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29 November 2016

**GENERAL ANNOUNCEMENT NSX  
TO MEMBERS AND PROSPECTIVE INVESTORS,  
MOUNT ROMMEL MINING LTD**

The last of the really great Victorian goldfields without any revival phase since closure is the Clunes goldfield.

It is true there are at Clunes some residents who want no revival. The peddling of anti-mining mis-information is their intent. Everyone understands that the social media today provides the means to distribute misleading ideas to the public. Similarly, the wider public as well as other residents at Clunes watch to see if there are moves to develop anew the gold resources which made Clunes so famous.

This Company seeks to investigate those places which appear to be the best opportunities for underpinning a gold field's revival, Clunes. It is always best to carry out the accumulation of data to expose those opportunities, in advance of rising gold prices.

On the north side of Creswick's Creek, drilling *where no drilling had taken place before* revealed a zone carrying gold, a zone unknown to early miners. The amount of high grade gold in some 7 holes is enough to demonstrate continued appraisal of Clunes goldfield is both warranted, and commercially sensible.

Clunes as a goldfield extends beneath lava cover - so hidden - for a length of at least 2,800 metres. The lava cover prohibits geologically mapping of the goldfield. The facts are that 90% of the field is buried under up to 50 metres of basaltic lava. This means that any goldfield appraisal relies on the comprehensive collation of records, coupled with finding - and understanding - old plans, plus due consideration of the work of previous exploration companies active since year 1950, and data from drilling, especially those gold-rich intersections of Mount Rommel.

In the year 2016, records for the southern half of this great goldfield were found, and were examined.

These investigations led to an understanding that the once-famed May Day lode is formed as two structurally separated parts, along the same anticlinal zone, with gold workings indicating an east-dipping payable ore zone. Ore deposition on both west and east-dipping flanks of folded structures suggests potential exists for added structural repetition.

Discoveries along the May Day line of lode generated excitement in Clunes in the 1870's. This "*good news*" meant that the previously known gold-bearing quartz structures being developed progressively south from Clunes township - see Figure 1 attached - were not part of a single vein system. Production increased quickly, and, 20 years later, preparations were underway for further increases. The sad historical fact is that commercial take-over efforts failed, bringing the South Clunes gold mine to a standstill, year 1893. In modern times the former WMC held this ground for all the years 1950 to 1989. No work since year 1950 has added information to properly explain the aggregate gold production for so long from South Clunes ground.

Today -- 5 diagrams are published on NSX. These drawings describe what ( in my opinion ) close examination reveals as new opportunities, the South Clunes area.

Viewers please appreciate -- a plan of a drill hole is a surface projection of the hole direction. If it appears as going under a house, that's so, but the drawing of Figure 2 will show how deep below the surface is the hole, so no need for concern.

Figure 3 uses a hand-drawn skeletal map of the position of some work areas circa 1869 / 1870, overlain on the modern surface land subdivisions. The position of these early workings is instructive - the workings follow the gold - whether in Crown lands, or under private land. The often 40 metre thickness of lava ensures all mine activity over 35 years has produced absolutely no subsidence at surface, nor is subsidence likely.

The air-photo Figure 4, shows where holes could be undertaken to begin proper investigations, south Clunes goldfield. The purpose of any drilling in this environs is to explore the potential to continue gold operations. Note - where the west end of hole B is positioned on this air photo is a point on the historic tram formation. The tram ran south-east, from that point towards the corner of Templeton Street with Victoria Street, the tram-way trend easy to recognise once mentioned. The tram line extended for about one-third of a mile, taking ore to the stamp mill, then located by Creswick's Creek.

For those readers with a technical interest, the prospective situation arises this way -

- important concentrations of high grade gold were found to occur along what was called the May Day line of reefs.

The market impact of these finds at the time is given in the NSX Announcement of 26 September, 2016.

- this May Day line appears untested north of Victoria Street, more or less about 80 metres beneath Templeton Street.
- it appears ( to this writer ) that available geophysical data could be interpreted as arising from drag folding of the entire May day line of lode. Fractures associated with such a pattern of folding are usually favourable hosts for ore deposition.
- Holes A and B proposed here would be able to investigate prospects for new gold, including if generated by crumpling within drag folded anticlines.
- the deeper parts of Hole B would provide a first insight into an area central to wonderful gold production, a place been shut to the World for 123 years..

It is well to remember that the bottom areas proposed probed by Hole B cross ground being opened up by the last mine manager South Clunes United.

This is a manager with the credentials of supervising production exceeding 200,000 oz. gold, *without any of the benefits from diamond drilling !!*

**Figure 5 amends the position of year 1869 workings out of the No.3 shaft, the Ballarat & Clunes Alluvial Coy.** The data can be compared with the earlier generalised diagram, posted on NSX on 2 September, 2016. The improved locations arise from the data recorded on an early South Clunes Company plan of that time period. The prospects in that south-west part of Clunes goldfield remain as described on 2 September, 2016.

Clunes goldfield renewal is understood to be a worthy long-life project. It has had a beginning much the same as those at Stawell, at Ballarat East, at Fosterville and Costerfield. All those other Victorian places confirm that today's gold revivals come about through results of new drilling from surface. Mount Rommel seeks the grant of ELA 6406, in order to proceed in that same way. The grant of this licence is a slowed process, due to the LUA procedures.

MEANTIME -

The Company is to focus all its attention for the near-term on Glenfine. This project is about gold resources of a more immediate kind.

Those working for the Company have successfully processed about 1000 tonnes of sand at Glenfine. The rates of process can, and do, exceed 50 tonnes per day.

The Glenfine plant operations have been temporarily suspended. Resumption is held pending, awaiting results of gross gold accumulated into carbon, and then bar-gold, as established after transport of the gold-rich carbon to a Perth refinery.

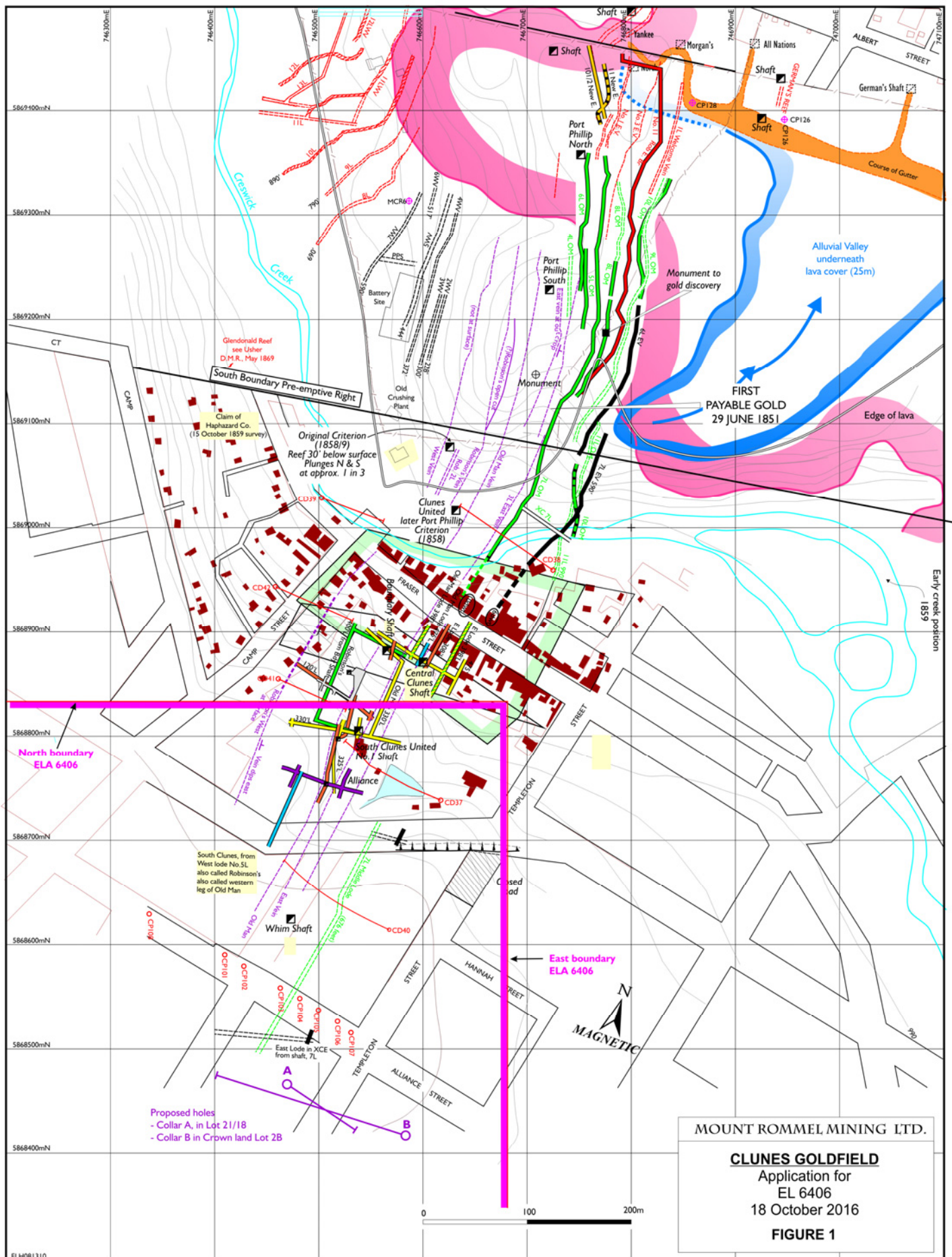
F.L.Hunt.

Chairman.

The following diagrams were prepared from original work by F.L.Hunt, MAusIMM, who has requisite experience in the evaluation of old mine data, and of the successful placement of drill holes along the north part of Clunes goldfield, to undertake the presentation of such work to the public.

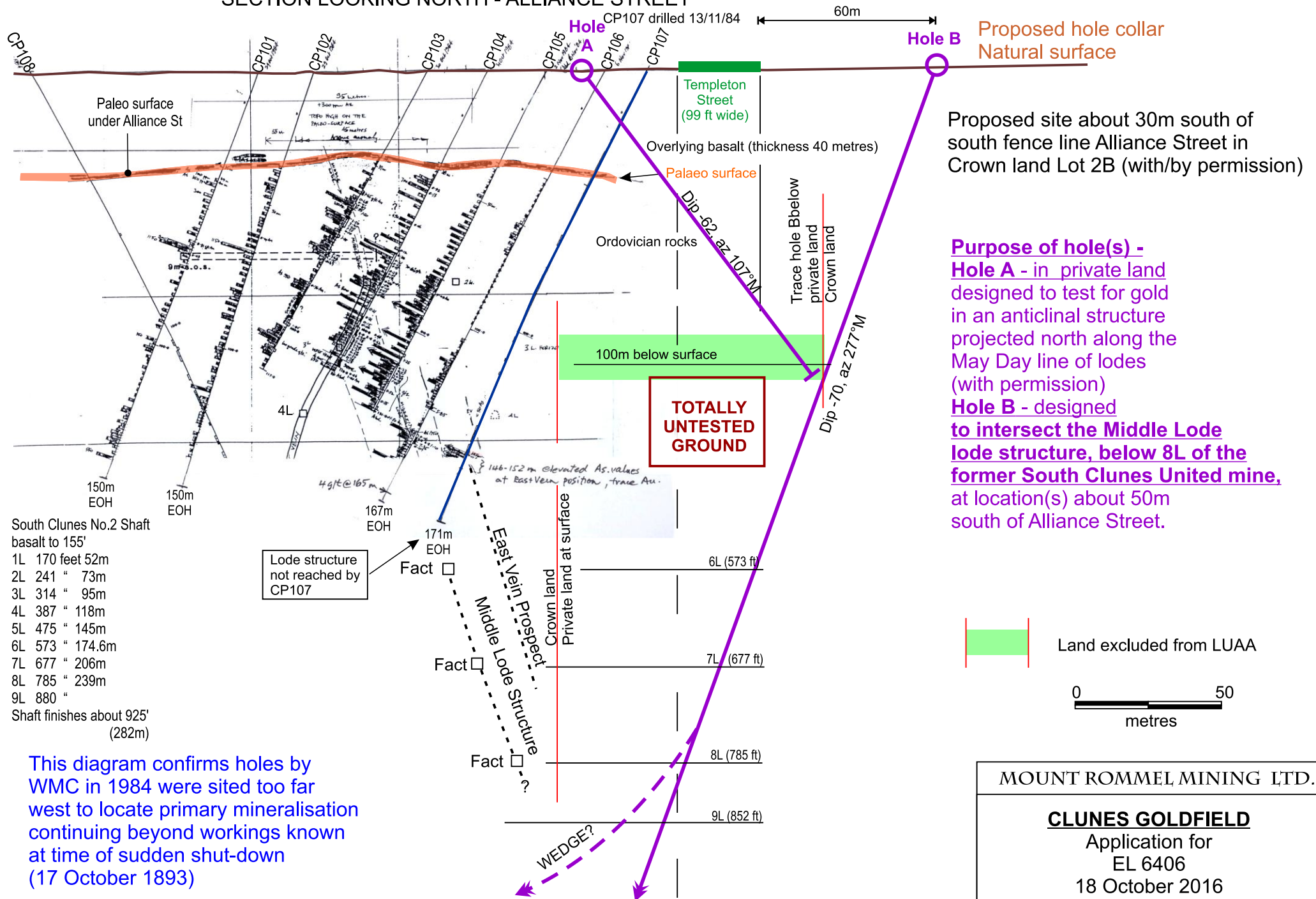
Attached:

1. FLH081310 – Plan Clunes Goldfield showing location of ELA 6406
2. FLH081308 – Cross Section along Alliance Street
3. FLH111606 – Extract from workings South Clunes Gold Mining Coy
4. FLH111608 – Annotated aerial photo
5. FLH111607 – ELA 6406 sketch map with additional data





# SECTION LOOKING NORTH - ALLIANCE STREET



This diagram confirms holes by WMC in 1984 were sited too far west to locate primary mineralisation continuing beyond workings known at time of sudden shut-down (17 October 1893)

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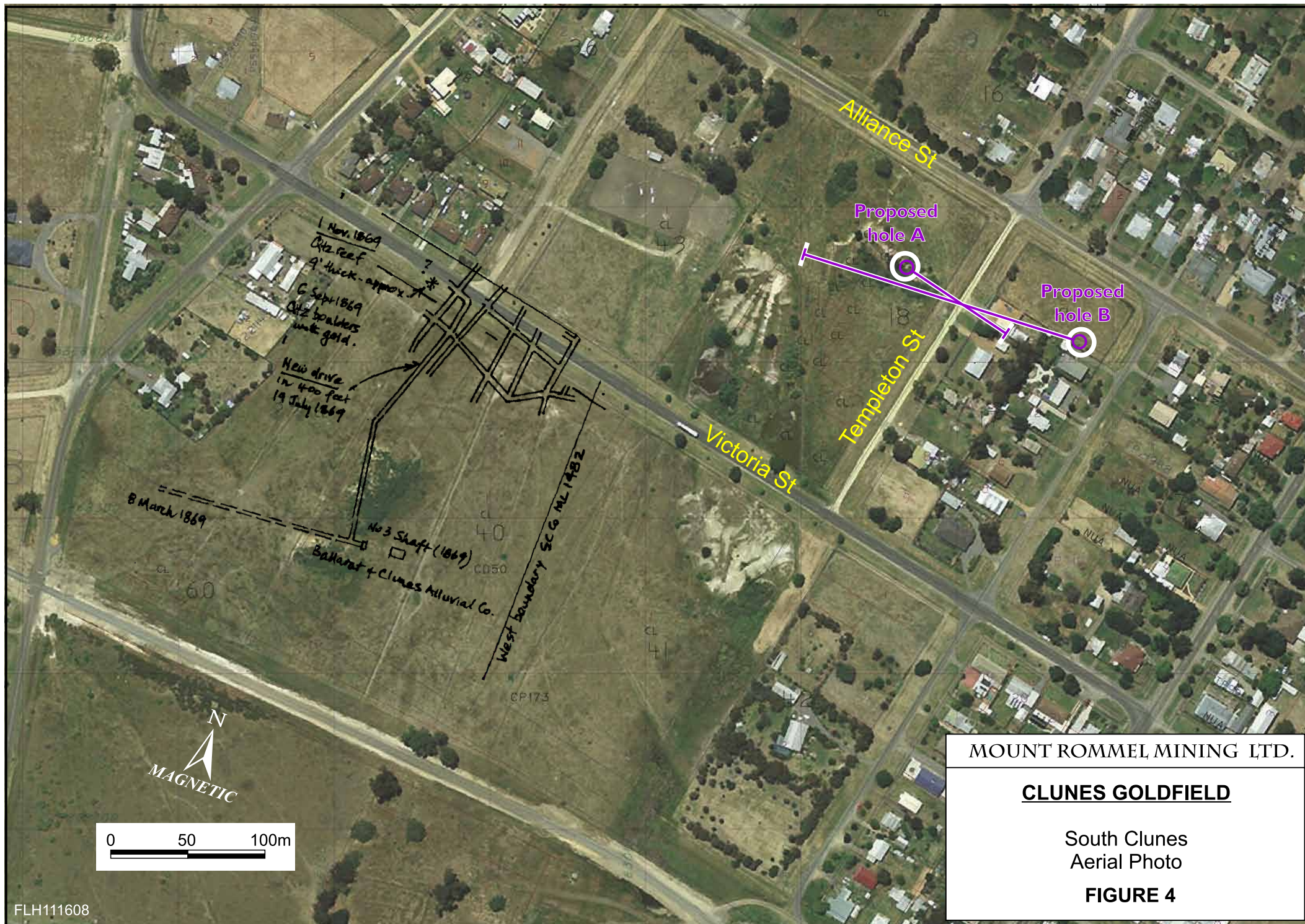
**CLUNES GOLDFIELD**

Application for  
EL 6406  
18 October 2016

**FIGURE 2**



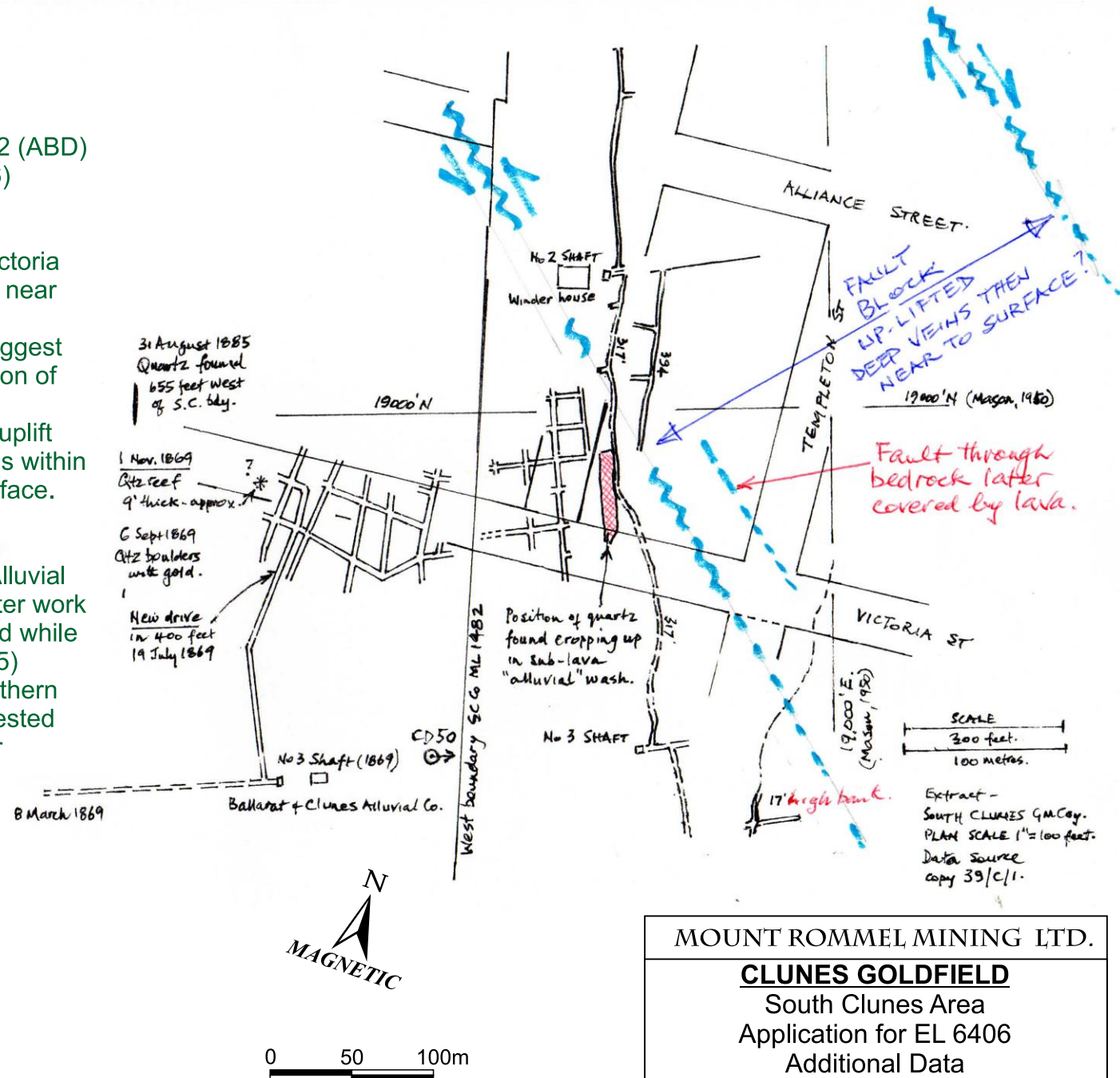






THE TWO REASONS FOR APPLICATION EL 5492 (ABD)  
AND REPLACEMENT ELA 6406 (18 October 2016)  
ARE -

- 1) The substantial alluvial wash workings under Victoria Street and beyond do abruptly change direction near the corner, Templeton Street.  
Recorded positions of deeper mine workings suggest this direction change is due to the surface position of the **oblique fault shown in blue** on the skeletal plan here. Other evidence indicates significant uplift north side of the fault and this untested ground is within the heart of Clunes Goldfields and nearer to surface.
- 2) The 1869 workings of the Ballarat and Clunes Alluvial Coy revealed evidence of parallel gold veins, later work (1885) appears to have over-shot this earlier find while exploring just below the lava. Geophysics (2005) suggests these early findings represent the northern expression of a larger system, which could be tested first by drilling beneath the old B & C #3 shaft or further south.



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**CLUNES GOLDFIELD**

South Clunes Area  
Application for EL 6406  
Additional Data  
28 November 2016

**FIGURE 5**