Titleholder: Rum Jungle Resources Ltd
Operator: Rum Jungle Resources Ltd
Tenement Manager: Ross McColl
Tenement: EL 27881
Project Name: Top End Project
Report Title: First annual report for EL 27881, Table Land Creek, NT
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Target Commodities: Uranium, gold, iron ore, other base metals
Date of Report: 10/10/2011
Datum/Zone: GDA94/ Zone 52
250K mapsheet: Pine Creek SD5208
100K mapsheets: Reynolds River 5071, Daly River 5070
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SUMMARY

EL 27881 was pegged to explore for uranium and other metals. The EL is very remote and, in parts, quite rugged which necessitates helicopter access. Furthermore, it is within Litchfield National Park and this has presented additional challenges. Rum Jungle will be seeking further clarification from the Conservation Land Corporation as to what work will be allowed. Before proceeding with exploration, Rum Jungle is weighing up the desirability of the main target commodity, prospectivity, the relatively high cost of exploring an area that requires helicopter access and the possibility that the Land Conservation Corporation may not sanction ground-disturbing work in the future.

Expenditure for the first year was $5,604 against a covenant of $55,000. At this stage, Rum Jungle is carrying forward the year one proposed expenditure of $55,000 into year two.

Rum Jungle remains committed to exploring in the NT and is currently focussed on its Karinga Lakes potash project and Barrow Creek 1 phosphate.
LOCATION AND ACCESS

EL 27881 covers 31 sub-blocks or 103.6 km². It is located between the Adelaide and Reynolds Rivers on the Pine Creek 1:250 000 map sheet (Figure 1). The EL name comes from Table Land Creek which drains the southern half of the tenement. The northern central part of the EL is moderately rugged with steep-sided valleys incised into the sandstone plateau (Figure 2). There are no existing tracks into the EL and it was envisaged that helicopter access would be necessary, at least initially. The EL is entirely within Crown Lease Perpetual 814 and Litchfield National Park. The surrounding ELs are held by Crossland Mines and Whitvista.

Figure 1. Location and access map, EL 27881
HISTORY OF TENURE AND JOINT VENTURES
EL 27881 was applied for 14/12/2009 and granted 15/09/2010 for the normal six years. It is held 100% by Rum Jungle Resources.

GEOLOGICAL SETTING
The geology of EL 27881 is dominated by Depot Creek Sandstone (Ptd) and Stray Creek Sandstone (Pts); both of which are Statherian-aged shallow marine sandstones of the Tolmer Group, part of the Birrindudu Basin. These sandstones may host uranium. The Depot Creek Sandstone can be up to 400 m thick, but is much thinner in EL 27881. The Stray Creek Sandstone is typically about 180 m thick, but has been measured at up to 300 m. The upper part of the Stray Creek Sandstone contains interbeds of siltstone and glauconitic siltstone, minor sedimentary carbonate and distinctive siderite intervals, 2 – 5 m thick. The siderite is interpreted as evidence of substantial early diagenetic fluid flow. Elsewhere, outside EL 27881, the Tolmer Group sandstones also contain ironstone and minor copper shows. The Tolmer Group rocks overlie the Pine Creek Orogen including the Burrell Creek Formation (Pfb), Reynolds River Granite (Pgr) which crops out to the east and the Two Sisters Granite to the west (Figure 3). It is hoped that windows through the sandstone cover of EL 27881 could provide opportunities to target Pine Creek Orogen rocks (see Figures 6 and 7).
EL 27881 is immediately east of the Giants Reef Fault and lies between that fault and a sub-parallel fault. The Giants Reef Fault has a history of multiple reactivations and significantly offsets the Birrindudu Basin rocks. It and its antithetic faults are associated with several styles of mineralisation.
The other fault to the east of EL 27881 mainly affects Pine Creek Orogen rocks but does also offset the Depot Creek Sandstone immediately southeast of EL 27881. The Tolmer South base metal occurrence and the Eccles uranium prospect are both within Burrell Creek Formation to the west of EL 27881 (Figure 3).

Figure 3. EL 27881 surface structural geology superimposed on interpreted 1:500K solid geology, showing mineral occurrences, lithostratigraphic abbreviations are explained in the text

PREVIOUS EXPLORATION
Exploration in the area has been reported on since the early 1970s. The most notable work was by:

- Kewanee, early 1970s
- Nord Resources, late 1970s
- Northern Gold, mid 1980s
- BHP Minerals, mid 1980s
- Mobil Energy Minerals, mid 1980s
- Total Mining, late 1980s to early 1990s, discovered Eccles uranium prospect to the west in 1986
- Stockdale, mid 1990s

In the opinion of Rum Jungle, previous work had not adequately tested the potential of the area, particularly for uranium.

EXPLORATION RATIONALE
Rum Jungle Resources is exploring the tenement primarily for uranium. Other possible targets are gold, iron ore, manganese and other base metals, principally copper. Initially, exploration was to be
geophysically-driven, largely based on structural analysis and on ground-truthing radiometric and other geophysical anomalies.

**WORK PROPOSED BY RUM JUNGLE RESOURCES LTD**
In the first year of tenure, Rum Jungle proposed to interpret existing geophysical and structural data and to undertake helicopter-supported geochemical orientation using hand-held XRF to ground-truth any geophysical anomalies. The proposed year one expenditure was $55,000. If warranted, additional airborne magnetics, radiometrics and possibly VTEM would be acquired. It was proposed to drill in year two.

**WORK COMPLETED BY RUM JUNGLE RESOURCES LTD**
Interpretation of the existing geophysical data and structural modelling were undertaken in-house (Figures 4 to 7).

![Figure 4. Total count radiometrics and geology, EL 27881](image-url)
Figure 5. U-channel radiometrics, geology and mineral occurrences, EL 27881

Figure 6. Total magnetic intensity, showing magnetic features in the Pine Creek Orogen rocks extending from the west and the north under the Tolmer Group into EL 27881. Note that the faults do not appreciably offset the magnetic features.
The magnetics data provide some encouragement but less so the radiometrics. Overall, this study downgraded the potential relative to other Rum Jungle holdings in its Top End Project. In addition, uranium is considered a lower priority commodity within Rum Jungle’s portfolio than when EL 27881 was applied for.

Since EL 27881 is located in Litchfield National Park, it was essential to work closely with the Conservation Land Corporation. After correspondence back and forth, on 24/03/2010 the Conservation Land Corporation gave written approval for aerial surveys, helicopter-supported ground sampling and walk-in sampling. At that stage, the Land Corporation was not asked to sanction any more-invasive ground-disturbing activities. However, in light of concurrent developments on another Rum Jungle EL impacted by the proposed Mary River National Park, Rum Jungle was concerned that any future track construction and drilling may not get approval on EL 27881.

At this stage, Rum Jungle has deferred its year one field activities and is carrying the year one proposed expenditure over into year two ie $55,000 is proposed for year two.

CONCLUSION AND RECOMMENDATIONS

Rum Jungle will be seeking further clarification from the Conservation Land Corporation and weighing up the prospectivity, the relatively high cost of exploring an area that requires helicopter access and the possibility that the Land Conservation Corporation may not sanction ground-disturbing work.