

28 Lawson Crescent, Thomastown, Vic.3074 P.O. Box 80, Bundoora, Vic. 3083

Email: <u>info@mountrommel.com</u>
Web : <u>www.mountrommel.com</u>

28 July 2015

## INFORMATION FOR MEMBERS OF THE COMPANY EXPLORATION LICENCE EL3821, ALLENDALE.

Members will recall that last year the Directors, understanding that registration of an approval to drill meant just that, undertook diamond drilling in EL 3821.

Any person today can visit the offices of the Department, at the ground floor, 121 Exhibition Street, Melbourne, and request a copy of the list of approved activities for EL 3821.

There can be no doubt that -

- (1) this licence is valid to the present day,
- (2) the last Work Plan approved was registered 27 February, 2014, and
- (3) two diamond drill holes were completed near Bunyan's shaft during March and April, 2014.

When this program was disrupted by correspondence intending cancellation, work on drill core was suspended. At the moment, completed hole EX14-02 has not been examined in any detail.

Until recently, Departmental correspondence appeared to be directed at termination of the licence as at 26 February, 2014, for unexplained reasons. The matter went before the Mining Warden on 3 occasions, the outcome being that the Warden advised the Department people to seek an independent opinion. Unfortunately, the public service officers involved elected to derive an expert opinion from within the ranks of the public service - resulting in further delays. Directors herewith report an opportunity loss to the Company of 15 of the available 24 months of the present (and last possible) licence term.

Recently, lawyers for the Company obtained documents about the matter, by direct request to the Department. On the basis of those documents, Directors are unaware of any evidence of substance sufficient to warrant **retrospective** cancellation of EL 3821 by the Minister. Today, lawyers for the Company responded to the Department on behalf of Directors.

It is now time to proceed with geochemical examination of hole EX14-02. The lower section of that hole is likely to carry information of interest to the Company, as licence holder.

The attached drawing illustrates the topography at the extreme upstream end of Lewer's Lead, the beginnings of the Madame Berry deep lead system. The results we have indicate the zone of interest exists between Stag Road and just south of Allendale Reservoir Road, more or less north south, about GDA94 grid position 759,500 E. This location and dimension is just west (and deeper) than the area tested by BHP circa 1988.

Old hole BHP 9 was collared north of Allendale Reservoir Road. The hole was drilled to the east. It appears that were the hole BHP 9 drilled west, not east, it would have entered the zone of present interest to the Company.

The depth of any geophysical target zone to the south led to a decision in 2013 to test this north-south zone at a comparatively shallow depth, regardless of the expected 30 metres of lava cover.

Surface geochemistry near Stag Road revealed low levels but distinctly elevated levels of gold, arsenic, and antimony in basaltic soils, anomalous in data from several soil sampling traverses. This chemistry suggested drilling should test the same zone nearer to Bunyan's old shaft, which is what happened in March, 2014.

Hole EX14- 01 drilled west, and located an anticline about 129 / 130 metres down hole, with a completed hole depth of 177.3 metres.

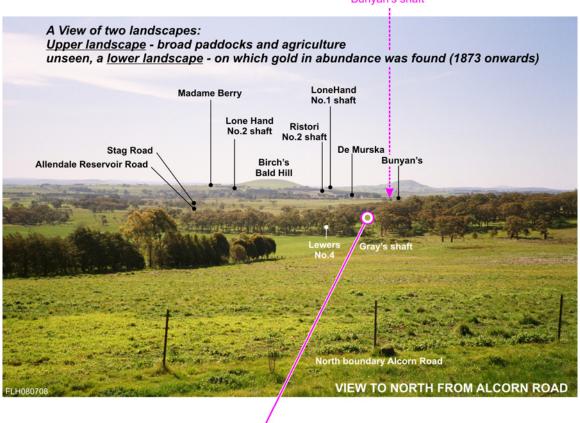
The collar of hole EX14-02 was positioned to the west, so that below the basalt these two holes would have 150 metres of separation. Hole EX14-02 was completed to depth 180.2 metres.

There is much to examine as yet in hole EX14-02.

## F.L.Hunt,

On behalf of Directors, Mount Rommel Mining Ltd.

## NOTE 1: Drilling in March 2014 locates evidence of anticline at depth 85 metres below basalt and 40 metres west of Bunyan's shaft



Location of prime interest EL 3821 (over 700 metres south of Bunyan's shaft)

## Observation -

An anomalous zone of CSAMT geophysical responses continues from Stag Road to south of Allendale Reservoir Road. The east margin of that response has an interesting parallel with the gold-in-soils anomaly as outlined at surface by BHP decades earlier. The CSAMT response may represent the down-plunge (to NNW) expression of the gold-in-soils anomaly. The CSAMT data on which this observation is made was collected on the only available day for access to this private land, made practically possible by Wardens direction to the landowner