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14 December 2017

CLUNES GOLDFIELD – ITS SIGNIFICANT LEGACY

There is no other principal goldfield in Victoria remaining undeveloped in the modern era. The legacy of this field includes –

- A past production exceeding 1.2 million oz gold.
- Mine drawings of John Lewis (1875); Robert Allan (1893) and others.
- The history bequeathed from the drilling of at least 135 holes prior to year 2004, distributed as shown by the following graphical presentation, and
- The public record.

The sequence of public records from 20 years ago continues to have direct relevance today. These same records will be responsible in large measure for the focus of future drilling at north Clunes.

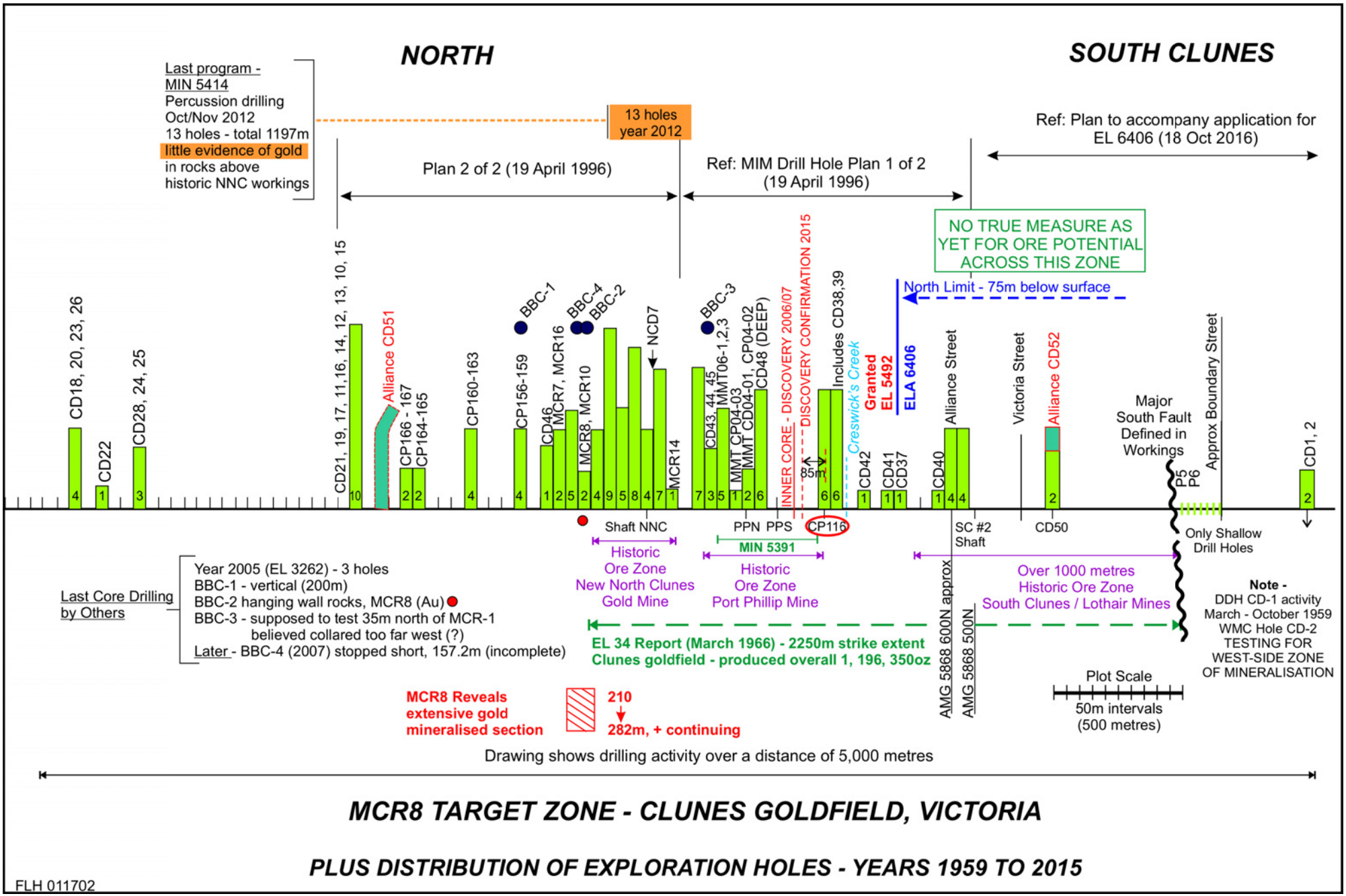
Those records include for the period September 1995 to September 1998, describing the activities of Alliance Gold Mines N.L. at Clunes. True extracts of the records of that Company (compiled here) were collected to highlight the "stunning " legacy remaining undeveloped today, and how that came to be.

Without that joint venture program initiated by Alliance, the "stunning" gold structure disclosed by hole MCR 8 (MIM Exploration) may have remained hidden, like so many other places in Victoria's central goldfields.

The central area described in the extract of records, Alliance Gold Mines N.L. (1995 – 1998) is today held by Mount Rommel Mining Ltd, as EL 5492, together with two adjacent areas under application.

The Company has already expanded some of the intersections achieved in the following records, by its work in years 2006 and 2007, near year 1996 holes numbered MCR 1, MCR4, MCR5 and MCR11 – see closing comments of this NSX release.

Those parties responsible for work completed between 1995 and 1998 are acknowledged as and where stated in the following pages.



MCR8 TARGET ZONE - CLUNES GOLDFIELD, VICTORIA

PLUS DISTRIBUTION OF EXPLORATION HOLES - YEARS 1959 TO 2015

FLH 011702

Annual Report
dated 13 September 1995

CLUNES GOLD PROJECT

Alliance entered into a joint venture with Carpentaria Gold Pty Ltd, a subsidiary of M.I.M. Holdings Limited, in September 1995 to acquire Exploration Licences 3262 and 3723 covering the Clunes goldfield in central Victoria.
Clunes is located some 35 kilometres north of Ballarat and 50 kilometres southwest of Maldon.

For its role in developing the exploration concept and leading negotiations to acquire the Project, Alliance will have a 20% carried interest in the joint venture through to the commencement of commercial production. On commencement of production Alliance is required to progressively reimburse its proportion of carried expenditure from the proceeds of ore production.

Clunes produced some 1.2 million ounces of gold from underground mining at an average grade of 12 g/t prior to closure in 1894. There have since been several phases of exploration, starting in the 1950s. The initial studies indicated the potential for 480,000 tonnes of remaining ore, grading an estimated 12.9 g/t, mainly in the central part of the goldfield.

At Clunes, gold occurs in lodes on both flanks of an anticline, sub-parallel to the bedding. As the lodes intersect at the crest of the anticline, there is a broad similarity to the saddle reefs at Bendigo. The lodes are considered to be fault-controlled, and this may explain why they continue up to 250 metres down dip, much further than at Bendigo.
Lode widths of up to 40 metres have been recorded; the average width was apparently about three metres.

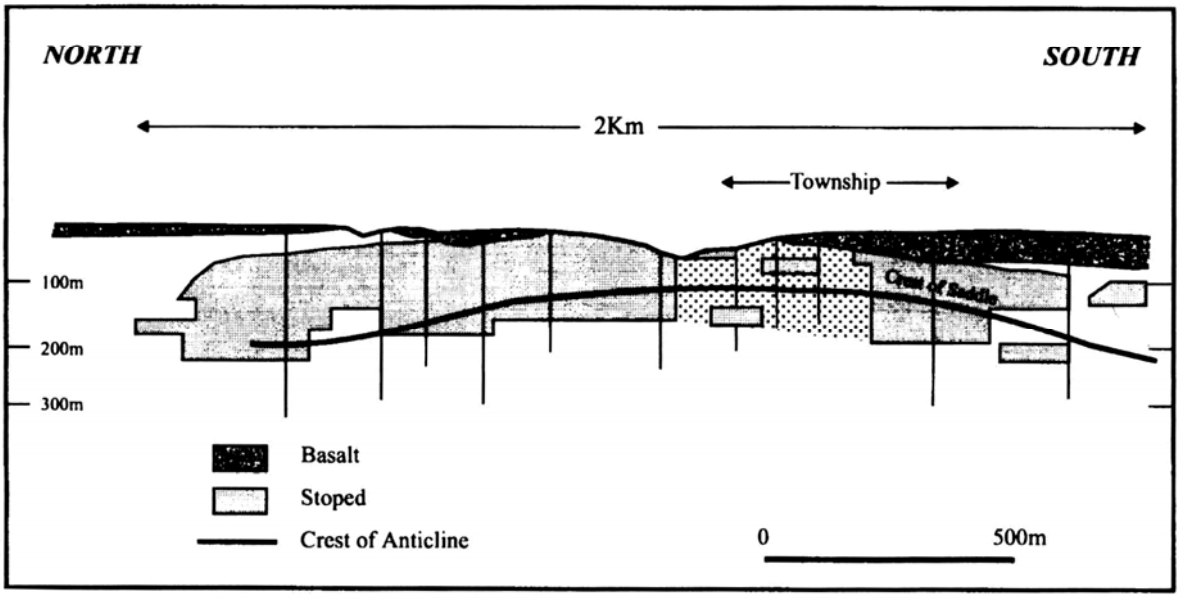
Seven steeply-dipping lodes were mined by the Port Phillip Company, but mines to the north and south only worked the central lodes. Drilling by another company in the 1980s intersected high gold grades at depths of less than 150 metres below surface on lodes in the northern workings. Intersections included 1m at 35 g/t, 8m at 12 g/t, 1m at 22 g/t, 5m at 11 g/t and 6m at 12 g/t.

Geological interpretation by Alliance suggests that in addition to the previously mined central lodes, the unworked flanking lodes are probably present at both ends of the field. At least one such lode to the east at the northern end of the field, carrying grades of 11 g/t, was confirmed by cross-cutting from the New North Clunes Mine shortly before its closure. Potential exists for substantial tonnages at shallow depth in these lodes. Drilling to confirm this interpretation is planned to commence in October 1995.

One of the most favourable aspects of the gold lodes at Clunes is the continuity of ore grade values in the central lodes over distances of one kilometre or more and depths in excess of 300 metres, as shown in the diagram below. It is reasonable to anticipate that good continuity will also be found in the less thoroughly tested flanking zones.

There is also potential for repetitions of the lode system on adjacent anticlines to the east and west beneath basalt cover. At the projected eastern anticlinal position (300 metres east of the main worked zone), an auriferous quartz reef was intersected in alluvial workings on Creswick Creek and other quartz reefs were reported further south within the township area. No systematic exploration or mining of this eastern zone ever appears to have taken place.

Clunes Project - Robinson Lode, Longitudinal Section



Extract: Alliance Gold Mines N.L.
Prospectus dated 1 March 1996
(refers to 4 October 1995)

CLUNES OPTION AGREEMENT

Alliance and Carpentaria ("the Grantees") on 4 October 1995 entered into an option agreement to acquire Exploration Licences 3262 and 3723 from Eureka Gold Mines NL and Target Resources Australia NL ("the Grantors").

Carpentaria (pursuant to the Joint Venture Agreement referred to below) has paid an initial non-refundable option fee of $350,000 on behalf of the Grantees to acquire the option to purchase the exploration licences on or before 4 October 1996 by the payment of a further $1,400,000. The Grantees may extend the option to 4 October 1997 by the payment of a further $700,000, in which event the exercise price will be reduced to $700,000.

The Grantees may withdraw from the Option Agreement at any time but without prejudice to any rights arising prior to the withdrawal. If the Grantees exercise the option, the Grantor will be entitled to a royalty of $5 per ounce of gold produced from the area of the exploration licences.

CLUNES JOINT VENTURE AGREEMENT

Alliance has entered into a Joint Venture agreement with Carpentaria to acquire and explore Exploration Licences 3262 and 3723.

Under the terms of the agreement Carpentaria is liable for the further payments to acquire the exploration licences from Eureka Gold Mines NL and Target Resources Australia NL. On acquisition of the exploration licences Alliance will have a 20% carried interest in the Joint Venture through to commercial production, but will be liable to reimburse its proportion of carried expenditure from 80% of its share of net profit from the proceeds of gold production.

ALLIANCE GOLD MINES NL

CLUNES GOLD PROJECT

As previously reported, Alliance entered into a joint venture with Carpentaria Gold Pty Ltd, a subsidiary of M.I.M. Holdings Limited (M.I.M.), to acquire Exploration Licences 3262 and 3723 covering the Clunes goldfield in central Victoria. M.I.M. has been appointed manager of the joint venture.

Historical research, data compilation, geological mapping, structural analysis, re-logging of drill core from previous exploration programs, and computer modelling of the known lode system has been undertaken during the quarter.

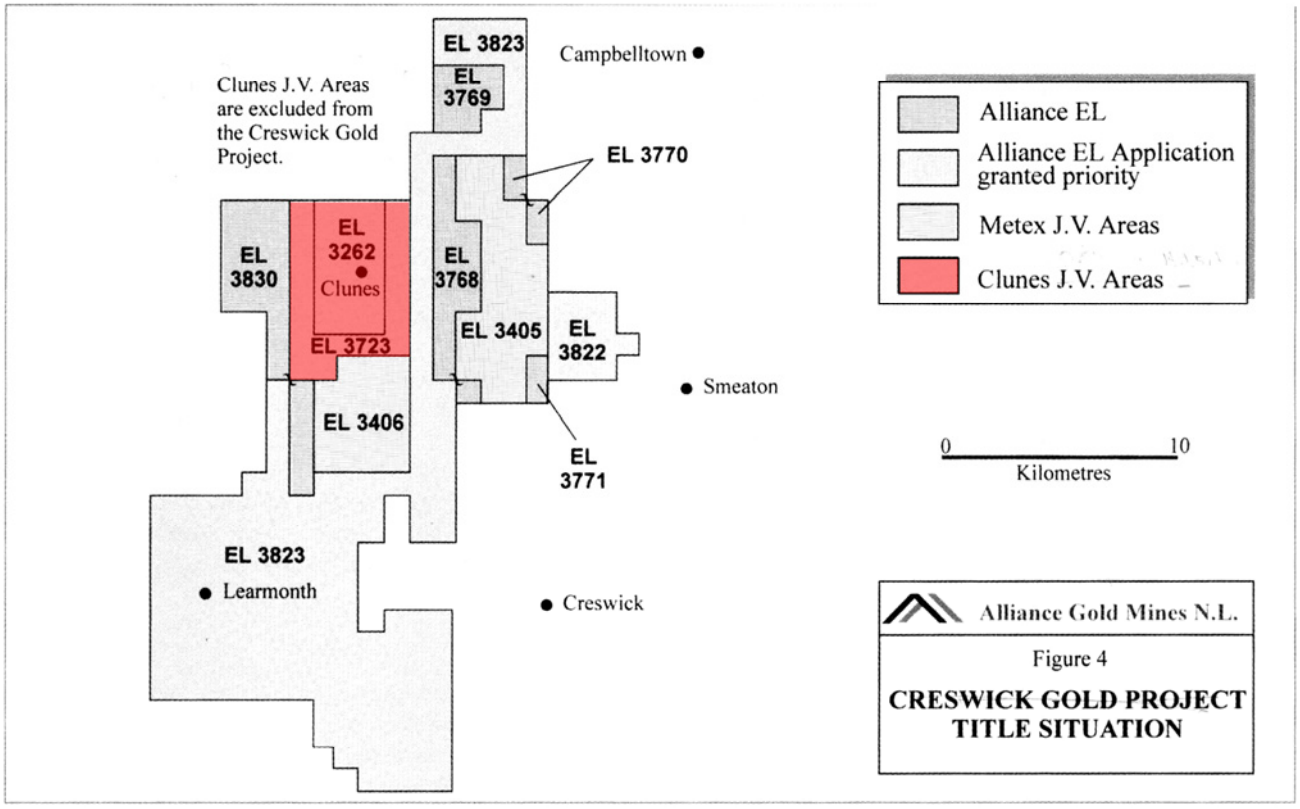
A number of encouraging targets have been identified which are to be followed up early in January 1996 by a reverse circulation drilling program of up to 20 holes totalling 4,000 metres. Drilling results from this program are expected to be made available following the completion of assaying for each hole.

CRESWICK/CLUNES REGIONAL

The Clunes and Creswick goldfields, some fifteen kilometres apart, had a total historical production of almost three million ounces of gold, worth more than $1.5 billion in today's terms. A layer of basalt, some tens of metres thick and over 1,000 square kilometres in areal extent, largely conceals these goldfields. They were discovered by fortuitous exposure through the basalt cover. The region surrounding these goldfields has excellent potential for further orebodies but the basalt has so far discouraged other companies from the search.

The only coordinated program in search of primary gold deposits in this area was that by WMC, which ended in the late 1960s at a time of low gold price and rising interest in nickel. Its work was largely confined to the Clunes area.

WMC achieved technical success in the use of induced polarisation geophysics and the subsequent drilling of several induced polarisation anomalies intersected strong quartz reef zones carrying sulphides and some gold.



COPY

Alliance Gold Mines NL

AUSTRALIAN STOCK EXCHANGE
AGS000016

FACSIMILE TRANSMISSION

TO:	The Company Announcement Office, ASX	DATE:	29 January, 1996
FAX NO:	1300 300 021		
FROM:	G F Salter, Managing Director	REF:	PF-ASX.1
SUBJECT	CLUNES GOLD PROJECT	NO. OF PAGES:	1

Carpentaria Gold Pty Ltd, a subsidiary of M.I.M. Holdings Limited, our co-venturer and project manager, has released the results of the first eight RC drillholes at Clunes. These were positioned to test ore potential towards the northern end of the lode system. There has been some previous mining in this area.

The results should be considered preliminary, but include :

	From	To	Interval	Assay (g/t) gold
MCR 1	106	112	6	3.50
	124	126	2	63.20
MCR 4	196	202	6	3.17
MCR 8	208	218	10	3.73
	224	228	4	3.27
	236	276	40	7.43
			(2	16.90
		Including	(2	27.00
			(4	24.90

All of these intercepts are downhole lengths. Geological interpretation of these encouraging results is in progress.

G F SALTER
Managing Director
Alliance Gold Mines NL

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ALLIANCE GOLD MINES NL

CLUNES GOLD PROJECT

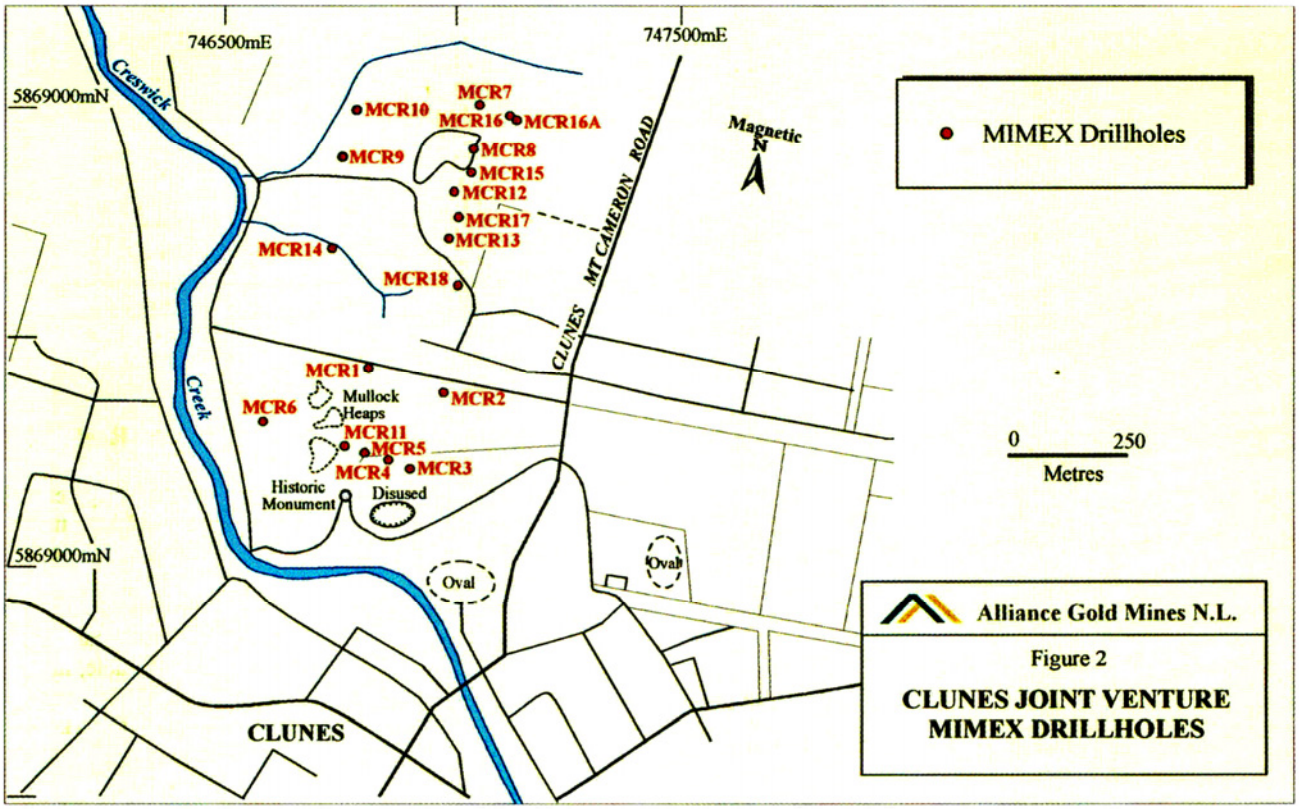
A drilling program of 18 holes totalling 4,477 metres was carried out during the quarter by Carpentaria Gold Pty Ltd, manager of the Clunes Joint Venture. Holes MCR 1 to MCR 14 were reverse circulation percussion holes throughout their length, while MCR 15 to MCR 18 were each percussion precollared and completed by diamond drillhole "tails" (Figure 2). Significant assays are detailed in Table 2.

All holes were sited near the northern end of the known lode system and designed to test for remaining ore within and immediately to the north of the previously mined area. Of the 18 holes drilled, one in particular, MCR 8, intersected a very encouraging zone of 40 metres averaging 7.43 g/t. This result included three highly auriferous zones.

Interpretation of the drilling results and updating of the structural model is currently in progress as a precursor to the planning of a further drilling program. Initial interpretation of the drilling results indicates that three of the subsequent holes designed to test the extent of high grade mineralisation in hole MCR 8 may have failed to reach their objective. Holes MCR 9 and 10 were abandoned in old workings and hole MCR 15 may have terminated short of the target.

Trial traverses using sub–audio magnetics geophysics (SAM) were carried out during March over the northern lode system to determine the response from an area of known mineralisation. SAM simultaneously measures magnetic and electrical parameters of the rock strata.

Further traverses were conducted to the north and east of the known lodes. Interpretation of the SAM results is still in progress.



The table of drilling results published in this Quarterly Report to 31 March 1996 follows:-

ALLIANCE GOLD MINES NL

Table 2
Surface drilling results – Clunes

Hole Number	Easting AMG	Northing AMG	Total Depth (m)	Collar Azimuth (grid)	Collar Dip	From (m)	To (m)	Downhole Interval (metres)	Assay (g/t gold)	
MCR 1	746815	5869425	208	West	–60°	90	92	2	4.36	
						106	112	6	3.50	
						124	126	2	63.20	(1)
MCR 3	746905	5869215	252	West	–60°	250	252	2	3.18	
MCR 4	746860	5869230	204	West	–60°	196	202	6	3.17	
MCR 5	746810	5869245	222	West	–60°	88	90	2	2.63	(2)
MCR 8	747040	5869905	282	West	–60°	208	218	10	3.73	
						224	228	4	3.27	
						236	276	40	7.43	(3)
MCR 11	746765	5869260	180	West	–60°	36	37	1	4.02	(1)
MCR 12	747005	5869815	258	West	–60°	196	200	4	3.62	
						206	210	4	10.30	
MCR 13	746985	5869710	202	West	–60°	196	202	6	2.72	(2)
MCR 17	747015	5869760	281.9	West	–65°	221.65	222	0.35	7.25	
						251	252.2	1.2	2.21	
						263.7	264.25	0.55	4.00	
MCR 18	747005	5869616	301.5	West	–55°	235	236.8	1.8	2.66	
						254.5	254.8	0.3	5.78	
						259.95	260.45	0.5	13.24	(4)
						266.10	267.05	0.95	9.71	

(1) Contains unknown proportions of stope fill and in–situ rock veining
(2) Denotes stope fill.
(3) Including 2m at 16.9 g/t, 2m at 27.0 g/t, and 4m at 24.9 g/t.
(4) Minor visible gold reported from quartz veining in this intersection.

Bendigo Advertiser, Wednesday, April 24, 1996 — Page 11.

LOCAL

Alliance find is stunning

ALLIANCE Gold Mines NL has raised $6.2 million for intensive exploration and development work at the Maldon goldfield, it was announced yesterday.

Managing director Garry Salter said the company had found a "stunning" gold structure at its Clunes gold project site.

Mr Salter said the company's drilling program had intercepted an encouraging zone of 40 metres which could yield gold at 7.43 grams a tonne.

In addition, it had discovered four metres which could yield 24.9 grams of gold a tonne.

In its quarterly report to the Australian Stock Exchange, Alliance said it had also found two metres which could produce 27 grams of gold a tonne at Clunes.

Mr Salter said the company's

By ASHOK VERMA

biggest achievement was that it had started producing gold in just 18 months since acquiring the Maldon goldfield from Triad Mining.

It produced 830 ounces of gold for the quarter ended March 31 this year.

Mr Salter said with exploration rights at Maldon, Clunes and Creswick, Alliance was now a major player on three of the six major goldfields in central Victoria which had produced one million ounces of gold.

Exploration

The company had already spent $3 million on exploration at the Maldon goldfield since it was formed in 1994.

It had now raised $6.2 million through the exercise of 25,936,719 options and the placement of 5,000,000 shares.

Mr Salter said the company's Porcupine Flat gold treatment plant now operated 24 hours a day for five days a week.

Alliance was planning a seven-day-a-week operation during the June quarter.

In the March quarter, 26,265 tonnes of material was processed at the plant.

In other developments, the company reported:

- Encouraging drilling results at its Union Hill North prospect at Maldon;
- Encouraging underground results on Linscotts Reef, and the start of underground mining at the reef;
- Consolidation of exploration titles at Creswick; and
- Making an application for an exploration licence at Shellbourne.

COPY

M.I.M. Exploration Pty. Ltd.
A.C.N. 009 661 118
A member of the M.I.M. Group of Companies

MIM EXPLORATION

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65 Little Edward Street
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Australia

Postal Address:
G.P.O. Box 1042
Brisbane QLD 4001

Telephone: (07) 214 9100
Facsimile: (07) 214 91[illegible]

To
Tiger Resources
03 9482 0040

9th April 1996

Mr Alan Phillips
Target Resources

FAX: 3361 3434

Attached please find a copy of Alliance Gold Mines' press release dated 29th January 1996 in relation to the Clunes tenements as requested by Gary Clarke on 4th April.

Yours sincerely,

Ross Logan
Senior Geologist

Extract: Alliance Gold Mines N.L.
Quarterly Report
30 June 1996
Released July 1996

ALLIANCE GOLD MINES NL

CAPITAL

Result of Prospectus dated 1 March 1996 -

A total of $704,407 was raised through the issue of 70,440,687 Options expiring 16 June 1998 at an issue price of 1 cent each

History shows that Alliance did not ever conduct further drill tests in the vicinity of MCR8, or of the geophysical anomaly (SAMS) to the north of the mine workings

CLUNES GOLD PROJECT

Exploration during the quarter by the Joint Venture operator, Carpentaria Gold Pty Ltd, was largely confined to processing of previously obtained drilling and geophysical data.

Alliance will acquire Carpentaria Gold Pty Ltd's 80% interest in Clunes Gold Project for $325,000. This acquisition further consolidates Alliance's position in this key Victorian gold province.

Several areas of potential generated by recent work of Carpentaria will be further tested by Alliance in the September quarter. These include:

- the intersection of 7.43g/t gold over 40 metres in hole MCR 8 near the northern extremity of the previously mined zone
- A partially defined electromagnetic geophysical anomaly to the north of the known mine workings.
- Partially defined, lower order geophysical anomalies east of the known lode system, at approximately the position of the adjacent anticlinal axis.

Geological mapping of the outcropping host sediments and quartz reefs in the non-basalt covered Port Phillip mine area (the most productive part of the field) is currently in progress. It is expected that this work in conjunction with a re-appraisal of the existing drill core will provide a better understanding of the structure of the known lodes as a precursor to further exploration.

A review of the available historical data on the Clunes goldfield reveals that no underground geological mapping was carried out, or has survived to the present. A mine database is being developed using information from contemporary newspapers and government records in an attempt to better understand the previously worked reef structures.

An orientation soil geochemical survey is planned to commence over the Clunes lode system in August. Given reasonable encouragement this work will extend to more regional targets in the Clunes tenements.

Computer modelling of drillhole data and old workings, commenced by Carpentaria, will be expanded to incorporate the mapping and structural programs currently underway, together with data generated by literature research.

A further program of geophysical surveying will be implemented during August to better define and "close off" the three currently partially tested anomalous areas as a precursor to drilling.

Extract: Alliance Gold Mines N.L.
Annual Report
dated 19 September 1996

CLUNES *Gold Project*

The Clunes Gold Project is located 60 kilometres southwest of the Maldon Gold Project, in the southern portion of Alliance's central corridor of tenement holdings in the Golden Triangle.

During the year Alliance entered into an agreement with Carpentaria Gold Pty Ltd ("Carpentaria"), a subsidiary of M.I.M. Holdings Ltd, to acquire and explore Exploration Licences 3262 and 3723 covering the Clunes goldfield in central Victoria.

In January 1996, Carpentaria, as Manager, conducted a program of 14 reverse circulation percussion holes and four diamond drillholes totalling 4,477 metres. All holes were situated near the northern end of the known Clunes lode system and were designed to test for any remaining ore immediately to the north of the previously mined area.

Results from the drilling program were encouraging, with MCR 8 intersecting a zone of 40 metres downhole averaging 7.43 g/t and including three highly auriferous zones (Table 4).

TABLE 4 Surface Drilling Result - Clunes

Hole Number	Easting AMG	Northing AMG	Total Depth (m)	Collar Azimuth (grid)	Collar Dip	From (m)	To (m)	Downhole Interval (m)	Assay (g/t)	
MCR 1	746815	5869425	208	West	-60°	90	92	2	4.36	
						106	112	6	3.50	
						124	126	2	63.20	(1)
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MCR 12	747005	5869815	258	West	-60°	196	200	4	3.62	
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MCR 13	746985	5869710	202	West	-60°	196	202	6	2.72	(2)
MCR 17	747015	5869760	281.9	West	-65°	221.65	222	0.35	7.25	
						251	252.2	1.2	2.21	
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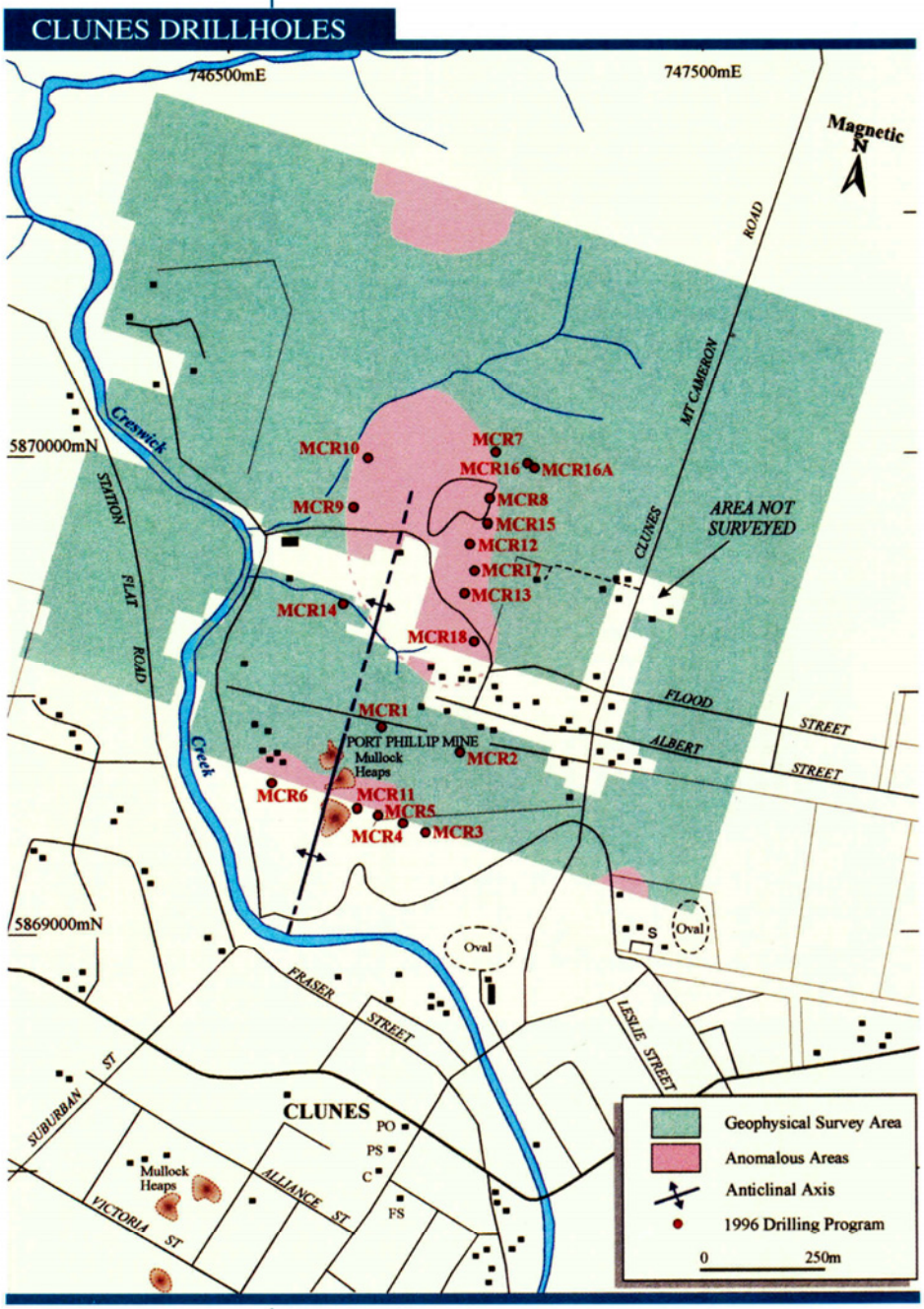
MCR 18	747005	5869616	301.5	West	-55°	235	236.8	1.8	2.66	
						254.5	254.8	0.3	5.78	
						259.95	260.45	0.5	13.24	(4)
						266.10	267.05	0.95	9.71	

(1) Contains unknown proportions of stope fill and in-situ rock veining
(2) Stope fill.
(3) Including 2m at 16.9 g/t, 2m at 27.0 g/t, and 4m at 24.9 g/t.
(4) Minor visible gold reported from quartz veining in this intersection.

Following the drilling program, a trial leading-edge geophysical survey was undertaken over the northern lode system and its potential northern extension. Preliminary interpretation of the geophysical results indicates anomalous zones broadly corresponding to the plan position of the known northern lodes. A further incompletely defined anomaly at the northern edge of the geophysical survey area appears to be similar in nature to the anomalies observed over the known lodes.

Further geophysical coverage will be necessary to better define this anomaly as well as two lower order anomalies inferred on the eastern edge of the survey area, close to the known position of the adjacent anticline.

In June 1996 Carpentaria advised Alliance of its decision to sell its interest in the Clunes Gold Project following a revision of M.I.M.'s worldwide exploration priorities. Carpentaria has accepted an offer from Alliance to purchase its interest in the agreement to acquire the Clunes goldfield for $325,000. Alliance is now the sole Manager/Operator of the Clunes Gold Project.



Despite intensive mining activity in the central goldfields before the turn of the century and the more recent modern day focus on this historic gold province, there are no known geological mining maps of the Clunes deposits.

As a result, there is very little worthwhile or reliable historical information about the gold structures in this area.

Since assuming control at Clunes, Alliance has undertaken detailed surface geological mapping of the Port Phillip Mine area as a first step in interpretation of the structural controls on ore formation. This is the same approach employed successfully during 1995/96 by Alliance on its Maldon prospects.

Re-logging of the large amount of existing drill core is currently underway, together with literature research of old mining records and newspapers, to build up a three-dimensional model of the known lode system. This work is highly important in gaining a better understanding of the known mineralisation as a precursor to seeking extensions and repetitions of the ore zones.

Extract: Alliance Gold Mines N.L.
Quarterly Report 31March1997
(released April1997)

CLUNES GOLD PROJECT

Diamond drillhole CD 51, commenced in December 1996, was completed in late January at a total depth of 712.4 metres. The hole was sited some 700 metres north of the New North Clunes mine workings, historically the northernmost productive mine on the main lode structure.

Hole CD 51 was inclined to the west at 55° to test a sub-audio magnetic (SAM) geophysical anomaly and a possible western displacement of the main anticlinal fold and its associated

The hole passed through several zones of quartz veining up to 1.5m wide before intersecting a major anticlinal fold structure between 560 metres and 630 metres downhole. Considerable fracturing, alteration and quartz spur vein development were evident throughout the fold zone.

Split core assays of quartz veined material returned generally low but encouraging values, the most significant being:

424.65 – 425.50m; 0.85m drilled length at 1.04g/t

474.40 – 474.50m; 0.10m drilled length at 2.64g/t

567.55 – 567.62m; 0.07m drilled length at 0.96g/t Au and 0.16% As

Core logging and structural interpretation of CD51 indicate that it has intersected a previously unknown major anticlinal structure, beneath basalt cover and some 350 metres west of the previously supposed northern projection of the main Clunes lode system.

It is possible that the main fold system is offset westward by a fault immediately north of the old New North Clunes mine. This would correlate with quartz veining observed in an adit some 200-300m west of the old mine workings.

Further exploration will be required to confirm this and to test for mineralisation at the appropriate down-plunge position relative to the New North Clunes lode system.

Drill core from CD 51 and a number of previously drilled holes was studied using a portable infra-red spectrometer (PIMA) to determine whether a characteristic alteration signature could be detected in the main mineralised anticlinal fold.

This study showed a good correlation between a suite of micaceous minerals and zones of strong alteration due to folding. This provides a rapid diagnostic tool which could be applied to percussion drill cuttings to rapidly locate fold positions, greatly reducing the need for slower and more expensive diamond drilling at the reconnaissance stage.

More research will be required to determine whether there is a characteristic relationship between alteration mineralogy and gold mineralisation.

Processing of the large amount of data generated during the re-logging and mapping programs of the last two quarters is continuing

Electromagnetic sounding trials are being considered to better define the sub-basaltic topography and the fold structure intersected in CD 51 as a precursor to further drilling.

Extract: Alliance Gold Mines N.L.
Annual Report 1997
(26 September 1997)

CLUNES GOLD PROJECT

A diamond drillhole (CD51) was drilled to a depth of 712.4 metres to test a geophysical anomaly and to provide structural information beneath the basalt covered zone west of the known lode system.

The hole intersected a major anticlinal fold structure between 560 metres and 630 metres which may be the northern extension of the main fold system, displaced to the west by faulting.

The drill core in the vicinity of the anticlinal fold was fractured with frequent development of quartz spur veins throughout. Assays from the quartz spur veins were generally low.

The hole also passed through several zones of more massive quartz veining before intersecting the anticlinal fold structure.

The most significant results from CD 51 were:

424.6m - 425.5m	0.9m drilled length	1.04g/t
474.4m – 474.5m	0.1m drilled length	2.64g/t
567.5m – 567.6m	0.1m drilled length	0.96g/t and
		0.16% arsenic

Drill core from CD51 and other previously drilled holes was analysed using a portable infra-red spectrometer (PIMA) to test for the presence of any characteristic alteration signature in the main mineralised anticlinal fold.

The study showed a good correlation between a suite of micaceous minerals and zones of strong alteration due to folding. PIMA provides a rapid diagnostic tool which can be applied to percussion drill cuttings to rapidly locate fold positions, greatly reducing the need for slower and more expensive diamond drilling at the reconnaissance stage.

Soil geochemistry surveys using two partial leach extraction methods (Ionex and Regoleach) were trialled over the known goldfield and its possible extensions. In total, 188 samples were collected and submitted for analysis. Results to date indicate two possible anomalous areas beneath basalt cover, a possible eastern structural repetition and a southern offset continuation of the main lode system. Follow-up sampling has been completed with the results due to be received later in the year.

Re-logging of existing drill core and literature research of old mining records and newpapers is continuing to assist in building up a geological model of the Clunes area.

Diamond drillhole CD52 commenced during July 1997, failed to locate interpreted unworked western reefs within the South Clunes lode system.

Alliance has an option to acquire Exploration Licences 3262 and 3723. The option may be exercised up to 23 October 1997 for a payment of $700,000.

Extract: Alliance Gold Mines N.L.
Annual Report 1998
(9 September 1998)

CLUNES GOLD PROJECT

In the 1910s and again in the 1930s, underground development was undertaken at Hancock's Mine (some 250 metres east of the Port Phillip Mine) in search of possible repetition of the Port Phillip lode on the next anticlinal fold to the east. This work located an uneconomic western reef but the workings did not extend sufficiently to the east to test for any potential east-dipping reefs.

During October 1997, the eastern part of the Hancock's anticlinal fold was tested by an east-west row of three reverse circulation percussion drillholes totalling 253 metres.

Two of the holes intersected massive quartz over downhole intervals of 1-2 metres, while the easternmost hole reported only minor quartz spur veins. Assay results from all three holes were very low.

To complete the acquisition of the Clunes tenements, Alliance would have been required to pay $700,000. It was resolved not to proceed and the Option Agreement lapsed on 23 October 1997.

The "Mount Rommel" Position
Outcomes

1. **Around hole MCR1**
   The Company guided by the excellent gold intercepts of MCR1, drilled 3 holes, all 3 returning further evidence of un-mined gold close to the former workings, the historic Port Phillip mine.

2. **Near holes MCR4, 5 and 11**
   Step out drilling by the Company resulted in the ability to outline an east-dipping gold mineralised breccia zone not previously known, within 30 metres of historic workings. The scope and dimension of this structure was extended by drilling in February, 2015.

3. **Prospects near MCR8**
   The graphical representation beginning this public NSX release illustrates the distribution of exploratory holes along the known and projected extent of the Clunes goldfield.

   Those giving consideration to the development of this Clunes field after 1998 sought an alternative approach – comparative PIMA evaluation, geochemistry, and the use of other selected geophysical techniques – to increase the strike rate of holes to be drilled for new gold, so those holes became *development* holes, not just exploratory holes.

   The success rate of drilling substantially increased, as seen by drilling results in 2006, 2007 and early 2015.

   One reason for these successes is that Mount Rommel Mining Ltd has shown there is a demonstrated relationship between a (geophysical) ground gravity "low" and gold-bearing structures.

   Hole MCR 8 passes into a ground gravity "low" coincident with the sub-audio magnetic (SAM) geophysical anomaly illustrated on the plan, the Alliance Gold Mines N.L. Annual Report for 1996.

   This special (SAM) survey was carried out in March-April 1996 after drilling by MIM had ceased. The only hole thereafter in this specific location was hole BBC-4, drilled by others in year 2007, which terminated 50 metres above the gold intersection of MCR 8. The "stunning" legacy thus remains to be developed by future diamond drilling, in the same deliberate manner as in paras 1. and 2. above.

Reference - memo to F.L. Hunt from H. Rutter, 7 April 1998
Subject – *The use of the gravity method for gold exploration in Central Victoria (4 pages)*.

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