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Operator: Rum Jungle Uranium Limited
Tenement Manager: Ross McColl
Tenement: EL26844
Project Name: Mount Bundy
Report Title: First Annual Report for EL 26844, Mount Bundy NT, period ended 15/02/2010
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Summary
Minor field reconnaissance was undertaken during the first year of tenure. Heli-VTEM was flown by Geotech Airborne Ltd in a N-S direction at 200m line spacing for a total of 16.7 line-km over the eastern half of the tenement however no targets were found to pursue.

Expenditure was $11 100 against a covenant of $56 000.

Introduction
EL26844 is located 90km by road southeast of Darwin, 12km by road south of the Arnhem Highway on the south western flank of the Mount Bundy granite intrusion. The tenement is surrounded by numerous workings and mineral deposits including the Rustlers Roost and Quest 29 gold mines. The tenement was pegged to explore for uranium, gold and base metals.

Figure 1 Location of EL26844
Geological Setting

EL 26844 is located in the central domain of the Proterozoic Pine Creek Orogen (PCO) in the Top End of the Northern Territory. The geology of the western portion of the tenement consists of 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 tenement and the central domain of the PCO. Underlying the Koolpin Formation of the South Alligator Group are the weathered siltstones of the Palaeoproterozoic Wildman Siltstone Formation which form the basal unit of the Mount Partridge Group.

The eastern portion of the tenement comprises of the pale pink Mount Bundy Granite which is part of the Mount Bundy Igneous Suite. The Igneous Suite is also made up of the thorium rich and moderately magnetic Mount Goyder Syenite and intruded the Wildman Siltstone and South Alligator Group sediments around 1853 Ma. The Mount Bundy 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 Bundy Iron Ore mine.

Figure 2. Local Geology
**Previous Exploration**

Not much previous exploration has occurred on EL24866 alone, however historically the Mt Bundy region has been heavily explored for gold, base metals, iron ore, diamonds, hard rock quarries and uranium within the Lower Proterozoic sediments.

Toms Gully gold mine was discovered in the late 1980’s by Carpentaria gold, located 10km north of EL24866. Located directly west of the tenement is the abandoned Rustlers Roost gold mine that began mining in 1994. In the 1970’s Geopecko delineated a number of radiometric anomalies labelled “Quest” numbers in the surrounding area, some of which were mineral deposits of gold (Quest 29) and base metals (Quest 30). The Mt Bundy Iron Ore Mine was also discovered and mined in the 1970’s and in recent years (2006-2007) has been a focus for iron ore exploration by Territory Resources.

**Current Exploration**

**VTEM**

A Heli –VTEM electromagnetic survey was flown by Geotech Airborne in May 2009. The survey comprised 9 lines flown north-south at 200m line spacing for a total of 17 line-km (Error! Reference source not found.). Profiles for each flight line were received in late July 2009.

Profiles were analysed but unfortunately no priority conductors within EL26844 resulted from the VTEM survey. When conductors were tested elsewhere around Mount Bundy, thick graphitic siltstone was intersected in the drill holes into Koolpin Formation, explaining the conductive anomaly however the holes were generally barren of mineralisation. No Koolpin Formation is present within tenement EL26844.

Only minor geological reconnaissance work on the ground was undertaken this year on EL26844.
Figure 3 Heli-VTEM flight lines over tenement EL26844

Figure 4 VTEM Depth Slice product showing no anomalies within EL26844
**Proposed exploration activity Year 2**
Review magnetic and radiometric data to look for possible structures that may contain gold in quartz veins on the edge of the granite. Geological reconnaissance and rock chip sampling will be conducted.

**Proposed expenditure Year 2**

<table>
<thead>
<tr>
<th>Activity</th>
<th>Cost</th>
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<tr>
<td>Geophysical data review</td>
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<tr>
<td>Geological reconnaissance &amp; sampling</td>
<td>$2000</td>
</tr>
<tr>
<td>Office Costs &amp; report writing</td>
<td>$500</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$3500</strong></td>
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</tbody>
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**Conclusion**
No targets were identified from an electromagnetic VTEM survey. Gold in quartz vein targets may still exist that do not have an electromagnetic signature. These will be explored in 2010.