Titleholder: Rum Jungle Uranium Limited
Operator: Rum Jungle Uranium Limited
Tenement Manager: Ross McColl
Tenement: EL27168
Project Name: Warrego South
Report Title: First Annual Report for EL 27168, Warrego South, period ended 20/09/2010
Author: Nigel Doyle and Jenna Nowland
Corporate Author: Rum Jungle Uranium Ltd
Target Commodity: Uranium, gold, base metals
Date of Report: 25/10/2010
Datum/Zone: GDA94/ Zone 53
250K mapsheet: Tennant Creek SE5314
100K mapsheet: Kelly
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SUMMARY
During the first year of tenure, limited reconnaissance field work and geophysical review was conducted over the tenement.

Expenditure for the first year of tenure was $5747 against a covenant of $24 000.

Figure 1 Location of EL 27168 in the Tennant Creek area
INTRODUCTION

It is located 50km north west of Tennant Creek on the Kelly 1:100 000 map sheet and the Tennant Creek 1:250 000 map sheet about 5km south east of the Warrego Gold Mine. The tenement was pegged to explore for IOCGU mineralisation, vein type and unconformity type uranium mineralisation. The tenement is underlain by the “hot” Warrego Granite.

EL27168 is part of Rum Jungle’s Tenant Creek Project which consists of 10 granted tenements. Access to the tenement is via the bitumen Warrego Highway to Warrego Mine, then via a gravel road leading south from the mine along the southern edge of the tenement.

GEOLOGICAL SETTING

EL7168 is located on the western fringe of the Proterozoic Warramunga Province where it has been intruded by the biotite bearing Tennant Creek Granite, part of the Tennant Creek Supersuite. The tenement area is mostly comprised of the granite.

To the north of the tenement are felsic phorphyry units that lie amongst a splay of North West trending faults. These faults are associated with the Mary Lane Shear Zone that strikes northwest running from near the Tennant Creek town, through Warrego, before turning north. Significant mineral occurrences containing copper, gold and bismuth have been found along these major structures close to EL27168.

The Flynn Sub Group overlies the older deformed Warramunga Formation which hosts the Tennant Creek goldfield. The younger Warrego Granite intrudes the Flynn Sub Group and the Warramunga Formation and outcrops to the north west of the tenement.
**PREVIOUS EXPLORATION**

Geopeko drilled the Navigator prospects to the east and north east of the tenement in the early 1970’s intersecting magnetite ironstones with typical Tennant Creek alteration assemblages and some copper, gold and bismuth mineralisation.

The White Devil and Black Angel abandoned open cut mines are approximately 5km to the north east of the tenement with White Devil having two high grade mineralisation styles; the upper shear hosted style which averaged 17.6 g/t Au and the deeper ironstone hosted mineralisation which averaged 22.3 g/t Au.

**CURRENT EXPLORATION**

During the first year of tenure, brief field trips were made to the tenement and hand held XRF readings were taken of selected soil and rock chip samples with no outstanding results. No samples were selected for laboratory analysis. A review of the available government geophysical data was carried out with two magnetic anomalies identified in the northern half of the tenement which require further attention of the ground and may warrant a ground magnetic survey which will be looked at during the second year of tenure.
Figure 3. Radiometric image of the tenement.

Figure 4. Magnetic image of the tenement.
PROPOSED EXPLORATION ACTIVITY YEAR 2
During the fourth year of tenure, exploration activities will consist of the following:

- Ground magnetic survey of two anomalies
- Processing of magnetic data
- Ground prospecting and sampling

PROPOSED EXPENDITURE YEAR 2
Ground magnetic survey $7000
Ground follow up and sampling $3000
Salaries $4000
Report Writing $1000
Vehicle and accommodation $3000

Total $18 000

CONCLUSION
Limited field work was conducted during the first year of tenure as resources were directed to other projects. No mineralisation has yet been detected however two magnetic anomalies will be assessed during the next year of tenure.