
# SECOND ANNUAL REPORT FOR EL 24939

# WOOLNER

## PERIOD ENDED 10/07/2008

## RUM JUNGLE URANIUM LTD

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# Contents

## SUMMARY

EL 24939 is located 100km by road east of Darwin, north the Arnhem Highway on Woolner and Marrakai stations. During the second year of tenure, ground radiometric prospecting of airborne radiometric anomalies was undertaken and eight rock chip samples were collected with assays pending. The flying of 7718 line km of airborne geophysical surveys (magnetic s and radiometrics) at 200 and 100m line spacing and 40m flying height on the southern half of the tenement was completed as part of a larger survey of adjoining tenements.

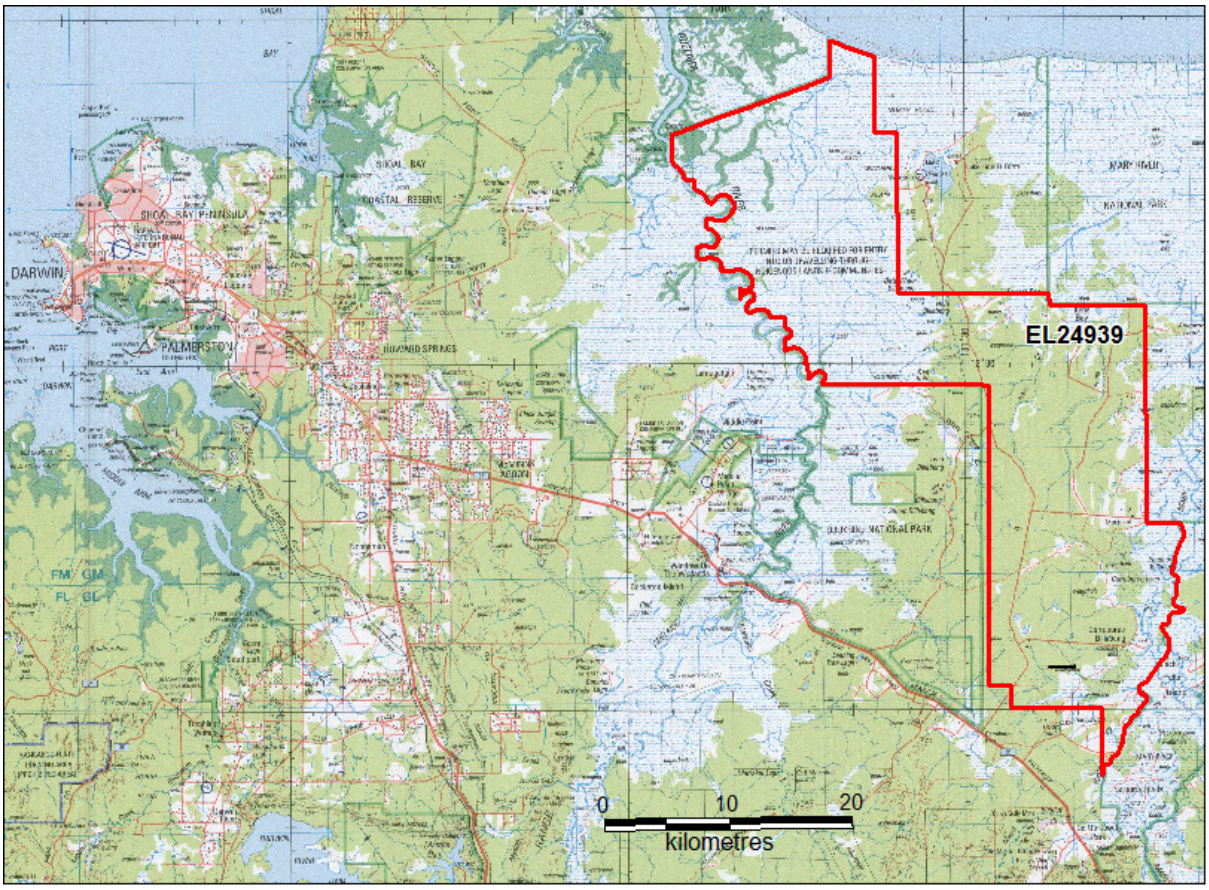



**Figure 1. Location Map**

## INTRODUCTION

EL 24939 was granted to Wasabi Energy Ltd on July 11 2006. On May 31 2007, Rum Jungle Uranium Ltd (RJU) purchased EL's 25528 (Mount Bundey), 24939 (Woolner) and 24917 (Ross River) from Wasabi via the allocation of shares and share options. RJU is exploring the tenement for uranium, base metals and iron ore. GBS Gold has an agreement with RJU to explore for gold or acquire the gold rights to any gold deposit found by RJU in return for RJU having the uranium rights to GBS's exploration tenements in the Tom's Gully/Mount Bundey area.

A contract has been signed with Geoscience Australia to fly airborne EM at 333m line spacing over parts of the tenement during their broader PCO airborne survey commencing in September 2008.

## GEOLOGICAL SETTING

EL 24939 is located on the northern fringe of the central domain of the Proterozoic Pine Creek Orogen (PCO) in the Top End of the Northern Territory. The Archaean Woolner Dome sub crops beneath black soil floodplains and 30-80m of Cretaceous sediments. The Woolner Dome consists of granite and gneissic metasediments overlain by schists and a magnetic BIF unit of the Dirty Water Metamorphics.

There is a large regional retrogressive chlorite alteration halo around the granite (chlorite replacement of mica and hornblende) but this alteration is nowhere associated with mineralisation. Overlying the Dirty Water Metamorphics on all sides of the granite is the Koolpinyah Dolomite. The dolomite extends 10-20km to the south where it is overlain by folded and deformed Wildman Siltstone.

The southern parts of the tenement are primarily located in weathered siltstones of the Palaeoproterozoic Wildman Siltstone Formation which is the basal unit of the Mount Partridge Group. Overlying the Wildman Siltstone to the south is the heavily folded and deformed South Alligator Group, composed of the iron rich Koolpin Formation, the Gerowie Tuff (1862 Ma) and the overlying Mount Bonnie Formation.

The Mount Bonnie Formation conformably grades into the overlying Burrell Creek Formation of the Finniss River Group which occupies a large area of the central domain of the PCO. To the south of the tenement, the Mount Bundy Igneous Suite comprising the thorium rich and magnetic Mount Goyder Syenite and the paler pink Mount Bundey Granite intruded the Wildman Siltstone and South Alligator Group sediments around 1831 Ma.

The Mount Bundey intrusion injected gold, uranium, base metal and iron bearing fluids into surrounding country rocks producing Tom's Gully Gold Mine, the Quest gold and base metal deposits and the Mount Bundey Iron Ore mine.

EL 24939 is generally a flat area with minimal outcrop covered by a lateritic gravel horizon and later alluvial floodplains and drainages. A majority of the northwestern part of the tenement is seasonally inundated on the floodplains of the Adelaide River.

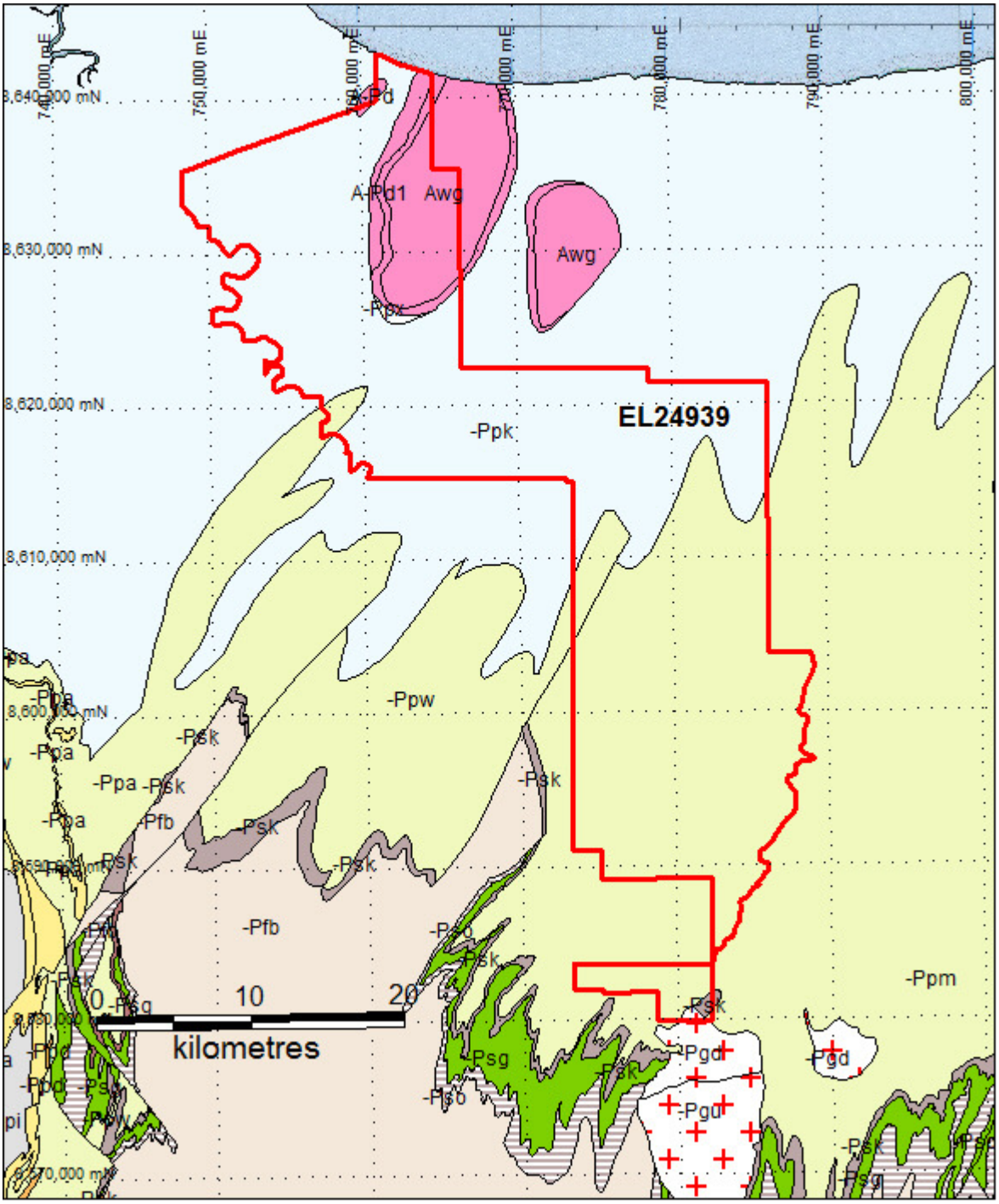


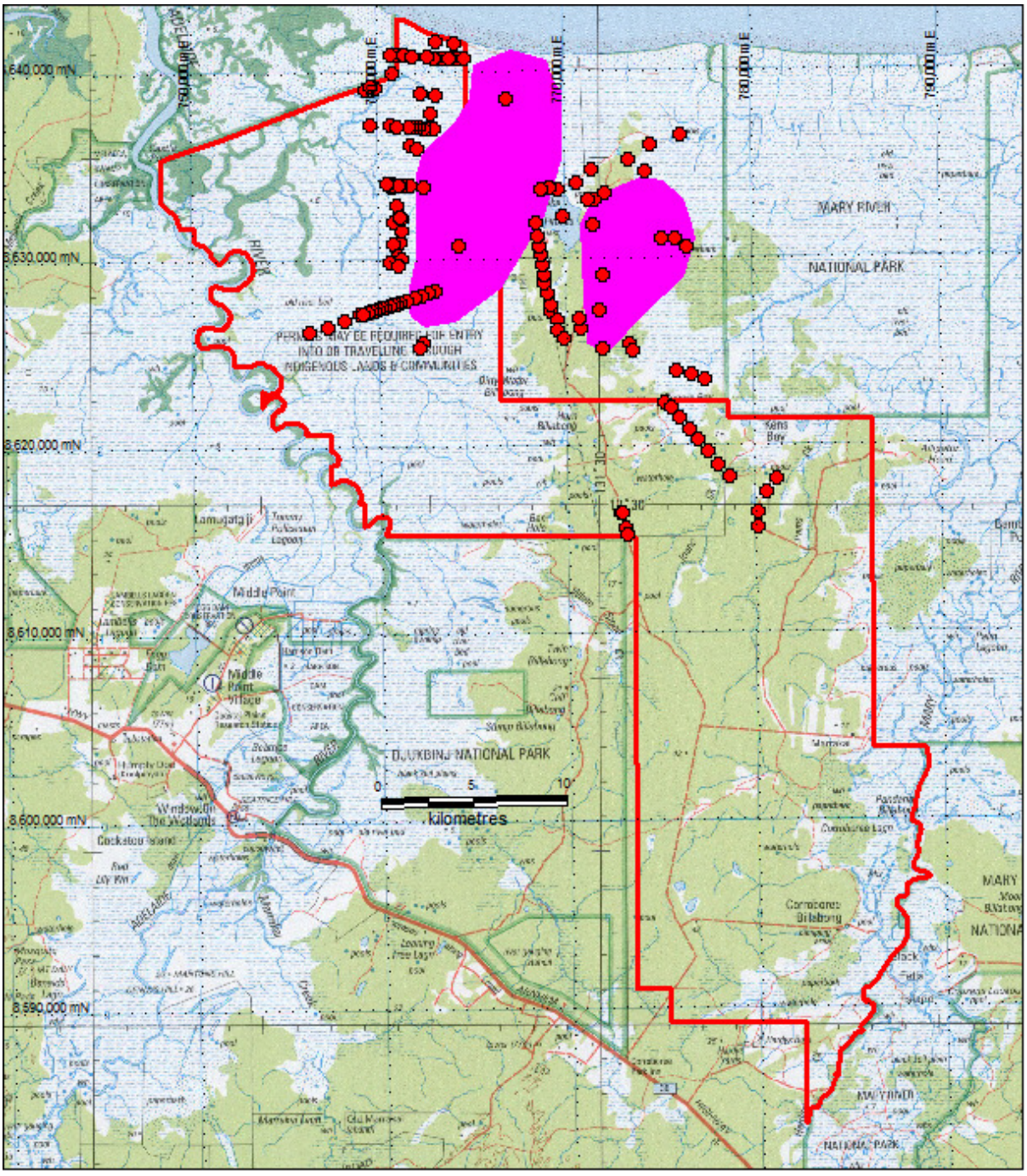

**Figure 2. Local Geology**

## PREVIOUS EXPLORATION

Previous exploration was detailed in the first annual report (Muller 2007) and will not be detailed here. In the first year of tenure Rum Jungle Uranium flew airborne geophysics over the northern part of the tenement, conducted a review of historical exploration and inspected core at the NTGS Core Library from historical drilling in the area.

Figure 3 shows historical drilling on the tenement. Over 100 drill holes have been drilled into the tenement and the surrounding Woolner Granite Dome, but none have been drilled in the last 20 years.

**Figure 3. Historic Drill Hole Locations**



## CURRENT EXPLORATION

During the second year of tenure 7718 line km of airborne geophysics (magnetics and radiometrics) were flown by UTS Geophysics and the data processed by Southern Cross Geoscience. A number of radiometric anomalies were identified from the data and field checked with a hand held scintillometer (Exploranium GR-110). Most of the anomalies were caused by lateritic/ferricrete outcrops and were about 250-350 cps on the scintillometer. One large anomaly "Marrakai" in the southern part of the tenement produced counts between 500 and 1000 cps from ferricrete boulders and black soil over Wildman Siltstone. Eight rock chip samples were taken during the year and assayed for uranium, gold, base metals and iron ore. Assay results are not yet back and will be reported next year.

The Marrakai anomaly is of great interest to the company due to elevated radiometric activity in surficial laterite horizons. Drilling will test the subsurface extent of any mineralisation targeting possible black shales in Wildman Siltstone however due to the low lying nature of the area, it is possible the anomaly is caused by anomalous groundwater discharge at the surface due to a very high water table most of the year.

The dark area south east of the anomaly is caused by a large tree swamp. The Marrakai anomaly is located roughly half way between Hardies Lagoon and Corroboree Billabong on the western side of the Mary River floodplain.

Magnetic targets south of the Woolner Dome have been identified from geophysics and will be drilled in late 2008 with an air core and possibly an RC rig.

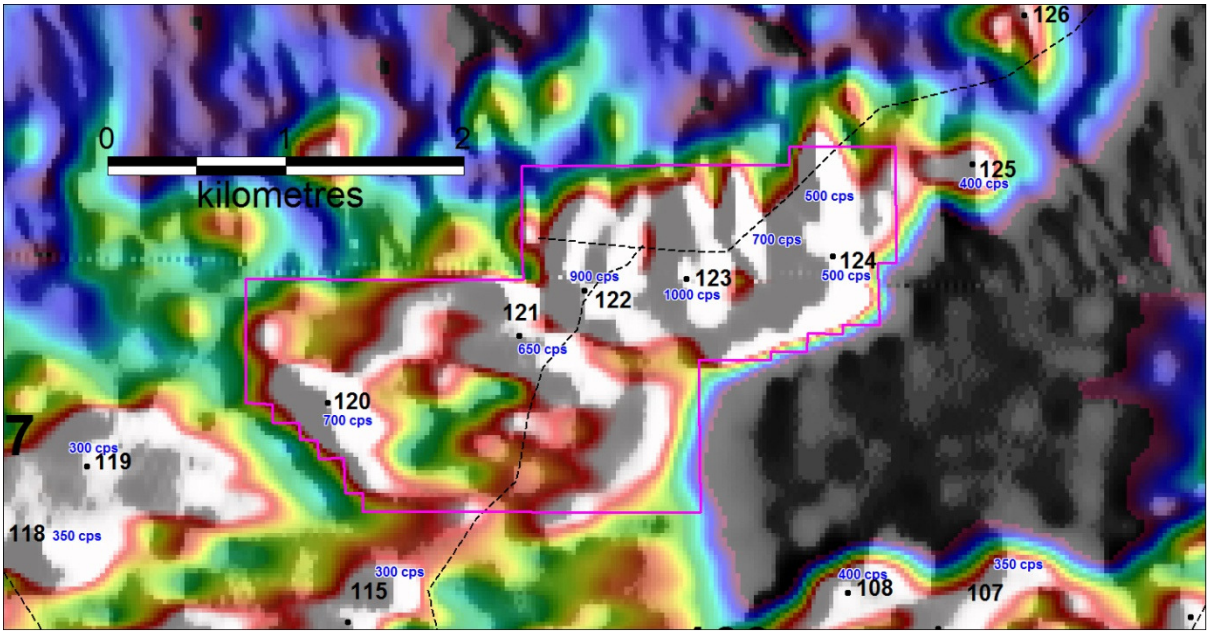



**Figure 4. Marrakai radiometric anomaly**

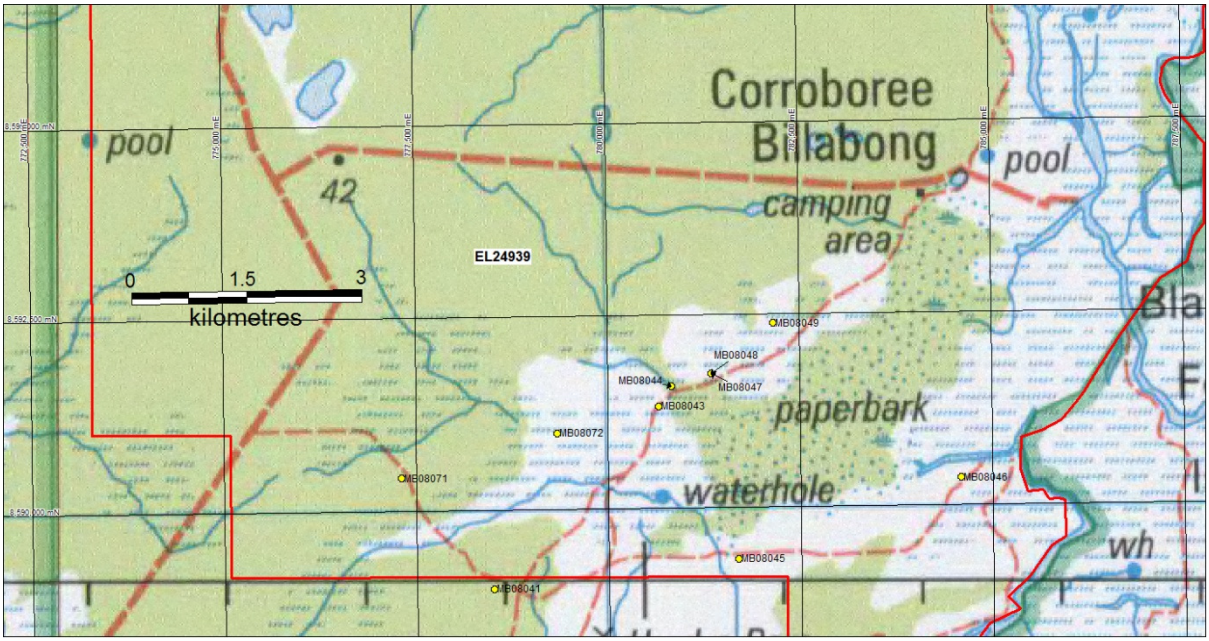



**Figure 5. Rock chip sample locations**

**Table 1. Rock chip sample data**

| Sample | Anomaly | East94 | North94 | Max CPS | Date sampled | Description |
|---|---|---|---|---|---|---|
| MB08043 | 121 | 780662 | 8591325 | 650 | 25/06/2008 | Ferricrete RHS of track |
| MB08044 | 122 | 780826 | 8591587 | 900 | 25/06/2008 | Ferricrete either side of track NE of creek |
| MB08045 | | 781687 | 8589337 | 480 | 26/06/2008 | Ferricrete on east edge of swamp |
| MB08046 | | 784589 | 8590358 | | 26/06/2008 | Quartz vein float, headland of floodplain |
| MB08047 | 123 | 781347 | 8591742 | 1000 | 26/06/2008 | Lateritic gravel B horizon in gully |
| MB08048 | 123 | 781347 | 8591742 | 1000 | 26/06/2008 | Lateritic gravel B horizon in gully |
| MB08049 | | 782166 | 8592388 | 500 | 26/06/2008 | Ferricrete on fenceline |
| MB08071 | 118 | 777304 | 8590428 | 300 | 3/07/2008 | Ferricrete in sandy alluvial plain, ferrigenous gravels |
| MB08072 | 120 | 779336 | 8590993 | 710 | 3/07/2008 | Ferricrete in flood plain, 70m wide; U=73.5;Th=16.7 (spectrometer ppm) |

## PROPOSED EXPLORATION ACTIVITY YEAR 3

During the second year of tenure, exploration activities will consist of the following:

- Drilling around 100 air core holes into folded Wildman Siltstone and other magnetic anomalies in the north of the tenement.
- Drilling up to 80 air core holes into the Marrakai radiometric anomaly in the southern part of the tenement.
- Airborne EM Survey (flown by Geoscience Australia) commencing in September 2008.
- A ground radiometric survey at 50x50m spacing over the Marrakai radiometric anomaly.
- Contract Woolner Station staff to upgrade station tracks and fence lines for drill rig access

## PROPOSED EXPENDITURE YEAR 3

| | |
|---|---|
| Earthmoving Hire | $10 000 |
| Salaries | $20 000 |
| Air core drilling | $80 000 |
| RC drilling? | $20 000 |
| Assaying | $10 000 |
| Airborne EM Survey | $10 000 |
| **Total Expenditure** | **$150 000** |

## CONCLUSION

Radiometric reconnaissance and limited rock chip sampling highlighted areas for follow up drilling during the third year of tenure including a large radiometric anomaly named Marrakai. Magnetic targets south of the Woolner Granitic Complex will also be tested. The Airborne EM survey is due to be flown in September 2008 but any targets identified will probably not be able to be followed up in the 2008 drill program which will be conducted during October 2008.

## REFERENCES

Muller DW, 2007. First Annual Report EL 24939 Woolner for the period ending 11/7/2007.