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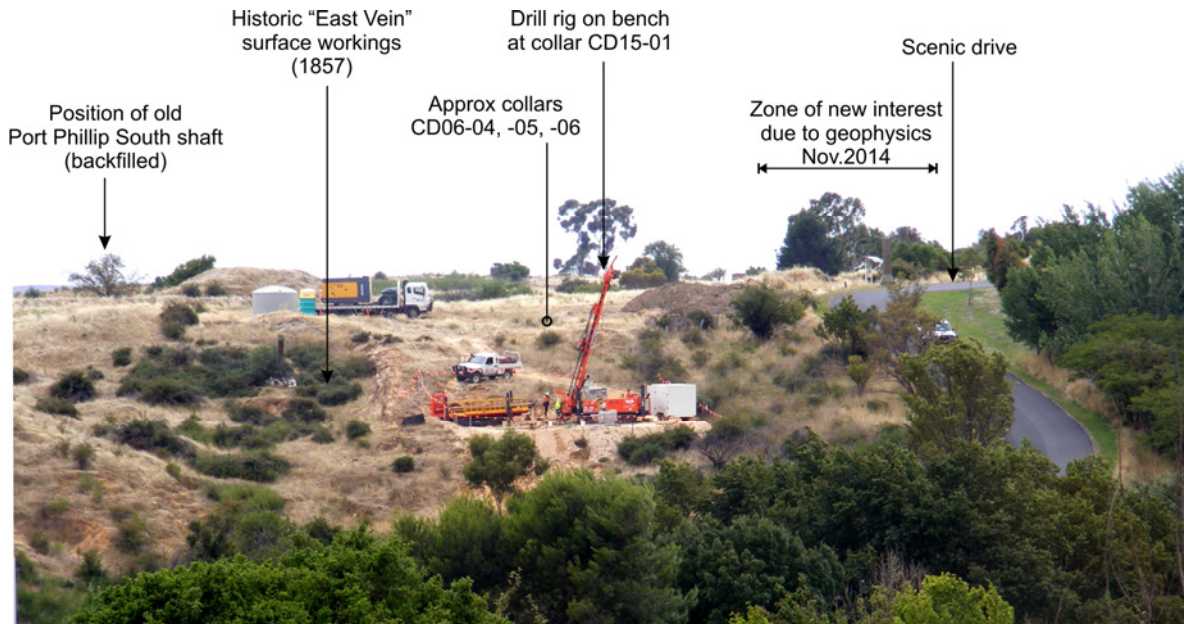
20 February 2015

## **CLUNES PROJECT ACTIVITY**

The following photograph looks north. It illustrates the position of the drilling rig at Clunes, positioned for the first hole in the current series. The hole dip is that of the rig - being depressed 73 degrees to the horizontal. The purpose of the activity is set out in the text below the photographs.



The green trees of Clunes across the mid-photo are along the banks of Creswick Creek. The hillside beyond the trees is unique as the place which contributed 500,000 oz gold to Victorian gold production, all before year 1893. In 2006 and 2007 auriferous structures were found remaining within the central section of the hillside. This zone was not investigated in the past apparently because of a strong belief about the veining pattern which sustained mining for many years. The present drilling has opened an alternative to that belief.



At Clunes, three (3) fully-cored holes have been diamond-drilled, off the bench in the hillside excavated for that purpose. The set-up for hole CD15-01 is as in the photograph. The other two holes were collared adjacent to hole one, on the bench.

The Company is undertaking an activity aimed at the outline of an area not worked within this once-famous hillside. The core from drilling to date demonstrates the location for this new drilling is well-positioned. The work so far suggests further drilling off this bench is warranted, and should proceed forthwith

This work going on is an exploration activity. In due course, it may form the basis of a "mineralization report". The immediate outcome, in the form of factual information open to observers, and eventually through fire assays of samples of core, provides quality insight into original veining in this section of Clunes Goldfield. Given most of this information did not exist prior to February 2015, it is entirely inappropriate to consider preparation of any "statutory" statement, of the type referred to as a "JORC Report".

It seems (to me) there is a distinct possibility the vein once known as "Robinson's" has a point of dislocation beginning about 40 metres north of the present drill site. The first indications are seen in hole CD06-04, at 133 metres down hole. Enlarging to the south, this possibility provides an explanation to the vein structure revealed by hole CD15-03, beyond 116 metres. The latter position is clearly in the hanging wall of prior workings, and remains unworked today.

What can very properly be stated is this –

- 1) All three recently drilled holes should not be regarded as "completed";
- 2) A fourth hole will be required to assist elucidation of apparently auriferous structures shown ( by assays ) to occur in hole CD15-01;
- 3) Instructions have been given for the drilling of this fourth hole, using the same bench as in above photos, and commencing 24 February, 2015;
- 4) A network of holes exist in reasonably close proximity, to investigate veining. The apparent veining pattern is open to modern interpretation.

Except for observations in the following paragraph, no assays are to be reported to NSX until all new holes have their cored material sampled, forwarded for independent assay, and then all of those results considered in the light of observed and collated geological information, both from new data and assay data on record from prior work. This work load may require 3 to 4 weeks.

The sampled half metre of core from hole CD15-01 which includes a split of the portion illustrated by this photograph of whole core, assays about 8 grams per tonne. The core diameter is 63.5 mm. The manner of drilling is described at this link - [http://en.wikipedia.org/wiki/Exploration\\_diamond\\_drilling](http://en.wikipedia.org/wiki/Exploration_diamond_drilling).



The drill hole diameter is 96 mm. When such a hole is made to pass through a large "structure", there can be no advance information as to what might be found. Another hole made to pass close by through the same "structure" in Victorian gold deposits is likely to return quite different assay data. The drilling objective (in Clunes) is to locate the variably auriferous *whole* "structure", and to investigate the merit of any revealed intersected material, *parts* of which may be as in the photo below.



These first 3 holes this year have indeed passed through four readily observed quartz structures. Two of these evident quartz structures are about the expected historic positions of named veins - those named as "East Vein", and the "Old Man Vein", about which much is written.

The interest in the new drilling is because --

- a) the intensively sheared flatter east-dipping vein structure first seen in year 2006, in hole CD06-05, is certainly present in holes CD15-01 & CD15-02, and
- b) an auriferous white quartz vein with noted salmon tints was encountered in CD06-04 at about 133 metres in that hole. A similar quartz structure is present, very much enlarged, in hole CD15-03, at about the same horizon, apparently sitting undisturbed adjacent to, and east of, prior workings.

The conclusion -

Directors invite all shareholders, their representatives, or any other interested persons to view the Clunes core, as available on **Sunday 1 March 2015**.

The viewing will be arranged to take place between 11 a.m. and noon, at the **Allendale core shed**.

At that time it is anticipated that metal tagging of sampled core assays, hole CD15-01 only, may be observed. Relevant core from holes CD15-02, -03, and some of hole CD15-04 would all be laid out for comparative observation. Any Director in attendance would be prepared to answer questions arising from observations that day. The Directors of the Company are always willing to give consideration to offers

F.L.Hunt

The above statement has been prepared by a Member of the AusIMM, who has been responsible for work at Clunes since year 2000. The present drilling activity is directed by him. The quality requirements of drilling are as specified by him, and the specification of sampling intervals for these current holes are his responsibility. The preparation, cutting and sampling is undertaken by an independent geologist well-regarded by others as experienced in working in this field in Victoria, on Victorian gold projects. Assays are carried out by an independent laboratory. All work procedures are more than sufficient to meet the mandatory requirements of Mount Rommel Mining Ltd., as 100% holder of MIN 5391 and surrounding EL 5492.