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15 March 2018

## **INFORMATION ON CURRENT ACTIVITY "TELEGRAM" FROM NORTH CLUNES**

The Company is drilling on EL 006473. The depth of hole at close of shift, 14 March, 2018, is 122 metres.

### **INFORMATION ABOUT THE SITE**

The State Government provides location information for tenements -- see *Mining Licences Near Me...* for address there use... 2A Downes Street, Clunes. The point marked is the bend in the road, as may be viewed on the more detailed plan below.

As shown on attachment 1, EL 006473 adjoins the north part of EL 5492. These granted and registered licences encompass entirely the area of the only State special grant of a tenement to a person, in this instance James Esmond, gifted by the State to reward the discoverer of gold in Victoria. It thus began as a Special Place, and went on to become a mature mine notable for highly profitable gold yields. This mine was known as the New North Clunes gold mine, closing for commercial reasons in about 1894.

### **SHORT HISTORY OF THE SITE**

For the reasons given below, it is known that the nature and style of gold mineralisation is that common to the Central Goldfields of Victoria.

The abridged site plan - attachment 2 - shows the location of the long-abandoned pump shaft, the New North Clunes gold mine. The abandoned shaft site is easily seen from the road. The drawing shows the plan position of the western cross-cut from that pump shaft, at 5 Level, or 590 feet below natural surface. This cross-cut commenced in January, 1865.

On 1 June, 1866, this western cross-cut at 5 Level reached a point 145 metres west, where it intersected a blind ore zone. Over time, this ore zone was worked to within 45 metres of the present surface. There is no evidence to indicate mineralisation extends closer to the surface. This first blind ore zone has progressively recorded yields, in aggregate more than 180,000 oz. gold.

From mine plans prepared dated year 1875, and still in existence (at scale 1 inch to 40 feet), the position of this cross cut is a known fact. Marked on the drawing, it is evident that the gate to site marks its track at surface today.

A second western crosscut on much the same trend, from a deeper level -- the 9 Level, or 1005 feet - located the upper portion of a second blind ore zone, on 3 November, 1873. This zone was found 610 feet (186 metres) west of the pump shaft, not shown on plan.

The aggregate recorded production of the Special Place to year 1894 exceeds 250,000 oz. gold.

Being Victorian style gold, these were operations on the basis of yields, not recoveries against forecast.

In the past 70 years many different drilling campaigns by unrelated parties have attempted to locate another equivalent blind ore zone in this environs. One of those utilised water quality sampling -- see Giblin, A "Geochemistry of Groundwaters in the Vicinity of Stawell, Clunes, Ararat and Ballarat Gold Deposits." AusIMM Ann Conf., Ballarat 12-15 March 1997 for details. The position SX34 on plan Attachment 2 relates to that investigation

These are Crown lands. In year 2010, these lands came to be within the specified region of TOSA, the Traditional Owner Settlement Act, a formal legislated agreement between the State of Victoria and the Dja Dja Wurrung Clans Corporation. The holder of EL 006473 has a registered agreement with the Dja Dja Wurrung Clans Corporation, which permits drilling and other defined exploration activities.

The Company has the benefit of access to extensive mine records, and much exploration work history. It has conducted its own exploration here and elsewhere on Clunes Goldfield, including the successful drilling of over 20 diamond drill holes there. It has conducted check evaluation on prior activity, the most recent of which is described below.

The granted licence requires the holder to report any intersection of minerals which may have the potential to be commercial. The present drilling to this time has encountered no such minerals.

## **COMMENTS ON ACTIVITY**

For the upper section of this special purpose diamond drill hole, the drillers (Budd Drilling, of Cobar NSW) recommended the use of size HWT rods, the drill bit being 122mm outside diameter. The inside diameter of this drill bit is 83mm, thus producing cores slightly smaller than PQ size, to deliver into trays for PQ core. This core size is much larger than in common use.

Ground conditions encountered confirm the wisdom of the decision to drill the upper perhaps 130 metres using HWT sized rods. Core recovery has been excellent. The state of core in core trays gives absolute visual evidence of the type of ground conditions worked by miners of 1860-1875, without need for explosives.

This hole is on course. At dip of minus 55 degrees, the hole passed out of fractured basaltic rock at down-hole depth of 25 metres. There will be no comment on observed geology until this hole has advanced much further, to ensure observations made are provided with proper context.

Note – the area coloured green on the attached plan is of a map overlay said to be an area set aside for the protection of plants existing prior to settlement. Site examination shows the same location to be wholly disturbed – a shallow dam, boundaries as marked.

## **EXPLORATION – SURFACE WORK**

For this Announcement to NSX, the writer has considered the Check List with respect to the JORC Code and Table 1 of that Code. The detailed criteria of Table 1 is not appropriate at this stage of reporting about this Special Purpose diamond drill hole. Information available to the Company about this particular site and environs is in the public domain. References included here are those deemed useful and relevant to this Announcement.

The geochemistry of the basalt given below is NOT a "mineralisation report" in the context of the JORC Code. It is factual data, obtained for the purposes of evaluation of other data in the public domain. It may be of interest to readers, given the site, its environs, and the hole in progress. The site plan herewith records the location data. The basalt soils sampled are at a considerable distance from the fractured basalt passed through at the commencement of hole CD18-01.

The analytical results provided below are from near-surface sampling of soils derived in-situ from basalt rock. The results form part of a data collection. In undertaking this activity, the Company investigates ground underlying known deep minerals to find facts where none existed previously.

All arsenic values for the samples collected are listed.

Given that most of the comprehensive surface exploration in and around Clunes took place about 20 years ago, those findings may have been "lost", or thought not relevant today. The State Government provides on the internet records of past work, in detail, through GEOVIC/Search Assistant. The activity of 1997 is relevant to today, and is available for everyone to view in the Annual Report for EL's 3262 and 3723, for period to 25 May 1997 – in 6 volumes. Those records ably describe the various minerals naturally contained in ground, and in and around Clunes (geochemistry).

Following on from that 1997 work, early in February 2018, the present Company completed a check sampling traverse at North Clunes. The reference point for the location of this traverse on line AMG 66 5870N is a stake in the ground at AMG 66 747E, where shown on the attached drawing.

Traverse sample point "1" is 70 metres east of the stake, on line 5870N. Sample point "5" is 10 metres west of the same stake, with a sequence of sample points each 20 metres apart, going west to sample point "13" near the edge of the lava flow. Total traverse length: 240 metres.

Samples were collected at two depths - first 100mm, and then, by deepening the same hole, at depth of 300 to 400 mm (or well below any chance of surface contamination). All material was considered to be basaltic soils, and was similar at each location.

The arsenic analyses in **parts per billion** were requested for these samples and are published herewith:-

Sample (reference) Site	Sample depth below natural surface	
	100mm down	300 to 400mm down
1	24,542	211,820
2	47,790	38,018
3	27,515	1,018
4	177,513	38,273
5	210,552	106,988
6	129,194	43,527
7	134,942	19,240
8	98,971	70,731
9	66,701	53,320
10	471,726	144,664
11	29,700	61,193
12	260,347	81,956
13	301,895	269,990

The actual numbers in the above table record the presence of a pathfinder element, arsenic, above threshold levels typical for basaltic soils in this local environs.

Every 1000 parts per billion for each number in the table here is equivalent of 1 part per million, another common means of reporting element concentration. However the laboratory was requested to provide data in ppb, and hence is reported as received.

Note - 300,000 **parts per billion** (as in the above table) means a quantity of 300 grams in a metric tonne, ***provided there was some means to extract it, which there is not.***

Thus the table of figures provides additional **research information**, related to the groundwater study.

In the year 1986, the former WMC drilled 33 percussion holes through Clunes township. It can be noted that 16 of 33 holes sampled for arsenic analysis at that time included arsenic analyses from within the overlying basalt. The assay records for each of those holes are available. These records show where arsenic analyses were completed and, metre-by-metre, the measured values for arsenic in a sequence of samples from a drilled hole. These holes were sometimes drilled over old ore zones. Sometimes the arsenic analyses applied to holes located outside the primary dispersion halo of elements. The aggregate data from these past activities provides an ability to decide today what new results - as in the table here - may be regarded as "anomalous". Thus, the total data set available for comparisons is of good quality, and continues to be useful to the Company.

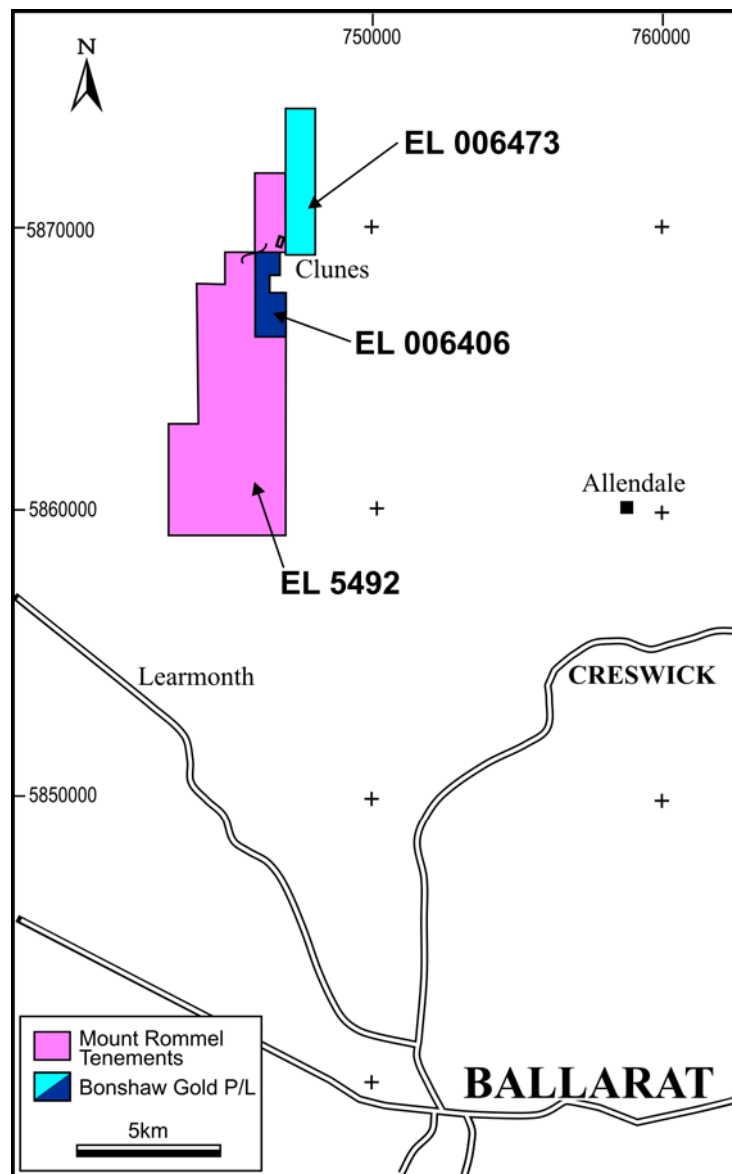
The values reported are considered anomalous by the writer.

These above results were received from the analytical laboratory 9 February 2018 and do confirm the data as reported for north Clunes – see Parts Vol 4, especially Figure 17 – 25 May 1997. The traverse of sample points is about 60 metres north of the northern mine workings. Whether or not this data reflects mineralisation is unproven

F. L. Hunt  
Company Secretary Mount Rommel Mining Ltd

**STATEMENT**

Mr. F. L. Hunt has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify him as a "Competent Person" as defined in the *Australasian Code for Reporting of Mineral Resources and Ore Reserves*.



**Attachment 1**

