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MOUNT ROMMEL MINING LTD.

PUBLIC STATEMENT WITH RESPECT TO CLUNES GOLDFIELD - SOUTHERN SECTION.

On 31 August, 2016, this Company advised the market its Directors had acted on 23 August 2016 to bring about relinquished of an area of less than 3 sq. km., south of Clunes township.

The procedures of Government in respect of this action have concluded. The area becomes available for new applications on 18 October, 2016. The Directors will seek advice from its Members prior to that date, as to a new application.

The Public Statement today is to provide summary information about this location, at Clunes.

1. Reports (historic) by former Government officials set down reasons why new searches for gold at Clunes would be underground, beginning about 600 feet below surface.

It should be noted that the modern drilling results of this Company show the above official reports are not the true situation.

Gold has been intersected in numerous holes by this Company, from depths as shallow as 28 metres below surface, and at other varying depths, to at least 140 metres below surface.

2. Most of the drilling work carried out through many previous phases of exploration at Clunes has taken place north of Creswick's Creek.

In closer proximity to Clunes township, it can be stated that some 120 drill holes (at least) have been drilled north of Creswick's Creek, and perhaps only 16 holes south of Creswick's Creek.

Eight of the holes south of Creswick's Creek were percussion holes of limited depth, in one line, in Alliance Street, west of Templeton Street.

That is, on the basis of drilling in the modern era, the south part of Clunes goldfield is virtually unexplored.

3. Published reports, available at Archives Victoria, show what was taking place in the last mine to close, at the closing date.

In the 8 years before closure this mine produced 67,000 oz. gold, with the very last report showing where new gold was being found at that time.

4. Company attention has been directed towards a better understanding of this south end of Clunes Goldfield.

Company studies include revision of historic mine development drawings available at present.

Files include those with review dates of Year 1909, and those prepared in Year 1952, by Gold Mines of Australia, a fore-runner of W.M.C.

These drawings tend to confirm that the rich developments along the May Day reef - a reef found between the old Lothair shaft and the Clunes Railway Station - were being re-drawn from the positions apparent in the drawing which accompanies the Report on the South Clunes United mine, dated June 1888 - a report in the State Library of Victoria Collection (on-line).

5. The Company has developed a particular interest in the May Day Reef structure, and its complexity, details of worked places revealing a multiple reef system of substance.

The Company has mine plans of surveys plotted at scale 1 inch to 50 feet, complete to year 1893, so believes there is historical accuracy to its data base.

The Company wishes to share with readers certain historic, market-based evidence over time, which underlines the forgotten commercial importance of the May Day reef structure.

The Lothair Company acted to acquire the claim, rights, and equipment of the former Ballarat & Clunes Alluvial Company, in a "fire sale", in March 1870. At the time, press comments show many people thought the claim would carry extensions south of gold-bearing reefs being worked then in the South Clunes Company mine. Yet there was little interest in this ground at the time of sale.

Further, the existence of the May Day reef was completely unknown in March 1870, and unsuspected. Its later discovery (1 May 1872) arose from an accidental intersection in a drive headed south-east from the Lothair shaft. The purpose of this drive, at the time, was to find and mine sub-basaltic gravels carrying gold. For that reason, the depth of working was 246 feet below the surface. Later, it was shown the May Day reef line crops out in the gravels, never suspected because of the basalt cover.

The important point about this graph is that it demonstrates market responses on two occasions, well before the rich gold discoveries of the May Day reef. History shows that the Directors of the Lothair Company at that time were disinterested in quartz mining. Those Directors were to lose the Company, to its reconstruction into the **New Lothair** Company, December 1874.

The whole set of events can be followed from beginnings, to close in 1893. The areas untouched by any historic development are able to be delineated today.

In the lower right-hand corner of the attached graph is a Note about the discovery in year 1876. This discovery time is over 5 years after the original discovery of the May Day lode. The point of discovery in year 1876 is more or less beneath the 1871 discovery, and some 80 metres deeper. This is at time when there were no diamond drills to find ore in advance of development.

As it turned out, the 1876 discovery is at an off-set location, and it led on to the opening up of the May Day B lode, a whole new area to work, plunging south.

The 1909 longitudinal sections, plus earlier plans, held by the Company today show where worked parts of both A & B lodes of the May Day line were positioned.

Mount Rommel is extremely interested in testing this vicinity by drilling from surface. There appears to be untested prospects along the lines of the May Day A & B lodes.

The graph attached has been prepared by the under-signed; it is based on share price data reported to the Ballarat papers of the period.



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

LOTHAIR COMPANY, CLUNES

GRAPH OF RISE IN PRICE OF SHARES
IN SHILLINGS (STERLING)

20/- is £1.0.0 sterling, at that time.
At 80/- : price equivalent
to 1oz fine gold

