Titleholders: Territory Phosphate Pty Ltd
Operator: Rum Jungle Resources Ltd
Titles Agent: Ross McColl
Tenements: EL 25183, EL 25184, EL 25185
Project Name: Ammaroo Phosphate
Report Title: Group partial relinquishment report for ELs 25183, 25184 and 25185, Ammaroo Phosphate Project GR055/12
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Target Commodity: Rock Phosphate
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100K map sheets: Sandover 6054, Ammaroo 5954, Lurapulla 5854
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SUMMARY
Partial relinquishments have been made to key titles, ELs 25183, 25184, and 25185, in Rum Jungle Resources’ Ammaroo Phosphate Project GR055/12. Nineteen, 17 and 67 sub-blocks were relinquished from the ELs respectively. The relinquishments were made as part of the renewal of these titles and as part of a rationalisation of the holdings in the project. The relinquished portions include areas considered adequately tested by drilling, Sacred Sites, an Aboriginal outstation, and an impractically small portion of a single sub-block. Holes that plot just outside the relinquished areas have been included in this report. Drilling in and near the relinquished portions covers 2009 to 2012 inclusive and includes drilling by Aragon Resources prior to Rum Jungle Resources becoming operators. Rum Jungle Resources works the contiguous ELs together, and in some cases, drillholes plot in or out of the relinquished areas by a few tens or hundreds of metres. In these instances, nearby holes from ELs other than 25183, 28184 and 28185 have also been included here. In all, MRT-format data from 41 drillholes is provided. There are five RC holes, 20 air core holes and 16 RAB holes. Depths range from 16 m to 103 m, for a total of 2,163 m, of which 1,968 m were drilled by Rum Jungle Resources and 195 m by Aragon Resources. There are 16 holes in EL 25183, 17 in or near EL 25184 and eight in or near the relinquished portion of EL 25185. One metre composite samples of all Rum Jungle Resources’ holes were checked with a hand-held XRF in the field. Only those intervals which may have contained phosphate were sent for laboratory assay. The relinquished portions of the ELs do not contain any significant phosphate, at least to the maximum depth reached by the various rigs.
INTRODUCTION
The Ammaroo Project tenements are located 280 km northeast of Alice Springs, on the Barrow Creek SF53-06 and Elkendra SF53-07 1:250,000 mapsheets. Rum Jungle Resources has been exploring for Cambrian rock phosphate in this area since 2009 resulting in the discovery of Barrow Creek 1 deposit on EL 25184 and the Ammaroo Prospect on EL 25185. This report deals with partial relinquishments to ELs 25183, 25184 and 25185 made at renewal.

HISTORY OF TENURE, JVs, CORPORATE DEALINGS, AND DME ADMINISTRATION
Figure 1 is a map of the project ELs. The history of tenure for ELs 25183, 25184 and 25185 is described below.

ELs 25183, 25184 and 25185 were originally held by Finching and Mundena. A 25% interest in the EL was transferred from Mundena Holdings to Arc De Triomphe Securities Pty Ltd on 07/04/2008. The ELs were then transferred to Territory Phosphate Pty Ltd on 16/06/2008. On 29/08/2008, Aragon Resources Limited acquired 100% of Territory Phosphate Pty Ltd. In August 2010, Rum Jungle Resources signed a Joint Venture agreement with Aragon Resources allowing Rum Jungle Resources to earn up to a 70% interest in the Territory Phosphate’s Ammaroo tenements over a period of seven years. However, in February 2011, Rum Jungle Resources completed the purchase of 100% of the issued capital of Territory Phosphate Pty Ltd from Aragon Resources for a total consideration for $1M cash and 16 million fully paid ordinary shares of Rum Jungle Resources. Territory Phosphate became a wholly owned subsidiary of Rum Jungle Resources, hence Rum Jungle Resources now holds 100% interest in the three tenements although they remain in the name of Territory Phosphate. There is a potential royalty to previous holders.
The Ammaroo Project is worked as a single entity. Rum Jungle Resources are operators under the Mining Management Act. The details of the Authorisation are shown below.

<table>
<thead>
<tr>
<th>Project</th>
<th>Authorisation Number</th>
<th>Titles</th>
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<tbody>
<tr>
<td>Ammaroo</td>
<td>0609-04</td>
<td>EL 25183, EL 25184, EL 25185, EL 28116, EL 28117, EL 28978, EL 28979, EL 28980, EL 26169</td>
</tr>
</tbody>
</table>

Table 1. Details of Ammaroo 0609-04 Authorisation.

PHYSIOGRAPHY, ACCESS AND LOGISTICS

Physiography, Flora and Fauna, and Land Use

The northern part of the project area, along the southern margin of the Davenport Range, is a plain of deeply weathered soil with patchy scrub cover. The highest relief is a few low ridges and stony rises covered by lateritic gravel. Towards the southeast, this soil plain becomes a subdued plateau, dissected by short valleys. Extensive sandplains and floodplains associated with the Sandover River/Bundey River systems cover the southern project area.

The area is sparsely settled, with permanent habitation restricted to the indigenous community at Ampilatwatja (population approx. 500) and Ali Curung (population 960) and the pastoral lease homestead at Ammaroo. Murray Downs Station itself is not always occupied but has a small nearby Aboriginal community. The area supports an active beef cattle industry and some cattle are run, but generally not near Barrow Creek 1 on EL 25184 because of a lack of both surface and ground water. In contrast, Ali Curung has irrigated market gardens using the plentiful groundwater there.

The project is located in the Tanami Bioregion. This bioregion is comprised mainly of red sand plains with underlying rock strata occasionally exposed as hills and ranges. The sand plains are vegetated with mixed shrublands of Acacia, Eucalyptus or Hakea over Triodia hummock grasslands. On the ranges, Acacia shrublands occur over hummock grasses. This bioregion contains many plant taxa that are endemic to the region or the Northern Territory and several flora and fauna species that are of conservation significance.

Using the system devised by Perry, the area contains two major land systems; the Alinga and Singleton. The Alinga Land System can generally be described as a system of undulating plains interspersed by low rounded ridges with shallow stony soils, red earths and red clayey sands. The land system is dominated by *Acacia aneura* (Mulga) or *Acacia georginae* (Gidgee) woodlands over short grasses and forbs. On shallow stony soils, sparse shrublands occur over *Triodia sp* (Spinifex). The Singleton land system includes red sands, undulating plains and sand rises, separated by moderately wide, flat swales. Alluvial flats and drainage floors may also be present. Vegetation is dominated by sparse shrublands over *Triodia* (Spinifex), with *Acacia* woodlands also being present.

ELs 25183, 25184 and 25185 have been the subject of several baseline fauna and flora surveys commissioned by Rum Jungle Resources. These, a Threatened Species Report, and a report on weed species have been provided with MMPs and the group report GR055/12 and are not included here.

Access and Logistics

Access to the project area is via the sealed Stuart Highway and the sealed Plenty and unsealed Sandover Highways from the south and the Taylors Road / Murray Downs road from the north.
Access within the project area is limited to various station and exploration tracks (Figure 2). Construction of Rum Jungle Resources’ exploration tracks and line clearing are generally done by the local pastoralists. The 20-person Barrow Creek 1 base camp and fly-camps are used for exploration. Bores are used for drinking water. A medical clinic is located at the Ampilatwatja Aboriginal Community. Fuel is carted from Alice Springs. The nearest airstrips are at Ampilatwatja and Ali Curung. The Barrow Creek 1 camp has an emergency helipad and JetA1 and AvGas.

Native Title Agreements and Sites of Significance to the Traditional Owners
Rum Jungle Resources has multiple Native Title Agreements over the Ammaroo Phosphate Project. Each of the ELs under the agreement(s) contains areas of various levels of restricted access relating to Sacred Sites, dreaming trails or other sites of significance to the Aboriginal people. These are documented in multiple generations of Sacred Site Clearance Certificates. The most recent of relevance here is 2011-081 which covers the area around Barrow Creek 1 including parts of ELs 25183, 25184 and 25185. The locations of sites of significance and of restricted access are kept in confidence to the Traditional Owners and the CLC. Such sites and areas have deliberately not been depicted on maps here-in. AAPA site certificates have also been obtained over selected work areas.

GEOLOGICAL SETTING
The Ammaroo Project is located in the Georgina Basin which contains the largest sedimentary phosphate deposits in Australia. The Georgina Basin includes rocks of Neoproterozoic to Devonian age, with Cambrian platform carbonate rocks dominating basin fill. The southern Georgina Basin is contiguous with the Wiso Basin to the west (Figure 3).
The southern Georgina Basin includes a thick sequence of Cambrian-Ordovician sediments, deposited within the Dulcie Trough and on the adjoining Elkedra Shelf. Work by previous explorers and NTGS identified an extensive area of shelf-facies marine carbonate and clastic sediments of the Middle Cambrian Arthur Creek Formation within the southern Georgina Basin (Figure 4). This area is prospective for sedimentary phosphate mineralisation.
Cambrian sediment outcrop is restricted to the north of the project area, along the flanks of the Davenport Range. Several formations contain very similar carbonate and recessive shale units that can be very difficult to tell apart without palaeontology and some local mis-mapping is suspected on published maps. Alluvial, aeolian and residual sediments of Cenozoic age blanket most of the remaining project area.

Within the project area, the Cambrian lithostratigraphy of the southern Georgina Basin includes units of the Shadow and Narpa Groups. Two units are known to be phosphatic:

- mid-Cambrian Thorntonia Limestone – a limestone and dolostone unit with phosphorite beds
- mid-Cambrian Arthur Creek Formation – deep-water anoxic organic-rich shales overlain by shallow-water aerobic calc- and dolo-siltstones with phosphorite beds

To date, the Thorntonia Limestone phosphorate is thought to be inferior to that in the Arthur Creek Formation in Rum Jungle Resources’ project area.

Drilling within the project area indicates that the target stratigraphy generally contains two distinct facies:

- an upper aerobic facies consisting of grey to brown siltstones, with minor brown chert bands or lenses; and
- a lower anaerobic facies consisting of dark green to black siltstones, with minor black chert bands or lenses.

The upper facies is the phosphate target and, where it is present, the lower facies serves as economic basement.
EXPLORATION AND PROJECT RATIONALE
The Ammaroo Project is being explored for rock phosphate, principally within the Arthur Creek Formation which hosts the Barrow Creek 1 deposit. Exploration is directed at locating phosphate where it is shallow (low strip ratios), not entirely weathered (predictable rock properties amenable to mining), highest grade and thickest (potentially draped over palaeo-highs). Rum Jungle Resources’ approach, which has worked successfully to date, is to initially undertake reconnaissance RC or air core drilling on existing tracks and fences. Samples are analysed in the field with a handheld XRF and potential phosphate is sent for laboratory analysis. Depending on success, follow-up drilling usually involves cleared drill lines and/or grid drilling.

Since the discovery of the Barrow Creek 1 deposit on EL 25184 in 2010, Rum Jungle Resources has moved to rapidly prove it up to the Measured category and has almost completed a Scoping Study. The Measured Resource provides increased confidence in a substantial mine life producing beneficiated phosphate rock at up to 2 million tonnes per annum. This updated resource estimate provides a basis for conceptual mine planning, on-going metallurgical test work and process flowsheet development. These are key components of the scoping study that is currently nearing completion.

AREAS TO BE RELINQUISHED AND RATIONALE

EL 25183
As part of the renewal of the title, a partial relinquishment of nineteen (19) blocks is being made for EL 25183. Territory Phosphate will retain one hundred and thirty-seven (137) blocks for Year 7. Territory Phosphate is therefore making a partial waiver of reduction in respect of fifty-nine (59) blocks for Year 7 of EL 25183.

The western and southern areas to be relinquished from EL 25183 cover possible Sacred Sites. The southern-most area is also contiguous with an area previously dropped over the Sandover River Floodout on EL 28117. A corridor through the northeastern area is sterilised by the Sandover Highway. This area has been adequately drill tested to the capacity of the rig used at the time. Only very low grade phosphate was intersected and only in a few isolated holes. There are 14 Rum Jungle Resources holes in or near the relinquished portions of EL 25183. All are air core holes drilled in 2009 and 2010. The maximum depth was 88 m and the minimum 16 m. Aragon Resources also drilled in this area prior to Rum Jungle Resources becoming operator and Aragon’s data is included separately. There are two Aragon air cores at 39 m and 103 m depth.
Figure 6. Areas to be relinquished from EL 25183 outlined in red. Note the Sandover Highway in the northeastern portion.

Figure 7. Drillholes in and near the relinquished portions of EL 25183. Rum Jungle Resources holes are plotted as dots and Aragon Resources holes as stars.
EL 25184

EL 25184 contains the JORC Barrow Creek 1 JORC phosphate resource. As part of the renewal of the title, a partial relinquishment of seventeen (17) blocks is being made to EL 25184. Territory Phosphate will retain one hundred and twelve (112) blocks for Year 7. Territory Phosphate is therefore making a partial waiver of reduction in respect of forty-seven (47) blocks for Year 7 of EL 25184. The planned relinquishment will divide EL 25184 into two parts.

Four separate areas are being relinquished from EL 25184. The northwestern single block covers a possible Sacred Site. Two areas have been relinquished from the buffer around Ampilatwatja. The northern covers a new Aboriginal Outstation near Honeymoon Bore. The second is a tiny sliver of block SF531407Y (too small to show on the maps), which was too small to be of any practical use. The central area also has Scared Sites and, away from those, has been adequately tested by drilling along existing fencelines and tracks.

Seventeen Rum Jungle Resources’ holes are in or near the relinquished portion. This includes one hole which actually plot just within EL 28116 and four which plot just on the retained portion of EL 25184. One is an RC hole for 19 m; the remainder are RAB holes ranging from 25 m to 60 m depth. There are no Aragon drillholes on the relinquished portion of EL 25184.

Figure 8. Areas to be relinquished from EL 25184 outlined in red. A tiny sliver of block SF531407Y (above the “2013” in the Bing caption) is too small to show on the maps at this scale.
EL 25185

EL 25185 contains the Ammaroo 1 phosphate prospect which has been systematically grid drilled over a number of years but which still remains open to the south and southeast. As part of the renewal of the title, a reduction of sixty-seven (67) blocks is being made to EL 25185. Territory Phosphate will retain two hundred and forty-three (243) blocks for Year 7. Territory Phosphate is making a partial waiver of reduction in respect of eighty-eight (88) blocks for Year 7 of EL 25185.

Four separate areas are being relinquished from EL 25185. The single block is a possible Sacred Site. The T-shaped area in the west has been drill tested without intersecting any significant phosphate. An area of 43 sub-blocks in the northeast has been tested by a single north-south line of drillholes without intersecting significant phosphate. The host stratigraphy may be entirely absent. This area may also contain Sacred Sites. Sixteen sub-blocks on the southern edge of the EL were dropped because they are inaccessible and too far into the basin to have near-surface phosphate.

Of the seven Rum Jungle Resources’ drillholes of relevance, there are four RC and three air core, drilled during 2009, 2010 and 2012. The depths range from 39 m to 70 m. Prior to Rum Jungle Resources being involved with EL 25185, Aragon Resources drilled a single 53 m air core hole in the relinquished portion. Their data is included separately.
Figure 10. Areas to be relinquished from EL 25185 outlined in red.

Figure 11. Drillholes in and near the relinquished portions of EL 25185 outlined in red. Rum Jungle Resources’ drillholes are plotted as black dots; stars are Aragon Resources drillholes. The drilling grid covers the Ammaroo 1 prospect.
CONCLUSIONS
Partial relinquishments have been made to key titles, ELs 25183, 25184, and 25185 as part of the renewals. The relinquished portions include areas considered adequately tested by drilling, Sacred Sites, an Aboriginal outstation, and an impractically small portion of a single sub-block.

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