

**FIRST ANNUAL REPORT FOR EL 24917**

**ROSS RIVER NT**

**PERIOD ENDED 11/07/07**

**RUM JUNGLE URANIUM LTD**

**D.W.MULLER M.Sc, F.Aus.I.M.M**

**12/09/07.**

## **BACKGROUND**

E.L. 24917 was applied for by Finching Pty Ltd and Mundena Holdings Pty Ltd. It covered 428 blocks or 1285 square kilometres and was granted for six years. The tenement was subsequently transferred to Wasabi Energy Limited and is currently being transferred to Rum Jungle Uranium Ltd.

The Ross River Resort, some 80 km east of Alice Springs is situated in the centre of the tenement.

## **GEOLOGICAL SETTING**

The basement rocks (with anomalous uranium values) exposed in the northern sector of EL24917 are part of the Arunta Block, which is a complex of igneous, sedimentary and metamorphic rocks exposed throughout most of the southern part of the Northern Territory. The complex forms the basement to several shallow marine sedimentary basins of Proterozoic to Palaeozoic age. In the north of the EL these younger sediments have been eroded leaving an enormous hiatus between the Arunta rocks and the deposition of Tertiary lignite, as at Paddy's Jump Up.

Within EL24917 the Arunta complex has been intruded by Proterozoic granites of Carpentaria age.

Metamorphism of the complex is of Green schist facies with some areas of higher-grade Amphibolites facies. The sands of the Heavitree Quartzite were deposited unconformably over the Arunta rocks in Adelaidean time and sedimentation continued into the Palaeozoic. The area is folded and structurally complex with northwest trending fault structures being most apparent (Figure 9).

EL22918, contiguous and to the north of EL 24917 contains the priority target, Paddy's Jump Up uranium deposit, which is contained in stratiform bands of carbonaceous shales and lignite of Tertiary age. This adjoining EL, held by Deep Yellow Limited, is now a joint venture with Rum Jungle and shall be explored in conjunction with EL 24917.

## **EXPLORATION CARRIED OUT IN FIRST YEAR**

A detailed review of all previous exploration was conducted at the geological library in the Department of Mines in Darwin.

This determined that the most extensive work for uranium was carried out by Esso Australia Ltd during the early 1980's. Detailed low level aeromagnetics and radiometrics led to numerous uranium anomalies being located within the EL 24917 and around it. The most significant anomaly that was drill tested was Paddy's Jump Up which recorded up to 450PPM U3O8. Another look alike occurrence was Anomaly 23 within the EL, but this was not drilled by Esso.

Two field visits were made by D. Muller to examine the geology of the area and outcrop availability, at the same time employing a hand held scintillometer. This information was used in designing a detailed low level aeromagnetic and radiometric survey to be conducted by UTS Geophysics.

A detailed survey was completed by UTS geophysics in January 2007 (See attached logistics Report by UTS). 1992 line kilometres were flown at a line spacing of 200m and a sensor

height of 40m. The survey also involved location charges of \$5000 and 5 days stand down due to weather of \$10,000, bringing the cost of the programme to \$52,089.

The data was then processed by Bruce Craven of Southern Geoscience Consultants and a composite image atlas prepared from which a detailed structural map was prepared showing the relationship between radiometrics, structure and geology and a copy of which is attached hereto as the Ross River geological Map.

## **RESULTS OF EXPLORATION AND PROPOSAL FOR SECOND YEAR**

The Geological magnetic/radiometrics interpretation has depicted 18 separate anomalies within the Billie Springs Formation. Numerous other anomalies have been depicted within the Arunta Gneissic Complex. It is planned to follow up exploration on the Billy Springs lithologies using ground radiometrics and exploration drilling in the second year. It is also planned to test Anomaly 23 in the small tertiary basin 5 km south of Paddy's Jump Up.

It is proposed to set up a camp at the Ross River Resort which is central to the tenement. Work will be carried out in conjunction with a joint venture with Deep Yellow Limited. A contract with Arinooka Drilling to provide an air core drill rig has been established. Detailed ground investigations using rock chip sampling and radiometric logging will be used to prioritise targets in the Billy Springs Formation.

### **EXPLORATION EXPENDITURE IN YEAR1**

Airborne Geophysical Survey total Cost	\$52089
Geological salaries Exploration Manager	\$15000
Processing Geophysical data	\$ 7000
Consultant Geophysicist interpreting Data	\$5500
Travel and Accommodation	\$8500
Tenement Expenses	\$3000
Report and Plan Preparations	\$2000
Overheads	\$9300
Total Expenditure	\$102,389

### **PROPOSED EXPENDITURE YEAR 2**

Camp Establishment	\$10000
Transport and Field Living	\$10000
Geological salaries	\$40,000
Field assistants	\$16000
5000m air core/RAB	\$150000
Assaying	\$5000
Maintenance Spectrometer and Scintillometer	\$4000
Report Preparation	\$5000
Overheads	\$24000
Total Expenditure	\$264000

