



FIRST ANNUAL REPORT FOR EL 25873

BLUE BUSH

PERIOD ENDED 17/09/2008

RUM JUNGLE URANIUM LTD

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Contents

SUMMARY	3
INTRODUCTION	4
GEOLOGICAL SETTING.....	4
GEOPHYSICS	5
PREVIOUS EXPLORATION	6
CURRENT EXPLORATION	6
PROPOSED EXPLORATION ACTIVITY YEAR 2	7
PROPOSED EXPENDITURE YEAR 2	7
CONCLUSION.....	7

SUMMARY

EL24873 is located 60km north west of Tennant Creek, west of the Alice Darwin Railway line. During the first year of tenure, radiometric anomalies throughout all Tennant Creek tenements were selected for ground follow up along with helicopter assisted rock chip sampling on more prospective anomalies. One rock chip sample (TC08108) was collected on EL 25873 but did not return any interesting results.

A large airborne geophysical survey was flown at 100m line spacing however most of EL 25873 was not flown during the survey.

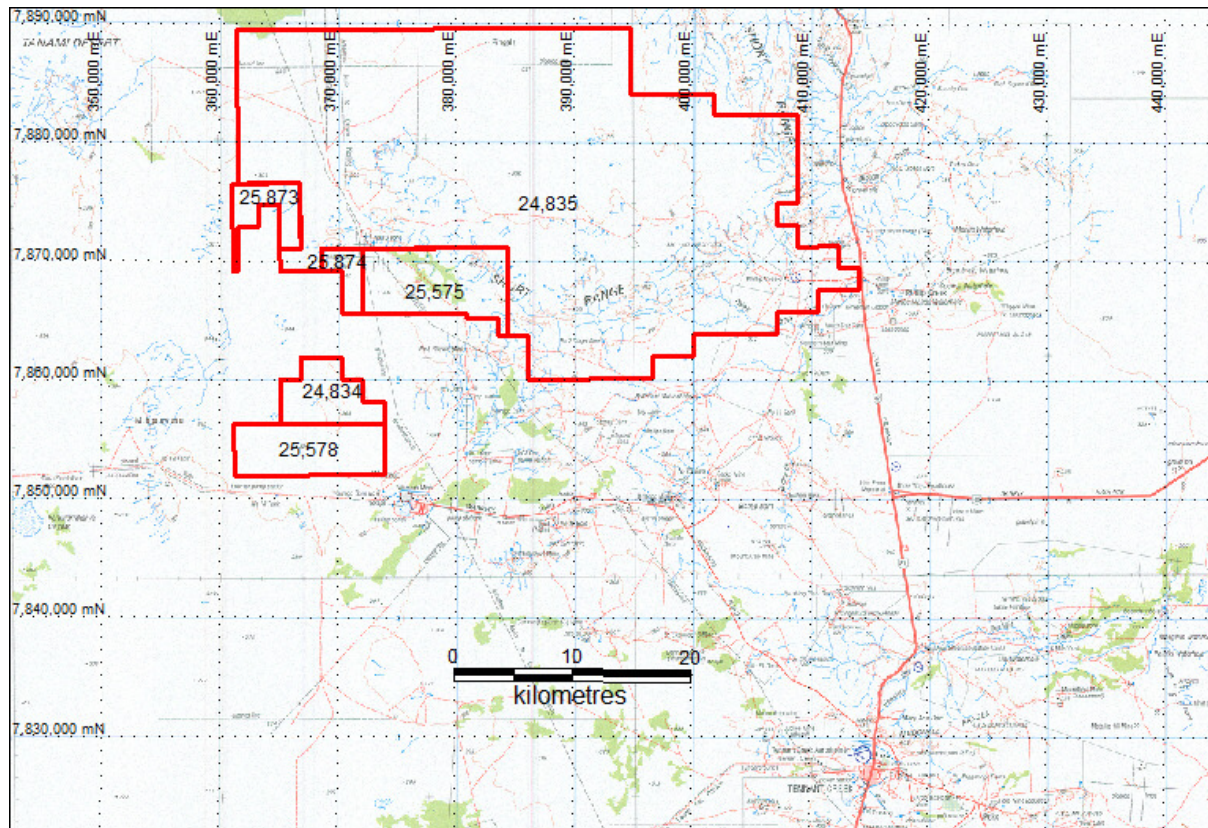


Figure 1. Location Map

EL 25873 was granted to Waanyi Garawa Mining Pty Ltd on September 17, 2007. In April 2 2007, Rum Jungle Uranium Ltd purchased all issued capital in Wannyi Garawa Mining, thus taking over the tenement.

GEOLOGICAL SETTING

EL 25873 is mostly located in the Flynn Sub Group of the Palaeoproterozoic Churchill's Head Group of rocks which consist of relatively undeformed and un-metamorphosed sedimentary rocks and volcanics. The Flynn Sub Group overlies the older deformed Warramunga Formation which hosts the Tennant Creek goldfield. The younger Warrego Granite intrudes the Wundirgi Formation of the Flynn Sub Group and sub-crops south of the tenement beneath recent sands and gravel.

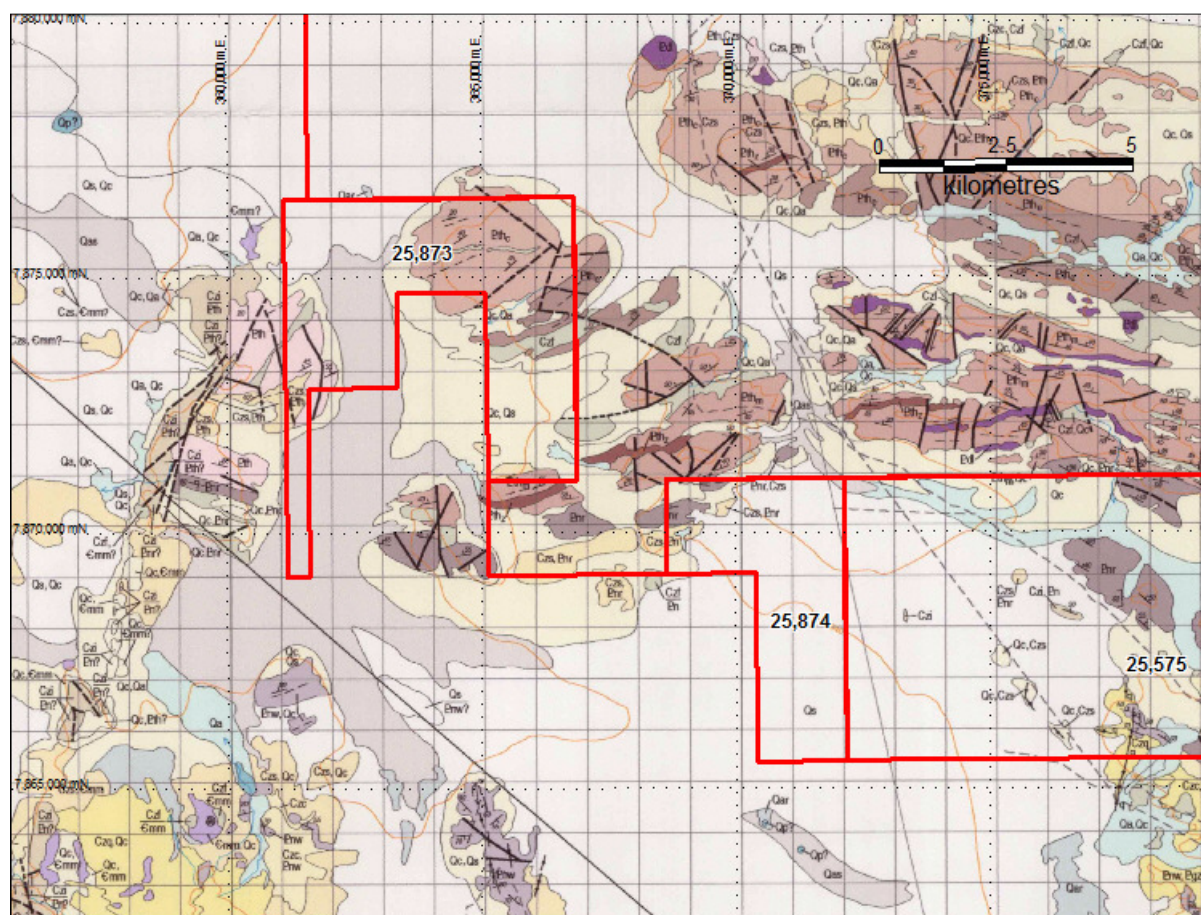


Figure 2. Local Geology

GEOPHYSICS

During the first year of tenure a major geophysical survey (magnetic and radiometrics) was conducted over a majority of Rum Jungle's Tennant Creek tenements however the survey ended just inside the eastern boundary of EL 25873. Figures 3 and 4 show the new data at 100m line spacing adjoining the older NTGS data near the eastern boundary of the tenement.

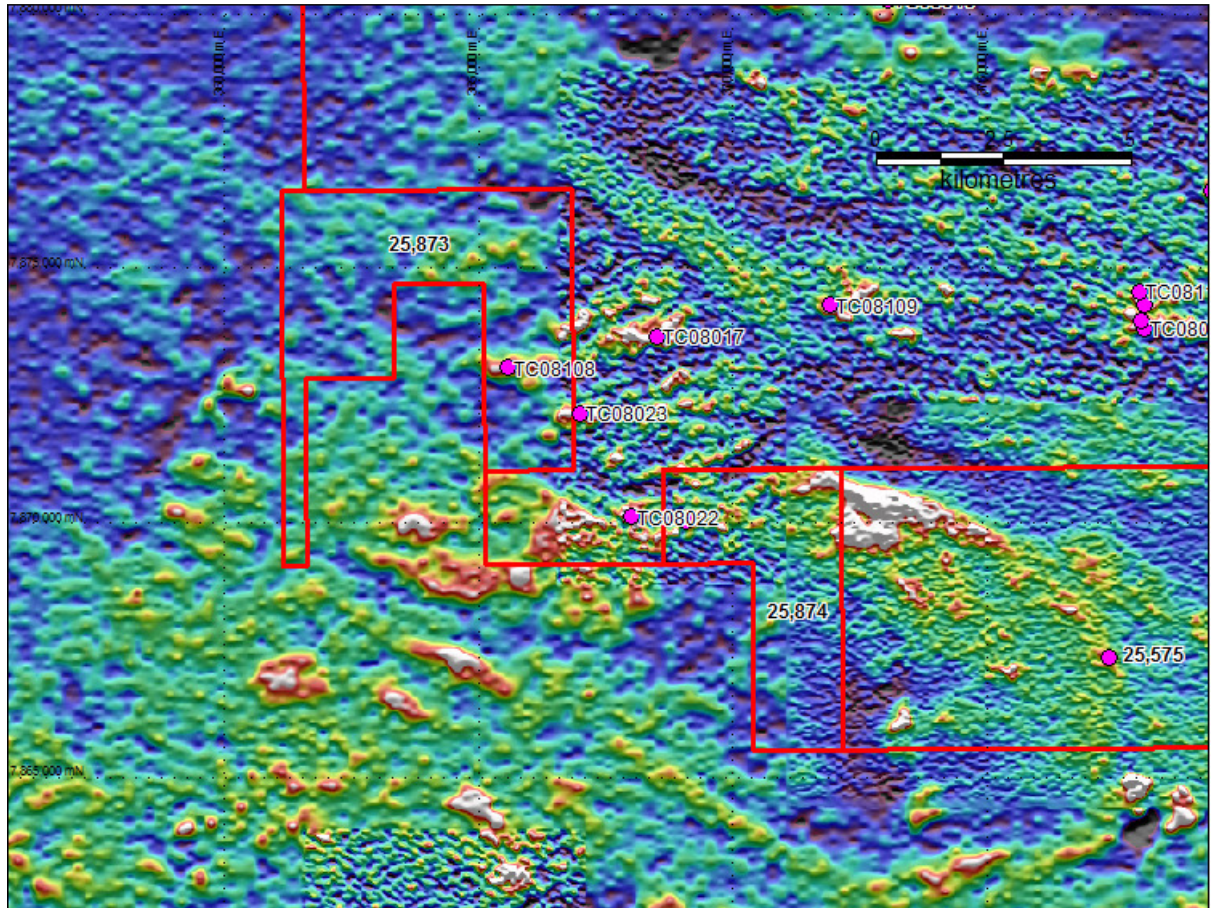


Figure 3. Radiometric image of EL 25873 with rock chip sample location shown

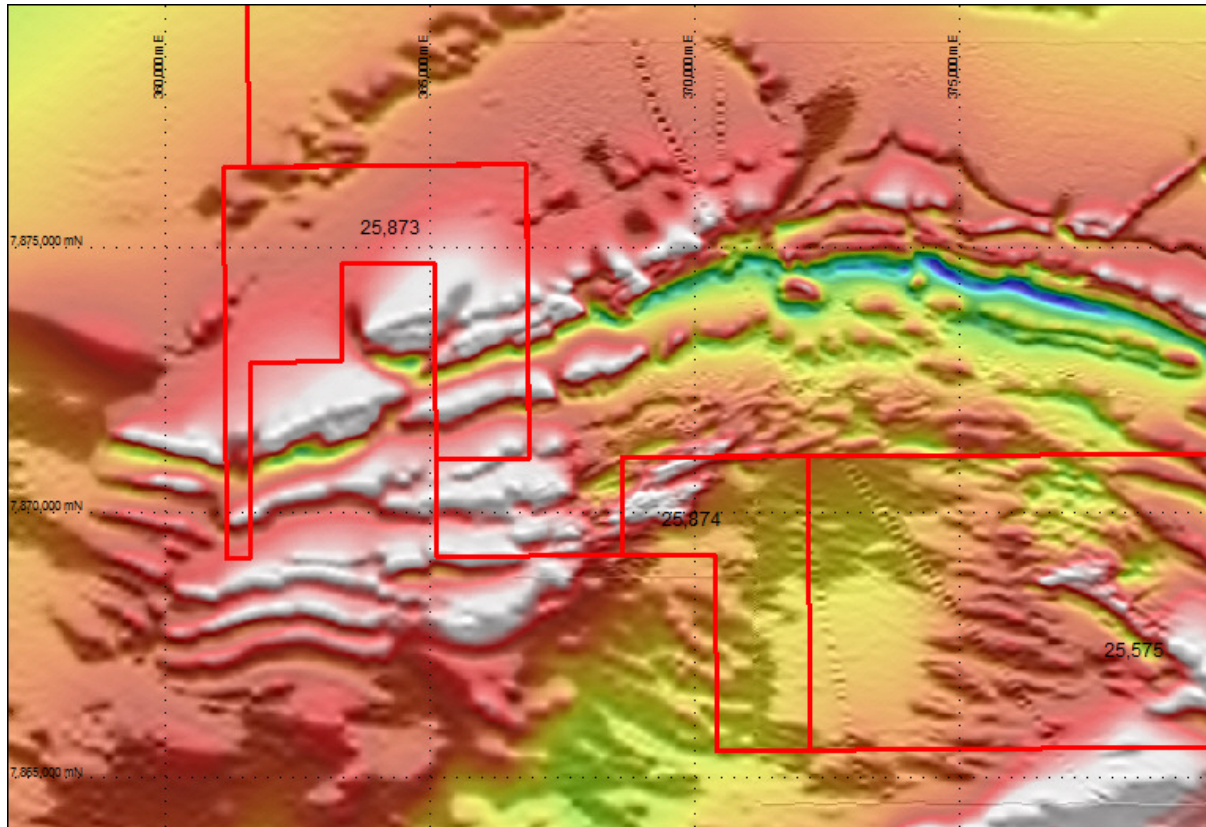


Figure 4. Magnetic image of EL 25873. The Alice-Darwin railway and gas pipeline show up on the image within EL 25575.

PREVIOUS EXPLORATION

The author has not had time to review all previous exploration. This will be done over the coming wet season.

CURRENT EXPLORATION

One rock chip sample was collected during a helicopter supported regional sampling program. The sample location is shown in figure 3. A Jetranger helicopter was hired from Jayrow in Katherine and three days were spent sampling Rum Jungle's package of six tenements in the Tennant Creek area. The assay results are tabulated below.

Sample	Description	MAX CPS	Easting	Northing	Zone
TC08108	Termite mount, flat alluvial plain, no rock outcrop	110	365565	7873048	53

Date Sampled	Date received	Au	Cu	Fe	Pb	Th	U	Zn
		ppb	ppm	ppm	ppm	ppm	ppm	ppm
		FA25_MS	G400M	G400I	G400M	G400M	G400M	G400M
22/05/2008	27/06/2008	1	12.8	21100	10.2	8.23	1.37	15.5

PROPOSED EXPLORATION ACTIVITY YEAR 2

A review of all previous exploration will take place along with magnetic image interpretation to try and find new exploration targets. Any targets will be field checked prior to further exploration.

PROPOSED EXPENDITURE YEAR 2

Office based interpretation	\$3000
Field reconnaissance	\$2000
Fuel and accommodation	\$1000
Other costs	\$2000
 Total	 \$8000

CONCLUSION

Rum Jungle has spent a lot of money and time on other tenements around Tennant Creek during 2008. A review of EL 25873 will be done over the coming wet season when time allows to pick further targets for checking in the 2009 field season.