Titleholder: Rum Jungle Resources Ltd
Operator: Rum Jungle Resources Ltd
Tenement Manager: Complete Tenement Management
Tenement: EL 24468
Project Name: Mount Goyder South
Report Title: Final annual and surrender report for EL 24468, Mount Goyder, from 15/12/2012 to surrender 28/11/2013 (resubmitted with 2 corrected hole locs)
Author: John Dunster
Corporate Author: Rum Jungle Resources Ltd
Target Commodity: Gold
Date of Report: 20/12/2013, 28/07/2014
Datum/Zone: GDA94/ Zone 52
250K map sheet: Darwin SD5204
100K map sheet: Mary River 5272
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SUMMARY

EL 24468 was part of Rum Jungle Resources’ Top End Mount Goyder gold exploration project. EL 24468 was contiguous with EL 25165, held by Uranex Ltd and operated by Rum Jungle Resources under JV. These two ELs covered the Annaburro Dome which contains the historic Donkey Hill and Donkey Hill South gold prospects.

During the eighth and final year of tenure, three RC drill holes were drilled at Donkey Hill for 375 m. The best intercepts were 2 m at 0.44 g/t Au and 0.43% Cu from 80 m to 82 m and a separate deeper intercept of 0.84 g/t Au and 1% Cu from 100 m -111 m in DHRC004. Results were encouraging at best. They did not confirm the spectacular surface grades previously reported. EL 24468 has now been surrendered.

Final part year expenditure was $49,023 against a covenant of $29,000. All available MRT data and GDF geophysical data for life of the title have been supplied with this report.
LOCATION, ACCESS AND LAND USE
The tenement is located 100 km ESE of Darwin along the Arnhem Highway, east of the Mary River. It is located on the Darwin 1:250 000 sheet and the Mary River-Point Stuart 1:100 000 sheet, east and southeast of Mount Goyder (Figure 1). Access is from the Arnhem Highway and station tracks. Rum Jungle Resources’ co-ordinates are captured in GDA94 Zone 52.

HISTORY OF TENURE, JOINT VENTURES AND DME ADMINISTRATION
EL 24468 was granted to Territory Iron for six years on the 15/12/2005. The tenement originally covered 107 km$^2$ and was evaluated in the first two years for iron ore by Territory Resources Ltd. On the 30/5/2008 Rum Jungle Uranium Limited (RJU) signed a uranium joint venture agreement with Territory Resources over three tenements at Mary River (EL 24468, 23791 and 23921) and three south of Batchelor (EL 24412, 25203 and 25204) in return for shares and share options. Rum Jungle Resources upgraded the joint venture to include all minerals excluding iron ore and manganese on the 23/12/2008 in return for giving Territory Resources a further four million shares.

EL 24468 was reduced by half in 2009 to 50.17 km$^2$ and again in 2010 to 30.13 km$^2$.

EL 24468 was worked in conjunction with the contiguous EL 25165. EL 25165 is a JV with Uranex Ltd and since it is held in their name, combined group reporting was not possible.

EL 24468 was included in the DME Mount Bundey Authorisation 0450-02 under the Mining Management Act for which Rum Jungle Resources is operator.
EXPLORATION RATIONALE
Donkey Hill is a known gold prospect which contains quartz veining and thin gossanous iron-rich units developed in the axial planar cleavage and fractures in the Annaburroo Dome anticline. The prospect was explored by Newmont in the 1980’s. Rum Jungle Resources retested this prospect at depth and undertook systematic exploration of the entire Dome which extends onto EL 25165. This EL is under JV and being operated by Rum Jungle Resources.

GEOLOGICAL SETTING
EL 24468 was located in the central domain of the Proterozoic Pine Creek Orogen (PCO) in the Top End of the Northern Territory. The tenement geology primarily consists of weathered siltstones of the Palaeoproterozoic Wildman Siltstone Formation which is the basal unit of the Mount Partridge Group in the northern half of the tenement whilst the South Alligator Group occupies the southern half of the tenement. The South Alligator Group overlies the Wildman Siltstone and is 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 central domain of the PCO. To the north and west of the tenement, The Mount Bundey Igneous Suite comprising the thorium-rich and magnetic Mount Goyder Syenite and the paler pink Mount Bundey Granite intruded the Wildman Siltstone and South Alligator Group sediments around 1853 Ma.

The Mount Bundey 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 Bundey Iron Ore mine. The Mount Goyder polymetallic skarn prospect is also located on the western flank of Mount Goyder immediately west of the tenement.

The major structural features of EL 24468 are strike ridges of folded South Alligator Group south of the Arnhem Highway (Figure 2) and in particular the Annaburroo Dome which is an anticline.
PREVIOUS EXPLORATION BY OTHERS

The Donkey Hill Prospect, which straddles the boundary between EL 24468 and EL 25165, was located during year three of Newmont Australia’s 1980s EL 4703 by following-up anomalous regional drainage samples. The prospect is centred on a set of sulfidic quartz veins which crop out intermittently over a strike length of 160 m on the southern end of the Annaburroo Dome. The prospect has historically returned gold assays of up to 39.4 g/t from grab samples of quartz veins. Gossanous ironstone veins in the general area have also reported some extremely high gold grades. A second zone known as Donkey Hill South was identified from grab samples of 50.8 g/t Au and 13.7 g/t Au from different veins. The Donkey Hill South results were erratic and could not be repeated when explored further by Newmont.

Five costeans for 165 m were cut across the strike of the main quartz vein set at the Donkey Hill prospect itself and one was extended east to check under cover. The costeans confirmed the existence of three main vein sets. These veins are almost vertical or dip steeply to the east. Five metre chip samples from the costeans recorded a maximum of 6.68 g/t Au. At Donkey Hill South, 28 m of trenches failed to identify any significant gold or other mineralisation in the subsurface veins.

Newmont drilled four 5” diameter RC holes for 244 m at the Donkey Hill prospect itself. The holes were only located on a local grid and not all could not be reliably relocated on the ground for inclusion in Rum Jungle Resources’ database. Although all four holes intersected the near-vertical quartz vein system, the assays were less impressive than the surface and costean sampling. The best intercept was 2 m at 3.10 g/t Au below 28 m in hole RCD-3. The best Pb was 0.82%.

In the mid 1990s, North Ltd drilled their MPG series of holes nominally at 100 m spacing along east-west lines 1 km apart to the south and west of the Dome. The results were disappointing.
PREVIOUS EXPLORATION UNDER EL 24468

In Year 1, 2006, Territory Iron / Territory Resources explored the tenement for its iron ore potential. They conducted some surface sampling and drilled one RC hole (MBRC018) to 73 m intersecting minor hematite between 41 and 48 m. Unfortunately the digital assay data supplied by Territory Iron / Territory Resources to both Rum Jungle Resources and DME cannot be matched to either surface locations or downhole depths.

In Year 2, 2007, Territory Iron / Territory Resources conducted geological traversing, ground scintillometer surveys and contracted Doug Barrett to assess the open-file airborne radiometric data. Other than scintillometer readings, any data acquired by Territory Iron / Territory Resources was not supplied to Rum Jungle Resources.

In Year 3, 2008, 33 rock chip samples were collected by Rum Jungle Uranium Ltd / Rum Jungle Resources Ltd. Six samples (122013-122018) have no assay data and were not included in the database dump for this report. A TEMPEST Survey (157 line km at 333 m line spacing) was flown by Fugro Airborne Surveys. Data was not delivered until after the anniversary of the tenement and was reported in year 4.

In Year 4, 2009, one RC drill hole (MGRC047) was completed for 132 m and a Heli-VTEM survey flown at 200 m line spacing for a total of 93.8 line km. TEMPEST data from a survey flown in the previous year was received and interpreted. Data for both the 2008 and 2009 surveys are resubmitted on DVD as part of this report.

During Year 5, 2010, 30 soil geochemical samples were taken on a soil grid at 50 m x 50 m spacing over magnetic and VTEM anomalies on the eastern flank of Mount Goyder. Samples were sieved and collected in soil packets and sent to AMDEL Laboratories for assay using Aqua Regia Digest (ARM10 method). These geochemical results did not warrant follow-up drilling.

During Year 6, 2011, 12 rock chip samples were taken in the Donkey Hill area in northern-most EL 24468. The samples were collected over the old Newmont Australia Donkey Hill project as well as along the strike length of the Donkey Hill anticline / Annabarroo Dome for approximately 3 km. Results were encouraging with peak gold results of 9.4 g/t and 3.2 g/t with other supporting arsenic and base metals. Although the highest values were from quartz/arsenopyrite/pyrite veins at the historical Donkey Hill prospect itself, there are strongly anomalous values of gold and arsenic along the entire outcropping anticline and this warranted further work. A systematic soil sampling survey was designed for the 2012 field season.

During Year 7, 2012, the entire Annabarroo Dome was systematically soil sampled. Most of this work was on the adjoining EL 25165. On EL 24468, 178 gridded soil samples and three duplicates (Figure 3) and six reconnaissance rock chip samples (Figure 4) were collected. The bulk of the Annabarroo Dome soil samples were collected at 400 m x 400 m spacing. The Donkey Hill area, which also served as an orientation survey, was sampled at 100 m x 100 m. A 2 mm sieve was used. All samples were assayed for Au, Ag, As and Cu by AMDEL laboratories using the ARM 10 technique. All digital assay data were provided in both MRT and Excel formats in the Year 7 annual report and are included again in an MRT database dump which accompanies this report.
Figure 3. Gridded soil geochemistry in EL 24468 and the adjoining southern part of EL 25165, showing that the highest gold values at the historic Donkey Hill Prospect which straddles the EL boundary.
Figure 4. The results of reconnaissance rock chip sampling, values are ppb Au.

**FINAL YEAR EXPLORATION – YEAR 8, 2013**

Three RC holes for 375 m were drilled at the Donkey Hill Gold Prospect by GeoDrilling out of Batchelor. The target zone dips at around 70 degrees to the east and hosts sub-economic grades of gold, copper, lead and silver.

<table>
<thead>
<tr>
<th>Hole</th>
<th>Easting</th>
<th>Northing</th>
<th>Dip</th>
<th>Azimuth</th>
<th>Depth (m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>DHRC004</td>
<td>794713</td>
<td>8579731</td>
<td>60</td>
<td>270</td>
<td>115</td>
</tr>
<tr>
<td>DHRC005</td>
<td>794707</td>
<td>8579724</td>
<td>60</td>
<td>270</td>
<td>91</td>
</tr>
<tr>
<td>DHRC006</td>
<td>794778</td>
<td>8579704</td>
<td>60</td>
<td>270</td>
<td>169</td>
</tr>
</tbody>
</table>

Table 1. Collar locations of 2013 RC drillholes. Numerals in red were corrected 28/07/2014.
Figure 5. 2013 drillholes DHRC004-006 on EL 24468 (outlined in blue) and holes on the adjacent EL 21565 (Uranex JV).
Figure 6. Close-up of 2013 drilling showing DHRC004-006 on EL 24468 and holes on the adjacent EL 21565 (Uranex JV). Note the proximity of holes to each other and to the EL boundary.

Best intercepts in the 2013 EL 24468 drilling are shown below:

<table>
<thead>
<tr>
<th>Hole</th>
<th>From (m)</th>
<th>To (m)</th>
<th>Interval (m)</th>
<th>Au g/t</th>
<th>Ag g/t</th>
<th>Cu %</th>
<th>Pb%</th>
</tr>
</thead>
<tbody>
<tr>
<td>DHRC004</td>
<td>80</td>
<td>82</td>
<td>2</td>
<td>-</td>
<td>-</td>
<td>0.44</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>85</td>
<td>87</td>
<td>2</td>
<td>-</td>
<td>-</td>
<td>0.16</td>
<td>0.42</td>
</tr>
<tr>
<td></td>
<td>92</td>
<td>93</td>
<td>1</td>
<td>0.2</td>
<td>-</td>
<td>0.21</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>97</td>
<td>98</td>
<td>1</td>
<td>0.14</td>
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<td>0.1</td>
<td>0.14</td>
</tr>
<tr>
<td></td>
<td>110</td>
<td>111</td>
<td>1</td>
<td>0.84</td>
<td>-</td>
<td>1</td>
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<td>DHRC005</td>
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<td>69</td>
<td>1</td>
<td>0.18</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<td></td>
<td>75</td>
<td>77</td>
<td>2</td>
<td>0.17</td>
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<td>-</td>
<td>-</td>
</tr>
<tr>
<td>DHRC006</td>
<td>76</td>
<td>77</td>
<td>1</td>
<td>-</td>
<td>8</td>
<td>0.13</td>
<td>0.53</td>
</tr>
</tbody>
</table>

The high gold grades evident in rock chips at surface failed to show up at depth, indicating that surficial supergene enrichment has occurred.
# FINAL PART YEAR EXPENDITURE

## ACTIVITY DETAILS FOR THE REPORTING PERIOD

<table>
<thead>
<tr>
<th>Admissible Expenditure</th>
<th>Specify the work undertaken</th>
<th>$AU Claimed</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Geological Activities and Prospecting</td>
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<td>0</td>
</tr>
<tr>
<td>B. Geochemical Activities</td>
<td>assays of downhole samples by Bureau Veritas</td>
<td>6,340.00</td>
</tr>
<tr>
<td>C. Geophysical and Remote Sensing Activities</td>
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<td>0</td>
</tr>
<tr>
<td>D. Drilling</td>
<td>Three RC holes for 375 m were drilled at the Donkey Hill Gold Prospect by Geo Drilling out of Batchelor</td>
<td>34,824.79</td>
</tr>
<tr>
<td>E. Bulk Sampling and Earthworks</td>
<td>nil</td>
<td>0</td>
</tr>
<tr>
<td>F. Rehabilitation</td>
<td>nil</td>
<td>0</td>
</tr>
<tr>
<td>G. Pre-feasibility inc. Metallurgical and Environmental</td>
<td>nil</td>
<td>0</td>
</tr>
<tr>
<td>H. Office Studies</td>
<td>Report preparation</td>
<td>1,463.94</td>
</tr>
<tr>
<td>I. Overheads (not to exceed 15% of the sum of A to H above)</td>
<td>Operating overheads</td>
<td>6,394.32</td>
</tr>
<tr>
<td>J. (Preliminary Exploration – Yr 1)</td>
<td></td>
<td>0</td>
</tr>
<tr>
<td><strong>K. Total Expenditure Claimed</strong></td>
<td></td>
<td><strong>$49,023.05</strong></td>
</tr>
</tbody>
</table>

| L. Covenant for this reporting period | $29,000 |

## CONCLUSION

EL 24468 has been systematically explored by both Territory Iron and Rum Jungle Resources since 2006. In 2013, RC drilling at the historic Donkey Hill Prospect produced encouraging but not spectacular results. As a result, the tenement is recommended for surrender to allow the company to focus on its key fertiliser projects elsewhere in NT and WA.