

**Listings Officer
ASX Melbourne
ASX Announcement by Electronic Lodgement,
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PHOSPHATE EXPLORATION UPDATE 22/06/2012

AMMAROO PHOSPHATE PROJECT (RUM 100%)

The Ammaroo Phosphate Project now includes 11 granted exploration licences covering the Barrow Creek 1 and Ammaroo 1 rock phosphate deposits; new Exploration Licenses on Murray Downs Station, further west; two exploration licence applications to the northwest; and a Mineral Lease Application MLA 29463 over the Barrow Creek 1 resource. The total area being explored is 5,450 km².

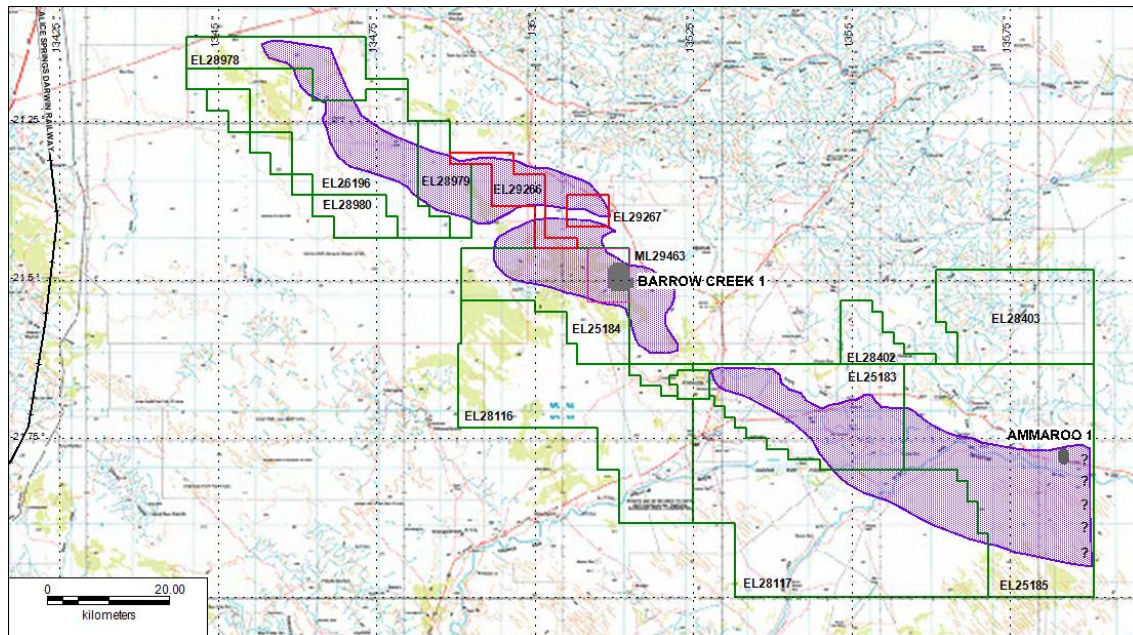


Figure 1 Rum Jungle Resources' and subsidiaries' holdings as of 21/06/2012, showing granted ELs in green, applications in red and pink, the named phosphate deposits, the prospective interval in purple stipple and the proximity to the railway to the west.

AMMAROO 1 DEPOSIT

During April, at the Ammaroo 1 rock phosphate prospect, 117 RC drill holes were completed for 5,697 m. Approximately half of the assays have been received, mainly from the eastern side of the grid. The thickest zones of medium to high-grade mineralisation are located on the southern most grid lines adjacent to the Sandover Highway. Whilst the number of holes is insufficient to calculate a resource yet, the current drilling program here will define the geometry and potential size of the deposit. Results and interpretation to date have surprisingly suggested that the thickest and best potential may lie south of the current grid. Further assays are awaited. A new MMP is being lodged to extend the grid several kilometres south of the Sandover River.

Best results received to date include some exceptionally thick intersections:

- 19 m @ 21.61% P₂O₅ from 35-54 m in hole AARC122
- 20 m @ 15.07% P₂O₅ from 31-51 m in hole AARC091
- 9 m @ 17.11% P₂O₅ from 28-37 m in hole AARC121

Holes AARC121 and AARC 122 are 400 metres apart on the southern most line of the drilling.

BARROW CREEK 1 DEPOSIT

At the Barrow Creek 1 rock phosphate deposit, resource-definition RC drilling has been in progress for about six weeks with approximately 530 holes drilled for 15,500 m. Average total hole depth has been 29 metres.

The current round of drilling at Barrow Creek 1 has three aims:

1. To infill a large part of the Inferred Resource to 100 m spacing to increase the confidence of the resource to Indicated status.
2. To define further zones of high-grade ore around 30% P₂O₅.
3. To increase the size of the deposit by targeting shallow areas of mineralisation beyond the perimeters of the current Inferred Resource.

The Company is very happy with the progress being made at Barrow Creek 1 and resource drilling at Barrow Creek 1 is already about 50% complete. The first assay results are expected in a week or two.

BARROW CREEK 1 METALLURGY

Over the last few months, bench-scale metallurgical testing has produced very encouraging results. The Company has recently completed preliminary metallurgical testing on samples from the Barrow Creek 1 Deposit. The test work was broken into two streams: The preparation of a DSO product from the high grade portion of the deposit for short term cash flow; and a beneficiation process to produce a high grade concentrate from the bulk of the Barrow Creek 1 Deposit.

A high-grade portion of the Barrow Creek 1 Deposit has been identified as having the potential to produce a Direct Shipping Ore (DSO) product. Bench scale work on this DSO component has focused on simple sizing followed by gentle mechanical attrition and de-sliming to remove clays. The encouraging work to date will be followed up with a larger bulk sample to define a process route. Bulk sample testing is expected to be completed in the September quarter.

The bulk of the Barrow Creek 1 Deposit has responded very favorably to beneficiation with a high-grade concentrate produced at bench-scale. The flotation work carried out to-date has focused on de-sliming followed by flotation to remove aluminium, iron and silica impurities. Further larger scale work is planned for the coming months to better define processing costs and further improve phosphate recovery and concentrate grade.

Beneficiation Results Summary

The scoping flotation tests have been conducted on bulk composite and individual samples to assess the potential for beneficiation including screening and selection of suitable flotation reagents and conditions. Other test work has also investigated possible processing routes to optimize the flotation feed by rejecting aluminium, iron and silica whilst upgrading the phosphate content and minimizing phosphate losses to the slimes. A small number of flotation tests conducted on the rejected slimes material indicate potential for producing additional concentrate tonnage.

The grade of the bulk composite sample prepared was:

P ₂ O ₅ 16.9%	Al ₂ O ₃ 7.1%	Fe ₂ O ₃ 2.1%	SiO ₂ 43.5%	CaO 22.8%	MgO 0.65%
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Processing and desliming typically upgraded the flotation feed to:

P ₂ O ₅ 18.8%	Al ₂ O ₃ 3.1%	Fe ₂ O ₃ 1.7%	SiO ₂ 45.9%	CaO 25.5%	MgO 0.29%
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whilst rejecting approximately 46% of the mass to the slimes stream.

Preliminary flotation tests typically produced a high grade concentrate with a low MER* of 0.11 and low $R_2O_3^*$ of 3.0, assaying:

P ₂ O ₅ 30.7%	Al ₂ O ₃ 2.0%	Fe ₂ O ₃ 1.0%	SiO ₂ 18.5%	CaO 41.7%	MgO 0.23%
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at a phosphate recovery of ~70% during flotation.

With individual tests producing even better results, including a concentrate with MER* of 0.06 and low $R_2O_3^*$ of 1.8, assaying:

P ₂ O ₅ 32.8%	Al ₂ O ₃ 0.7%	Fe ₂ O ₃ 1.1%	SiO ₂ 15.5%	CaO 44.6%	MgO 0.10%
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at a phosphate recovery of ~90% during flotation; and some products assaying as high as 33.8% P₂O₅.

*Concentrates with lower MER and/or R_2O_3 can attract premium prices:

- * MER (minor element ratio) is calculated as ratio of sum of metal oxides equivalents to phosphate content ie $(Fe_2O_3 + Al_2O_3 + MgO)\% / P_2O_5\%$ and
- * R_2O_3 is the sum of Fe_2O_3 and Al_2O_3 .

Engineering Studies Barrow Creek 1

The Company has recently completed an airborne LiDAR (Light Detection And Ranging) survey over the Barrow Creek 1 Mineral Lease Application with orthophoto resolution of 10 cm and 15 cm DEM (Digital Elevation Model) resolution. This data will be used in Mine Planning for Barrow Creek 1.

Three trial water bores, spaced 2 km apart, were drilled 10 km south west of Barrow Creek 1 to test for a potential bore field in close proximity to the deposit. Drilling was successful with one hole drilled to 200 m expected to yield potable water in excess of 20 litres per second from an 8-inch hole located in a limestone aquifer. The other two holes also produced good processing water. A production bore will be drilled alongside the best hole.

EL 26196 MURRAY DOWNS

This Exploration Licence, situated 30 km east of the railway on Murray Downs Station, was recently acquired from Spinifex Uranium Pty Ltd. The title has now been transferred and registered to Rum Jungle Resources Ltd by the NT Department of Resources. The Central Land Council has issued a Clearance Certificate. Although some sites of significance were identified, there should be no impediment to drilling of the most prospective areas. A Mine Management Plan (MMP) previously lodged with the Department of Resources is awaiting approval. This should be forthcoming so that line clearing and drilling can begin. A second drill rig owned by our drilling contractor, Bullion Drilling Pty Ltd, has become available and is being stored on site pending approval of the MMP.



D.W.Muller M.Sc., M.B.A., F.Aus.I.M.M.
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".



Rum Jungle Resources Ltd
ABN 33 122 131 622
20/90 Frances Bay Drive
Stuart Park NT 0820
GPO Box 775
Darwin NT 0801

Tel: (08) 8942 0385
Fax: (08) 8942 0318

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

The information in this report that relates to Metallurgical test results has been prepared by ALS Laboratory Services and has been commented on by Mr Bryn Jones who is a consultant process engineer to the Company. Mr Jones is a Fellow of the Australian institute of Mining and Metallurgy and has sufficient experience that is relevant to the metallurgical processes under consideration. Mr Jones consents to the inclusion in this report on the matters based on his 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.