



Titleholder: Uranium West Ltd

Operator: Rum Jungle Uranium Ltd

Tenement Manager: Ross McColl

Tenement: EL10404

Project Name: Rum Jungle

Report Title: Seventh Annual report for EL1404, Rum Jungle NT, period ended 20/05/2009

Author: Dr Nick Rollings

Corporate Author: Rum Jungle Uranium Ltd

Target Commodity: Uranium, Nickel

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Datum/Zone: GDA94/ Zone 53

250K mapsheet: Alice Springs

100K mapsheet: Laughlen

Address: PO Box 775, Darwin NT 0801

Phone: 8942 0385

Fax: 8942 0318

Contact Email: ndoyle@rumjungleuranium.com.au

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SUMMARY

During the seventh year of tenure fieldwork was expanded to further ground radiometric prospecting with a scintillometer, collection of rock chip and soil samples, and a ground gravity survey. Work has confirmed the tenement has little prospect for uranium. Nickel and PGE mineralisation potential continues to be the focus of exploration activities although potential for these metals has also been downgraded. A total of \$102 253 was committed to EL10404 against a covenant of \$23,000.00.

The best rock chip sample from a radioactive pegmatite produced 3380ppm U, 1040ppm Th and 3750ppm Nb.

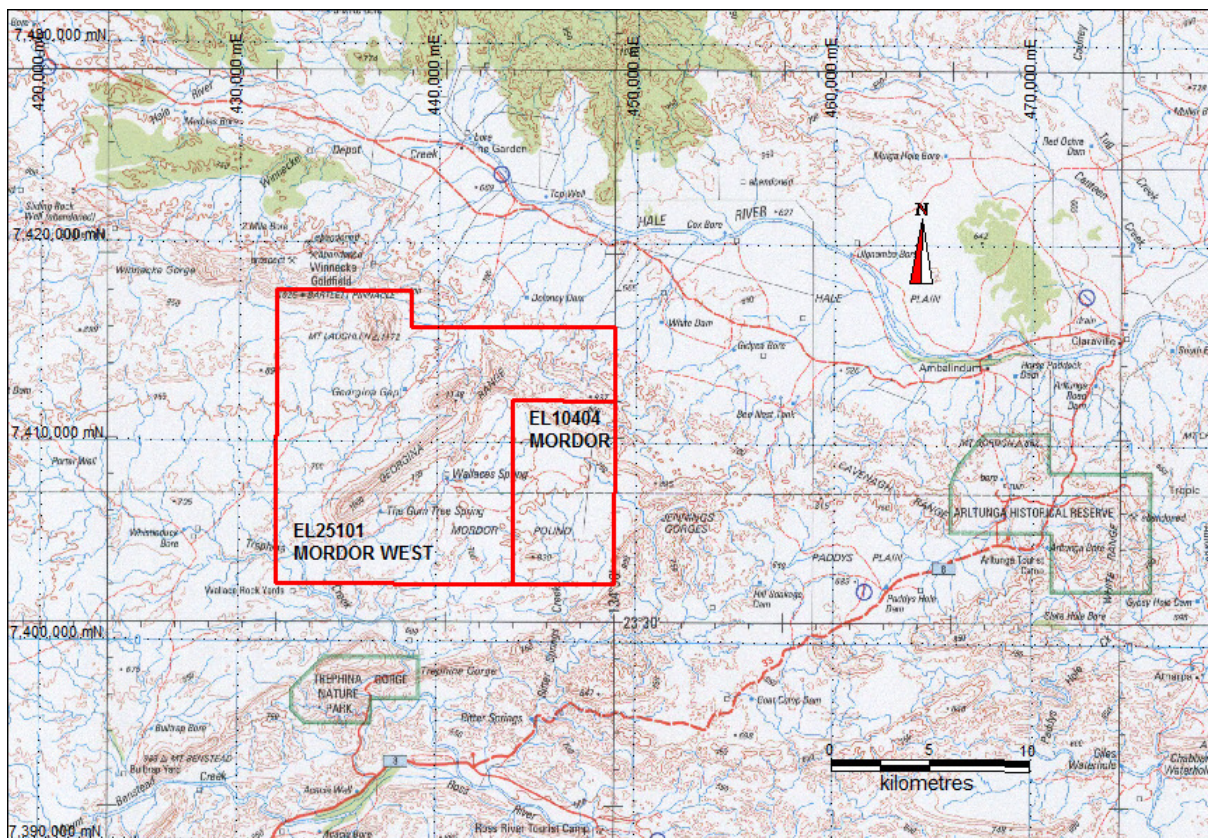


Figure 1. Location Map

INTRODUCTION

EL10404 (MORDOR) is located in the Mordor Pound, 70km northeast of Alice Springs, south of the Arltunga Tourist Drive and northwest of the Arltunga Historical Reserve. EL 10404 was granted to Tanami Gold in 2002 who signed the Harts Range ILUA with the CLC covering six tenements now held by Deep Yellow. The tenement was taken over by Deep Yellow in 2005. Rum Jungle Uranium Ltd entered into a joint venture with Deep Yellow Ltd in August 2007 and has earned a 50% share in the tenements by issuing Deep Yellow with shares and share options. RJU can earn a further 20% interest by spending \$2,000,000 on the six tenements. RJU is operator of the Joint Venture.

This was the first year of field work by Rum Jungle after taking over the tenement. RJU had a limited look at the tenement for uranium, but the prospects seem poor. RJU will probably focus on PGE-nickel sulphide exploration in coming years.

GEOLOGICAL SETTING

Basement rocks in the Arltunga area comprise those of the Arunta Block, a complex of igneous, sedimentary and metamorphic rocks. The Arunta Block consists of deformed and metamorphosed Palaeoproterozoic sedimentary and volcanic rocks which were then intruded by granite. The metamorphic history is complex with at least two major periods of widespread regional metamorphism with regional metamorphic grade ranging from greenschist to amphibolite.

Heavitree Quartzite unconformably overlies the Arunta basement rocks and forms the basal unit of both the Amadeus and Ngalia Basins. Both the basement rocks and the Heavitree Quartzite were deformed during the Alice Springs Orogeny.

In the tenement area, the northern extremes of the tenement are occupied by the Heavitree Quartzite making up the Cavenagh Range. Most of the tenement occurs in the Mordor Pound which comprises the Mesoproterozoic Mordor Alkaline Igneous Complex (MAIC), dated at 1132 ± 5 Ma (SHRIMP U-Pb; Hoatson & Clauoe-Long, 2002) which intrudes the high-grade Arltunga granitic gneisses and granitic intrusives of the Palaeoproterozoic Arunta Block.

The MAIC is an unusual multi-phase intrusive body with magnesio-potassic geochemistry. Total areal extent of outcropping/subcropping MAIC is approximately 35 km^2 (Anderson and Smith 2003). The MAIC consists of two separate sub-complexes that are spatially and temporally related, a syenitic sub-complex and a mafic sub-complex.

The syenite sub-complex forms the western sector of the MAIC and is roughly circular in shape. The areal extent of outcrop is approximately 20 km^2 . It has been suggested that this unit may have originally roofed the entire complex. This part of the MAIC is composed entirely of a relatively uniform, leucocratic, coarse-grained K-feldspar syenite with accessory clinopyroxene and phlogopite. The K-feldspar laths have a weak planar preferred orientation that may indicate a magmatic foliation. This rock is a true syenite as defined by Le Maitre *et al.* (1989).

The ultramafic sub-complex forms the southeastern part of the MAIC and is roughly ovoid in shape about a NE-SW trend. The areal extent is approximately 13 km^2 . The ultramafic lithologies of the MAIC outcrop as prominent rubbly rises covered in slabby dark red/black boulders. These are

typically pyroxenitic in composition. The olivine-bearing lithologies outcrop poorly, if at all, and where present occur as subcropping, serpentinitic material with extensive pale brown secondary carbonate



Figure 2. Looking north across Mordor Pound to the sandstone walls of the Cavenagh Range.

PREVIOUS EXPLORATION

The following table outlines previous exploration on the tenement.

Table 1. Exploration History

Year	Company	Type	# Samples	Results/Comments
1969 - 1971	CRA	Stream seds	168	200ppm Ni, 130ppm Cu
1969 - 1971	CRA	Soils	1413	800ppm Ni, 1260ppm Cu
1969 - 1971	CRA	Rockchips	44	1950ppm Ni, 5000ppm Cu
1974-1975	NTGS	Diamond Drilling	4 holes	Geological holes, no significant assay results
1974-1975	NTGS	Auger drilling	69 holes	No kimberlitic indicators found
1996-1997	CRAE	Rockchips	25	0.73% Cu, 0.21% Ni, 199ppb PGE
1996-1997	CRAE	Soils	273	600ppm Cu
1996-1997	CRAE	Stream seds	301	1050ppm Ni, 3000ppm Cu

1996-1997	CRAE	Geophysics	-	Helimag/radiometrics, airborne EM, IP, ground mag,
1996-1997	CRAE	RC Drilling	12 holes	2900ppm Cu
1996-1997	CRAE	Diamond Drilling	5 holes	1m @ 1.4% Cu, 0.3% Ni, 0.1g/t Au and 0.4g/t PGE
2000	TGNL	Rock chip sampling		
2001	TGNL	Soil sampling		
2002	TGNL	Infill soil sampling Rock chip sampling	105 samples	
2002	TGNL	Diamond Drilling	4 holes	MOD 1: 206-207m assaying 1.4 g/t combined Pd + Pt + Au (696, 437 and 268 ppb respectively).

CURRENT EXPLORATION

Reconnaissance Sampling and geochemistry

Rum Jungle field staff completed 5 days geological reconnaissance on the tenement and collected 26 rock chip samples and 8 soil samples. To date 20 samples have been analysed using a Niton Portable XRF while 6 of these samples were sent for geochemical analysis by NTEL for comparative purposes (Appendix1). Sample 3814 was taken from a small area of pegmatite scree and soil with a Scintillometer count of 10000+. The sample produced 3380ppm U, 1040ppm Th and 3750ppm Nb. This is not surprising as the general area corresponds to rock chip samples taken by CRA who also reported anomalous levels of Uranium.

As previously reported however, these latest results confirm that Uranium mineralisation is localised primarily to pegmatites and structures and is of insufficient grade and extent.

Ground Gravity Survey

Early in 2009 Rum jungle Uranium commissioned Fugro Ground Surveys to undertake a ground gravity survey at a 200m spacing (Figure 1 & Appendix 2). The gravity survey shows the dominance of the MAIC on local gravity. Several small anomalies in the north of the survey appear to be caused by small outcrops of shonkonite. Further analysis of these data is proceeding and will be followed by fieldwork as required.

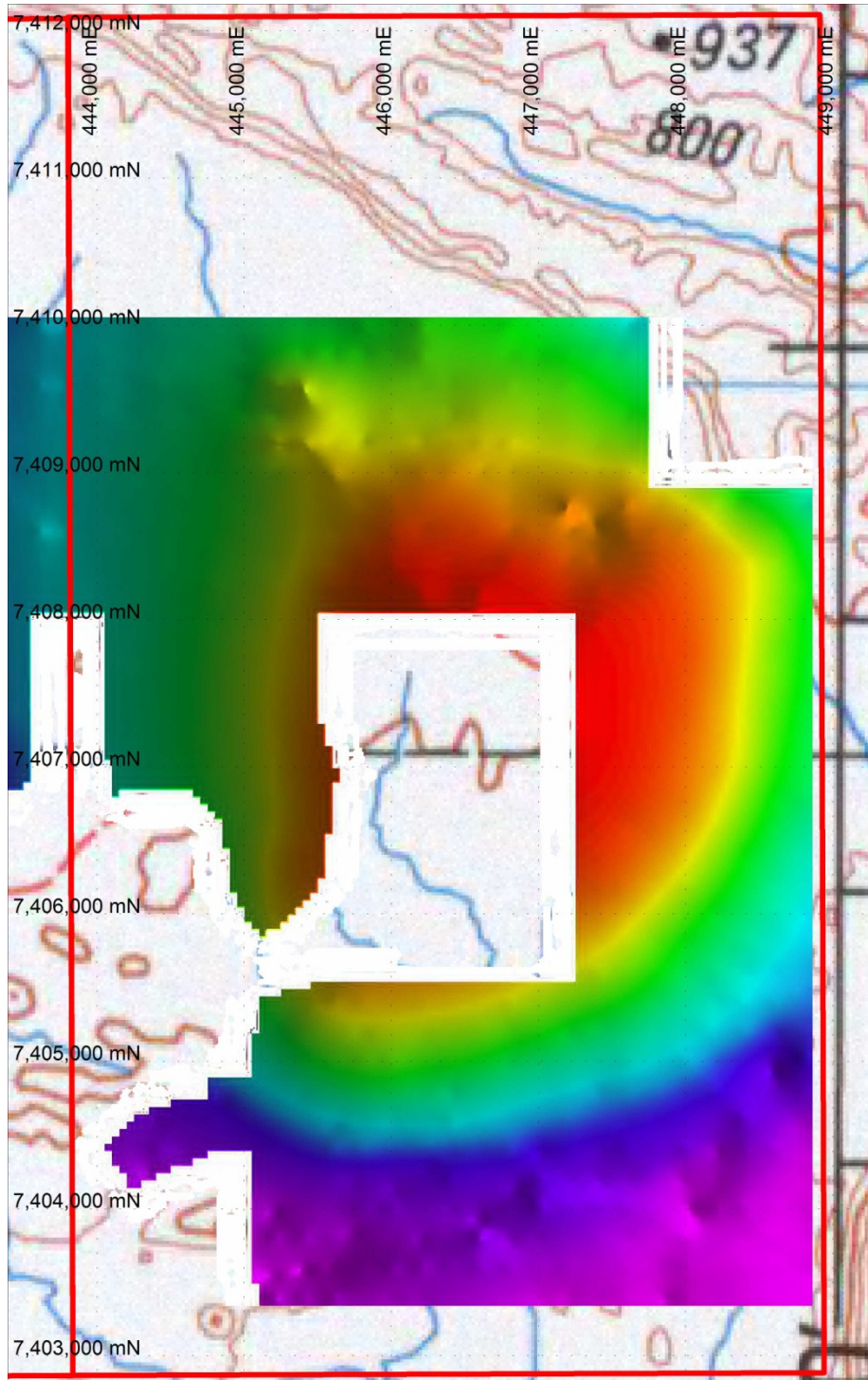


Figure 3 Mordor Ground Gravity Survey (BG)

PROPOSED EXPLORATION ACTIVITIES

During the next year of tenure (Year 8), Rum Jungle will commission further analysis and modelling of gravity data. Interpretation of rock samples and geophysics will determine if any drilling is warranted.

PROPOSED EXPLORATION EXPENDITURE

Analysis and interpretation of geophysics	\$7500.00
Accommodation	\$3500.00
Ground mapping	\$5000.00
Vehicles	\$3500.00
Report Preparation	\$2500.00
TOTAL	\$23,000.00

REFERENCES

Anderson, J. and Smith, T. (2003). First annual report EL 10404 (Mordor) for the period ending 20 May 2003. Tanami Gold Company Report.

Hoatson, D.M. & Claoue-Long, J. (2002). Event chronology and prospectivity of the mafic magmatic systems in the Arunta Province. *Northern Territory Geological Survey Record* 2002/003.