



Titleholder: Rum Jungle Resources Ltd

Operator: Rum Jungle Resources Ltd

Tenement Manager: Ross McColl

Tenement: EL 28156

Project Name: Ross River

Report Title: First annual report for EL 28156, Ross River, period ended 14 February 2012

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Corporate Author: Rum Jungle Resources Ltd

Target Commodities: Copper, gold, silver, nickel, PGE, uranium

Date of Report: 8/3/2012

Datum/Zone: GDA94/ Zone 53

250K mapsheet: Illogwa

100K mapsheet: Illogwa

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Appendix 1 Geophysical Data

SUMMARY

During the first year of tenure an airborne geophysical survey was flown by Aerosystems Pty Ltd.

Approximately 1000 line km were flown at 100m line spacing using a Robinson 44 helicopter due to the rugged terrain.

Expenditure was \$63 991 against a covenant of \$35 000.

INTRODUCTION

EL 28156 (Ross River) is located 40-60 km east of Ross River Resort, in an area comprising the Hale River and Albarta Creek, south and south east of Ruby Gap Nature Park. EL 28156 was granted to Rum Jungle Resources Ltd on 15 February 2011 for a period of six years.

In October 2011, an exploration agreement was signed with the Central Land Council and Traditional Owners as the tenement falls on the Aboriginal-owned Loves Creek Station. EL28156 is part of three tenements comprising the Ross River Project.

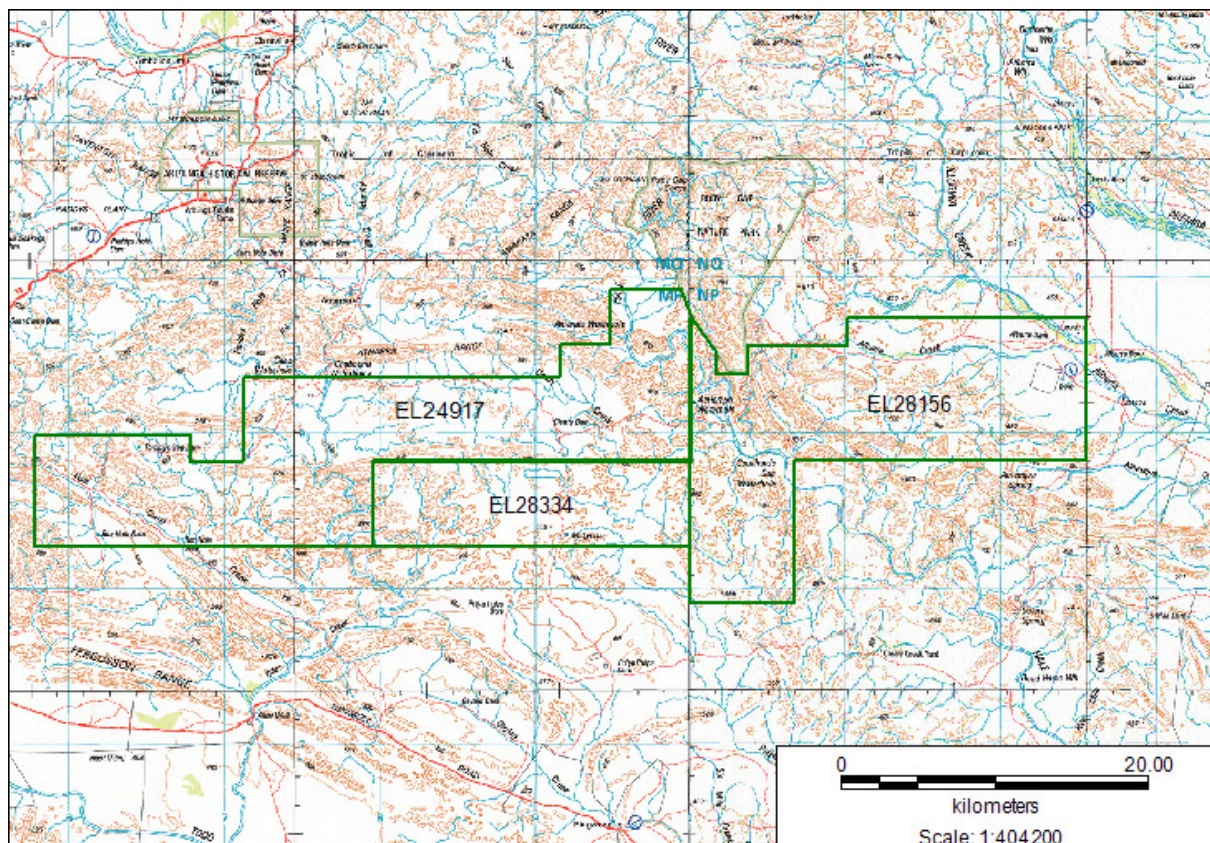


Figure 1. Location Map of EL28156 and other tenements in the Ross River project area

GEOLOGICAL SETTING

Heavitree Quartzite unconformably overlies the Arunta basement rocks and forms the basal unit of both the Amadeus and Ngalia Basins. Both the basement rocks and the Heavitree Quartzite were deformed during the Alice Springs Orogeny, commonly resulting in complex inter-thrustured wedges and folds along the present basin edge.

The tenement area is mainly occupied by Amadeus Basin Sediments.

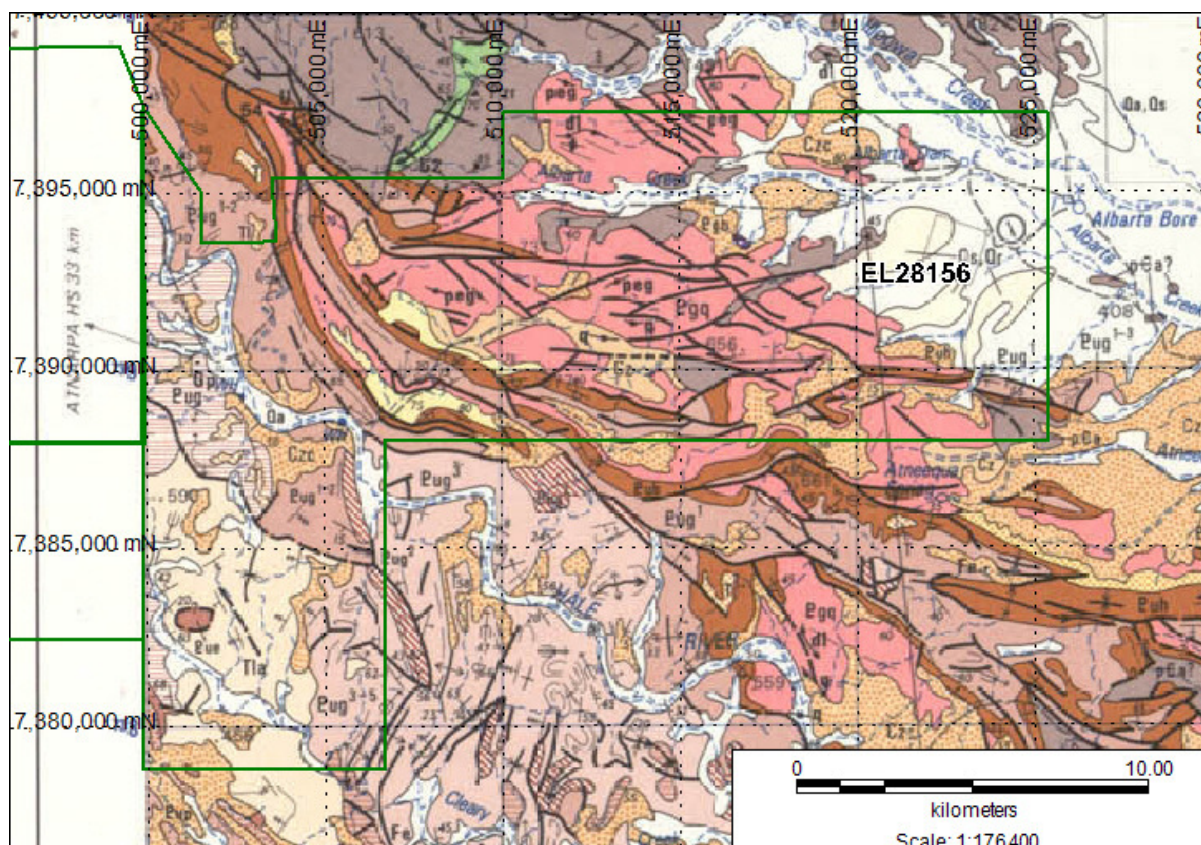


Figure 2. Geological Map of EL28156

PREVIOUS EXPLORATION

During the late 1970s, Esso Australia and separately AGIP, explored for uranium and metals. During the late 1970s and 1980s, Stockdale and a WMC JV separately undertook diamond exploration. Afmeco explored for sandstone-type uranium in the Illogwa Creek area in 1980. BHP Minerals explored for diamonds and base metals in the early 1980s. Pancontinental Mining targeted heavy minerals in the Hale River catchment in 1990. From 1991 to 1994, Normandy explored the area for stratiform sediment-hosted base metal mineralisation within the Amadeus Basin succession. Roebuck Resources undertook stream sediment and rock chip sampling and tested two magnetic anomalies for gold and base metals in 1993. Rio Tinto Exploration held ground for stratiform base metals, unconformity uranium and diamonds during 1996-98. The work was concentrated in the Amadeus Basin sediments. From 2001 to 2003, Gutnick Resources used a Witwatersrand model to explore for gold mineralisation along the contact of the Amadeus Basin and basement. Western Desert Resources explored for uranium, diamonds and base metals in 2010.

CURRENT EXPLORATION

During 2011, an airborne geophysical survey was flown by Aerosystems Pty Ltd using a Robinson 44 helicopter for safety reasons due to rugged terrain. Approximately 1000 line kilometres were flown on EL28156 as part of a larger survey totalling 4864 line kilometres on the Ross River Project area incorporating adjacent tenements EL28334 and EL24917.

The lines were flown north south at 100m line spacing at a 40m flying height with tie lines at 1000m line spacing. The survey was flown in June 2011. The southern part of the tenement was not flown.

Minor ground geological reconnaissance was carried out but no rock chip samples were taken.

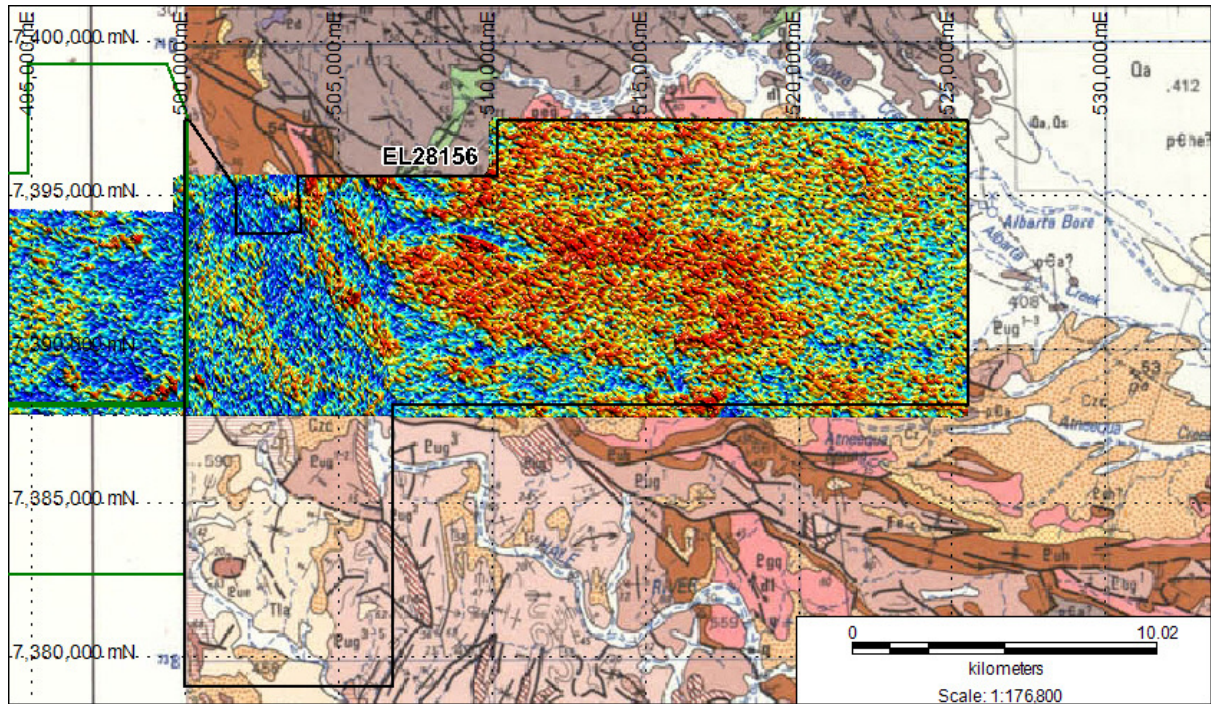


Figure 3. Uranium image for EL28156

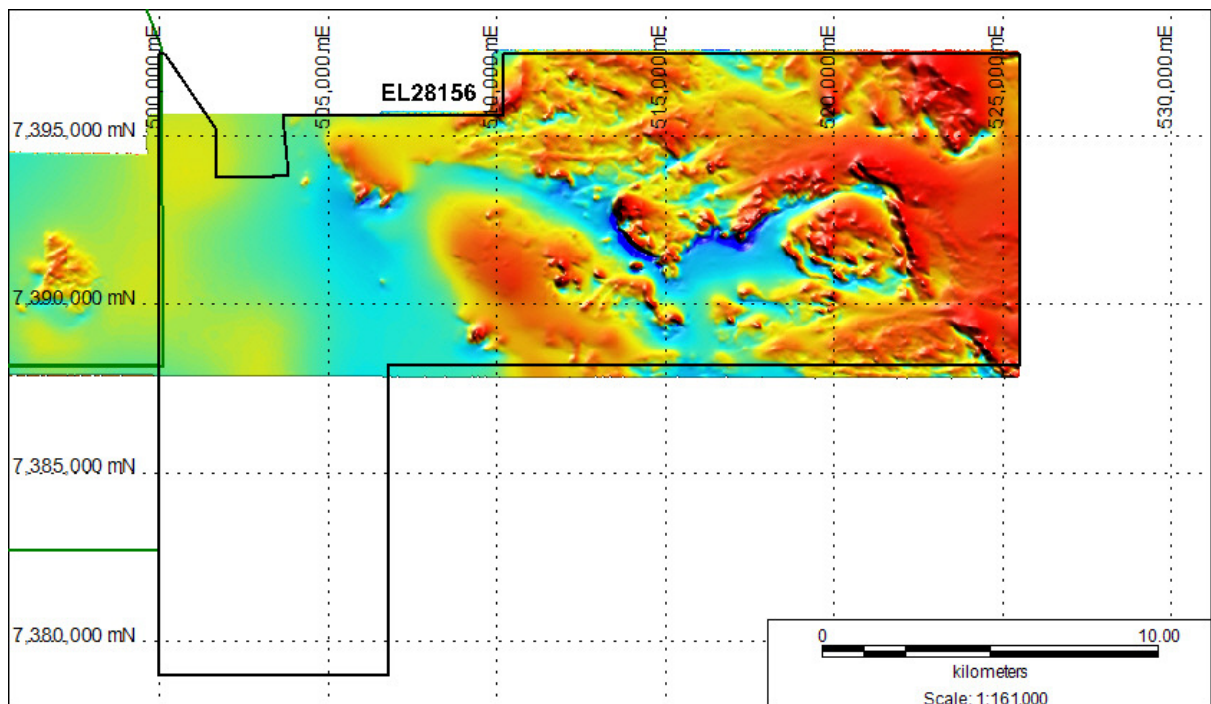


Figure 4. Magnetic Image for EL28156

PLANNED EXPLORATION YEAR 2

A helicopter sampling program and geophysical anomaly follow up will be conducted. Soil and rock chip sampling will be conducted to try and define drill targets to test in year 3. Terrain is quite rugged and vehicle access is limited to a major part of the tenement.

PLANNED EXPENDITURE YEAR 2

Expenditure for this work is expected to be \$36 800.

CONCLUSION

An airborne geophysical survey was flown during year 1 of tenure. Magnetic and radiometric targets will be assessed on the ground in year 2.