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3 May 2016

Company Announcements Office.
National Stock Exchange Limited.

Non-Renounceable Rights Issue - Ordinary Shares

Mount Rommel Mining Limited (the Company) will undertake a non-renounceable pro-rata rights issue of one (1) share for every seven (7) shares held, at a price of AU \$0.10 per share.

In the event that all shares available (under the terms of offer) are taken up, the eventual total raising would be \$791,433, before costs.

Given the circumstances currently before the Company, **the Directors have determined to proceed on the basis of partly paid applications**, the initial payment to be **three (3) cents** per share, due and payable by **27 May, 2016**. All Members electing to take up this offer are advised that -

- a) the Company will request NSX to list for trading purposes all successfully allotted partly paid shares, and
- b) the Directors undertake to make **only one additional call** for the balance (7 cents), and that **not before 30 June, 2017**.

Where all Members elect to take up these part paid Ordinary Shares, at 3 cents, the amount raised would be \$237,430, before costs. The Directors anticipate these funds will be supplemented by money coming forward from progressive activities at Glenfine during June, 2016.

The purpose of this raising is to maintain a sensible rate of progress for work at Clunes.

Directors advise that any shortfall would be disposed of at their discretion, bearing in mind the wishes of those Members who applied for partly paid shares in addition to their entitlements, and any expressed intentions of those Members residing overseas, who may wish to take up shortfall shares.

Shareholders eligible to participate in this Rights Issue will be those shareholders with a registered address in Australia and New Zealand as at 7.00 p.m.(AEDT) on the Record date of 11 May, 2016.

The Directors have determined that it would be unreasonable to extend the offer to participate in this rights issue to shareholders in other jurisdictions, having regard to the number of shareholders in those jurisdictions, and the costs of complying with every legal and regulatory authority requirement in those jurisdictions.

Holders of Preference Shares in this Company are advised that only their holdings of Ordinary Shares give rights to participate in this offer.

As noted above, eligible shareholders may apply for additional shares in accordance with their pro-rata entitlement under this Rights Issue, to the extent there is any shortfall. Any such additional shares will be allocated at the discretion of the Directors, provided that any shareholder who applies to take up shares in addition to their pro-rata entitlement which would result in a holding of greater than 19.9% of the ordinary Shares of the Company are advised that such an application would be scaled back. The Company Directors intend to scale back applications on a pro-rata basis in the event of excess demand for additional shares.

The Rights Issue will be conducted pursuant to Section 708AA of the *Corporations Act 2001* (Cth). Consequently this Rights Issue will be made without disclosure to shareholders and investors pursuant to Part 6D.21 of that Act, ...i.e. - without a prospectus.

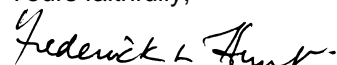
The timetable for the Rights Issue (**Timetable**) is as follows -

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|---|------------------------------|
| 1. Announcement of Rights Issue to NSX | Tuesday 3 May, 2016. |
| 2. Application to NSX for Quotation of allotted part paid shares | Tuesday 3 May, 2016. |
| 3. Advise shareholders -- a letter. | Wednesday, 4 May, 2016. |
| 4. Lodge Cleansing Notice with NSX. | Thursday, 5 May, 2016. |
| 5. "Ex-date" for entitlements | Tuesday, 10 May, 2016. |
| 6. Record date - to identify eligible shareholders, and to determine entitlements under the offer | Wednesday, 11 May, 2016. |
| 7. Despatch of Documents to shareholders | Friday, 13 May, 2016. |
| Advice to NSX that despatch is completed | Friday, 13 May, 2016. |
| 8. Closing date for submission of applications. | Friday, 27 May, 2016. |
| 9. Notify NSX of under-subscriptions. | Tuesday, 31 May, 2016. |
| 10. Issue date for the new part paid shares. | Thursday 2 June 2016. |

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The Timetable is indicative only and may be subject to change. Subject to the Act, and the NSX Listing Rules, the Directors of the Company reserve the right to vary the dates in the Timetable, including the closing date without prior notice. The Company also reserves the right not to proceed with all or part of this Rights issue at any time prior to the date stated in the Timetable for issue of new part paid shares.

Yours faithfully,



Frederick L. Hunt
Executive Director.
MOUNT ROMMEL MINING LIMITED.