Titleholder: Rum Jungle Resources Ltd
Operator: Rum Jungle Resources Ltd
Tenement Manager: Ross McColl
Tenement: EL 27586
Project Name: Daly River
Author: John Dunster, Nigel Doyle and Jenna Nowland
Corporate Author: Rum Jungle Resources Ltd
Target Commodity: Uranium and Base Metals
Date of Report: 16/5/2011
Datum/Zone: GDA94/ Zone 53
250K map sheet: Fergusson River
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This is a replacement report
SUMMARY
During the first year of tenure a literature review, database compilation, and geological and logistical reconnaissance were carried out. Six rock chip samples were collected. The best results were samples 5476, 5480 and 5482 returning copper assays >500 ppm.
Expenditure was $10 013 against a covenant of $61 600.

INTRODUCTION
EL 27586 was granted to Rum Jungle Resources Ltd on the 20/4/2010 for a period of six years. The tenement is situated approximately 200 km S-SW of Darwin in the Daly River district.
The tenement area is made up of only 10 sub-blocks within the Pine Creek geosynclines and covers geology that is considered prospective for uranium, base metals and diamond-bearing kimberlites.
Although the tenement is on pastoral lease, most of the area is remote and inaccessible with a few fence lines and bush tracks which become impassable during the wet season. Many creek crossings were washed out as a result of the unusually heavy wet season and much of the vegetation had become too thick to safely land a helicopter.

GEOLOGICAL SETTING
EL 27586 is located in the western domain of the Proterozoic Pine Creek Orogen (PCO) in the Top End of the Northern Territory. The tenement geology is primarily located in Burrell Creek Formation of the Late Proterozoic Finniss River Group consisting of metagreywackes, conglomerates, phyllites and mudstones as well as minor schists. The Chilling Sandstone of similar age overlies the Burrell Creek formation to the east of the tenement area. These units have been faulted against the lithic tuffs of the Berinka Volcanics of the Finniss River Group to the south and the Murakamangee Granodiorite to the north.
The Giants Reef Fault is a large dextral transcurrent fault system that continues through to the Rum Jungle Complex. Faulting, hydrothermal activity, volcanic and intrusives makes the area prospective for base metals, uranium and gold.

PREVIOUS EXPLORATION
The area was considered prospective for uranium mineralisation with granite complexes and Achaean- Proterozoic metamorphics indicating geological settings similar to the East Alligator uranium fields. Companies such as Esso’s Australia Ltd and Placer Austex Pty Limited in the 1970’s and Mobile Energy Minerals Australia in the 1980’s explored for uranium mineralisation in the area.
Carpentaria Exploration explored the area in and around Terry’s Prospect throughout the 1980’s. Ground magnetic surveys, stream sediment surveys, soil and rock chip geochemical programs, 18 RC drill holes and 3.25 km of costeans were dug exploring for gold. In 1993, CRA conducted statistical analysis of historical stream sediment data and highlighted nine areas of base-metal anomalism. This was followed by an airborne electromagnetic survey where a conductive response was recorded.
coincidental to an area with a geochemical drainage anomaly within the Hermit Creek Metamorphics (CRA, 1995).

The region was also considered prospective for kimberlite exploration, where Gem Exploration and Minerals Pty Ltd managed a joint venture with Suttons Motors Group and Mobile Energy and Minerals, allowing Gem to explore for diamonds in the 1980’s. This idea was based largely on the tectonic similarity with the Halls Creek Mobile Zone, Western Australia, where kimberlites are known to occur.

**CURRENT EXPLORATION**
Field work was severely limited by poor ground access due the unusually heavy wet season. Two days were spent reconnaissance sampling on EL 27586 around Chilling Creek, west of Daly River. Six rock chip samples were collected and sent for assay. Interestingly, an area around the Giants Reef Fault, east of the Terry’s Gold Prospect on EL 27586 returned numerous samples with highly anomalous copper in an area of quartz stockworks running parallel to the main fault.

Neighbouring lease holder Outback Metals Ltd have discovered a silver-copper prospect called Silver Strike also in the Berinka Volcanics proximal to the Giants Reef Fault about 15 km south west of RUM’s tenement. This may suggest that mineralised fluids originating from the fault, the volcanics or both. Further sampling and possibly geophysics are needed to pin point a potential area for higher grade mineralisation. The area to the north east further along the northern side of the fault has yet to be sampled however the terrain is extremely rugged.
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**PLANNED EXPLORATION YEAR 2**
Exploration will continue on EL 27586. Subject to suitable access, further rock chip sampling will be undertaken in the Berinka Volcanics and the Giants Reef Fault system will be studied further to the north of this year’s samples. Drill targets may then be picked for RC drilling later in the year.

**PLANNED EXPENDITURE YEAR 2**
- Rock chip sampling and geological reconnaissance $7000
- Assaying $2000
- Vehicles and field equipment $3000
- Report writing $1000

Total $13 000

**CONCLUSION**
Six rock chip samples were collected and returned values elevated in copper. Further sampling and possibly geophysics are needed to pin point a potential area for higher grade mineralisation. The area to the north east further along the northern side of the fault has yet to be sampled however the terrain is extremely rugged.