Mount Rommel Mining Limited

ABN 89 005 583 031

Annual Report - 30 June 2017

Mount Rommel Mining Limited
Contents
30 June 2017

Mount Rommel Mining Limited
Corporate directory
30 June 2017

Directors	Frederick L Hunt (Executive Director, Chairman) Hamish Hunt (Non-Executive Director - resigned 1 March 2017) Rodney K Bradshaw (Non-Executive Director) Justin Packer (Non-Executive Director - appointed 13 April 2017)
Company secretary	Frederick L Hunt
Registered office	Level 4 100 Albert Road South Melbourne VIC 3205
Principal place of business	Shed 2 Corner Smythe & Batten Streets, Allendale, Victoria 3364
Share register	Link Market Services Limited Tower 4 Collins Square 727 Collins Street Melbourne Victoria 3000 Telephone: + 61 3 9200 4555
Auditor	MSI Ragg Weir Level 2 108 Power Street Hawthorn Victoria 3122
Solicitors	J + K Law 76 High Street Eaglehawk Victoria 3556
Stock exchange listing	Mount Rommel Mining Limited shares are listed on the National Stock Exchange of Australia (NSX code: MMT and MMTPA)

Mount Rommel Mining Limited
Directors' report
30 June 2017

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Mount Rommel Mining Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2017.

Directors

The following persons were directors of Mount Rommel Mining Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Mr. Frederick L. Hunt (Executive Director, Chairman)
Mr. Rodney K Bradshaw (Non-executive Director)
Mr. Justin Packer (Non-executive Director) (appointed 13 April 2017)
Mr. Hamish Hunt (Non-executive Director) (resigned 1 March 2017)

Principal activities

During the financial half-year the principal continuing activities of the consolidated entity consisted of:

- Batch processing of about 1,000 tonnes of Glenfine material, recovering activated carbon, road freight of that carbon to Como Carbon Services, Perth for gold recovery there. The small bar recovered was transferred by Como Carbon Services to Perth Mint, for final clean-up and detailed analysis. These activities and results were reported to NSX on 15 December 2016, and 17 January, 2017, with useful photo illustrations. The outcomes confirm the capacity of the Glenfine plant to recover ultra-fine gold historically lost into these old tailings. Evaluation of the means to recover the separated gold passing to sands is currently underway.
- Several attempts were made to develop a working relationship to advance action on Clunes Goldfield. None were successful.
- The Company exploration holdings at Clunes were believed significantly improved by the making of strata application ELA006406. This strata application is designed to ensure full tenure rights under the basalt at south Clunes are clearly held for benefit of the Company. The new application was made in the name of the wholly owned subsidiary of this Company, Bonshaw Gold Pty. Ltd. A second application, ELA 006473, in the name of Bonshaw Gold Pty Ltd , lodged on 14 March 2017, was made for purpose of investigating north Clunes.

During the fourth quarter of the financial year to 30 June 2017, Directors were drawn into discussions proposing an enlarged activity at Glenfine, the presumed surplus-to-costs funds proposed then to be used to advance the development of Clunes. Under this arrangement as mooted, there would be provision of funds to the Company to ensure compliance costs could be satisfied as those arose. The circumstance, when made formal, was disclosed to NSX, 5 April, 2017.

An agreed cash payment provided to the Company confirmed this agreement – but further progress or site access payments simply did not eventuate.

A stalled agreement brought its consequences – this Company could have had difficulty maintaining its statutory compliance demands.

The proposed due diligence proceedings did not take place with respect to Clunes.

So far as it is known, no additional metallurgical investigation was undertaken with respect to sands, Glenfine.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Review of operations

The loss for the consolidated entity after providing for income tax amounted to $986,206 (30 June 2016: $145,301).

People from various jurisdictions continue to demonstrate how the known Goldfields of Victoria may be re-opened through improved exploration techniques.

Mount Rommel is understood to have progressively assembled the following:

- Sufficient quality exploration data to justify new drilling for undisclosed mineralised zones adjacent to historic workings, Clunes
- Drilling results at Clunes, at two places within private land, giving corroboration about the value of the above prospective approach to discovery – an aggregate of 23 holes
- A place (at Glenfine) held as approved for tailings re-treatment, at Industry scale.

These items become "assets" of the Company for the following reasons:
(1) There may be consequent activities on site, enabled by the security deposits (bonds) as provided by the Company
(2) There is demonstrated unrecovered gold held in tailings on surface (the potential of Glenfine)
(3) The holding of available-for-sale data (a provision of noted value to those interested in sharing costs for new drilling); and
(4) The assay results, Clunes -- an accumulation of records from work by others, and by this Company (2005 to 2015) regarded as sufficient to give good reason for new drilling.

The whole purpose of new drilling anywhere is to expand the outlines of gold mineralised ground, known or anticipated through detailed information.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the consolidated entity during the financial year.

Matters subsequent to the end of the financial year

In the period August to October, the financial Year 2017/2018, the Company has received two quite separate approaches, both relating to all four of the "assets" set out above. At the time of the preparation of this Report, these approaches remain as continuing expressions of interest.

The Directors of the Company seek a path for development, which in so doing, enables the Company to meet its on-going obligations for statutory compliance.

The Company interests at Clunes are related to Crown lands as are distributed north and south, beyond the township environs. These Crown lands are within the defined boundaries of the area subject to rights of the Dja Dja Wurrung Aboriginal Lands Corporation, in accord with the Traditional Owners Settlement Act, Victoria.

The prospective character of these Crown lands has led to applications made using the 100% owned subsidiary of the Company - Bonshaw Gold Pty. Ltd. An exploration licence within the area of the Dja Dja Wurrung peoples requires the EL applicant first obtain a registered Land Use Activity Agreement (LUAA) as administered by Native Title Services Victoria.

Bonshaw Gold Pty. Ltd. is now registered as holder of an LUAA for each of the Clunes area EL applications numbered EL006406 and EL006473. The registration is commercially significant, and was disclosed on NSX 5 September, 2017.
In this part of Victoria, these LUAA registrations are the welcome legislative means enabling drilling to proceed where it is overdue - on these selected Crown lands, beyond the housing environs of Clunes township and also outside the bounds prescribed by the 100 metre rule (Section 45, the Mineral Resources Sustainable Development Act., 1990).

Expansion to the Clunes Goldfield became possible in practice by the registration of these two LUAA's, the first on 23 May, 2017, and the second on 29 August, 2017.

The prime target, Clunes goldfield

The planned purpose for funds raised in this financial year is to enable new drilling around the hole numbered MCR 8, at North Clunes.

This percussion hole intersected over 75 continuous metres of mineralised ground, including 5 intervals with excellent gold values. Exploratory drilling by others, in years 2005 to 2007 failed to achieve the depth necessary to further delineate already compelling evidence of a gold resource in waiting.

The area has also been the subject of two different types of geophysical survey, both of which resulted in recommendations to continue drilling around hole MCR 8.

This location adjoins the old New North Clunes gold mine - yield over 250,000 oz. - celebrated (1875) for its consistent highly profitable operations.

The element of mystery here is that MCR 8 is a percussion hole, un-surveyed as to azimuth. It appears to have intersected a series of gold-bearing structures about the centre of one geophysical expression. The hole MCR 8 concluded at depth 282 metres down hole, when the equipment of the day reached its limit. At that depth, the hole was still advancing in mineralisation.

There is no known reason why modern drilling could not continue to the limit of the mineralised ground opened up by the MCR 8 discovery.
Drilling to clarify the character of this special target is being planned. Appropriate funding includes that necessary to meet and satisfy compliance activities regarded as normal in year 2018.

The Directors would consider other activities as those present themselves.

Subsequent to the end of the financial year, the discussions in relation to the proposed agreement at the Company's Glenfine project were terminated and each party has been released of their obligations under the agreement.

No other matter or circumstance has arisen since 30 June 2017 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Likely developments and expected results of operations
Information on likely developments in the operations of the consolidated entity and the expected results of operations have not been included in this report. In year 2017/2018 activities at Glenfine and Clunes are planned to continue. Other opportunities may arise, and be given consideration.

Environmental regulation
The economic entity's operations are regulated by environmental regulation under the laws of the State of Victoria. The State of Victoria require the tenement holder to comply with certain terms of the grant of the tenement and all directions given to it under those terms of the tenement. There have been no known breaches of the entity's tenement conditions, and no such breaches have been notified by any government agencies during the year ended 30 June 2017.

The Company holds an approval from Heritage Victoria for 'consent to disturb' as necessary for gold recovery from Glenfine.

Information on directors

Name:	Mr Frederick L Hunt
Title:	Executive Director, Chairman
Qualifications:	MIE Aust, MAusIMM
Experience and expertise:	Over 35 years operating practice in mining sector.
Other current directorships:	Nil
Former directorships (last 3 years):	Nil
Special responsibilities:	Not applicable
Interests in shares:	2,785,814 fully paid ordinary shares, 5 fully paid redeemable preference shares and 450,000 partly paid shares
Interests in options:	Nil

Name:	Mr Hamish Hunt (resigned 1 March 2017)
Title:	Non-Executive Director
Qualifications:	B.Ap.Sc.Ap.Chem., MRACI.
Experience and expertise:	An industrial chemist actively participating in ensuring the ongoing use of large-scale items.
Other current directorships:	Nil
Former directorships (last 3 years):	Nil
Special responsibilities:	Not applicable
Interests in shares:	403,999 fully paid ordinary shares
Interests in options:	None

Name:	Mr Rodney K Bradshaw
Title:	Non-Executive Director
Qualifications:	Bachelor of Mechanical Engineering
Experience and expertise:	Rod Bradshaw is known to be an experienced professional Engineer, with skills in mechanical design, project engineering and project management. His breadth of expertise covers numerous manufacturing processes.
Other current directorships:	Nil
Former directorships (last 3 years):	Nil
Special responsibilities:	Not applicable
Interests in shares:	Nil
Interests in options:	Nil

Name:	Mr Justin Barry Packer(appointed on 13 April 2017)
Title:	Non-executive director
Experience and expertise:	
Other current directorships:	
Former directorships (last 3 years):	
Interests in shares:	Nil
Interests in options:	Nil

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships in all other types of entities, unless otherwise stated.

'Former directorships (in the last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships in all other types of entities, unless otherwise stated.

Company secretary

Mr Frederick L Hunt has been Company Secretary since 4 September 2015.

Meetings of directors
The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2017, and the number of meetings attended by each director were:

	Full Board Attended	Held
Frederick L Hunt	5	5
Hamish Hunt	1	1
Rodney Bradshaw	5	5
Justin Packer	3	3

Held: represents the number of meetings held during the time the director held office.

Remuneration report (audited)
The remuneration report, which has been audited, outlines the director and executive remuneration arrangements for the consolidated entity and the company, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:
- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration
Fees for Non-Executive Directors are not linked to the performance of Mount Rommel Mining Limited and Controlled Entities. However, to align Directors interests with shareholder interests, the directors are encouraged to hold shares in the company.

Voting and comments made at the company's 2016 Annual General Meeting ('AGM')
The company received 100% of 'for' votes in relation to its remuneration report for the year ended 30 June 2016. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

Amounts of remuneration
Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables.

The key management personnel of the consolidated entity consisted of the following directors of Mount Rommel Mining Limited:
- Mr H Hunt
- Mr R Bradshaw
- Mr F Hunt

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
2017	Cash salary and fees ** $	Bonus $	Non-monetary $	Super-annuation $	Long service leave $	Equity-settled $	Total $
Non-Executive Directors:							
Mr H Hunt	15,000	-	-	-	-	-	15,000
Mr R Bradshaw	20,000	-	-	-	-	-	20,000
Mr J Packer	8,667	-	-	-	-	-	8,667
Executive Directors:							
Mr F Hunt*	37,250	-	-	-	-	-	37,250
	80,917	-	-	-	-	-	80,917

* Mr F.L Hunt received other fees amounting to $27,250 over and above his directors fees for the financial year. $13,000 of this was capitalised as exploration costs. The remaining $14,250 form part of 'corporate expenses' in the Statement of Profit and Loss and Other Comprehensive Income

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
2016	Cash salary and fees $	Bonus $	Non-monetary $	Super-annuation $	Long service leave $	Equity-settled $	Total $
Non-Executive Directors:							
Mr H Hunt	20,000	-	-	-	-	-	20,000
Mr R Bradshaw	20,000	-	-	-	-	-	20,000
Executive Directors:							
Mr F Hunt*	69,300	-	-	-	-	13,500	82,800
Other Key Management Personnel:							
Ms M Leydin	11,990	-	-	-	-	-	11,990
	121,290	-	-	-	-	13,500	134,790

* Mr F.L Hunt is due to receive amounts as above, he has actually received fees amounting to $54,300.
** Ms M Leydin resigned as Company Secretary on 4 September 2015.

The proportion of remuneration linked to performance and the fixed proportion are as follows:

	Fixed remuneration		At risk - STI		At risk - LTI	
Name	2017	2016	2017	2016	2017	2016
Non-Executive Directors:						
Mr H Hunt	100%	100%	-	-	-	-
Mr R Bradhaw	100%	100%	-	-	-	-
Executive Directors:						
Mr F Hunt	100%	84%	-	16%	-	-
Other Key Management Personnel:						
Ms M Leydin	-	100%	-	-	-	-

Service agreements
The company has no employees and no employment contracts. The directors are remunerated as per the remuneration policy.

Share-based compensation

Issue of shares
There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2017.

Options
There were no options over ordinary shares issued to directors and other key management personnel as part of compensation that were outstanding as at 30 June 2017.

There were no options over ordinary shares granted to or vested by directors and other key management personnel as part of compensation during the year ended 30 June 2017.

Additional information
The earnings of the consolidated entity for the five years to 30 June 2017 are summarised below:

	2017	2016	2015	2014	2013
	$	$	$	$	$
Revenue	129,541	108,447	52,213	107,019	22,986
Net profit	(986,206)	(145,301)	(316,214)	(1,515,822)	(227,915)

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2017	2016	2015	2014	2013
Share price at financial year end ($)	0.05	0.05	0.05	0.04	0.06
Basic earnings per share (cents per share)	(1.72)	(0.26)	(0.63)	(3.34)	(0.52)
Diluted earnings per share (cents per share)	(1.72)	(0.26)	(0.63)	(3.34)	(0.52)

Mount Rommel Mining Limited
Directors' report
30 June 2017

Additional disclosures relating to key management personnel

Shareholding
The number of shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
Mr F Hunt - ordinary shares	2,585,814	-	-	-	2,585,814
Mr F Hunt - redeemable preference shares	5	-	-	-	5
Mr F Hunt - partly paid shares	450,000	-	-	-	450,000
Mr H Hunt* - ordinary shares	841,339	-	-	-	841,339
	3,877,158	-	-	-	3,877,158

Hamish Hunt is a director and shareholder in 4D Resources Pty Ltd. 4D Resources provided consulting services to the consolidated entity in relation to the Glenfine project. Fees for the previous year amounted to $29,000. A balance of $29,000 was payable to 4D Resources at 30 June 2017.

* Hamish Hunt resigned on 1 March 2017. The shareholding balance noted above represents his shareholding as at the date of resignation.

This concludes the remuneration report, which has been audited.

Shares under option
There were no unissued ordinary shares of Mount Rommel Mining Limited under option outstanding at the date of this report.

Shares issued on the exercise of options
There were no ordinary shares of Mount Rommel Mining Limited issued on the exercise of options during the year ended 30 June 2017 and up to the date of this report.

Indemnity and insurance of officers
During or since the financial year the Company has not indemnified or made a relevant agreement to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such an officer. In addition, the Company has not paid, or agreed to pay, a premium in respect of a contract insuring against a liability incurred by an officer.

Indemnity and insurance of auditor
The company has not otherwise, during or since the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

Proceedings on behalf of the company
No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Non-audit services
There were no non-audit services provided during the financial year by the auditor.

Officers of the company who are former partners of MSI Ragg Weir
There are no officers of the company who are former partners of MSI Ragg Weir.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 12.

Auditor
MSI Ragg Weir continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

Frederick L Hunt
Director

14 December 2017
Melbourne

msi RAGG WEIR
Chartered Accountants

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AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

TO THE DIRECTORS OF MOUNT ROMMEL MINING LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2017 there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

MSI Ragg Weir

MSI RAGG WEIR
Chartered Accountants

L.S. WONG
Partner

Melbourne: 14 December 2017

Mount Rommel Mining Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2017

	Note	Consolidated 2017 $	2016 $
Revenue	5	129,541	108,447
Expenses			
Corporate expense	6	(88,851)	(125,399)
Directors remuneration	6	(53,667)	(55,000)
Write off payables - C.Laydin fees		35,500	-
Write off of non-current assets		(79,250)	-
Exploration & Development expenditure written off		(845,786)	(35,631)
Interest on shareholder loan	6	(20,000)	(20,000)
Administration expense		(63,693)	(17,718)
Loss before income tax expense		(986,206)	(145,301)
Income tax expense	7	-	-
Loss after income tax expense for the year attributable to the owners of Mount Rommel Mining Limited		(986,206)	(145,301)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the owners of Mount Rommel Mining Limited		(986,206)	(145,301)
		Cents	**Cents**
Basic earnings per share	29	(1.73)	(0.26)
Diluted earnings per share	29	(1.73)	(0.26)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Mount Rommel Mining Limited
Statement of financial position
As at 30 June 2017

	Note	Consolidated 2017 $	Consolidated 2016 $
Assets			
Current assets			
Cash and cash equivalents	8	5,732	5,344
Trade and other receivables	9	17,702	31,470
Other current assets	10	61,000	75,250
Total current assets		84,434	112,064
Non-current assets			
Property, plant and equipment	11	2,600	2,600
Exploration and evaluation	12	1,669,861	2,438,523
Capital works in progress	13	-	70,000
Total non-current assets		1,672,461	2,511,123
Total assets		1,756,895	2,623,187
Liabilities			
Current liabilities			
Trade and other payables	14	569,343	523,815
Borrowings	15	1,631,200	1,608,200
Other	16	60,800	-
Total current liabilities		2,261,343	2,132,015
Total liabilities		2,261,343	2,132,015
Net assets/(liabilities)		(504,448)	491,172
Equity			
Issued capital	17	4,696,744	4,706,158
Accumulated losses		(5,201,192)	(4,214,986)
Total equity/(deficiency)		(504,448)	491,172

The above statement of financial position should be read in conjunction with the accompanying notes

Mount Rommel Mining Limited
Statement of changes in equity
For the year ended 30 June 2017

Consolidated	Contributed equity $	Accumulated losses $	Total equity $
Balance at 1 July 2015	4,508,396	(4,069,685)	438,711
Loss after income tax expense for the year	-	(145,301)	(145,301)
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	(145,301)	(145,301)
Transactions with owners in their capacity as owners:			
Contributions of equity, net of transaction costs (note 17)	197,762	-	197,762
Balance at 30 June 2016	4,706,158	(4,214,986)	491,172

Consolidated	Contributed equity $	Accumulated losses $	Total deficiency in equity $
Balance at 1 July 2016	4,706,158	(4,214,986)	491,172
Loss after income tax expense for the year	-	(986,206)	(986,206)
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	(986,206)	(986,206)
Transactions with owners in their capacity as owners:			
Contributions of equity, net of transaction costs (note 17)	(9,414)	-	(9,414)
Balance at 30 June 2017	4,696,744	(5,201,192)	(504,448)

The above statement of changes in equity should be read in conjunction with the accompanying notes

Mount Rommel Mining Limited
Statement of cash flows
For the year ended 30 June 2017

	Note	Consolidated 2017 $	2016 $
Cash flows from operating activities			
Payments to suppliers and employees (inclusive of GST)		(106,255)	(178,314)
Interest received		1,110	1,545
Other revenue		128,273	57,400
Refunded R&D tax incentive received		-	49,502
Net cash from/(used in) operating activities	28	23,128	(69,867)
Cash flows from investing activities			
Payments for exploration expenditure		(77,126)	(77,270)
Proceeds from release of security deposits		-	7,431
Net cash used in investing activities		(77,126)	(69,839)
Cash flows from financing activities			
Proceeds from issue of shares	17	-	123,757
Funds received in advance		60,800	-
Shareholder borrowings		3,000	-
Share issue transaction costs		(9,414)	-
Net cash from financing activities		54,386	123,757
Net increase/(decrease) in cash and cash equivalents		388	(15,949)
Cash and cash equivalents at the beginning of the financial year		5,344	21,293
Cash and cash equivalents at the end of the financial year	8	5,732	5,344

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. General information

The financial statements cover Mount Rommel Mining Limited as a consolidated entity consisting of Mount Rommel Mining Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Mount Rommel Mining Limited's functional and presentation currency.

Mount Rommel Mining Limited is a listed public company limited by shares, incorporated and domiciled in Australia.

Registered office

Level 4
100 Albert Road
South Melbourne VIC 3205

Principal place of business

Shed 2
Corner Smythe & Batten Streets
Alllendale, VIC 3364

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 13 December 2017. The directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted
The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation
These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Note 2. Significant accounting policies (continued)

Going concern
The consolidated entity has accumulated losses of $5,201,192 and a net current asset deficiency of $2,176,909 at 30 June 2017 (2016: $2,019,951 deficit) and a net asset deficiency of $504,448 at 30 June 2017 (2016:$491,172 net assets). Notwithstanding the above, the directors believe that the consolidated entity will be successful in its future operations and has accordingly prepared the financial report on the going concern basis. The directors are of the opinion that no asset is likely to be realised for an amount less than that recorded in the financial report at 30 June 2017.

The directors have based their opinion on the following:
- the consolidated entity anticipates gold recovery from stockpiles at Glenfine.
- the consolidated entity does have continuing support from shareholders to fund its future operations, which is evidenced by the capital raised to provide working capital in each of the last two financial years.
- in the event the group is unable to meet the repayment of shareholder borrowings, the group may issue shares as consideration for the repayable amounts or make alternative agreements with shareholders, or persons at present not shareholders of the Company.
- The directors are encouraged by the evidence to date in respect of Clunes, and the prospectivity there.

The State of Victoria has introduced and passed into laws specific legislation with respect to native title. These laws are known as the Traditional Owners Settlement Act (TOSA), amended in year 2016. On that account , the company (subsidiary) has sought registration for Land Use Activity Agreement, Clunes.

Sovereign risk is a reality in respect of all approved work on licences issued pursuant to the MRSD Act of Victoria. In the event that the above initiatives do not eventuate or do not generate sufficient cash flows from operations there is significant uncertainty as to whether the consolidated entity will be able to continue as a going concern. If the consolidated entity is unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different from those stated in the financial statements.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the consolidated entity not continue as a going concern.

Parent entity information
In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 25.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Mount Rommel Mining Limited ('company' or 'parent entity') as at 30 June 2017 and the results of all subsidiaries for the year then ended. Mount Rommel Mining Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consolidation transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Note 2. Significant accounting policies (continued)

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Operating segments
Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Key Management Personnel(KMP). The KMP are responsible for the allocation of resources to operating segments and assessing their performance.

Revenue recognition
Revenue is recognised when it is probable that the economic benefit will flow to the consolidated entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Rent
Rent revenue from investment properties is recognised on a straight-line basis over the lease term. Lease incentives granted are recognised as part of the rental revenue. Contingent rentals are recognised as income in the period when earned.

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax
The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:
- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Note 2. Significant accounting policies (continued)

Trade and other receivables
Other receivables are recognised at amortised cost, less any provision for impairment.

Property, plant and equipment
Land and buildings are shown at cost, less subsequent depreciation and impairment for buildings. Increases in the carrying amounts arising on revaluation of land and buildings are credited to the revaluation surplus reserve in equity. Any revaluation decrements are initially taken to the revaluation surplus reserve to the extent of any previous revaluation surplus of the same asset. Thereafter the decrements are taken to profit or loss.

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Plant and equipment	2.5 years to 5 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements and plant and equipment under lease are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Inventories
Raw materials, work in progress and finished goods are stated at the lower of cost and net realisable value.

Exploration and evaluation assets
Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

Per note 12 Glen Fine MIN 5492 development expenditure was partially written-off during the year.

Impairment of non-financial assets
Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables
These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings
Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Note 2. Significant accounting policies (continued)

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

Finance costs
Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Fair value measurement
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Issued capital
Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of Mount Rommel Mining Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2017. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

Note 2. Significant accounting policies (continued)

AASB 9 Financial Instruments
This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. AASB 9 introduces new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income ('OCI'). For financial liabilities, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements will use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures. The consolidated entity will adopt this standard from 1 January 2018 but the impact of its adoption is yet to be assessed by the consolidated entity.

AASB 15 Revenue from Contracts with Customers
This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgements made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer. The consolidated entity will adopt this standard from 1 January 2018 but the impact of its adoption is yet to be assessed by the consolidated entity.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Exploration and evaluation costs
Exploration and evaluation costs have been capitalised on the basis that the consolidated entity will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

Note 4. Operating segments

Identification of reportable operating segments
The consolidated entity is organised into one operating segment : exploration for base and precious metals in Australia. The operating segment is based on the internal reports that are reviewed by the Directors (who are identified as Chief Decision Makers) in assessing performance and allocation of resources.

Note 5. Revenue

	Consolidated	
	2017	**2016**
	$	**$**
Sales revenue		
Sales	100,000	45,000
Other revenue		
Interest revenue	1,268	1,545
Donations - general	2,300	-
Advances - for drilling expenses	25,973	12,400
Research and Development Tax Concession	-	49,502
	29,541	63,447
Revenue	129,541	108,447

Note 6. Expenses

	Consolidated	
	2017	**2016**
	$	**$**
Loss before income tax includes the following specific expenses:		
Employee benefits expenses		
Directors fees*	53,667	55,000
Corporate expenses include		
Consulting fees paid to F Hunt	14,250	54,300
Finance costs		
Interest on shareholder loan	20,000	20,000

* As at 30 June 2017 there was an outstanding amount payable to Directors of $355,667 which included both cash and shares payable (30 June 2016: $337,500).

Note 7. Income tax expense

	Consolidated 2017 $	Consolidated 2016 $
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense	(986,206)	(145,301)
Tax at the statutory tax rate of 27.5% (2016: 28.5%)	(271,207)	(41,411)
Current year tax losses not recognised	54,958	44,590
Current year temporary differences not recognised	229,999	(10,950)
Prior period adjustments	-	(29,183)
Share based payments	-	5,400
Other non-deductible items	(13,750)	(14,794)
Change in brought forward tax losses and temporary differences due to change in Australian Corporation Tax Rate	-	46,348
Income tax expense	-	-

	Consolidated 2017 $	Consolidated 2016 $
Tax losses not recognised		
Unused tax losses for which no deferred tax asset has been recognised	5,526,277	5,302,390
Potential tax benefit @ 27.5% (2016: 28.5%)	1,519,726	1,511,181

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

	Consolidated 2017 $	Consolidated 2016 $
Deferred tax assets not recognised		
Deferred tax assets not recognised comprises temporary differences attributable to:		
Accrued expenses	113,245	93,908
Transaction costs arising on shares issued	-	832
Tax Losses	1,519,726	1,511,181
Exploration and evaluation expenditure	(912,268)	(694,979)
Black hole expenditure	570	1,625
Total deferred tax assets not recognised	721,273	912,567

The above potential net tax benefit for deductible temporary differences and tax losses has not been recognised in the statement of financial position as the recovery of this benefit is uncertain. The assets will only be realised if:

(i) the consolidated entity derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised.
(ii) the consolidated entity continues to comply with the conditions for deductability imposed by law; and
(iii) no changes in tax legislation adversely affect the consolidated entity in realising the benefit from the deductions for the losses.

Note 8. Current assets - cash and cash equivalents

	Consolidated 2017 $	Consolidated 2016 $
Cash at bank	5,732	5,344

Note 9. Current assets - trade and other receivables

	Consolidated 2017 $	Consolidated 2016 $
Advances to 4D Resources for Glenfine development	-	19,000
Accrued Interest	158	-
Prepayments	12,022	-
	12,180	19,000
GST receivable	5,522	12,470
	17,702	31,470

Note 10. Current assets - other current assets

	Consolidated 2017 $	Consolidated 2016 $
Inventory	11,000	20,250
Security bonds	50,000	55,000
	61,000	75,250

Note 11. Non-current assets - property, plant and equipment

	Consolidated 2017 $	Consolidated 2016 $
Freehold land - at cost (tenement in common) ex -MIN 5391	2,600	2,600
Plant and equipment - at cost	7,007	7,007
Less: Accumulated depreciation	(7,007)	(7,007)
	-	-
	2,600	2,600

Note 11. Non-current assets - property, plant and equipment (continued)

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Freehold Land $	Plant & Equipment $	Total $
Balance at 1 July 2015	2,600	-	2,600
Balance at 30 June 2017	2,600	-	2,600

Note 12. Non-current assets - exploration and evaluation

	Consolidated	
	2017 $	**2016 $**
Exploration expenditure	1,169,861	1,103,524
Development phase	500,000	1,334,999
	1,669,861	2,438,523

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Exploration costs $	Development costs $	Total $
Balance at 1 July 2015	1,078,098	1,318,787	2,396,885
Expenditure during the year	61,057	16,212	77,269
Write off of assets	(35,631)	-	(35,631)
Balance at 30 June 2016	1,103,524	1,334,999	2,438,523
Expenditure during the year	77,125	-	77,125
Write off of assets	(10,788)	(834,999)	(845,787)
Balance at 30 June 2017	1,169,861	500,000	1,669,861

During the financial year ended 30 June 2017, the directors partially wrote off expenditure in relation to Glen Fine Min 5492. The total write-off for Clunes MIN 5391 at half year was reversed, having a nil effect on the year-end accounts.

Note 13. Non-current assets - Capital works in progress

	Consolidated	
	2017 $	**2016 $**
Capital works in progress	-	70,000

Capital works in progress relate to plant and machinery under construction was fully amortised at 30 June 2017.

Note 14. Current liabilities - trade and other payables

	Consolidated 2017 $	Consolidated 2016 $
Trade payables	202,376	176,315
Key management personnel	366,967	337,500
Sundry payables and accrued expenses	-	10,000
	569,343	523,815

Refer to note 19 for further information on financial instruments.

Note 15. Current liabilities - borrowings

	Consolidated 2017 $	Consolidated 2016 $
Loans from shareholders	995,200	972,200
Offer information statement monies received	636,000	636,000
	1,631,200	1,608,200

Refer to note 19 for further information on financial instruments.

Interest of $20,000 was charged on loans from shareholders during the year (2016: $20,000). The majority of the loan amounts noted above are special arrangements whereby these amounts may be repaid through amounts of gold when Glenfine comes into production. The above balance of loans from shareholders includes an amount of $212,500 which will be paid back in cash and not through this arrangement. The $242,500 is interest bearing, while the remaining $752,700 of loans to shareholders is non-interest bearing.

The funds raised from the issuance of the preference shares have been issued in accordance with the offer information statement dated 29 May 2009.

Note 16. Current liabilities - other

	Consolidated 2017 $	Consolidated 2016 $
Other payables	60,800	-

Note 17. Equity - issued capital

	Consolidated			
	2017 Shares	**2016 Shares**	**2017 $**	**2016 $**
Ordinary shares - fully paid	55,400,297	55,400,297	4,647,474	4,656,888
Preference shares - fully paid	640	640	-	-
Partly paid shares	1,642,318	1,642,318	49,270	49,270
	57,043,255	57,043,255	4,696,744	4,706,158

Movements in ordinary share capital

Details	**Date**	**Shares**	**Issue price**	**$**
Balance	1 July 2015	53,581,570		4,508,396
Issue of shortfall shares	11 August 2015	1,118,727	$0.08	89,652
Placement - Jaffalite	12 August 2015	700,000	$0.08	56,000
Forfeited Shares	15 December 2015	(28,400)	$0.00	-
Shares brought by Shareholder	15 December 2015	28,400	$0.01	2,840
Partly paid shares	26 June 2016	-	$0.03	-
Preference shares	26 June 2016	-	$0.00	-
Balance	30 June 2016	55,400,297		4,656,888
		-	$0.03	-
Cost of capital raising		-	$0.00	(9,414)
Balance	30 June 2017	55,400,297		4,647,474

Unlisted options

Details	**Date**	**Shares**	**Issue price**	**$**
Balance	1 July 2015	2,469,440		-
Options expired	31 July 2015	(2,469,440)	$0.00	-
Balance	30 June 2016	-		-
Options expired	31 July 2015	-	$0.00	-
Balance	30 June 2017	-		-

Movements in partly paid shares

Details	**Date**	**Shares**	**Issue price**	**$**
Balance	1 July 2015	-		-
Issue of partly paid shares	23 June 2016	37,500	$0.03	1,125
Issue of partly paid shares	23 June 2016	1,004,818	$0.03	30,145
Issue of partly paid shares	23 June 2016	600,000	$0.03	18,000
Balance	30 June 2016	1,642,318		49,270
Balance	30 June 2017	1,642,318		49,270

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limit on the amount of authorised capital.

Note 17. Equity - issued capital (continued)

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Preference shares
Preference shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held, with priority over ordinary shareholders.

Preference shares do not have any voting rights.

Share buy-back
There is no current on-market share buy-back.

Capital risk management
The consolidated entity's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The capital risk management policy remains unchanged for the current financial year.

Note 18. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 19. Financial instruments

Financial risk management objectives
The consolidated group's principal financial instruments comprise cash and cash equivalents.

The main purpose of these financial instruments is to finance the consolidated group's operations. The consolidated group has various other financial assets and liabilities such as receivables and trade payables, which arise directly from its operations. It is, and has been throughout the entire period, the consolidated group's policy that no trading in financial instruments shall be undertaken.

The main risks arising from the consolidated group's financial instruments are cash flow interest rate risk. Other minor risks are summarised below. The Board reviews and agrees policies for managing each of these risks.

Market risk

Price risk
The consolidated entity is not exposed to any significant price risk.

Interest rate risk
The consolidated entity's main interest rate risk arises from its cash holdings. Given the level of cash held at 30 June 2017 and 2016, this risk is not material. As such no sensitivity analysis has been included in these financial statements.

Credit risk
Credit risk is managed on a consolidated entity basis. Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity's receivable is in relation to GST collected which does not provide any risk of default.

Note 19. Financial instruments (continued)

Liquidity risk

The consolidated entity manages liquidity risk by maintaining adequate cash reserves and by continuously monitoring budgeted and actual cash flows.

Remaining contractual maturities

The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 2017	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	-	202,376	-	-	-	202,376
Payables to key management personnel	-	366,967	-	-	-	366,967
Loans from shareholders	-	752,700	-	-	-	752,700
Offer information statement monies received	-	636,000	-	-	-	636,000
Funds received in advance	-	60,800	-	-	-	60,800
Interest-bearing - fixed rate						
Loans from shareholders	-	242,500	-	-	-	242,500
Total non-derivatives		2,261,343	-	-	-	2,261,343

Consolidated - 2016	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	-	176,315	-	-	-	176,315
Other payables	-	10,000	-	-	-	10,000
Payables to key management personnel	-	337,500	-	-	-	337,500
Loans from shareholders	-	729,700	-	-	-	729,700
Offer information statement monies received	-	636,000	-	-	-	636,000
Interest-bearing - fixed rate						
Loans from shareholders	-	242,500	-	-	-	242,500
Total non-derivatives		2,132,015	-	-	-	2,132,015

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 20. Key management personnel disclosures

Directors
The following persons were directors of Mount Rommel Mining Limited during the financial year:

Mr F Hunt (Executive Director, Chairman and Company Secretary)
Mr H Hunt (Non-Executive Director resigned on 1 March 2017)
Mr J Packer (Non-Executive Director appointed on 13 April 2017)
Mr R Bradshaw (Non-Executive Director)

Compensation
The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated	
	2017	**2016**
	$	**$**
Short-term employee benefits	80,917	121,290
Share-based payments	-	13,500
	80,917	134,790

All share based payments noted above were accrued during the current and previous financial year and have not been issued to directors.

Note 21. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by MSI Ragg Weir, the auditor of the company:

	Consolidated	
	2017	**2016**
	$	**$**
Audit services - MSI Ragg Weir		
Audit or review of the financial statements	17,400	16,650

Note 22. Contingent liabilities

The tax rebate of $49,502 received by the Company during the 30 June 2016 financial year, and the tax rebate of $148,429 received by the Company during the 30 June 2015 and 30 June 2014 financial years totaling $197,931 may be subject to review and subsequent claw back of funds should there be a determination of non-confirming claims. Other than this the consolidated entity had no contingent liabilities as at 30 June 2017 or 2016. Under tenement obligations, the consolidated entity is required to rehabilitate each area worked to a state in accordance with the approved work plan.

Note 23. Commitments

In order to maintain current rights of tenure for tenements, the Company and consolidated entity is required to meet the minimum requirements requirements of the Victorian Department of Primary Industries. Where a tenement has pendency under a valid renewal application, expenditure may continue.

Note 24. Related party transactions

Parent entity
Mount Rommel Mining Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 26.

Key management personnel
Disclosures relating to key management personnel are set out in note 20 and the remuneration report included in the directors' report.

Transactions with related parties
The following transactions occurred with related parties:

	Consolidated	
	2017	**2016**
	$	**$**
Payment for other expenses:		
Other fees paid to Fred Hunt - licence renewal and DPI submission	14,250	54,300
Other fees paid to Fred Hunt - capitalised expenses	13,000	-
Fees paid to Leydin Freyer (an entity related to former company secretary)	-	11,990
Other transactions:		
Directors fees payable to Hamish Hunt	15,000	20,000
Directors fees payable to Fred Hunt	10,000	15,000
Directors fees payable to Rodney Bradshaw	20,000	20,000
Directors fees payable to Justin Packer	8,667	-
Fees payable to 4D Resources	-	29,000

Hamish Hunt is a director and shareholder in BHM Stainless Steel Group Pty Ltd, 4D Resources Pty Ltd and Skye Chemicals Pty Ltd. 4D Resources provided administration services, offices and consulting work to the company during the current and previous financial years.

During the current and previous financial years Mr Fred Hunt provided additional services in relation to licence management (Clunes).

Receivable from and payable to related parties
The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Consolidated	
	2017	**2016**
	$	**$**
Current payables:		
Directors' fees payable to Hamish Hunt	140,500	125,500
Directors' fees payable to Fred Hunt	91,500	81,500
Directors' fees payable to Rodney Bradshaw	115,000	95,000
Directors' fees payable to Justin Packer	8,667	35,500
Fees payable to 4D Resources	29,000	29,000

Refer to amounts payable to related parties noted above.

Note 24. Related party transactions (continued)

Loans to/from related parties
The following balances are outstanding at the reporting date in relation to loans with related parties:

	Consolidated	
	2017	2016
	$	$
Current borrowings:		
Loan from shareholders (Note15)	1,631,200	1,608,200

Details as in Note 15.

Note 25. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2017	2016
	$	$
Loss after income tax	(986,206)	(145,301)
Total comprehensive income	(986,206)	(145,301)

Statement of financial position

	Parent	
	2017	2016
	$	$
Total current assets	84,434	112,559
Total assets	1,756,895	2,623,187
Total current liabilities	2,261,343	2,132,015
Total liabilities	2,261,343	2,132,015
Equity		
Issued capital	4,696,744	4,706,158
Accumulated losses	(5,201,192)	(4,214,986)
Total equity/(deficiency)	(504,448)	491,172

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2017 and 30 June 2016.

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2017 and 30 June 2016.

Capital commitments - Property, plant and equipment
All capital commitments disclosed in Note 23 relate to the parent.

Note 25. Parent entity information (continued)

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 2, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.

Note 26. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiary in accordance with the accounting policy described in note 2:

		Ownership interest	
Name	**Principal place of business / Country of incorporation**	**2017 %**	**2016 %**
Bonshaw Gold Pty Ltd	Australia	100.00%	100.00%

Note 27. Events after the reporting period

Refer to 'Matters subsequent to the end of the financial year' on page 4 of the Director's Report for information in regards to events after the reporting period.

No other matter or circumstance has arisen since 30 June 2017 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 28. Reconciliation of loss after income tax to net cash from/(used in) operating activities

	Consolidated	
	2017 $	**2016 $**
Loss after income tax expense for the year	(986,206)	(145,301)
Adjustments for:		
Depreciation and amortisation	19,000	-
Exploration expenditure written off	845,787	35,631
Non cash interest	20,000	20,000
Write off assets	84,250	-
Interest Revenue	(157)	-
Change in operating assets and liabilities:		
Decrease in trade and other receivables	6,948	26,258
Increase in prepayments	(12,022)	-
Increase/(decrease) in trade and other payables	45,528	(6,455)
Net cash from/(used in) operating activities	23,128	(69,867)

Note 29. Earnings per share

	Consolidated 2017 $	Consolidated 2016 $
Loss after income tax attributable to the owners of Mount Rommel Mining Limited	(986,206)	(145,301)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	57,043,255	55,225,580
Weighted average number of ordinary shares used in calculating diluted earnings per share	57,043,255	55,225,580
	Cents	**Cents**
Basic earnings per share	(1.73)	(0.26)
Diluted earnings per share	(1.73)	(0.26)

Mount Rommel Mining Limited
Directors' declaration
30 June 2017

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2017 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

Frederick L Hunt

Frederick L Hunt
Director

14 December 2017
Melbourne

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Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF MOUNT ROMMEL MINING LIMITED

Report on the Audit of the Financial Report

Qualified Opinion

We have audited the accompanying financial report of Mount Rommel Mining Limited (the company), which comprises the statement of financial position as at 30 June 2017, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, except for the matter below, the accompanying financial report of the Company is in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the company's financial position as at 30 June 2017 and of its performance for the year ended on that date;
(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and

Basis for Qualified Opinion

It is impracticable for the Company to establish usual internal controls over the completeness of the shareholder loans received prior to their entry in the accounting records. Accordingly, our audit relating to shareholder loans of $995,200 (2016: $972,200) was limited to the amounts as recorded in the financial statements.

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the financial report, which indicates that the Company has incurred net losses of $5,201,192 up to and including the year ended 30 June 2017. Note 2 also describes that as of 30 June 2017, the Company's current liabilities exceeded its current assets by $2,176,909 and the company had a net asset deficiency of $504,448. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Tenements
As at 30 June 2017 the group had tenements represented by exploration and development costs relating to the development exploration of mining areas amounting to $1,669,873. Given the sustained losses incurred by the entity and the risk that the carrying value of the assets may not be recoverable, management has performed a review of its financial models for indicators of impairment.

Management's financial models were prepared based on currency of mining licences and understanding of the mining industry. We discussed and assessed the assumptions and methodologies of management's models with management and obtained representations from management that these financial models were management's best estimates at the date of these financial statements. We also took into consideration the extraction of gold during the year, which when refined, formed a bar.

msi RAGG WEIR
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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF MOUNT ROMMEL MINING LIMITED

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2017, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report
Opinion on the Remuneration Report

We have audited the remuneration report included in pages 7 to 10 of the directors' report for the year ended 30 June 2017.

In our opinion the remuneration report of Mount Rommel Mining Limited, for the year ended 30 June 2017, complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the consolidated entity are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

MSI RAGG WEIR
Chartered Accountants

L.S WONG
Partner

Melbourne: 14 December 2017

Mount Rommel Mining Limited
Shareholder information
30 June 2017

The shareholder information set out below was applicable as at 10 December 2017.

Distribution of equitable securities
Analysis of number of equitable security holders by size of holding:

	Number of holders of ordinary shares
1 to 1,000	1
1,001 to 5,000	12
5,001 to 10,000	21
10,001 to 100,000	198
100,001 and over	97
	329
Holding less than a marketable parcel	-

Equity security holders

Twenty largest quoted equity security holders
The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
Coombra Beach Pty Ltd	4,330,289	7.82
Mr Graeme Leslie Daw & Mrs Georgina Ann Daw	3,876,197	7.00
Frederick Lampard Hunt	2,785,814	5.03
Mr John Francis Van Til & Mrs Jennifer May Van Til	1,837,000	3.32
John Francis Van Til	1,563,800	2.82
Roger Alberti	1,345,675	2.43
Edward Alberti	1,345,675	2.43
Sinclair Exploration Pty Ltd	1,253,440	2.26
Mr Guenter Albrecht	1,069,100	1.93
Sajada Securities Pty Ltd	1,054,680	1.90
Mr Howard David Cole & Mrs Anna Caroline Cole	800,600	1.45
Mr Carl Euston Layden	761,025	1.37
Peter Braun	738,447	1.33
Mr Ian Ralph Newnham	736,350	1.33
Peter F Vincent & Jennifer AJ Vincent	708,400	1.28
Medusa Nominees Pty Ltd	700,000	1.26
J & K McKinnon Pty Ltd	656,250	1.18
Tromso Pty Limited	602,310	1.09
Mr Lyle Acworth	600,000	1.08
Abbotsfield Pty Ltd	591,100	1.07
	27,356,152	49.38

Unquoted equity securities
There are no unquoted equity securities.

Mount Rommel Mining Limited
Shareholder information
30 June 2017

Substantial holders

Substantial holders in the company are set out below:

	Ordinary shares	
	Number held	% of total shares issued
COOMBRA BEACH PTY LTD (WANGARY SUPER FUND A/C)	4,330,289	7.82
MR GRAEME LESLIE DAW & MRS GEORGINA ANN DAW (FLAMENA JAN STF PENSION)	3,876,197	7.00

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares
On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities.