



Listings Officer

ASX Melbourne

ASX Announcement by Electronic Lodgement, 30 August 2012

BARROW CREEK 1 PHOSPHATE DEPOSIT POTENTIAL LOW COST SHIPPING ORE UPDATE

The company is pleased to announce numerous high-grade intercepts that would provide enough ore material to prepare an initial, low-cost, direct shipping phosphate rock product prepared by simple mechanical beneficiation. The intercepts are from targeted, close-spaced, 50m holes at the Barrow Creek 1 phosphate deposit. These new intercepts will provide the data to estimate a new resource for this easily mined material. The significance of this ore is to avoid the initial outlay for a flotation beneficiation plant, which will eventually be required to beneficiate the global resource at Barrow Creek 1. This will significantly reduce both capital investment and operating costs in the commencement years of the project.

Resource drilling in 2012 should see a moderate increase in overall tonnage of the deposit but more importantly, close-spaced drilling at 100m and 50m grid spacing will result in a large increase in the Indicated JORC resource.

The company sees high grade direct shipping ore as being 25-35% P₂O₅ that can be mechanically beneficiated quickly by crushing, screening and washing at low cost. Metallurgical testing and discussions with interested offshore partners indicate that this material is well suited for feed into a phosphoric acid plant, which is the starting point for all high-end phosphate products.

A planned operational start up using the aforementioned processing route would see a shorter time frame for environmental and regulatory approvals and a quicker move to cash generation which would then provide capital for a long term beneficiation plant.

In 2011, RUM drilled 50m spaced holes over a shallow high-grade area in the northern part of the deposit (Area 1). **Area 1** would be a likely starting point for an open cut mine due to its high grade and very low strip ratios (many less than 1.0). Results previously released in 2011 include:

- 8m @ 30.8% from 15m in BCRC704
- 3m @ 35.7% from 14m in BCRC106
- 4m @ 31.1% from 12m in BCRC126
- 3m @ 30.2% from 12m in BCRC105
- 6m @ 27.4% from 5m in BCRC653
- 9m @ 26.6% from 8m in BCRC697
- 5m @ 28.3% from 3m in BCRC065
- 3m @ 30.0% from 5m in BCRC047
- 4m @ 27.6% from 8m in BCRC037
- 4m @ 27.2% from 2m in BCRC024
- 3m @ 26.8% from 3m in BCRC011
- 5m @ 25.5% from 5m in BCRC032

In 2012, two additional high grade areas were targeted for 50m grid drilling to further test high grade potential. These zones include a shallower **Area 2** and a deeper **Area 3** as shown in Figure 1.

Further assay results are awaited from **Area 2**, however results recently received include:

- 6m @ 29.2% from 9m in BCRC1892
- 2m @ 34.0% from 15m in BCRC1889
- 3m @ 33.7% from 14m in BCRC1908
- 4m @ 30.7% from 11m in BCRC1911
- 4m @ 30.6% from 10m in BCRC1912

Other additional results in near proximity to Area 2 include:

- 3m @ 31.0% from 8m in BCRC1364
- 2m @ 30.6% from 8m in BCRC1361
- 2m @ 32.0% from 16m in BCRC1356
- 3m @ 29.6% from 11m in BCRC1360

Drilling has only just been completed at **Area 3**, and therefore not all samples have been assayed. Recent results for Area 3 include:

- 8m @ 35.1% from 36m in BCRC1900
- 7m @ 30.8% from 10m in BCRC1294
- 6m @ 29.8% from 19m in BCRC1788
- 5m @ 34.1% from 31m in BCRC1871
- 2m @ 30.6% from 14m in BCRC1354
- 2m @ 33.7% from 33m in BCRC1933
- 2m @ 31.3% from 38m in BCRC1936
- 2m @ 36.3% from 21m in BCRC1370
- 3m @ 32.9% from 30m in BCRC1281
- 5m @ 27.1% from 7m in BCRC1297
- 2m @ 32.3% from 22m in BCRC1858

Drilling at Barrow Creek 1 for 2012 should be complete within 2 weeks, at which time all assays will be collated and sent to MPR Geological Consultants for a resource upgrade. The new resource figures will be used in a scoping study for Barrow Creek 1, which will start in October.

Results from the extensive exploration-drilling program at Murray Downs, west of Barrow Creek 1 should be available shortly. Unfortunately the XRF hand held analyser was out of service at the time of drilling and conventional assaying is being conducted over composite intervals of between two and five metres in all holes.

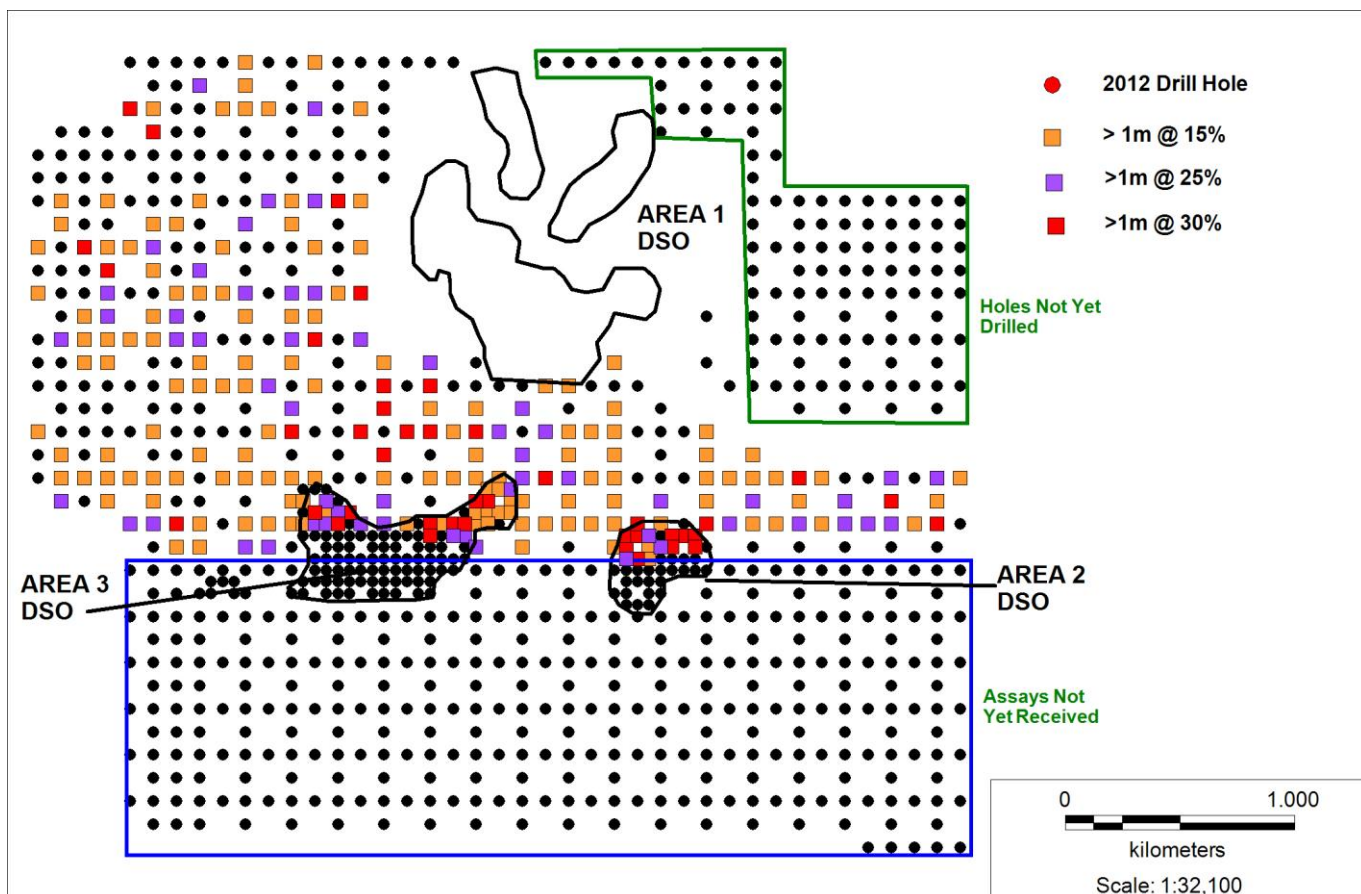


Figure 1. Plan of the high grade & shallowest area of mineralisation within the Barrow Creek 1 phosphate deposit highlighting three potential areas of accessible high grade phosphate rock. Map shows 2012 drill holes only (black dots). 2011 drill holes are not shown.

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 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 an employee of 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.