

28 Lawson Crescent, Thomastown, Vic.3074 P.O. Box 80, Bundoora, Vic. 3083 Telephone: (03) 9462 0739

Facsimile: (03) 9462 0494 Email: info@mountrommel.com
Web: www.mountrommel.com

15 September 2014

ALLENDALE EL 3821 RENEWAL

On 16 April 2014 the Company, care of F. Hunt, received by post mail the unexpected correspondence from the Department of Sustainability, Business and Innovation (DSDBI) that it would not be renewing EL 3821.

This letter prompted a vigorous response, through lawyers for the Company. These early exchanges were disclosed to some shareholders, including those attending the information session at Ballarat, 17 May, 2014. There have been Hearings before the Warden on the matter.

DSDBI required the answers to 4 specific questions (published). Those answers were provided in a considered reply some time ago.

On Friday, 12 September, 2014, when at the office of the Company Secretary for a review of the Provisional Accounts to 30 June 2014, I was given a copy of the DSDBI response to those 4 Questions, as had been forwarded to the Mining Warden on 8 September, 2014.

On 12 September, the Mining Warden also made provision for a right of reply. I would very much like to disclose to the NSX the DSDBI letter of 8 September, and the Company reply sent today. I may do so shortly. At present, the matter is in the hands of the Warden. I can tell you this - these letters demonstrate without doubt that the issue here is whether or not a public servant has the right to exercise power above that given by Parliament, to the Minister. It comes to that, and no more.

The Warden has a choice - he may resume a suspended Hearing, or report to the Minister, or both. There is a very serious issue here - the notion that some unidentified persons can prepare Guidelines, and then draw on those as though that guideline reference is above the law is new to this State.

None of these exchanges advance the exploration of EL 3821 one jot.

Because these letters bear on the book fair value of licence EL 3821 on the last day of Provisional Accounts, and going into Audit, the Directors have no choice but to write down the fair value of the licence in the accounts of the Company, even though renewal may occur.

A copy of this NSX Release will be forwarded to the Office of the Mining Warden.

On behalf of Directors Mount Rommel Limited

F L Hunt Chairman