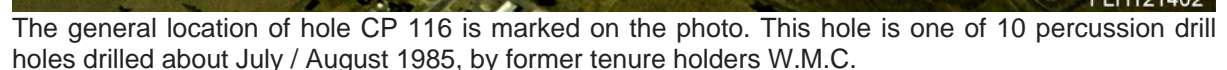


CLUNES - OBSERVATIONS ABOUT UN-MINED GOLD

This text sets out certain observations, so all may note there are good practical reasons for conducting infill drilling in that 120 metre space. The location is marked on the accompanying oblique air photo.



The 10 holes sought to test the position beside Creswick Creek for evidence of residual gold. Many of the 10 holes revealed residual gold, some intercepts at commercially attractive levels -- see the data hereunder.

Today, all these hole positions are within new EL 5492, of Mount Rommel Mining Ltd.. The nearest of those holes to the south boundary of MIN 5391 is hole CP 116.

No party who has held tenure at Clunes since the drilling of CP 116 has carried out diamond drilling to verify what is believed to be reliably recorded analyses.

Verification (now) from a position within MIN 5391 should assist in preparation of a resource assessment.

Further, some recorded intervals are of residual gold in the backfill of stoped or worked ground. The diamond drilling of a parallel hole about 40 metres to the north of CP 116 (on private land) would permit investigation for un-mined extensions of the following intercepts, as well as checking the status of filled ground.

CP 116 : percussion sample material.

Sampled interval (down hole metres)	Au (ppm)	As (ppm)	Est. qtz (%)	Comment
16 - 17	0.38	1000	90	
17 - 18	1.81	950	80	Stope fill??
18 - 19	0.80	1550	50	stope fill ?
19 - 20	0.28	1250	20	
47 – 48 through to 60 - 61	Wide zone of quartz, carrying elevated (sub-ore) values of gold, sometimes with higher values of arsenic.			
83 - 84	1.45	350	60	all quartz in dark grey siltstone.
84 - 85	17.10	200	75	
85 – 86	0.87	250	85	
86 – 87	0.55	100	70	
87 - 88	2.56	300	50	
139 – 140	1.51	2550	70	
140 – 141	11.90	2340	60	
141 – 142	2.59	2300	-	Old timber = old stope
142 -143	20.00	6000		Stope fill
143 – 144	0.86	6500	50	Siltstone (solid?)
144 - 145	22.90	2200	60	Siltstone, quartz
145 – 146	1.60	10,450	40	Siltstone, quartz
146 – 147	0.63	1150	10	
147 – 148 through to 188 metres no significant values				
188 – 194 another gold intercept for follow up at a later time				

Hole CP 113: Clunes (W.M.C.).

A parallel hole to CP 116, in the group of 10 mentioned above, is located just south of CP 116. It was completed on 13 July 1985, at a depth of 182 metres. The relevant part of this hole for present purposes is -

Sampled interval (down hole metres)	Au (ppm)	As (ppm)	Est. qtz (%)	Comment
57 - 58	1.00	< 50	85	
58 - 59	6.30	250	90	
59 - 60	5.95	< 50	90	
60 - 61	5.90	150	75	
61 - 62	1.10	< 50	85	
62 - 63	1.15	< 50	95	

The above set of data appears to correlate with the 83 to 88 metre intercept in hole CP 116, reported above.

The wide zone of elevated gold in quartz recorded in hole CP 116 (47 to 61 metres) has an even wider equivalent in percussion hole CP 113, from 29 to 57 metres.

These intervals are not reported in adjacent hole to the south, CP 114, suggesting intercepts in CP 113 and CP 116 oblique to the strike trend.

A new diamond drill hole through the trend of this zone, collared to pass about 40 metres north of CP 116, should deliver firm evidence of the actual character of this mineralized ground. The purpose of new drilling is to identify reefs carrying economic grade (as these appear indicated) and to find any un-mined extensions to suspected reef positions.

All proposed drilling around this particular location becomes the means of building on prior knowledge. The suggested first hole 40 metres north of CP 116 is considered preferable for completion before drilling at approved Site D, for similar reasons.

The total distance along strike between CP 116 and the CD06-04 group is about 120 metres. It is apparent from records that this strike distance may contain multiple zones of variously mineralized ground, especially at the 140 metre horizon.

Source of information :

The writer holds copies of original W.M.C. Sample Data Record sheets, including logging of sample from each metre of percussion hole, for all 10 holes in the Creswick Creek drill traverse. The total metres drilled in this immediate vicinity in July 1985 amounts to 1219 metres. The observers recording information were L. Pendergast and C. Brown. The data is set down by these observers in such a way that it is wholly believable. The analyses as received are inserted on the same page, at the relevant positions on page.

On 29 April, 1988, the then Chief Geologist, the WMC Bendigo Office, prepared a comprehensive review of the work of WMC at Clunes, in the period 1985 to 1988. The Creswick Creek traverse was one part of a 67 hole drill program. In that report the author, E.N.Sharpe, stated 4 of the Creswick Creek drill traverse holes should be regarded as not fully effectual -- but 211 metres of data from those 4 holes does exist. In all other respects, this author accepts the Sample Data Record as factual.

F.L.Hunt
Mount Rommel Mining Ltd.

The information in this Public Report that relates to exploration results is based on information compiled by F.L. Hunt, who is a Member of the Australasian Institute of Mining and Metallurgy and is a director of the company. F. L. Hunt is a person competent to make such a Public Report, as is defined in the 2004 Edition of the "Australasian Code for the Reporting of Exploration Results."