Titleholder:   Uranium West Pty Ltd
Operator:   Rum Jungle Uranium Ltd
Tenement Manager:  Ross McColl
Tenement:   EL24835
Project Name:  Phillip Creek
Report Title:   Third Annual Report for EL 24835, Phillip Creek NT, period ended 15/8/2009.
Author:   Nigel Doyle
Corporate Author:  Rum Jungle Uranium Ltd
Target Commodity:  Uranium, gold, base metals
Date of Report:  10/9/2009
Datum/Zone:   GDA94/ Zone 53
250K mapsheet:   Tennant Creek SE5314
100K mapsheet:  Flynn and Short Range
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SUMMARY
EL24835 is located 45km north west of Tennant Creek, west of the Stuart Highway on Phillip Creek Station. During the third year of tenure, five RC drill holes were drilled for 679m. The best result was 26m at 512 ppm Cu in a hematite quartz breccia unit from 71-96m in hole PCRC019. No uranium or gold mineralisation has yet been encountered.

1330 line km of airborne geophysics (magnetics and radiometrics) were flown at 100m line spacing in a north south orientation at 30m flying height by UTS Geophysics over the south east corner of the tenement.

A ground gravity survey was conducted over the south eastern part of the tenement by Fugro Ground Surveys with station spacings at 200m and 100m infill. Data was collected from a total of 1207 gravity stations.

Expenditure for the year was $219 712 against a covenant of $148 000.

INTRODUCTION
EL 24835 was granted to Uranium West Pty Ltd on August 16, 2006. In August 2007, an Exploration Joint Venture Agreement (JVA) was signed with Rum Jungle Uranium Ltd (RJU) over two EL’s in Rum Jungle (EL 24866 and EL 24898) and two in Tennant Creek (EL 24835 and EL 24834). Rum Jungle Uranium Ltd is operator of the Joint Venture and has now earned 50% of the venture after spending $600 000. RJU will earn another 25% by spending $500 000 over the four tenements.

EL 24835 is located 45km north of Tennant Creek. It is located on the Flynn and Short Range 1:100 000 map sheets and the Tennant Creek 1:250 000 map sheet. The tenement was pegged to explore for IOCGU mineralisation and unconformity type uranium mineralisation. A waiver of reduction was submitted to DPIFM to keep the full tenement area for year 3.

EL24835 is part of Rum Jungle’s Tennant Creek Project which consists of twelve granted tenements. RJU is exploring for uranium, gold and copper in the Tennant Creek area.

All data collected by Rum Jungle Uranium Ltd is in GDA 94 Datum.
EL24835 is located immediately north of the unconformity between the Warramunga Province and the Tomkinson Creek Province around 40km north of Tennant Creek. At the unconformity, the Flynn Group overlies the older deformed Warramunga Formation which hosts the Tennant Creek goldfield.

The Warramunga Formation contains lithic tuffaceous, volcaniclastic and lithic sandstone, siltstone and hematitic siltstone, mudstone, slate and volcanic arenite (metagreywacke). At the Northern Star mine site there are a number of hematitic ironstone knobs, which are common occurrences around Tennant Creek in the Warramunga Formation. Chloritic schists are known to host uranium mineralisation at depth below the Northern Star open cut mine but occur at such a depth they are not mapped in Warramunga Formation anywhere as outcrop. Chlorite is mapped in alteration haloes and shear zones around a number of Tennant Creek ore bodies.

The Flynn Group of the Palaeoproterozoic Churchill's Head Group of rocks consists of relatively undeformed and un-metamorphosed sedimentary rocks and volcanics. The basal units are the Wundirgi Formation in the west and the Monument Formation to the east. The Wundirgi Formation consists of lithic arenite, siltstone and shale while the Monument Formation consists of rhyolitic and rhyodacitic tephra, tuffaceous sandstone, siltstone, chert and shale. The Bernborough and Brumbreue Formations occur further up in the stratigraphy, consisting of similar rocks with the Warrego Volcanics (chert, tuff, white siltstone and shale and sublithic arenite) interfingering with the Bernborough Formation.
The younger Warrego Granite intrudes the Flynn Group and outcrops to the west of EL 24835. Outcrop in the south-eastern part of the tenement is limited with large areas of recent sand, soil and colluvium.

Figure 2. Local Geology
PREVIOUS EXPLORATION

YEAR 1
Limited ground work was conducted by Uranium West during the first year of tenure (Crescent Gold, 2007). The area has historically been explored for Tennant Creek style IOCG mineralisation with hundreds of shallow pattern vacuum and RAB holes drilled along the southern boundary of the tenement in the 1980’s and 1990’s by previous operators over small magnetic anomalies near the unconformity of the Warramunga Province and overlying Churchill’s Head Group.

No real target or deposit has been found north of the Warramunga Province to date by any explorer.

YEAR 2
During the second year of tenure, eight RC drill holes were drilled for 1392m (Doyle, 2008). Holes 1-5 were targeted at a gravity high feature in the eastern part of the tenement. The drill holes intersected mainly Warramunga Group siltstone and mafic magnetic dykes but no mineralisation. It looks like the gravity high is caused by the mafic intrusions but further drilling along section to the north in 2008 will confirm this theory. Holes 9-11 were drilled into another gravity high in the western part of the tenement on the southern fringe of the Short Range. These holes intersected sediments of the Flynn Sub Group possibly in the hornfels zone on the northern tip of the Warrego Granite. No mineralisation was intersected.

4348 line km of airborne geophysics (magnetic and radiometrics) were flown at 100m line spacing in a north south orientation at 40m flying height. The Survey was flown by UTS Geophysics in late 2007. Fugro ground gravity crews carried out two ground surveys in the eastern and western part of the tenement and adjoining tenements, EL 25575 and EL 24874 with a station spacing of 200m (Figure 3). A number of gravity high features are evident in the data with initial drilling results indicating the highs may be due to mafic intrusives at depth.

A helicopter supported rock chip sampling program was carried out during August 2008 over all Tennant Creek tenements using a Bell Jetranger supplied by Jayrow out of Katherine. 27 samples were collected from radiometric anomalies on EL 24835 and sent for geochemical analysis at NTEL in Darwin (results in Appendix 2). The best results were 206ppm Cu from sample TC08015 and 276 ppm Cu from sample TC08014.

During August 2008, all RC drill pads an access tracks were rehabilitated and 19 further RC drill pads were constructed ready for a second round of RC drilling to further test ground gravity targets and small magnetic anomalies under alluvial cover.

CURRENT EXPLORATION
During the third year of tenure five RC holes (PCRC016-020) were drilled for 679m by Johannsen Drilling out of Pine Creek in August 2008. Best results were 26m @ 512 ppm Cu from 71-96m in Hole PCRC019 in Hematite Quartz Breccia (HQB) and 21m @ 266 ppm Cu from 112-133m in Hole PCRC018 in siltstone and intrusive granite. Each metre drill sample was scanned with a
scintillometer and magnetic susceptibility metre and readings recorded on the log sheets (Appendix 1).

PCRC016 was drilled to 103m intersecting deeply weathered microdiorite and microgabbro beneath thick clay overburden.

PCRC017 was drilled to 133m intersecting intrusive microdiorite and dolerite. Holes 16 and 17 were drilled into a magnetic anomaly which is explained by the magnetic intrusive. Magnetic susceptibility readings in both holes increase with depth as the intrusive becomes fresher.

PCRC018 was drilled to 133m intersecting ferruginous siltstone overlying grey siltstone and ending in a potassic granite? The hole was targeted at a weak magnetic anomaly under cover.

PCRC019 was drilled to 177m intersecting siltstone over clay overburden down to 71m. From 71-97m a HQB unit with anomalous copper was intersected overlying siltstone and meta-siltstone to EOH. No elevated scintillometer counts or magnetic susceptibility readings were recorded.

PCRC020 was drilled to 133m intersecting clay over interbedded sandstone and siltstone. No elevated scintillometer counts or magnetic susceptibility readings were recorded.

In November and December 2008, Fugro Ground Surveys conducted a ground gravity survey in the south east part of the tenement with gravity readings at 200 and 100m spacing for a total of 1207 stations (Figure 5).

1330 line km of airborne geophysics were flown by UTS Geophysics in late May/early June 2009 at 30m flying height, flying north south flight lines. The survey was flown with a fixed-wing single engine Fletcher FU24 aircraft. Raw line data are attached in Appendix 4. The survey was flown over the south east corner of the tenement (Figure 7) which was missed during the earlier 2007 survey. Geophysical data from UTS was delivered to Southern Geoscience Consultants in Perth for processing and conversion to Mapinfo compatible files and for stitching into the existing geophysical data set. New magnetic and radiometric images are attached in figures 8 and 9.

Both gravity and magnetic surveys in the south east corner of the tenement were conducted to try and identify structures hosting known uranium mineralisation in the nearby Northern Star open cut mine and to try and locate mineralisation extending west into EL24835.

ASIS International were contracted to model a number of magnetic and gravity anomalies for potential drill targets.

### Table 1. RC Drill Hole Collar Table

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Figure 3. RC Drill Collars on Magnetic Image

Figure 4. Geologist Moses Ndasi Logging RC Drill Chips
Figure 5. Gravity Station Locations on EL24835

Figure 6. Shaded Gravity Image
Figure 7. New 2009 Airborne Survey area in south east corner of EL24835

Figure 8. New magnetic image with interpreted faults in the south east corner of the tenement
PROPOSED EXPLORATION ACTIVITY YEAR 4
Rehabilitation of drill pads from 2008 will take place. The pads were not rehabbed due to last year’s heavy wet season around Tennant Creek. Geophysical processing and interpretation of data will occur prior to selecting possible drill targets for RC drilling. Processing of new gravity data may indicate possible small hematite pods with the potential to host high grade Tennant Creek style mineralisation. The company is also considering flying a VTEM survey to try and detect sub-surface sulphides (chalcopyrite) which may lead us to high grade IOCGU deposits.

PROPOSED EXPENDITURE YEAR 4

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CONCLUSION
No outstanding results were achieved during the third year of tenure. Anomalous copper in two RC holes indicates potential for IOCGU deposits within the tenement.

REFERENCES