewal application made by the Company in February, 2014.

The unexpected Departmental correspondence was received on 16 April, 2014. The licence, under Victorian law, remains valid until such time as the Company addresses these matters.

Directors wish to disclose to Members of the Company, and to NSX, the specific questions to the Company, now requiring answers. Those Questions are, ... quote:

- (a) Details of the technology available in the early years of the exploration licence and any relevant changes that have occurred since then;
- (b) Why was the available technology insufficient to adequately define the drilling program?;
- (c) What is the mix of technology that Mount Rommel Mining Ltd. has had to develop?;

and

(d) Why is Mount Rommel of the view that this new approach is likely to be successful?

The Company is free to provide additional information - that is, the Company is not limited strictly by the particulars of the Questions.

It appears that a very comprehensive technical Report on the overall activities under EL 3821 is insufficient to satisfy the Department as at today.

The Company has no legal obligation to Report further until 30 September 2014. Notwithstanding, these answers are required within 28 days of today.

The content of the questions goes directly to the business of the Company.

Work on EL 3821 has successfully positioned under basalt one or more locations critical for any interpretation of geophysical tool used in exploration.

The answers to these questions will clearly provide commercial information to the Department.

Publication of these questions allows consideration by each Member, bearing in mind those questions relate to a formal renewal application.

F. L. Hunt  
Chairman

On behalf of Directors, Mount Rommel Mining Ltd.