



28 Lawson Crescent, Thomastown, Vic.3074

P.O. Box 80, Bundoora, Vic. 3083

Email: info@mountrommel.com

Web : www.mountrommel.com

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INFORMATION FOR MEMBERS

GLENFINE, MIN 5492

Members will recall there was a General Meeting on 4 February, 2016, to discuss and authorize the arrangements for proceeding with the next stage of processing Glenfine sands.

At that time, an amount of \$20,000 had been lodged in the Company bank account, in care of Directors, pending the outcome of voting.

Members voted to proceed as set out in the Notice of that February meeting.

On Thursday, 24 March, 2016, a representative of Mount Rommel Mining Ltd. and of the private entity, signed a Forward Contract, the document Annexure including the entire page of the 4 February 2016 Notice, stating the Special Resolution, and Conditions which apply to that Contract.

The terms of payment were negotiated, to arrive at the following -

1. \$20,000 as lodged prior to the 4 February Meeting.
2. \$25,000 lodged at bank on the day of signing the Contract.
3. \$50,000 due and payable on 1 July 2016, or on completion of processing of 3,750 tonnes of sands from a specified area of the Glenfine property - whichever is the earlier.
4. \$25,000 payable either when a further 6250 tonnes is processed, or due 23 March 2017, whichever is the earlier.

There are also steps negotiated, and included in this Contract, to resolve other practical aspects. These are aimed at ensuring that where this private party on its own account chooses to delay or defer processing, then processing may be undertaken by Mount Rommel for Members benefit, subject to payment of related costs.

The Forward Contract includes a notification program, including for the Commencement of processing.

The Company will continue its practice of sampling stockpiles and tailings, to record the outcome of these activities over time.

At present, the water supply is being brought to full supply level, and is within 1 metre of that level. The operator is busy arranging to bring into operation in tandem both of the existing pachuca tanks, as their joint use is essential to the current plant up-grade.

CLUNES, MIN 5391

Directors suspended activity here last year. At the time, hole CD15-08 had been logged, but not cut and sampled for assay. This sampling, and other work of a similar nature, is now planned to resume shortly.

CLUNES, EL 5492

Previous exploration in the district around Clunes, and under the township area, has been severely hampered because the data directly relevant to future exploration has become fractured and widely dispersed over time. The material has been mostly discovered, for re-assembly as illustrative diagrams, to better enable any person to appreciate both the extent and limitation of past work. Some of this collated material (text) has already been provided to Government, under statutory reporting requirements.

History shows where investment in Clunes mine development continued, including right to the suspension of operations in 1893.

The South Clunes United mine was subjected to forced closure. This mine paid good dividends in the 2 years before closure. New gold was progressively being revealed as its workings were moving north, more or less about 300 metres below, and west of Templeton Street, south of Alliance Street. No drilling since has ever tested the extent of those revelations.

All the data demonstrates Clunes was, and remains, a long-established proven goldfield, based on a series of gold-bearing hard-rock zones. Drilling has confirmed zones of the type mined can be revealed from work on surface. Drilling by Mount Rommel has disclosed wider gold-rich zones remain undeveloped by past miners, in unsuspected places.

Two observations -

1. Deep lead gold deposits trending away from the main lines of veins occur, but were found to hold insufficient amounts of gold to pay, **except close to veins**.
2. In December, 2015, drilling of hole CD 15-09 showed an upwards block movement of ground likely took place under what is now part of Scenic Road.

This information prompts the question - did this block movement result in a "lost" perched, west section to the reef wash worked for gold further east (now under Council land) ???

That is - quartz eroded off the upper part of the veins, nearest the Port Phillip area, might be reef wash close to veins. *If never found, what gold might be there ??*

Does a Council determination to refuse drilling effectively mean lost opportunity to locate such a perched wash, or test it for gold ??

How could denial to test any "lost opportunity" be good for business ??

The Company has since acted to release the northern section of EL 5492, no longer useful to its present purpose. The Company has retained the good prospects.

In the near future, some illustrations will be published to inform those following these developments.

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