SWIM CREEK PROJECT
EL 25165

Annual Report for the Period
7th November 2011 to 6th November 2012.

Volume 1 of 1

Tenure Holder
Uranex N.L.
Level 3, 15 Queen Street,
Melbourne, VIC 3000

Operator
Rum Jungle Resources Ltd
Unit 29, 90 Frances Bay Dve
Stuart Park, NT 0820

Compiled by:
P.F. Robinson and Nigel Doyle

Date:
28 November 2012

Distribution:
Northern Territory Geological Survey – (1 digital)
Uranex N.L. – Melbourne Office (1 digital)
Rum Jungle Resources Ltd
Peter F. Robinson & Assoc Pty Ltd - (1 digital)

Copyright Statement
This document, the data it contains and its attachments are submitted under the NT Mineral Titles Act. As such, the copyright normally reserved by Uranex NL and Rum Jungle Resources Ltd is controlled by this Act as well as the Commonwealth Copyright Act, as may be applicable. This statement authorises the NT Department of Mines and Energy to copy, store and distribute this document, data and attachments subject to the confidentiality restrictions of the relevant NT Acts.
SUMMARY

The Swim Creek Project comprises Exploration Licence 25165 located in the Mary River region approximately 100 kilometres east-southeast of Darwin in the Northern Territory.

In September 2012 a Farm In Agreement was signed with Rum Jungle Resources Ltd whereby Rum Jungle Resources can earn 70% by spending $500,000 and meeting the expenditure covenants. Uranex retains all of the Uranium rights.

Uranex is targeting East Alligator River Uranium Field (EARUF) and/or South Alligator Rivers Uranium Field (SARUF) and/or Rum Jungle Uranium Field (RJUF) style uranium deposits. This is based on the recognition that the Lower Proterozoic stratigraphy of the area has some similarities that may equate with stratigraphy in these uranium fields. Uranex is also targeting gold mineralisation similar to Woodcutters and Rustlers Roost.

Rum Jungle Resources is targeting mainly gold deposits similar to Toms Gully, Rustlers Roost and the Quest deposits. The geological setting is a classic tightly folded structure with well-developed faulting and shearing similar to many gold deposits of the Victorian goldfields.

Most of the outcrop areas are mapped as the Wildman Siltstone (Ppw) of the Mt Partridge Group meta-sediments. The basal unit of the Mt Partridge Group, the Mundogie Sandstone (Ppm) outcrops on the eastern margin of the project and may be under cover in the north. The South Alligator Groups Koolpin Formation (Psk) is located in the far south of the tenement and may occur in synclinal areas under Cainozoic cover elsewhere.

The Whites Formation, which hosts the Rum Jungle uranium mineralisation, may be stratigraphically equivalent to part of the Wildman Siltstone (Ppw) within the tenement.

The Mundogie Sandstone (Ppm), which underlies the Wildman Siltstone, outcrops locally in the tenement. This is thought to be possibly equivalent to the magnetic Upper Cahill Formation of the EARUF further east. Hence the Lower Cahill host equivalent would be stratigraphically below it.

The Koolpin Formation outcropping in the south is the uranium host for the SARUF.

Previous exploration in years 1 & 2 comprised a detailed aeromagnetic and radiometric survey comprising 6561 line kilometres and it’s processing and interpretation. This survey produced both radiometric and aeromagnetic interpreted litho-structural targets for follow up by ground inspection. This was followed by both vehicle and helicopter assisted investigations of geology and the uranium radiometric anomalies located by the earlier airborne survey.

The results of the first two years programs did not establish precise targets for drilling. It was decided that an Airborne Electromagnetic (AEM) Survey may locate conductive targets in the favourable host lithologies which could be tested by drilling. These would be bedrock conductors representing graphitic or chloritic / pyritic facies and or structures.

During Year 3, an AEM Survey was flown by Fugro Geophysics in association with Geoscience Australia (GA). After many delays, the initial survey data was received in May 2010. This was later processed and interpreted.

Drill targets were chosen using these conductors, their potential host stratigraphy, proximity to surface uranium anomalies and accessibility.
Drill follow up to test these litho-structural targets by Reverse Circulation drilling was to be done at the peak of the next dry season in year 4 when access is to the flood plains is available. There are 6 planned holes on Swim Creek for approximately 900 metres of drilling. Unfortunately there were delays in the approval of the Mine Management Plan (MMP) which was only received on 23rd September 2010. Efforts were made to organise staffing and drill contractors in time before the wet season. However rain began in October and with access to most holes crossing wet areas, access was not possible or dubious to most planned drill sites.

During May 2010 (year 4), a field reconnaissance was made to locate access to the planned drill sites. Some minor access upgrading will be required prior to drilling. Some access was still boggy in May.

This program was then planned for year 5 in the dry season preferably around May or June 2011. This was delayed while discussions continued with a group who were to finance the ongoing programs but this recently fell through.

Discussions were renewed in 2012 and a Farm In agreement was signed with Rum Jungle Resources Ltd in September 2012.

Rum Jungle Resources is targeting mainly gold deposits in classic tightly folded structure with well-developed faulting and shearing similar to many gold deposits of the Victorian goldfields. Rum Jungle Resources is exploring the whole Annabarroo Dome.

Rum Jungle began its Farm In exploration with an initial soil sampling program over of 665 samples over the Annabarroo Dome. These are currently being assayed. It is planned to commence drilling once all soil values have been plotted and the work program has been approved.

Uranex completed a new ground check of all the accessible uranium anomalies, AEM bedrock conductor sites and the possible planned drill hole locations. It also checked the state of existing access.

Some of the planned drilling of the bedrock conductors may still proceed. However, this may be combined with the drilling of soil anomalies for Au nearby.
TABLE OF CONTENTS

SUMMARY .......................................................................................................................... i

1.0 INTRODUCTION ........................................................................................................ 1

2.0 TENURE ....................................................................................................................... 1

3.0 GEOLOGY ..................................................................................................................... 2

4.0 PREVIOUS EXPLORATION .......................................................................................... 3

5.0 TARGETTING ................................................................................................................ 4

6.0 PREVIOUS URANEX EXPLORATION ACTIVITIES ...................................................... 5
   6.1 AIRBORNE RADIOMETRIC AND MAGNETIC GEOPHYSICS ................................. 5
   6.2 INTERPRETATION OF AIRBORNE RADIOMETRIC AND MAGNETIC GEOPHYSICS 5
   6.3 INITIAL GROUND CHECKS ....................................................................................... 6
   6.4 AIRBORNE ELECTRO MAGNETIC (AEM) GEOPHYSICS ........................................ 10

7.00 CURRENT INVESTIGATIONS ....................................................................................... 10

8.0 PROPOSED EXPLORATION ......................................................................................... 13
   8.1 POSSIBLE PLANNED REVERSE CIRCULATION DRILLING FOR URANIUM ............ 14
   8.2 POSSIBLE PLANNED REVERSE CIRCULATION DRILLING FOR OLD .................. 16

9.0 CONCLUSIONS AND RECOMMENDATIONS ............................................................... 16
LIST OF FIGURES

Figure 1: Swim Creek Project Location
Figure 2: Swim Creek Project Geology
Figure 3: Swim Creek U Anomaly Way Points on U:Th
Figure 4: Swim Creek U Anomaly Way Points Way Points on U
Figure 5: Swim Creek U Anomaly Way Points Way Points on DTM
Figure 6: Swim Creek U Anomaly Way Points Way Points on TMI
Figure 7: Swim Creek U Anomaly Way Points Way Points on Geology
Figure 8: Swim Creek Geology showing the Annabarroo Dome and Donkey Hill Targets
Figure 9: Swim Creek Geology showing Soil Sample Grid the Annabarroo Dome, Donkey Hill and Anomaly 7 Targets
Figure 10: Swim Creek Planned Drill Collars on U/Th
Figure 11: Swim Creek Planned Drill Collars on RTP Magnetics
Figure 12: Swim Creek Planned Drill Collars on Shallow AEM 15 to 20 Metres
Figure 13: Swim Creek Planned Drill Collars on Bedrock AEM 60 to 100 Metres

LIST OF TABLES

Table 1  Project Licence
Table 2  Airborne Survey Data Acquisition Specifications
Table 3  Summary of Geology, and CPS Helicopter Ground Survey
1.0 INTRODUCTION

This sixth Annual Report details all exploration work undertaken on the Swim Creek Project Exploration Licence 25165 during the reporting period 7th November 2011 to 6th November 2012.

The licence located in the Mary River area, on the western margin of the Kakadu National Park within the Pine Creek Orogen approximately 100 kilometres east south east of Darwin in the Northern Territory (Figure 1).

Access is from Darwin on the Arnhem Highway approximately 130 kms to the south east of the tenement, then north on the Point Stuart Road. Accommodation is available at the Mary River Point Stuart Lodge just off the Point Stuart Road. Most of the tenement is on Annabarroo Station.

The tenement is situated on the Darwin (SD52-04), 1:250,000 map sheet.

The terrain in the area is mostly low hills with broad plains. Vegetation cover is mostly tropical woodland.

2.0 TENURE

The Swim Creek Project comprises one granted exploration licence. When granted on 7th November 2006, it covered 181 blocks (approximately 427 square kms). The area was reduced at the end of year 3 to 84 blocks (approximately 198sq.km) with a Year 4 expenditure covenant of $98,000. A further reduction of 42 blocks was made at the end of Year 4 and 42 blocks (122.19sq.km) were retained for Year 5 and 6.

In September 2012 a Farm In Joint Venture Agreement was signed with Rum Jungle Resources Ltd whereby Rum Jungle can earn 70 % by spending $500,000 and meeting the expenditure covenants. Uranex retains all of the Uranium rights.

Table 1: Project Licence

<table>
<thead>
<tr>
<th>Name</th>
<th>Licence</th>
<th>Granted</th>
<th>Expiry</th>
<th>No. Blocks</th>
<th>Area km2</th>
<th>Commitment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Swim Creek</td>
<td>EL25165</td>
<td>7-Nov-06</td>
<td>6-Nov-12</td>
<td>42</td>
<td>122</td>
<td>150,000</td>
</tr>
</tbody>
</table>

Swim Creek Project EL 25165 Year 6 Annual Report to 6th Nov 2012
3.0 GEOLOGY

The Swim Creek Project is situated in the middle of the Palaeoproterozoic Pine Creek Orogen. The older Archean basement domes are situated about 80 kilometres to the east (Nanambu Complex) and similarly 80 kilometres to the west (Rum Jungle Complex).

Most of the outcrop areas are mapped as the Wildman Siltstone (Ppw) of the Mt Partridge Group meta-sediments (Figure 2). The basal unit of the Mt Partridge Group, the Mundogie Sandstone (Ppm), outcrops on the eastern margin of the project and may be under cover in the north. The South Alligator Groups Koolpin Formation (Psk) is located in the far south of the tenement and may occur in synclinal areas under Cainozoic cover elsewhere.

There are isolated remnants of the Jurassic–Cretaceous flat lying sediments throughout the tenement.
4.0 PREVIOUS EXPLORATION

The earliest investigations were conducted by Geopeko during the early 1970s following the acquisition of the BMR aeromagnetics and radiometrics. Their efforts were mainly towards uranium and to a lesser extent to base metals and later gold. Targets were eventually investigated by ground geophysics and geochemistry. These programs defined the “Quest” anomalies, which were the focus of their base metal exploration for 4 years.

Most of the other exploration was for gold and base metals. The main targets were for stratabound and stockwork gold mineralisation similar to Woodcutters and Rustlers Roost. The same ground was repeatedly taken up, past work assessed and added to by various techniques.

The main players were:

CRA 1979 to 1982
Aquitaine 1980
Newmont Holdings 1987 to 1990
Carpentaria Exploration 1990
Sons of Gwalia 1992
North Mining (Geopeko) 1994 to 1996 and Sirocco Resources – Rustlers Roost Mining 1998 to 2003

They all targeted stratabound and anticlinal targets in the Wildman Siltstone and Koolpin Formation and to a lesser extent the Mundogie Sandstone. Contact and stockwork mineralisation was targeted around the post tectonic, high level, Mt Bundey Granite and the Mt Goyder Syenite. The Annabarroo anticlinal dome was also a focus.

Stream sediment sampling, soil sampling and drilling were employed at various scales. A number of prospects were located such as Donkey Hill and Anomaly 7 but no significant deposits were located in or near EL 25165.
5.0 TARGETTING

The three main criteria for forming the unconformity related uranium deposits in the Pine Creek Orogen are:

1) **Proximity to Archaean–Lower Proterozoic crystalline basement highs (<1800ma).** These are the Nanambu Complex at EARUF, the Rum Jungle and Waterhouse Complexes of the RJUF and parts of the Litchfield Complex.

2) **Favourable Lower Proterozoic host rock stratigraphy and lithofacies.** At the EARUF, this is the Lower Cahill Formation. This starts at the base with massive dolomites and minor gneisses and schists. These underlie the major uranium deposits. The apparent equivalents at RJUF would be the Manton’s Group Celia Dolomite and the Mount Partridge Group’s Crater Formation and Coomalie Dolomite underlying the host Whites Formation.

3) **Proximity of the current land surface profile to the base of existing or previously overlying Middle Proterozoic sedimentary cover rocks.** This is the Kombolgie Formation at ARUF and the Depot Creek Sandstone at the RJUF and the Litchfield Complex. Critical to the exploration equation for the Swim Creek area is how far the current land surface is below the pre-Kombolgie regolith and whether there was a pre-sedimentary felsic volcanic episode equivalent to the Edith River Volcanics. The nearest Kombolgie Formation outcrop is in the Koongarra outlier some 100 kilometres to the east.

Uranex is targeting East Alligator River Uranium Field (EARUF) and/or South Alligator Rivers Uranium Field (SARUF) and/or Rum Jungle Uranium Field (RJUF) style uranium deposits.

This is based on the recognition that the Lower Proterozoic stratigraphy of the area has some similarities that may equate with stratigraphy in the EARUF, the SARUF or the RJUF described above.

Some explorers suggest that the Whites Formation, which hosts the Rum Jungle uranium mineralisation, may be stratigraphically equivalent to part of the Wildman Siltstone (Ppw) within the tenement.

Alternatively, the Mundogie Sandstone (Ppm), which underlies the Wildman Siltstone, outcrops in the east and in the core of an anticline in the southwest of the tenement. This is thought to be possibly equivalent to the magnetic Upper Cahill Formation of the EARUF further east. This, being the most likely case, then the Lower Cahill host equivalent would be stratigraphically below it and may also be present under cover to the north. The Lower Cahill Formation host lithologies consist of interbedded pyritic carbonaceous mica schists, chloritic calc-silicates, and chloritised felspathic quartzites.

At the SARUF the host is the Koolpin Formation (Psk) comprising ferruginous siltstone, pyritic carbonaceous shale and silicified dolomites and it outcrops just inside the southern boundary of the tenement.

The Rum Jungle / Uranex Joint Venture is targeting stratabound and stockwork (anticlinal) hosted gold deposits similar to nearby Woodcutters and Rustler’s Roost deposits.

The geological setting is a classic tightly folded structure with well-developed faulting and shearing similar to many gold deposits of the Victorian goldfields.

Rum Jungle Resources is exploring the whole Annabarroo Dome which contains the Donkey Hill gold prospect. Donkey Hill has historically returned gold assays of up to 39.4 g/t from grab
samples. Gossanous ironstone veins in the general area have also reported some extremely high gold grades.

6.0 PREVIOUS URANEX EXPLORATION ACTIVITIES

Previous exploration by Uranex NL for years 1 & 2 comprised a detailed aeromagnetic and radiometric survey and it's processing and interpretation. This survey has produced both radiometric and aeromagnetic interpreted litho-structural targets for follow up by ground inspection and then drilling of those that may relate to uranium mineralisation.

This was followed with both vehicle and helicopter assisted investigations of geology and the uranium radiometric anomalies located by the earlier airborne survey.

6.1 AIRBORNE RADIOMETRIC AND MAGNETIC GEOPHYSICS

UTS Geophysics was contracted to complete a detailed aeromagnetic and radiometric survey comprising 6561 line kilometres in late November 2006.

The survey was flown using the MGA94 coordinate system (a Universal Transverse Mercator projection) derived from the Geocentric Datum of Australia.

The survey data acquisition specifications for each area flown are specified in the following table:

<table>
<thead>
<tr>
<th>NAME</th>
<th>LINE SPACING</th>
<th>LINE DIRECTION</th>
<th>TIE LINE SPACING</th>
<th>TIE LINE DIRECTION</th>
<th>SENSOR HEIGHT</th>
<th>TOTAL LINE KMS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Swim Creek</td>
<td>100m</td>
<td>090-270</td>
<td>1000m</td>
<td>000-180</td>
<td>40m</td>
<td>6561</td>
</tr>
</tbody>
</table>

The detailed specifications of this survey are given in detail in the earlier annual reports.

6.2 INTERPRETATION OF AIRBORNE RADIOMETRIC AND MAGNETIC GEOPHYSICS

The geophysics was further processed by Southern Geosciences (SGS) and Dr Geoff Dickson. They produced an array of images that allowed a far better interpretation of the results.

Magnetic images included – Reduced to Pole (RTP) (Figure 7), First Vertical Derivative of the RTP (1VD, RTP) Gradient, TMI 1VD, and Total Magnetic Intensity (TMI) (Figure 6) images all with various shade directions.

Radiometric images included K, U, TH, K:Th. The UxU/Th (Figure 3) and U/Th ratio image (Figure 4) were very useful in reducing the effect of uranium and thorium rich laterites and granites and emphasising uranium dominant sources.

The selected images are shown in the figures below. They also show the uranium anomaly way points that were ground checked.
6.3 INITIAL GROUND CHECKS

A reconnaissance trip was made in October 2007 to check access, geology and potentially some uranium radiometric anomalies.

Away from the formed roads access was not possible. Outcrop along the access roads are scarce.

This was followed by a helicopter assisted ground check of uranium radiometric anomalies in July 2008. The survey used Jayro Helicopters and was based out of Point Stuart Lodge.

The location of ground check way-points is shown on the above figures as discussed above. The results are summarised in Table 3.

The best uranium radiometric anomalies were selected and given way-point coordinates.

These were then navigated to in the helicopter by GPS to the nearest clear landing spot. The anomalies were then located on foot by GPS and hand held scintillometers.

The highest scintillometer reading spot was then sampled where sample was available.

The selected images show the anomaly way-points on various backgrounds.

Figure 3: Swim Creek U Anomaly Way- Points on U/Th
Figure 4: Swim Creek U Anomaly Way-Points on U

Figure 5: Swim Creek U Anomaly Way-Points on DTM
Figure 6: Swim Creek U Anomaly Way-points on TMI (Total Magnetic Intensity)

Figure 7: Swim Creek U Anomaly Way-points on Geology

The spot uranium indicator (UxU/Th) anomalies (way-points) on Figure 3 and the DTM (Digital Terrain Model) Figure 5 show that they are mostly on the plains over shallow cover on the Wildman Siltstone. On the ground the plain consists of grey soils over sub-cropping cemented iron pisolites.

Swim Creek Project EL 25165 Year 6 Annual Report to 6th Nov 2012
Table 3 below summarises the results of the ground checking. It describes the anomaly host, the maximum counts per second compared with background and the analytical results of those sampled. Analyses were done by Genalysis Perth West Australia using the PP/XRFa technique.

### Table 3 Summary of Geology, CPS and Analyses Helicopter Ground Survey

<table>
<thead>
<tr>
<th>ANOMALY NUMBER</th>
<th>EAST</th>
<th>NORTH</th>
<th>SAMPLE</th>
<th>ROCK TYPE</th>
<th>BACK</th>
<th>MAXIM</th>
<th>METHOD</th>
<th>PP/XRFa</th>
</tr>
</thead>
<tbody>
<tr>
<td>ZONE</td>
<td>NUMBER</td>
<td>DESCRIPTION</td>
<td>CPS</td>
<td>SPP2</td>
<td>CPS</td>
<td>SPP2</td>
<td>LIMIT</td>
<td>ppm</td>
</tr>
<tr>
<td>GDA94</td>
<td>52</td>
<td>Grey pisolitic sands</td>
<td>SC1</td>
<td>50</td>
<td>200</td>
<td>SC 1</td>
<td>26</td>
<td>7</td>
</tr>
<tr>
<td>SC1</td>
<td>793000</td>
<td>8585375</td>
<td>Grey pisolitic sands</td>
<td>SC1b</td>
<td>50</td>
<td>220</td>
<td>严密 GER</td>
<td>严密 GER</td>
</tr>
<tr>
<td>SC2</td>
<td>798875</td>
<td>8580125</td>
<td>Pisolitic cemented</td>
<td>SC2</td>
<td>50</td>
<td>250</td>
<td>SC 2</td>
<td>53</td>
</tr>
<tr>
<td>SC3</td>
<td>801062</td>
<td>8583875</td>
<td>Pisolitic cemented</td>
<td>Laterite below</td>
<td>grey soils</td>
<td>严密 GER</td>
<td>严密 GER</td>
<td></td>
</tr>
<tr>
<td>SC4</td>
<td>800625</td>
<td>8585625</td>
<td>Pisolitic cemented</td>
<td>Laterite below</td>
<td>grey soils</td>
<td>严密 GER</td>
<td>严密 GER</td>
<td></td>
</tr>
<tr>
<td>SC5</td>
<td>797562</td>
<td>8588625</td>
<td>Pisolitic cemented</td>
<td>Laterite below</td>
<td>grey soils</td>
<td>严密 GER</td>
<td>严密 GER</td>
<td></td>
</tr>
<tr>
<td>SC6</td>
<td>796300</td>
<td>8589250</td>
<td>Pisolitic cemented</td>
<td>Laterite below</td>
<td>grey soils</td>
<td>严密 GER</td>
<td>严密 GER</td>
<td></td>
</tr>
<tr>
<td>SC7</td>
<td>794187</td>
<td>8590375</td>
<td>Pisolitic cemented</td>
<td>SC7</td>
<td>50</td>
<td>75</td>
<td>第2列</td>
<td>严密 GER</td>
</tr>
<tr>
<td>SC8</td>
<td>802350</td>
<td>8586250</td>
<td>Pisolitic cemented</td>
<td>SC8</td>
<td>50</td>
<td>150</td>
<td>第2列</td>
<td>严密 GER</td>
</tr>
<tr>
<td>SC9</td>
<td>815687</td>
<td>8582937</td>
<td>Pisolitic cemented</td>
<td>SC9</td>
<td>50</td>
<td>150</td>
<td>第2列</td>
<td>严密 GER</td>
</tr>
<tr>
<td>SC10</td>
<td>812125</td>
<td>8593187</td>
<td>Pisolitic cemented</td>
<td>SC10</td>
<td>50</td>
<td>100</td>
<td>第2列</td>
<td>严密 GER</td>
</tr>
<tr>
<td>SC11</td>
<td>813125</td>
<td>8601000</td>
<td>in Billabong</td>
<td>SC11</td>
<td>严密 GER</td>
<td>严密 GER</td>
<td>严密 GER</td>
<td>严密 GER</td>
</tr>
</tbody>
</table>

Swim Creek Project EL 25165 Year 6 Annual Report to 6th Nov 2012
6.4 AIRBORNE ELECTRO MAGNETIC (AEM) GEOPHYSICS

The results of the year 1 program did not establish precise targets for drilling. It was decided that an Airborne Electromagnetic (AEM) Survey may locate conductive targets in the favourable host lithologies which could be tested by drilling. These would be bedrock conductors representing graphitic or chloritic / pyritic facies and or structures.

During Year 3, an AEM Survey was flown by Fugro Geophysics in association with Geoscience Australia (GA).

After many delays, the initial survey data was received in May 2010.

The survey details are given below:

Line spacing 1,666m
Line direction East-West
Swim Creek approximate line kilometres 219 km

The raw data was processed by Encom to give various depth layer conductivities. This enabled the identification of deep bedrock conductors as opposed to surface (salt water) conductors. It is interesting that the surface here is mostly non conductive. Strong deep bedrock conductors may be black (graphitic) schists or possibly Whites Fm equivalents within the Wildman Siltstone

The images are shown below in Figures 12 & 13.

7.0 CURRENT INVESTIGATIONS

It was planned to conduct an RC drill program to the targets provided by the geophysical surveys and the interpreted stratigraphic concepts during year 4.

During May 2010 (year 4), a field reconnaissance was made to locate access to the planned drill sites. Some minor access upgrading will be required prior to drilling. Some access was still boggy in May.

Unfortunately there were delays in the approval of the Mine Management Plan (MMP) which was only received on 23rd September 2010. Efforts were made to organise staffing and drill contractors in time before the wet season. However rain began in October and with access to most holes crossing wet areas, access was not possible or dubious to most, if not all, planned drill sites.

This program was then planned for year 5 in the dry season preferably around May or June 2011. This was delayed while discussions continued with a group who were to finance the ongoing programs but this recently fell through.

Discussions were renewed in 2012 and a Farm In agreement was signed with Rum Jungle Resources Ltd in September 2012.

Rum Jungle Resources is targeting mainly gold deposits similar to Toms Gully, Rustlers Roost and the Quest deposits. The geological setting is a classic tightly folded structure with well-developed faulting and shearing similar to many gold deposits of the Victorian goldfields.

Rum Jungle Resources began with a comprehensive literature review including rectifying some mislocation of drill holes by previous explorers. In the opinion of Rum Jungle Resources, the
prospectivity of the Annaburro Dome anticline remains inadequately tested. Rum Jungle Resources intends to systematically explore the whole dome, including the larger portion on southern EL 25165, which contains the historical Donkey Hill Gold Prospect. The Donkey Hill Prospect 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 Annaburro 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. Newmont dug five costeans for 165 m 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. 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 only one could be relocated on the ground and included in Rum Jungle Resources’ database. Although all four holes reportedly intersected the near-vertical quartz vein system, the assays were erratic and 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%. Rum Jungle Resources considers that there is potential to test these veins at greater depth and to locate extensions of the veins along strike within the axial plane of the Annaburro Dome anticline.

A second zone known as Donkey Hill South was identified by Newmont from grab samples of 50.8 g/t Au and 13.7 g/t Au from different veins. The Donkey Hill South surface results were erratic and could not be repeated. Indeed, 28 m of trenches over the discovery outcrop failed to identify any significant gold or other mineralisation in the subsurface veins.

Rum Jungle Resources planned a gridded soil sampling program over entire Annaburro Dome rather than just focus on the Donkey Hill and Donkey Hill South prospects, although these prospects were covered for geochemical orientation. In all, 665 samples were collected over the whole dome. The bulk of the samples were collected at 400 m x 400 m spacing with the Donkey Hill orientation area sampled at 100 m x 100 m. All will be assayed for Au, Ag, As and Cu. Nineteen selective surface rock chips were also taken on a transect along the southern axis of the anticline and around the central crest of the anticline. Results are awaited. If results are favourable, it is planned to commence drilling in 2013, once the work program has been approved.
Figure 8: Swim Creek Geology showing the Annabarroo Dome and Donkey Hill Targets
Uranex completed a new ground check of all the accessible uranium anomalies, AEM bedrock conductor sites and the possible planned drill hole locations. It also checked the state of existing access.

**8.0 PROPOSED EXPLORATION**

Some of the planned drilling of the bedrock conductors may still proceed. However, this may be combined with the drilling of soil anomalies for Au nearby. A final decision will be made when the Au drill targets are selected. If the conductors are graphite they may also be suitable Au hosts and targets.
8.1 POSSIBLE PLANNED REVERSE CIRCULATION DRILLING FOR URANIUM

The program of angled reverse circulation drill holes for uranium has been planned using angled holes (-60 degrees) at selected targets. The azimuth is generally opposite to the expected dip direction.

These planned holes are shown on the figures below superimposed on various images used in the targeting. It is planned to drill to around 150 metres in each hole.

As shown below there are 6 planned holes on Swim Creek for approximately 900 metres of drilling. A selection may be made from these.

Holes 1 and 2 will test the U anomalies (Figure 10) and the edge of the weaker bedrock conductive area (Figure 13).

Holes 3 and 4 will test the strongly conductive bedrock zone (Figure 13) where access is available.

Holes 5 & 6 will be drilled with opposite azimuths to test the strong U indicator anomalies (Figure 9) within the bedrock conductor zone (Figure 13).

Figure 10: Swim Creek Planned Drill Collars on U / Th
Figure 11: Swim Creek Planned Drill Collars on RTP Magnetics

Figure 12: Swim Creek Planned Drill Collars on Shallow AEM 15 to 20 Metres
Note the absence of surficial conductors here
Figure 13: Swim Creek Planned Drill Collars on Bedrock AEM 60 to 100 Metres
Note the strong bedrock conductors – possibly graphitic shales within the Wildman Siltstone ?= Whites Fm.

8.2 POSSIBLE PLANNED REVERSE CIRCULATION DRILLING FOR GOLD

If the surface sampling results are favourable, Rum Jungle Resources intends to RC drill any target element geochemical anomalies and to angle drill test deeper extensions of the Donkey Hill veins.

9.0 CONCLUSIONS AND RECOMMENDATIONS

Results from the aeromagnetic exploration done to date have provided drill targets to follow up of the Swim Creek Project area for uranium and gold exploration.