



Titleholder:	Rum Jungle Resources Ltd
Operator:	Rum Jungle Resources Ltd
Tenement Manager:	Ross McColl
Tenement:	EL 27736
Project Name:	Red Bluff
Report Title:	First annual and final report for EL 27736 Tennant Creek NT
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Target Commodities:	Iron oxide copper gold, uranium
Date of Report:	18/08/2011
Datum/Zone:	GDA94/ Zone 53
250K mapsheet:	Tennant Creek SE5314
100K mapsheet:	Short Range 5659, Kelly 5658, Tennant Creek 5758
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SUMMARY

EL 27736 was originally pegged as part of Rum Jungle Resources' Tennant Creek tenement package and was considered mainly prospective for Tennant Creek-style iron oxide copper-gold (IOCG) ore bodies and possibly uranium. It was ideally located between the historical mines at White Devil, Orlando, Explorer 13, Ivanhoe and Curlew. Priorities on ELs within Rum Jungle's Tennant Creek package and between this group and other Rum Jungle projects have varied depending on available access given the wettest season on record for many parts of the NT, changing company priorities, exploration success elsewhere, commodity prices, discussions re farm-out opportunities, community attitudes and Government policy and actions (especially regarding uranium). A geological reconnaissance of EL 27736 revealed that most of the EL was unprospective Tennant Creek Granite, either in outcrop or under shallow cover. The geological targets; the exposed Warramunga Formation, the granite aureole, and corridors of structural deformation; were restricted to small areas and showed no signs of mineralisation. Desktop studies failed to generate any leads and no other ground work was conducted. EL 27736 was surrendered in its entirety.

Admissible expenditure for the first and final year was \$1,412 against a covenant of \$23,000.

INTRODUCTION

Exploration Licence (EL) 27736 was granted to Rum Jungle Resources Ltd on 20 July 2010 for a period expiring on 19 July 2016 over an area of 13 graticular blocks (30.68 km²). EL 27736 was part of Rum Jungle's Tennant Creek Project which consisted of up to 13 exploration tenements but has now been significantly reduced.

EL 27736 was located west of 134° 00' 19°30', south of Warrego Road, and 27 km northwest of Tennant Creek township. It was on Phillip Creek Perpetual Pastoral Lease 946. The EL was located on the Tennant Creek 1:250 000 map sheet at the junction of the Short Range, Kelly and Tennant Creek 1:100 000 map sheets. It was pegged between the historical mines at White Devil, Orlando, Explorer 13, Ivanhoe and Curlew (Figure 1).

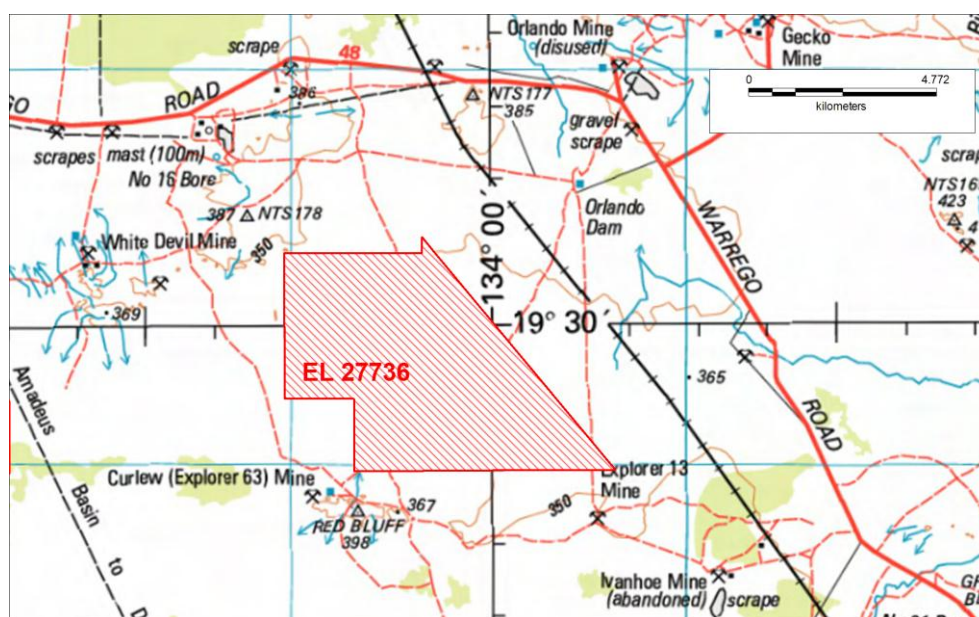


Figure 1. Location map

The satellite image (Figure 2) shows old tracks, some now impassable, and an area of disturbance in the southeast.

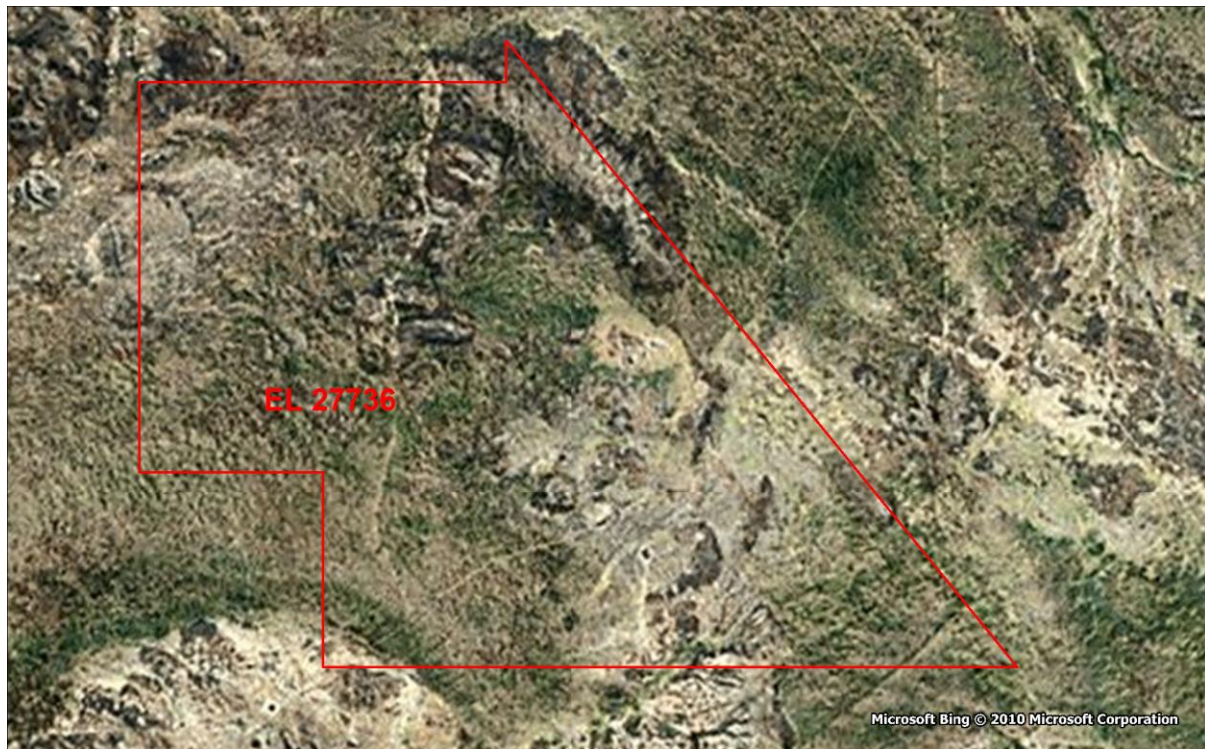


Figure 2. Satellite image showing existing tracks and disturbance

GEOLOGICAL SETTING

Although EL 27736 was ideally located between existing mines and showed evidence of previous disturbance, it contained no known mineral occurrences and had surprisingly little documented past exploration with no previous drilling. EL 27736 was found to be mostly underlain by the Red Bluff phase of the Tennant Creek Granite (Pgt.). The prospective Warramunga Formation which hosts the IOCG Tennant Creek goldfield was only present in the southwest and far northeast. It appears to be steeply dipping and/or prohibitively thin even where it is present in southwest EL 27736. Here, the Warramunga Formation strikes northwest-southeast and is cut by numerous small veins. Most of the EL is covered by transported Cenozoic colluvial fan deposits or soil (Qar and Qc).

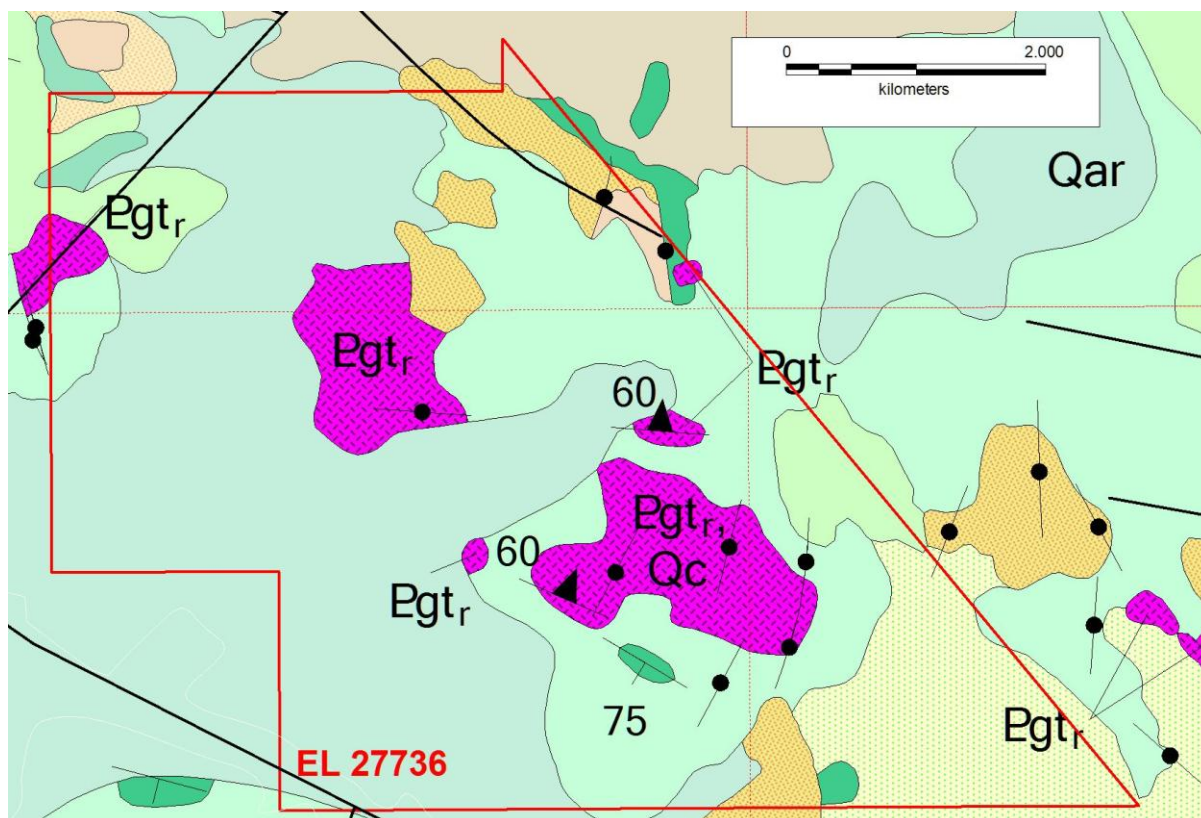


Figure 3. Local geology. The only Warramunga Formation, shown in green, is steeply dipping and cut by veins. Other letter codes are explained in the text.

PREVIOUS EXPLORATION

Although the area of EL 27736 had been covered by numerous previous exploration titles, there was surprisingly little reliable information on previous exploration in the EL itself. There appears to be no historical drilling.

EXPLORATION RATIONALE

EL 27736 was pegged to explore for Tennant Creek-style IOCG mineralisation and any associated uranium as well as genetically unrelated vein-type or unconformity-type uranium mineralisation. Rum Jungle Resources originally proposed to fly a geophysical survey in conjunction with its other Tennant Creek titles and to undertake reconnaissance surface sampling and prospecting using a hand-held XRF and scintillometer. The soil cover is transported and has been disturbed locally which renders soil sampling useless.

WORK BY RUM JUNGLE RESOURCES LTD

Work carried out by Rum Jungle Resources was restricted to a single geological field reconnaissance. This downgraded the prospectivity. No samples were collected or laboratory analysed. Desktop studies using available geological and geological data failed to generate any leads. Admissible expenditure for Year 1 totalled \$1,412. This excludes the cost of producing this report which was after the reporting anniversary.

CONCLUSION

Geological reconnaissance revealed that most of EL 27736 was unprospective Tennant Creek Granite. Where lithological or structural targets were present they were too small in area and contained no visible signs of mineralisation. Desktop studies failed to generate any new leads and EL 27736 was surrendered in total.
