

Listings Officer
 ASX Melbourne
 ASX Announcement by Electronic Lodgement, 30th April 2012

HIGHLIGHTS

- \$6.6M capital raising and \$4.8M Underwriting of options secures over \$11M for future development.
- Rum Jungle Resources Ltd consolidated its landholdings for phosphate exploration in the Ammaroo project and applied for a Mineral Lease over the Barrow Creek 1 resource.
- Estimation of first potash resource at Karinga Creek in preparation.
- Planning was completed for the 2012 field season on the Karinga Creek Potash project with second stage drilling commencing immediately.
- An intensive 2012 field program is about to commence across all Rum Jungle Resources' project areas.

AMMAROO PHOSPHATE PROJECT (RUM 100%)

Ammaroo Phosphate Project

The Ammaroo Phosphate Project includes 12 exploration licenses and applications, which cover a 175 km strike of the northwestern neck of the highly prospective southern Georgina Basin. The project area contains the Barrow Creek 1 deposit, the Ammaroo 1 prospect and significant, as yet untested, greenfields potential. During the quarter, Rum Jungle Resources Ltd acquired EL 26196 from Spinifex Uranium Ltd in return for the issue of shares in Rum Jungle Resources. This brings Rum Jungle Resources' contiguous holdings to the known northwestern limit of the phosphate host rock (the Arthur Creek Formation) and less than 20 kilometres from the Central Australia Railway.

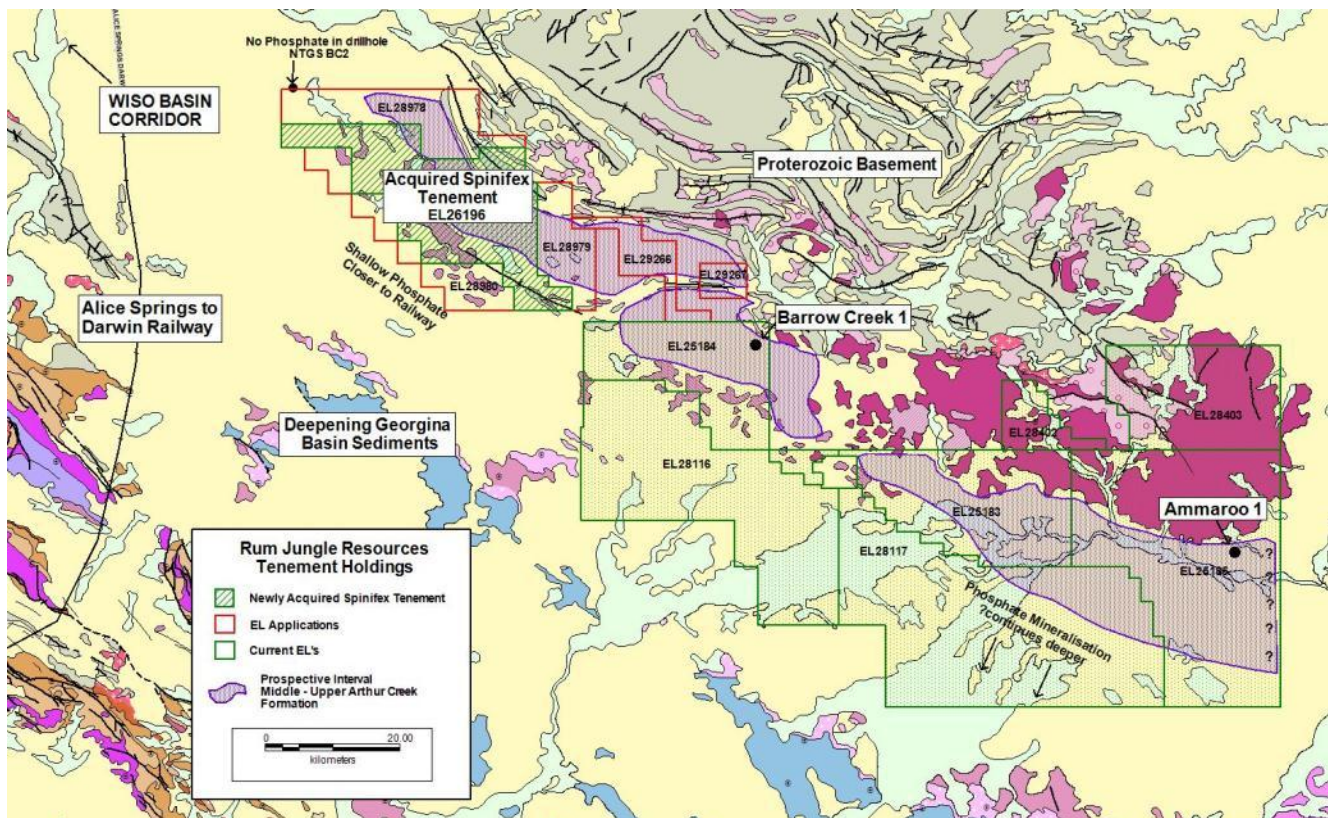


Figure 1: Location of EL 26196 with respect to possible NW extension of Arthur Creek phosphate horizon



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Barrow Creek 1 Deposit

Rum Jungle Resources Ltd discovered the Barrow Creek 1 phosphate deposit on EL 25184 in 2010. The 250 million tonne deposit is attractive in comparison to other Georgina Basin deposits because it is only 80 km from the Darwin-Alice Springs railway; it contains high-grade material and is relatively shallow.

During the quarter, Rum Jungle Resources applied to the Northern Territory Department of Resources (DoR) for a 6391 hectare Mineral Lease over the Barrow Creek 1 resource.

Drilling which is currently under way is designed to close off the deposit and to infill the existing Barrow Creek 1 grid to increase the resource in the Indicated category. This includes more close-spaced drilling of the shallower, higher-grade parts of the overall deposit.

Work on beneficiation testing, rock mechanics, mill testing and potential mining methods continued during the quarter. Adelaide based laboratory, ALS, provided initial flotation test results, which indicate that a good rougher concentrate grade can be achieved relatively easily. All this work will be synthesised into a comprehensive report in the future. ALS is currently developing a two-pronged approach to metallurgical recovery of DSO grade phosphate rock (plus 30% P₂O₅). The first conventional approach is using floatation testing to remove unwanted impurities such as aluminium and iron and to produce a high-grade concentrate. The second approach is to utilise higher-grade bulk samples around 30% P₂O₅ which have been excavated on site at Barrow Creek 1 and delivered to Adelaide. These samples will be subjected to simple mechanical beneficiation such as screening, washing and attritioning, to provide DSO without requiring full-scale beneficiation in start up production years.

Ammaroo 1 Prospect

The Ammaroo 1 phosphate prospect was discovered in 2009 and had been previously tested with 19 exploration drill holes. It was planned to drill this prospect at 400 m x 400 m spacing during 2012 with the intention of establishing a maiden Inferred Resource. This work has just been completed with the entire program being completed during April. Assay results will be released to the market over the next month as they become available. It is apparent from the drill program that the deposit remains open and additional approvals will be required to extend the drill grid.

Regional Drilling Murray Downs

A meeting planned with Traditional Owners for late April was postponed to May due to wet weather making the meeting site inaccessible. Tenements west of Barrow Creek 1 will be drilled immediately after receiving site clearances from Traditional Owners and MMP approvals from the DoR.

KARINGA LAKES POTASH PROJECT (RUM71%, Reward 29%)

RUM and Reward Minerals Ltd JV. RUM is operator, sole risk funding and increasing equity

The Rum Jungle Resources and Reward JV is investigating the subsurface potassium- and magnesium-rich brines in a chain of dozens of dry playa lakes in the southern Northern Territory. These brines could be used for the production of various Potash fertiliser minerals. The water-soluble potassium-bearing fertiliser mineral salts, loosely called "potash", include potassium sulphate (SOP which is usually a manufactured product) and potassium magnesium sulphate (schoenite or leonite), which may be produced by staged solar evaporation. These are premium-quality fertilisers ideally suited to Australian soils and currently entirely imported from overseas. During the quarter, a comprehensive revision of the work program was completed. DoR has approved an Air Core drilling program but a proposed trenching program of 4 trenches, each 100 m long, has yet to be approved. Air Core drilling and installation of cased water bores and piezometers for drawdown pump testing is expected to commence in early May. Groundwater consultants and drilling contractors with the necessary specialised equipment for work on the salt lakes have already been engaged.

GEOS Mining Consultants were engaged to undertake a JORC Resource estimation based on the drilling and sampling undertaken up until November 2011. This drilling had an average maximum depth of 3.2 m. A report is in final preparation at time of writing. This maiden resource estimate will provide an estimate of easily accessible brine recoverable from surface trenching within the lakes.



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The maiden resource will be reviewed following the air core drilling program designed to extend the resource to a depth of around 12m into the underlying Aquifer 2. The company is confident that the deeper fractured brine aquifer will add significantly to the initial potash resource. Air Core drilling will commence this week.

When reviewing comparable operations producing potash salts in other countries one sees healthy returns from projects producing under 100,000 tonnes of potash per year up to in excess of 1,000,000 tonnes per annum.

ROSS RIVER / ALICE SPRINGS PROJECT (RUM 100%)

This project area has defined targets for copper, nickel-PGE, iron and uranium mineralisation and untested magnetic anomalies under cover. The Central Land Council undertook a work clearance during March. Proposed access tracks and 17 planned drill holes were scouted and pegged during a three-day site visit by Rum Jungle resources' staff. The work program has yet to be approved by DoR.

MOUNT BUNDEY / TOP END PROJECT (RUM100% & earning 70% in EL 25165)

A review was undertaken of the prospectivity of a range of new target commodities in this project. On-ground work including surface sampling and drilling has been planned for the upcoming field season. RC drilling contractors have been engaged to commence drilling in the second half of May with a number of priority VTEM targets to be drilled.

The Donkey Hill gold project has produced strong gold values from soils and rock chips and a detailed soil geochemical sampling program is scheduled to commence as soon as the wet season subsides.

DAJARRA, QUEENSLAND (RUM 100%)

The five Dajarra EPMs 18560-18564, centred about 75 km southwest of Mount Isa, are targeting albitite-hosted Valhalla-style uranium mineralisation and iron-oxide copper gold uranium along faults which splay off the major Mount Isa Fault system. Interpretation of airborne radiometric surveys carried out by the Company has delineated strong uranium anomalies. A reconnaissance and sampling trip using helicopter access is planned for June.

HEALTH, SAFETY, ENVIRONMENT AND COMMUNITY

Rum Jungle Resources' OHS&E policies are being updated as part of the harmonisation to national uniform legislation and new site-inductions have been prepared. GPS tracking devices have been fitted to all Rum Jungle Resources' field vehicles as an additional safety precaution for the 2012 field season.

During March, indigenous workers from the nearby Ampilatwatja community began work with the company rehabilitating last year's RC drill sample spoils. The company actively pursues the opportunity to employ indigenous workers.



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A handwritten signature in black ink, appearing to read 'DW Muller', is positioned above the name and title of the signatory.

DW Muller MSc, MBA, FAusIMM
Managing Director

The information in this report that relates to exploration results, mineral resources or ore reserves is based on information compiled by Mr David Muller, who is a Fellow of the Australasian Institute of Mining and Metallurgy.

Mr Muller is Managing Director of Rum Jungle Resources Ltd and a consultant to the Company. Mr Muller has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity to which he is undertaking to qualify as a Competent Person as defined in the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves".

Mr Muller consents to the inclusion in this report on the matters based on their information in the form and context in which it appears.

This document may contain forward-looking statements. Certain material factors or assumptions were applied in drawing a conclusion or making a forecast or projection as reflected in the forward-looking information. Actual values, results or events may be materially different to those expressed or implied.