

Listings Officer
ASX Melbourne
ASX Announcement by Electronic Lodgement, 29/10/12

QUARTERLY EXPLORATION REPORT OCTOBER 29, 2012

HIGHLIGHTS

Rum Jungle Resources Ltd aims to become a dominant Australian fertiliser mineral company and is the only exploration company with significant resources of both phosphate and potash in Australia.

PHOSPHATE

- Resource infill and extensional drilling has been completed at Barrow Creek 1. In all during 2012, 1,192 RC holes were completed for 35,094 m. Barrow Creek 1 is now one of the most intensively drilled rock phosphate deposits in Australia. The close-spaced grid drilling at 100 m x 100 m and 50 m x 50 m centres should be sufficient for Indicated and Measured Resource status under JORC.
- New phosphate leads to the immediate north and northwest of Barrow Creek 1 resource.
- Southern extensional resource drilling was completed at Ammaroo 1. Thirty holes were drilled for 1,262 m during the quarter with some encouraging phosphate intersections. Assays are pending.
- Exploration drilling was completed at Murray Downs; 131 air core holes were drilled for 6,442 m.
- A scoping study has been initiated by Arccon Mining Services to develop a viable processing route.

POTASH

- Air core drilling and water bore installation was completed at Karinga Creek.
- Twenty-four hour pump testing was completed on ten selected bores. There was no decline in flow rate and there was no significant change to brine geochemistry over that period, confirming the viability of brine extraction, at least at that scale.
- Karinga Creek Potash brine resource upgrade is expected within a week.
- Bulk brine sample sent to MWH Global, world leaders in wet infrastructure based in Sydney, to develop a processing route for viable mineral production.

GOLD, BASE METALS and URANIUM

- Rock chips up to 61.2 g/t gold and 9 g/t silver in the same sample were recorded from the Donkey Hill prospect under a new joint venture agreement with Uranex Ltd.
- RC drill program for gold, base metals and uranium was completed at Ross River. Assays results from the program are pending. Further work will focus in the east on IOCG terrain adjoining Mithril's Illogwa Prospects.
- RC drill program for uranium was completed at Mount Bunday.
- Air core drill program for gold was completed at Mount Goyder; Anomaly 7 was downgraded.

CORPORATE

- Subsequent to the end of quarter, the company has announced two key additions to the board and management team as the company positions itself for development at its two fertiliser projects:
 - Mr Jeff Landels was appointed to the Board as non-executive Director.
 - Mr Chris Tziolis was appointed to the senior management team as Director of Project Development.

AMMAROO PHOSPHATE PROJECT (RUM 100%)

Ammaroo Phosphate Project

The Ammaroo Phosphate Project includes 13 granted exploration licences (Figure 1) which cover 5,450 km² over a 175 km strike of the northwestern neck of the highly prospective southern Georgina Basin where it connects to the Wiso Basin. The project area contains the Barrow Creek 1 deposit and the Ammaroo 1 prospect.

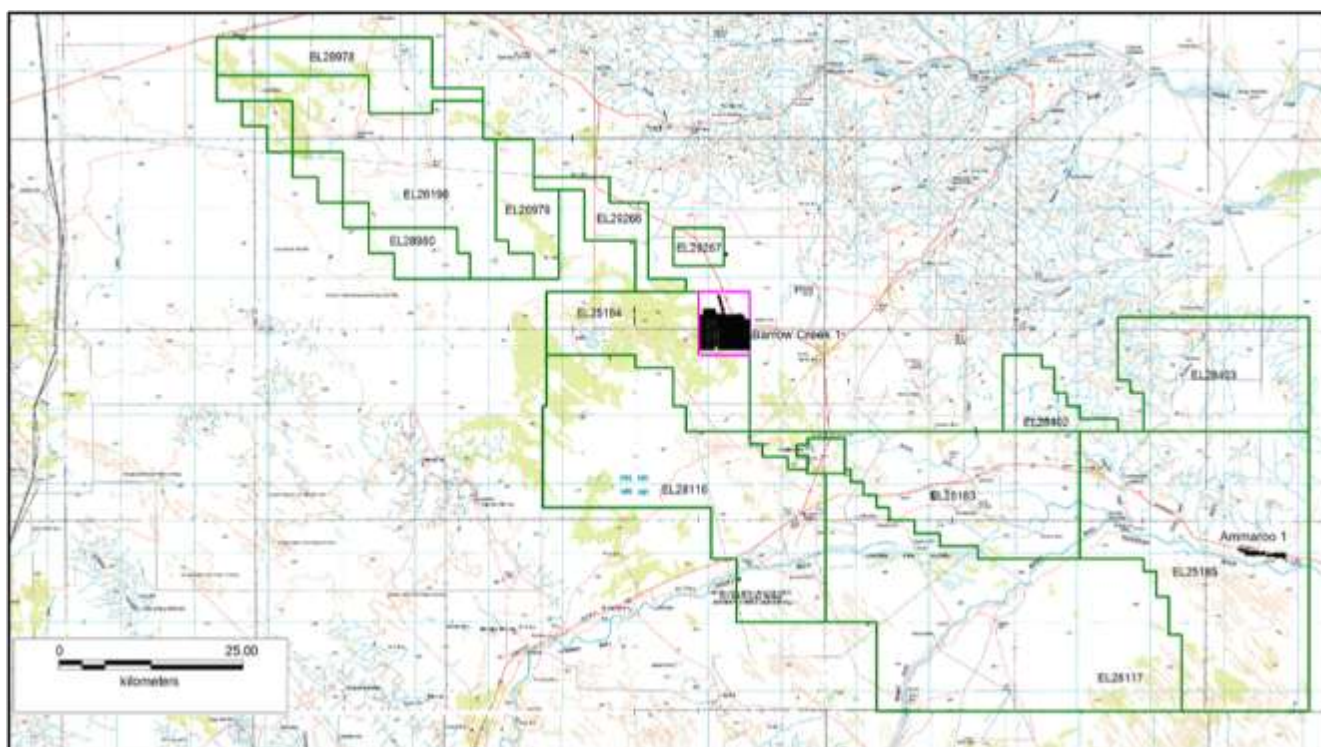


Figure 1: Rum Jungle Resources' and subsidiaries' holdings as of the end of the quarter, showing the:

- granted ELs in green
- ML application in pink
- named phosphate deposits and recent drilling there (black dots)
- proximity to the railway to the west.

Barrow Creek 1 Deposit

Rum Jungle Resources discovered the Barrow Creek 1 phosphate deposit on EL 25184 in 2010. The 253 million tonne deposit is attractive in comparison to other Georgina Basin deposits as it lies only 80 km from the Darwin-Alice Springs railway; it contains high-grade material, is relatively shallow and would be easily mined with conventional equipment probably without blasting.

Figure 2 below shows completed drilling over Barrow Creek 1 for 2011 and 2012 coloured by the received assay grades to date. The higher density drilling covers the areas of shallowest and highest grade mineralisation where mining is likely to commence. These areas are being studied for the DSO and MBO potential. Phosphate resources within this area should be compliant with Indicated-Measured JORC status once all data has been received. A resource upgrade is expected to be announced near the end of November.

A few of the best assays that have been received during the quarter are included below:

- 13 m @ 23.1 P₂O₅ from 9 m inc. 4 m @ 30.7% P₂O₅ in hole BCRC1911
- 13 m @ 22.1% P₂O₅ from 17 m inc. 5 m @ 30% P₂O₅ in hole BCRC1878
- 10 m @ 25.8% P₂O₅ from 10 m inc. 8 m @ 29.2% P₂O₅ in hole BCRC1352
- 14 m @ 22.3% P₂O₅ from 9 m inc. 4 m @ 30.6% P₂O₅ in hole BCRC1912

- 10 m @ 25.6 P₂O₅ from 8 m inc. 4 m @ 30.5% P₂O₅ in hole BCRC1892
- 8 m @ 27.6% P₂O₅ from 30 m inc. 6 m @ 31.4% P₂O₅ in hole BCRC1871
- 9 m @ 23.4% P₂O₅ from 31 m inc. 5 m @ 31.7% P₂O₅ in hole BCRC1864
- 11 m @ 24.8% P₂O₅ from 28 m inc. 6 m @ 31.3% P₂O₅ in hole BCRC1339
- 11 m @ 20.3% P₂O₅ from 8 m inc. 3 m @ 33.7% P₂O₅ in hole BCRC1908
- 8 m @ 25.3% P₂O₅ from 11 m inc. 3 m @ 32.5% P₂O₅ in hole BCRC1920
- 9 m @ 26.7% P₂O₅ from 15 m inc. 4 m @ 31.1% P₂O₅ in hole BCRC1975
- 9 m @ 23.0% P₂O₅ from 23 m inc. 4 m @ 31.4% P₂O₅ in hole BCRC1927
- 7 m @ 22.3% P₂O₅ from 21 m inc. 3 m @ 30.9% P₂O₅ in hole BCRC1895
- 11 m @ 20.9 P₂O₅ from 25 m inc. 2 m @ 33.6% P₂O₅ in hole BCRC1933
- 8 m @ 20.1% P₂O₅ from 4 m inc. 2 m @ 30.6% P₂O₅ in hole BCRC1361

Locations of these drill holes are tabled in Appendix 1.

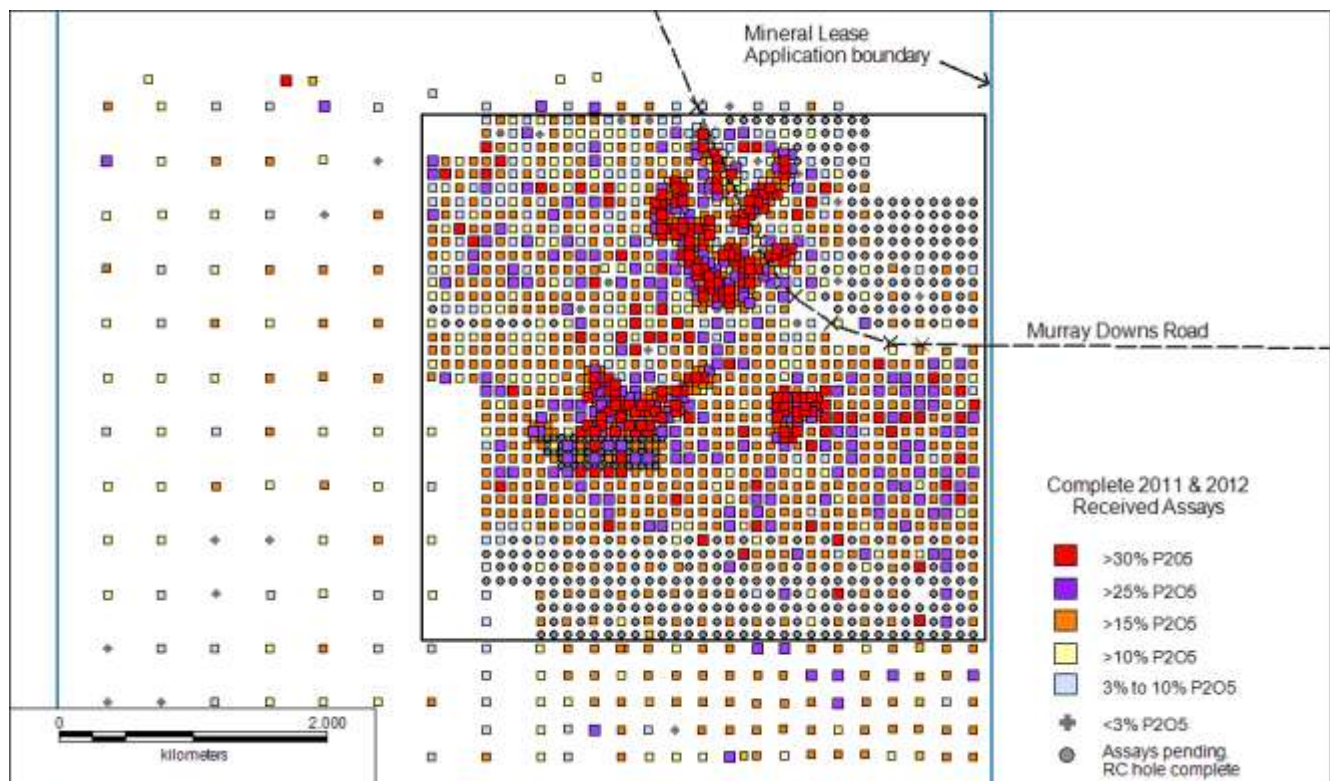


Figure 2: Completed resource drilling map at Barrow Creek 1. The black square shows the area of 2012 drilling. Note that many laboratory assays are still awaited. The outer turquoise rectangle is the Mineral Licence application.

In addition to upgrading the Barrow Creek 1 resource, scout drilling was undertaken to the north of the deposit to test for any extensions of mineralisation and to sterilise ground for further project planning and development. An amendment to the 2012 MMP to drill these holes was approved during the quarter and drilling commenced immediately thereafter. The Figure below shows the drilling undertaken to the northwest of the deposit and seven holes drilled along the camp's boreline track. Phosphate mineralisation was evident in RC drilling chips in some holes and assays are awaited.

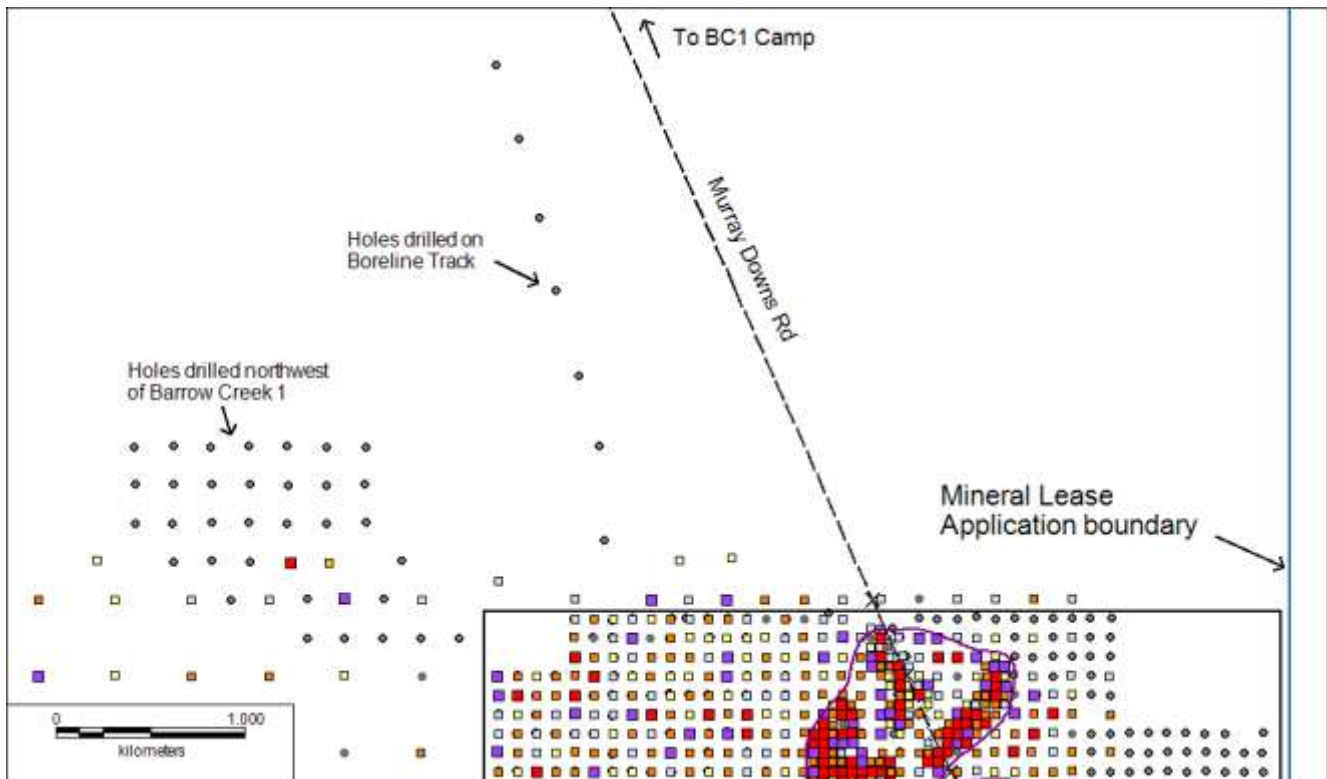


Figure 3: Additional drill holes to extend the mineralisation footprint and sterilise ground. Refer to Figure 2 for legend.

Beneficiation Testing

Beneficiation testing has been on-going during the quarter. This includes work on a sample from bulk sample pit 4 (Figure 4). Results will be released once they become available. A comprehensive report is due from Ammtec Laboratories at the end of November.

Scoping Study

Arcon Mining Services from Perth have been engaged to complete a detailed scoping study for the Barrow Creek 1 project. The study will take three months to complete after an upgraded resource estimate for the project has been released. This study will explore all possible processing routes and will rely on completed metallurgical test work from Ammtec Laboratories in Adelaide and production evaluation being completed by Pegasus TSI Incorporated, a Florida based company with international phosphate processing and marketing experience.



Figure 4: Shallow high-grade phosphate mineralisation exposed in bulk sample pit 4.

Test-Waterbore Drilling and Water Quality

Construction of the production water bore to 200 m depth will now be undertaken in November 2012.

Environmental

EcOz Environmental Services have been contracted to commence work towards gaining all environmental approvals for the project up to the commencement of mining.

Surveying

Subsequent to the end of the quarter, all 1,192 new drill collars at Barrow Creek 1 were surveyed for resource estimation. In addition, the Mineral Lease Application boundary was also surveyed and pegged which is a requirement of the granting of the Mineral Lease.

Ammaroo 1 Prospect

The Ammaroo 1 phosphate prospect was discovered in 2009 by following-up a 45 m intercept of 6.7% P₂O₅ in Government water bore RM130015. The area was then tested by reconnaissance drilling by Aragon Resources Ltd and Rum Jungle Resources Ltd in 2009-2010. During the June quarter 2012, 119 RC holes were drilled for 5,817 m (Figure 5). During the current quarter, further RC drilling was undertaken over the Ammaroo 1 deposit with the aim of testing the southern extent of phosphate mineralisation between the previous grid and the Sandover River CLC boundary. Thirty holes were drilled for 1,262 m with some indications of phosphate mineralisation. Assay results are awaited. Exploration south of the narrow CLC no-go zone along the Sandover River is planned for 2013.

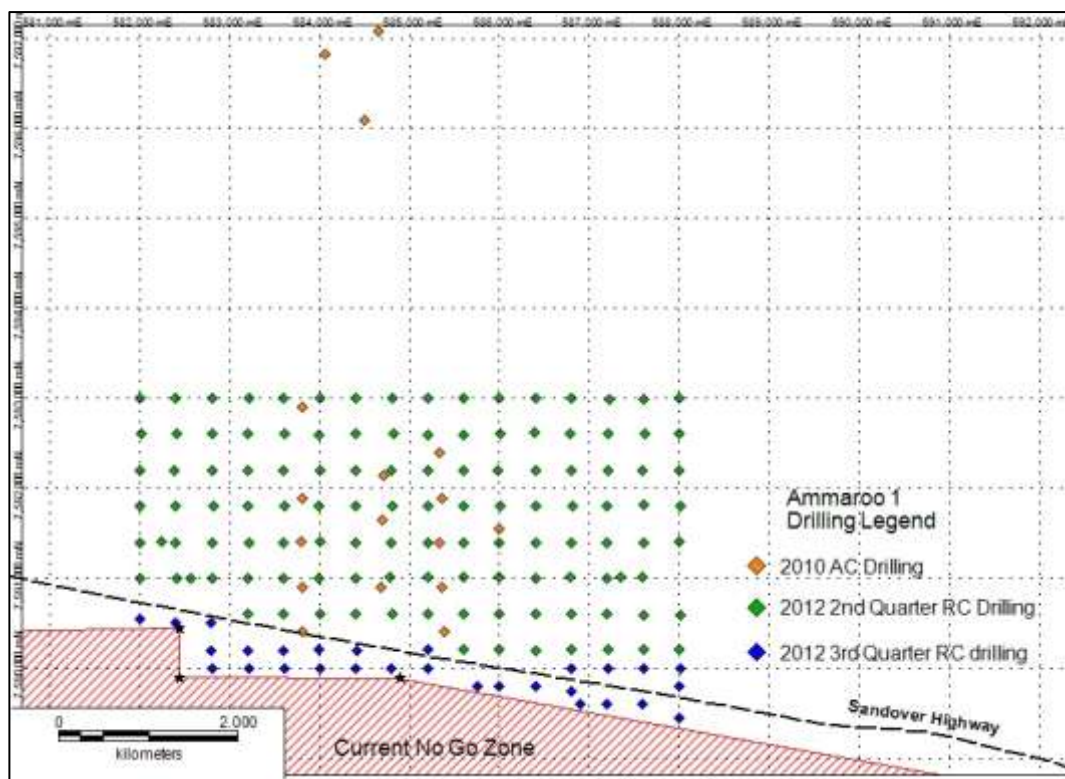


Figure 5: Ammaroo 1 resource drilling map. Drill spacing is 200 - 400 m.

Greenfields Phosphate Exploration

Reconnaissance phosphate exploration drilling was completed at Murray Downs between Barrow Creek 1 and the railway. A total of 131 air core holes were drilled for 6,442 m, mainly on EL 26196 (acquired from Spinfex Uranium Ltd) and the adjacent ELs (Figure 1). It appears that there are no economic grades of phosphate in that corridor, at least as deep as could be tested by the air core rig. In most places, the Chabalowe Formation which overlies the host rocks to the phosphate was prohibitively thick. This corridor also has a relatively shallow watertable. Other greenfields ELs 29266 and 29267 (see Figure 1) with existing road access north of Barrow Creek 1 are yet to be tested and will be explored next year.

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

The Karinga Creek Potash Joint Venture between Rum Jungle Resources Ltd and Reward Minerals Ltd includes six granted exploration licences for 2,310 km² along the Lasseter Highway between Alice Springs and Uluru. The companies are exploring for sulfate of potash (SOP) and potassium magnesium sulfate (schoenite) in sub-surface lake brine in up to 26 dry salt lakes on pastoral leases adjacent to the Lasseter Highway.

Rum Jungle Resources Ltd is the operator, sole risk funding and increasing equity. The budgeted expenditure by Rum Jungle Resources, in the order of \$1.0M during 2012, will substantially increase the Company's equity above the 71% level obtained from the 2011 expenditure program which was sole funded by Rum Jungle Resources Ltd.

Earlier this year, the Joint Venture posted a maiden Inferred and Indicated JORC resource of 530,000 tonnes of SOP (equivalent to 1.2 million tonnes of schoenite) based on sonic and vibracore drill holes from 2011 to an average depth of 3.2 m. This resource calculation was confined to the shallow surface muds of the modern lake systems (Strat 1).

During 2012, the company drilled 99 air core holes and turned 47 of them into 100 mm cased water bores and additionally installed 30 piezometers for water monitoring and drawdown recording during pump testing.

The Joint Venture is pleased to announce that in the recently completed exploration program, brine has been flowing from the deeper Strat 2 aquifer in numerous holes on numerous lakes to depths reaching 30 m. A brine resource upgrade is currently being calculated by Groundwater Science Pty Ltd and will be released to the market within a week.

The company considers that the Karinga Creek brine project will be a long-term rechargeable and sustainable resource. The brine resource will be extracted by pumping from bore holes and / or trenches. Groundwater recharge into the regional aquifer will flow towards the lake system through natural fractures because the lake system is the lowest topographic part of the region. As the groundwater moves to the lakes, it is constantly leaching potassium, magnesium and sulfate salts from the Strat 2 rocks including the Horseshoe Bend Shale. This unit can be up to 900 m thick.

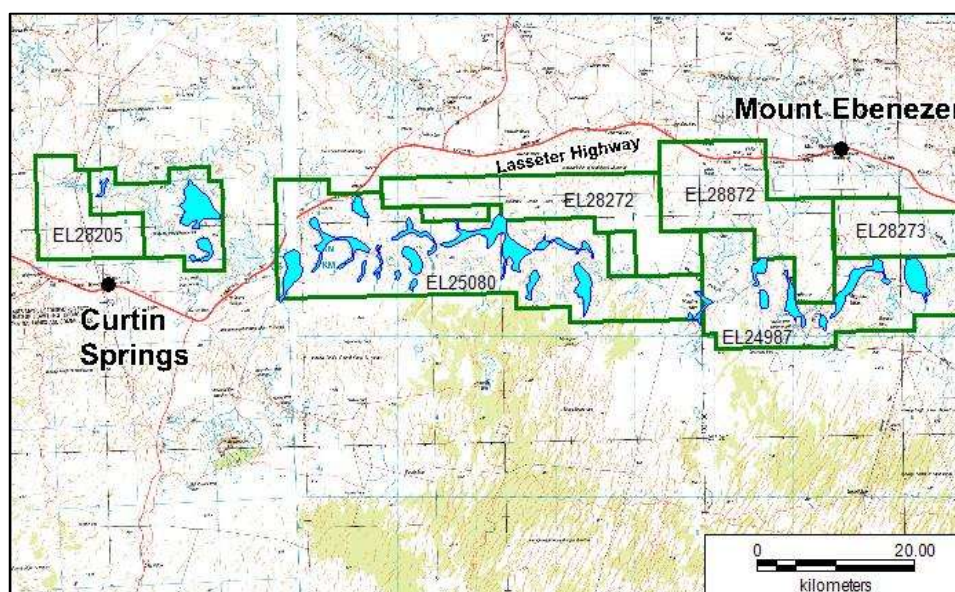


Figure 6: Location map of Karinga Creek salt lakes.

Table 1. Brine assay results from selected bores at Karinga Creek, Zones 52 and 53 GDA94.

Hole	Easting	Northing	Lake	Interval (m)	K (mg/L)	Mg (mg/L)	SO ₄ (mg/L)
KLAC010	261456	7191535	Pulcura	0-6	4033	4100	26666
KLAC024	250178	7194218	Murphys	0-4.1	3550	5250	29500
KLAC029	247544	7192398	Murphys	0-3	5333	11333	54000
KLAC033	233115	7198556	Miningere	0-15	8533	3450	45833
KLAC035	233227	7198419	Miningere	0-24	8688	3344	44888
KLAC048	205797	7199139	Island 5	3_15	5500	11000	36000
KLAC049	206081	7200875	Swansons North	1.2-13.2	3300	11000	48000
KLAC051	207419	7200549	Island 4	1.2-13.2	6200	9900	34000
KLAC052	207700	7199413	Island 4	1_13	5200	11000	59000
KLAC056	209596	7197647	Island 2	0-12	7600	7700	50000
KLAC060	212289	7196745	Island 1	3_9	7400	10000	58000
KLAC062	211804	7197743	Curtin Boundary	3_14	5100	7400	39000
KLAC065	212837	7199033	Curtin Boundary	4_10	3700	6300	26000
KLAC068	210070	7202262	Skinny	0-12	4400	8800	58000
KLAC070	211663	7202791	Skinny	4_22	4400	6600	25000
KLAC082	205178	7207067	Miningere West	0.5-18	5600	4300	26000
KLAC088	787323	7204499	Curtin North	0-27	6400	8900	37000
KLAC089	789691	7202766	Mallee Well East	0-5.5	5700	6600	47000
KLAC096	788868	7207171	Curtin North	0-24	4200	6800	26000
Average					5518	7567	40520

Pump Testing

Cased bores were test pumped to determine bore performance and aquifer properties at ten sites within the project area (Figures 7 and 8). Each test was supervised by experienced personnel contracted from Groundwater Science Pty Ltd. The tests at each bore comprised a:

- bore performance test
- constant rate test – to determine aquifer properties of:
 - transmissivity
 - storage coefficient and specific yield
 - boundary conditions

The table below provides an overview of bore performance tests and potential well yields.

Table 2: Summary of bore performance tests

Hole_ID	Lake	Top of Screen (m)	Base of screen (m)	Standing water level (m)	Pump Depth ¹ (m)	Available drawdown ² (m)	Highest pumped rate ³ (L/s)	Drawdown at highest rate ⁴ (m)	Potential long term bore yield ⁵ (L/s)
KLAC029	Murphys	0.0	3.0	0.10	2	0.9	0.7	0.6	1.1
KLAC033	Miningere	0.5	15.0	0.30	12	10.7	3.2	2.2	5.6
KLAC048	Island 5	3.0	15.0	0.75	13	11.3	5.5	1.8	18
KLAC051	Island 4	1.2	13.2	0.71	11	9.3	4.5	4.4	5.8
KLAC060	Island 1	3.0	9.0	0.96	6 ⁶	4.0	0.5	0.7	2.9
KLAC063	Curtin Boundary	3.0	14.0	0.55	9	7.5	1.4	1.8	1.7
KLAC068	Skinny	0.0	12.0	0.72	10	8.3	2.3	6.1	2.9
KLAC082	Miningere West	0.5	18.0	0.30	15	13.7	1.5	2.2	2.6
KLAC088	Curtin North	3.0	27.0	0.20	20	18.8	1.9	14.5	1.9
KLAC089	Mallee Well East	0.0	5.5	0.40	4.5	3.1	2.6	2.0	3.9

Notes

- 1) Pump inlet was placed immediately above the deepest water cut to ensure water flow past the motor for cooling
- 2) Available drawdown is the distance from standing water level to 1 m above the pump inlet.
- 3) Highest pumped rate is the highest rate pumped during bore performance tests. In some instances Highest pumped rate was constrained by pump capacity, or conservative rate selection by the operator.
- 4) Drawdown at highest rate is the water level reduction measured following pumping for 100 minutes at the highest rate
- 5) Potential bore yield was calculated using the well equation derived from the bore performance tests. 100 days continuous pumping is assumed.
- 6) At KLAC060 the pump would not go to planned depth. Pump inlet was set at 2.3 m.

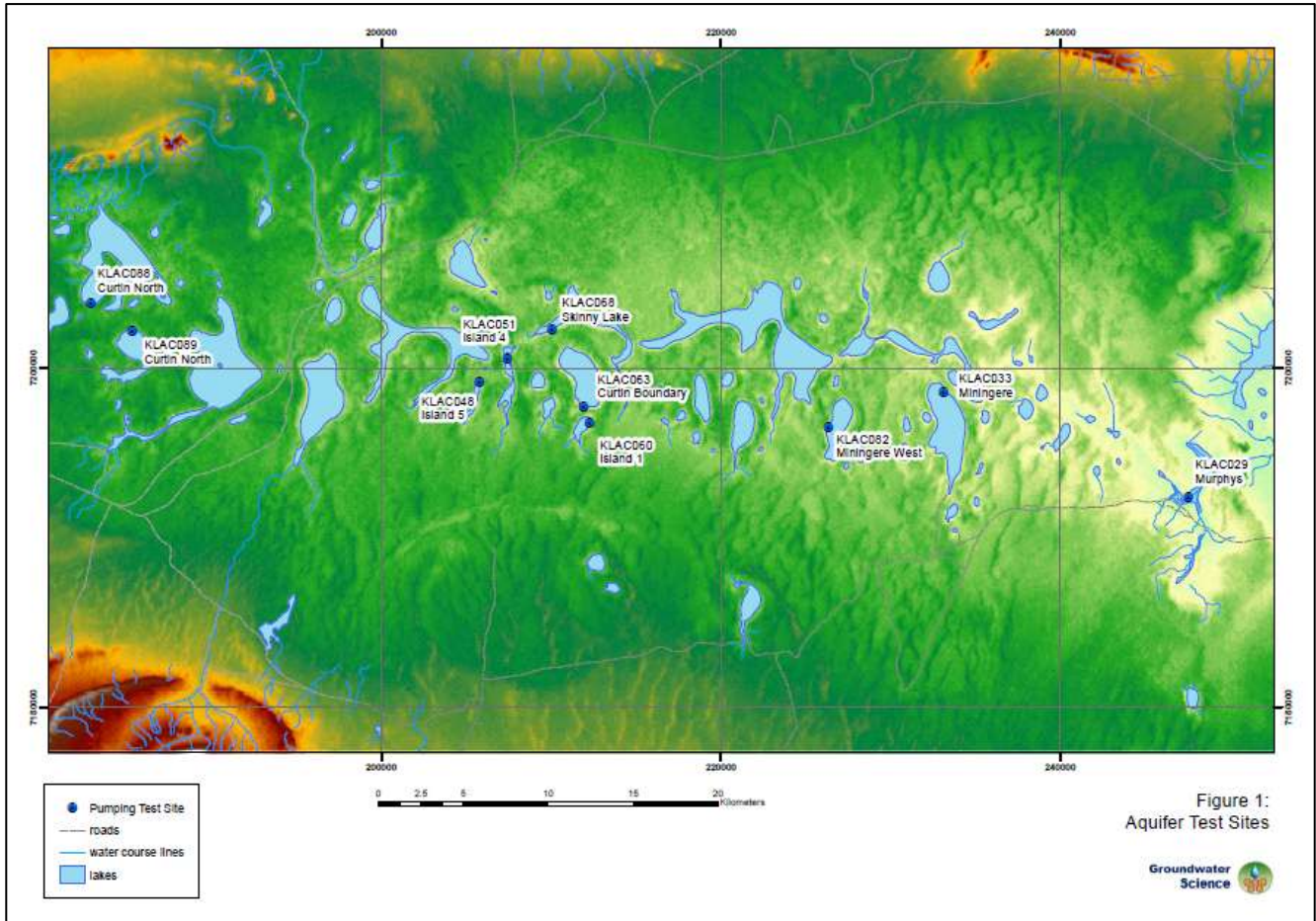


Figure7: Selected bore pump test sites at Karinga Creek.



Figure 8: Pump testing of bore hole at Karinga Creek.

Process Route Testing

A composite 100 litre brine sample from five selected lakes has been sent to MWH Global in Sydney for process route testing. This has two aims:

1. Identify the best (and alternative) process routes for refinement of brine to produce a saleable SOP and/or schoenite product.
2. Investigate the value and quality of saleable by-products.

MWH Global are global leaders in the provision of strategic planning, design, construction and engineering program management services for projects around the world. Their focus is wet infrastructure – providing services to a full range of water-related projects and programs ranging from water supply, treatment and storage, dams and water management to the natural resources industry.

Initial brine analyses from Karinga Creek indicate that the brine is suitable for the production SOP and schoenite by simple evaporation. The major by-product from evaporation is halite (sodium chloride or common salt) which makes up 80-85% of the total dissolved solids. Common salt is worth around \$30/tonne whilst SOP is worth around \$700/tonne.

Environmental

Two environmental surveys have been completed over the project area. A third will be completed during October – November 2012. Other consultants are investigating the potential for undesirable acid sulfate soils to be produced by trenching or borehole production on the salt lakes. Although the high sulfate lake brines are acid neutral, a complete study of the potential of the project to produce acid generating material and a management strategy will be developed and submitted to the Department of Mines and Energy before proposed trenching activities and pump testing of trenches commence in 2013.

ROSS RIVER / ALICE SPRINGS PROJECT (RUM 100%)

An RC drilling program commenced during the quarter and was completed on October 3. Twelve holes were drilled for 1,466 m at three different prospects. At the Cleary Dam copper-nickel-PGE prospect, two RC holes were drilled for 168 m. No obvious mineralisation was intersected. At the Mulga Dam uranium prospect, six RC holes were drilled for 695 m with anomalous uranium intercepted in one hole. At Tommy's Gap, four RC holes for 603 m were drilled into magnetic anomalies. All assay results are pending with results due in mid-November.

During the next quarter, reconnaissance exploration efforts will shift to EL 28156 in a bid to identify potential outcropping iron-oxide-copper-gold or other mineralisation and to locate drill targets for 2013.



Figure 9: RC drilling at Cleary Dam and Mulga Dam in September.

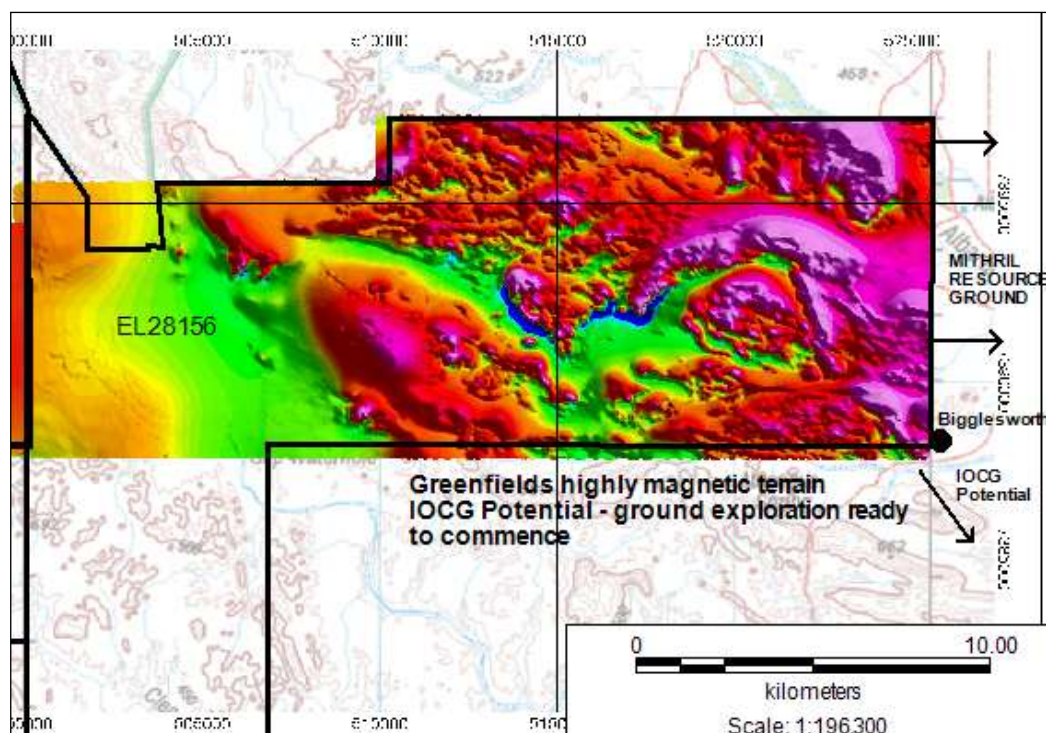


Figure 10: Magnetic IOCG terrain in greenfield exploration ground on eastern EL 28156.

MOUNT BUNDEY / MOUNT GOYDER TOP END PROJECT

(RUM100% & earning 70% in EL 25165)

On September 17, Rum Jungle Resources Ltd entered into a joint venture agreement with Uranex Ltd over EL 25165 (Swim Creek) which is adjacent to the Mount Goyder tenements that Rum Jungle Resources has been exploring since 2008. The agreement gives Rum Jungle Resources access to all metals other than uranium. Uranex Ltd retains the uranium rights. RUM is targeting gold along the Annaburroo Dome anticline and in particular the Donkey Hill area which is an historical prospect explored by Newmont in the 1980's.

Immediately after becoming operator, Rum Jungle Resources completed a soil sampling grid and has taken rock chip samples over the whole Annaburroo Dome/Donkey Hill area with some spectacular results. The regional soil grid was completed on a wide spacing of 400 m x 100 m over the Annaburroo Dome. A 100 m x 100 m orientation grid was used over the Donkey Hill prospect. Reconnaissance rock chips were taken over Donkey Hill and further north across the dome. Follow-up work is definitely warranted with key results to date listed below:

- 61.2 g/t Au and 9 g/t Ag in rock chip at Donkey Hill
- 9.48 g/t Au and in rock chip at Donkey Hill
- 3.16 g/t Au and g/t Ag in rock chip at Donkey Hill
- 0.27 g/t Au in rock chip 3.8 km north of Donkey Hill in quartz vein
- 21 anomalous soil samples between 10-20 ppb Au
- 7 highly anomalous soil samples between 20-52 ppb Au over Donkey Hill.

Whilst Rum Jungle Resources acknowledges that Donkey Hill is a historical prospect that was drilled and costeamed by Newmont, RUM believes that drilling below the base of Donkey Hill may intersect deeper gold mineralisation than the shallow holes drilled into the top of the hill by Newmont which returned a best intercept of 2 m @3.1 g/t Au from 28 m in an RC hole. A new gold discovery in this area would have significant benefits with an existing gold mill at Tom's Gully gold mine located less than 20 km away by bitumen road.

On the Crocodile Gold Uranium Joint Venture Tenements at Mount Bundey, thirteen RC holes were drilled for 1,284 m in July. No significant mineralisation was encountered.

At the historical Anomaly 7 gold prospect on EL 23921, 33 air core holes were drilled for 1166 m. The best results were:

- 4 m @ 0.20 g/t Au from 20-24 m in MGAC023
- 4 m @ 0.15 g/t Au from 16-20 m in MGAC010
- 4 m @ 0.12 g/t Au from 40-44 m in MGAC024

These results downgrade the prospectivity of Anomaly 7 and future work will now focus on the Annaburroo Dome on EL 24468 and EL 25165.

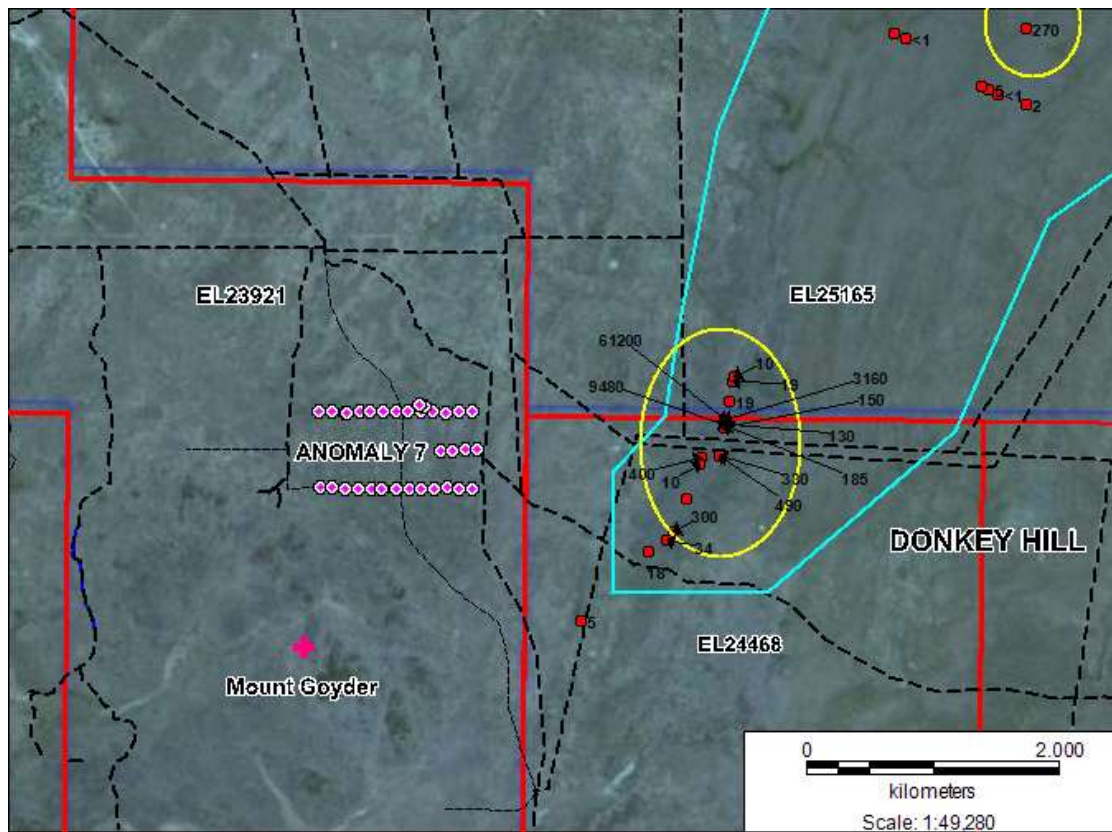


Figure 11. High grade rock chips to 61.2 g/t over Donkey Hill area and anomalous rock chip to 0.27 g/t Au further north require follow up. Values plotted are gold values in ppb. Anomaly 7 air core hole locations are plotted in pink. Blue outline is a polygon of the completed soil grid over Annaburroo Dome (see next Figure).

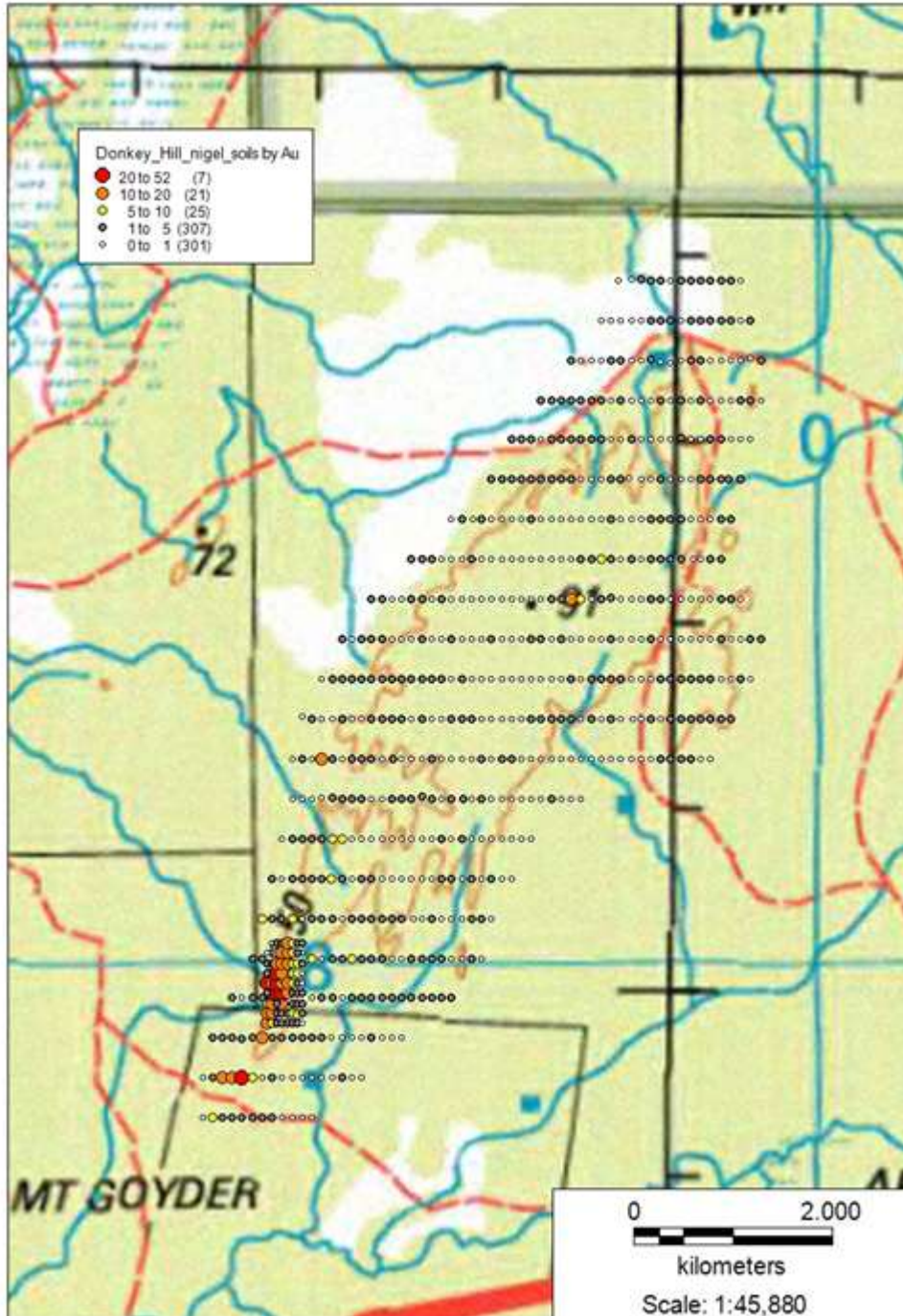


Figure 12: Soil sample grid over Annaburro Dome confirming Donkey Hill area in the southern part of the grid as highly anomalous and also showing new leads in the centre of the grid and on the western flank of the dome.

DAJARRA, QUEENSLAND (RUM 100%)

The five uranium exploration permits at Dajarra (EPMs 18560-18564), centred about 75 km southwest of Mount Isa have been surrendered to allow the company to focus on fertiliser projects in the Northern Territory.

HEALTH, SAFETY, ENVIRONMENT AND COMMUNITY

The person-hours worked in the field on each project are summarised below. There were no lost time injuries or reportable environmental incidents during the quarter.

Project	Field Hours Worked
Ammaroo	6,690
Karinga	1,644
Ross River	810
Mount Bunday / Mount Goyder	1,146
Total	10,290

BOARD AND STAFF

Mr Jeff Landels was appointed to the Board as non-executive Director. Jeff has a BSc (Hons) in Chemistry. He brings extensive experience in the fertiliser industry having been the General Manager of WMC's fertiliser operations at Phosphate Hill, Mount Isa and Townsville from 2002-2006. Prior to that, he had spent over 30 years as General Manager of several pulp and paper industry companies in both Australia and New Zealand.

Mr Chris Tziolis was appointed to a new role in the senior management team as Director of Project Development, based in the Darwin head-office. Chris previously held senior management roles at Rio Tinto, most recently as the Chief Development Officer of Energy Resources of Australia Ltd. He was also the Manager of Business Development and Manager of Rail and Port Infrastructure with Rio Tinto Coal Australia. Before that, he worked for McKinsey and Company primarily engaged on strategy development and performance improvement for global mining companies. Chris is a member of the Australian Institute of Company Directors and has a MBA, MA in International Relations and a BSc in Chemistry.

WORKING CAPITAL

Working capital as at September 30th amounted to \$10.2 million.



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 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.

APPENDIX 1

Table 3: Locations of drill holes mentioned in text. The Eastings and Northings are Zone 53, GDA94.

Hole_ID	Easting	Northing
BCRC1911	514150	7622550
BCRC1878	514100	7622650
BCRC1352	514100	7622500
BCRC1912	514200	7622550
BCRC1892	514250	7622600
BCRC1871	513100	7622650
BCRC1864	512750	7622650
BCRC1339	512800	7622500
BCRC1908	514000	7622550
BCRC1920	513950	7622500
BCRC1975	514050	7622350
BCRC1927	512550	7622450
BCRC1895	512700	7622550
BCRC1933	512850	7622450
BCRC1361	515000	7622500