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29 April 2016

MOUNT ROMMEL MINING LTD - Current holdings

This Announcement has been prepared with regard to the Continuous Disclosure requirements of Companies holding gold tenements.

The information given below may have relevance under the Community Engagement provisions of the MRSD Act, Victoria, and to some owners of property at or near Clunes.

CLUNES EL 5492 (100% holding)

At the time of grant on 29 October, 2014, this licence extended over about 58 sq. km., centred on the township of Clunes.

Progressive investigation of this area has taken place. The work showed certain conclusions could reasonably be drawn as to the sub-surface distribution of quartz, both barren and potentially payable.

Many parts of the field are understood to host semi-continuous zones of almost barren quartz, some barren zones being of great width.

The immediate business of this Company is to locate (initially from surface, by drilling) places where higher grade gold remains in place, in volumes which encourage the prospect of underground development.

Directors believe decisions about underground access should be set aside until investigations about in-place volumes of rocks with commercial value could be regarded as "complete". At the same time, results to hand - such as those set out in the NSX Announcement dated 17 April, 2015 - are indeed encouraging enough to warrant preparatory work at surface, which is underway.

Clunes field has been shown by drilling to carry much barren quartz. Mining or developing large amounts of near-barren quartz in order to avoid missing smaller, target zones carrying higher grades (of gold) is unlikely to be profitable. The collection of knowledge in advance is the usual risk-protection procedure, one rather more complicated when adjacent to a township.

This Company has confined its intensive development (drilling) to those portions of Clunes Goldfield in which high grade gold ore is considered more likely to occur. That is - the Company seeks to greatly increase the chances of profitable operations in future, through carefully designed sampling today, via surface drill holes.

Recently, drilling did identify areas of much greater prospectivity, just north of Creswick's Creek. The location is west of GDA 94 grid co-ordinate 747,000 East. This knowledge has enabled the Company to confidently and voluntarily relinquish, at a very early time, about 22 sq. km. of licence area, EL 5492. The attached plan / map shows the area relinquished, and that remaining held under EL 5492 (since 22 April, 2016).

On the ground, this means, for example, that the Company no longer holds rights to the east of the western end of Albert Street (or along any part of Albert Street).

The licence still ensures the Company continues to hold rights over the remarkable down-hole intersection recorded in drilling in year 1996, in hole MCR 8 (40 metres of gold-bearing ground) regarded as associated with the intensely altered environs recorded in hole MCR 10. These two holes are at the north end of the field.

CLUNES MIN 5391 (100% holding)

All gold intercepts from drilling directed for the Company occur within the confines of this licence. It is considered likely that future higher grade intercepts will also be found to occur inside the bounds of MIN 5391.

The habit of past vein workings is complemented by the indicated shapes of veins encountered in drilling (7 holes) at the south end of MIN 5391.

It should be noted that there are many celebrated examples, in Victorian mines, of deposits where the gold-bearing material has been found in formations of similar character. The similarity is that where a "high grade" portion is identified, it is usual to find that in one or more directions the change to lesser gold values is less abrupt. The formation shape which becomes apparent under development is termed a "shoot". In such "shoots" the quartz or lode formed may contain gold above the field average. The commercial objective is to locate "shoots" carrying abnormal gold values.

It appears that in two different parts of MIN 5391 there is potential for good "shoot" development.

CLUNES EL 5488 (100% holding)

Work suspended for the time being.

GLENFINE MIN 5492 (sold 10,000 tonnes raw sand)

Members gave authority to Directors to enter a Forward Contract for the sale of a limited quantity of sands. The sale has taken place. Work on site is proceeding.

ALLENDALE EL 3821

The Department tenure register has been examined for the purpose of this Announcement. The Department has control over the status of EL 3821.

Directors are unable to assess the current circumstance, and can only state that on the register, EL 3821 remains in the name of the Company.

No work is being carried out with respect to the licence.

Prepared on behalf of Directors, Mount Rommel Mining Ltd

F.L.Hunt

ATTACHMENT - PLAN OF CLUNES VICINITY, SHOWING THE EXTENT OF EL 5492, an extract of the official tenement archive.

PLAN OF CLUNES VICINITY, SHOWING THE EXTENT OF EL 5492

