

QUARTERLY ACTIVITIES REPORT PERIOD ENDED 31 MARCH, 2013



ASX ANNOUNCEMENT

ASX CODE: RUM

ABN: 33 122 131 622

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MAJOR PROJECTS

Ammaroo Rock Phosphate
Karinga Lakes Brine Potash
Ross River: IOCGU
Top End: Polymetallic

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Rum Jungle Resources Ltd's strategic intent is to find, develop and operate fertiliser minerals, base metals and gold projects, located in close proximity to existing transport infrastructure, with a geographical focus on the Northern Territory, Australia.

Rum Jungle Resources Ltd is the only company with significant resources of both phosphate and potash in Australia. The company has the backing of large institutional investors and has cash at bank of \$14.65 million to facilitate progression of its projects.

HIGHLIGHTS

PHOSPHATE

- Takeover bid lodged for CEN (Central Australian Phosphate Ltd)
- Barrow Creek 1 Scoping Study now completed which identifies three potentially viable options to develop the Barrow Creek 1 project as a standalone operation with a potential operating life in excess of 25 years
- Exploration plans for 2013 submitted to the NT Department of Mines and Energy (DME) for approval

POTASH

The company has established a JORC resource of a maximum contained 5.5M tonnes of potassium sulfate at its Karinga Lakes Potash project. Negotiations have been proceeding with Aboriginal communities and Land Councils to gain access to other large lake/brine deposits in the Central Australian Groundwater Discharge Zone. The focus for the remainder of 2013 is to complete access agreements with Traditional Owners and commence drilling on lakes to add more resources.

KARINGA LAKES POTASH

- Exploration plans for 2013 submitted to DME
- Exploration camp construction commenced
- Bench-scale evaporation and flotation trials produce positive results

LAKE HOPKINS POTASH (WA/NT Border)

- Lake Hopkins (E69/2814) on the WA side of the NT border was transferred to Rum Jungle Resources on 07/03/2013
- An Exploration Access Agreement and compensation package was verbally reached with Traditional Owners of the Tjukurla community at an onsite meeting in April. The Ngaanyatjarra Land Council chaired the meeting

ANGAS DOWNS POTASH

- Exploration to explore for brine and hard rock potash on two granted exploration licences
- Land access meeting held with Traditional Owners at Imanpa community through the Central Land Council on March 14. Waiting on reply from Central Land Council

CORPORATE

- The Bidders Statement for the off-market takeover offer for Central Australian Phosphate was released 26/03/2013

AMMAROO PHOSPHATE PROJECT (RUM 100%)

Ammaroo Phosphate Project

The Ammaroo Phosphate Project includes 13 granted exploration licences (EL) and two EL applications which cover over 5,000 km² of the highly prospective southern Georgina Basin (Figure 1). The project area contains the Barrow Creek 1 deposit (covered by an ML application) and the Ammaroo 1 prospect.

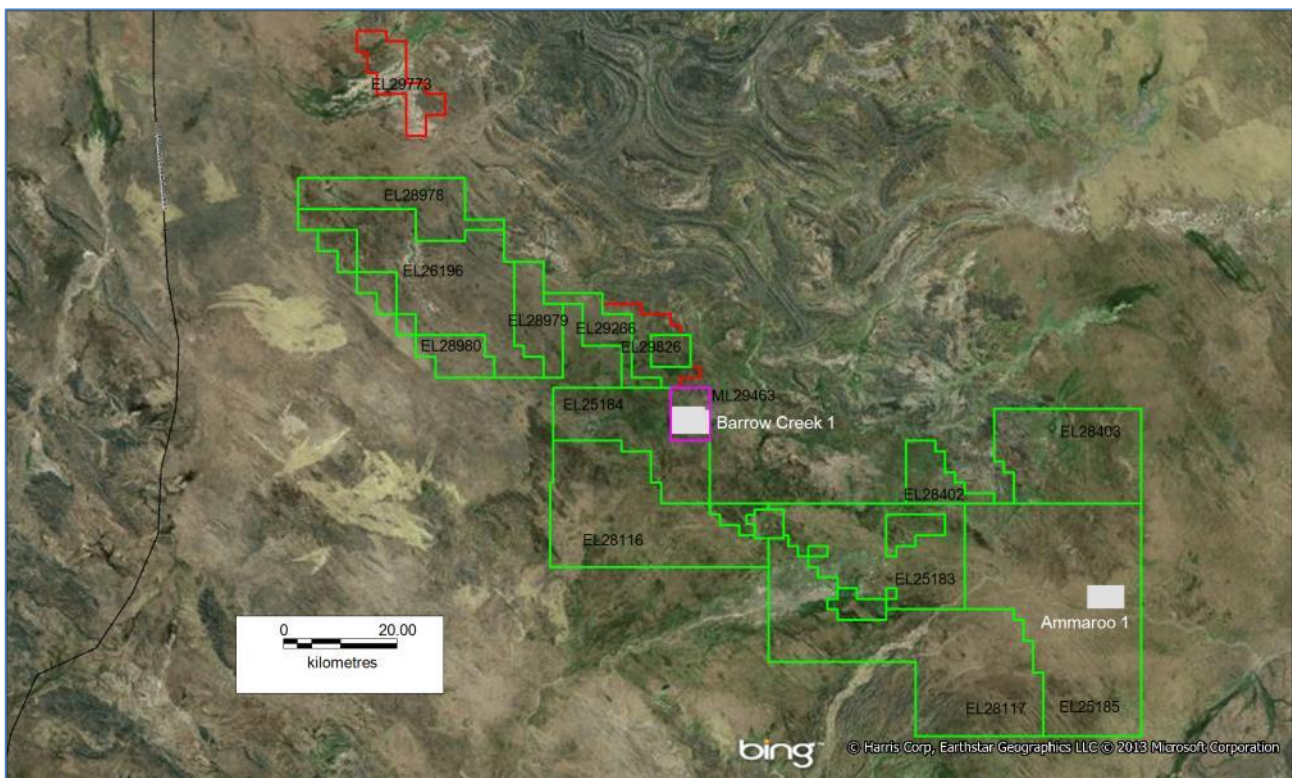


Figure 1. Rum Jungle Resources' and subsidiaries' holdings as of the 31/03/2013, showing:

- **Rum Jungle Resources' named phosphate deposits**
- **ML application in pink over Barrow Creek 1 resource**
- **granted ELs in green**
- **EL applications in red**
- **Note proximity to the Central Australian Railway to the west.**

Barrow Creek 1 Resource

Rum Jungle Resources discovered the Barrow Creek 1 phosphate deposit on EL 25184 in 2010. The third resource upgrade for Barrow Creek 1 was released to the market on 21/01/2013. The Measured Resource is 136 million tonnes at an average grade of 15.7% and a cut off of 10% P₂O₅. The total Measured, Indicated and Inferred Resource is 238 million tonnes at an average grade of 14.6% and a cut off of 10% P₂O₅. These estimates were provided by an independent geologist and were reported in accordance with the JORC code. The resource estimates are summarised in Table 1.

The upgrading of the bulk of the resource into a "Measured" JORC category reflects the huge input of diamond and RC drilling, assay data and density studies. The data is of sufficient standard to design a reliable mine plan for the first stage of development, as contained in the recently completed scoping study.

It should be emphasised that the exploration strategy has been to prove up a quality resource at the earliest stage to facilitate development plans and complete a scoping study. Consequently exploration was halted on the western most drill line as a consequence of increasing depth to the top of the Barrow Creek 1 Deposit as well as lesser grade of P₂O₅ content. Consequently exploration to the west of Barrow Creek 1 was suspended but will now be extensively drilled over a 10 km strike length.

Cut Off %P ₂ O ₅	Category	Mt	%P ₂ O ₅	%Al ₂ O ₃	%CaO	%Fe ₂ O ₃	%K ₂ O	%MgO	%MnO	%Na ₂ O	%SiO ₂	%TiO ₂	U ₃ O ₈ ppm
10	Measured	136	15.7	7.14	21.4	4.77	1.06	0.78	0.18	0.18	43.30	0.38	22.9
	Indicated	42	14.9	6.71	20.6	7.21	1.51	0.94	0.22	0.23	41.90	0.40	23.8
	Inferred	60	12.0	7.3	17	6.90	1.50	0.90	0.20	0.20	47.00	0.50	19.0
	Total	238	14.6	7.1	20.1	5.74	1.25	0.84	0.19	0.19	44.00	0.41	22.1
15	Measured	67	18.5	6.57	25.2	3.89	0.97	0.68	0.15	0.18	38.80	0.34	24.5
	Indicated	20	17.5	6.16	23.9	7.18	1.33	0.75	0.19	0.23	37.40	0.35	27.1
	Inferred	6	17.0	6.5	23	4.80	1.10	0.70	0.20	0.20	42.00	0.40	24.0
	Total	93	18.2	6.48	24.8	4.66	1.06	0.70	0.16	0.19	38.70	0.35	25.0
20	Indicated	17.4	23.9	5.23	32.1	2.58	0.73	0.53	0.12	0.15	30.30	0.26	27.8
	Inferred	0.2	22.0	5.7	30	3.10	0.90	0.50	0.10	0.20	32.00	0.30	31.0
	Total	17.6	23.9	5.24	32.1	2.59	0.73	0.53	0.12	0.15	30.30	0.26	27.8

Table 1. JORC Resource table for Barrow Creek 1.

Phosphate Project Scoping Study

Barrow Creek 1 Scoping Study

The scoping study is considered the first in a series of three studies that also includes a pre-feasibility study followed by a bankable feasibility study, if the project continues to be theoretically viable. The level of technical and economic understanding and specificity increases as the project moves through the study phases. The primary aim of the scoping study is to initially identify, review and analyse potential development options in order to determine which potential development options should be progressed into pre-feasibility. A preliminary economic evaluation is conducted in order to provide a basis from which to determine the value relativities of potential options and the potential economic viability of the development options reviewed and analysed.

Work on the scoping study has progressed during the quarter under the guidance of ARCCON Mining Services, a wholly owned subsidiary of the Allmine Group (ASX Cod: AZG). Other consultants engaged in the study include Coffey Mining with respect to a conceptual mine plan, ALS Global with respect to metallurgical testing, Pegasus TSI from Florida with respect to the phosphate market and beneficiation studies and Origin Capital with respect to a preliminary economic evaluation. Genesee & Wyoming, the owner and operator of the Central Australian Railway and the Ports Corporation of Darwin have provided indicative commercial terms for rail transport and port operations.

A number of possible processing options for the production of marketable phosphate products have been considered and a number of transport to rail head options analysed. Process design criteria were established to enable the preparation of equipment lists and infrastructure requirements to determine capital estimates. Operating cost estimates have been determined on the basis of the identified equipment and infrastructure and associated operating parameters, including a conceptual labour model, as defined by target product volumes that are determined by the utilisation of train capacity available to transport bulk material to port, the resultant conceptual mine plan, associated mass balances and input cost requirements. The capital and operating cost estimates, which at this stage are to a level of accuracy of +/- 35%, have formed the basis of the preliminary economic evaluation.

Barrow Creek 1 Notice of Intent

Geochemical assays of overburden samples were received and forwarded to EcOz Environmental Consultants for inclusion in environmental studies and a draft NOI format was received from EcOz in March. The findings of the Scoping Study need to be incorporated so that NOI can be submitted when/if a decision is made to proceed to the next phase of study. Four dust monitoring stations were set up to record baseline dust levels. The monitoring program will run for four months.

Duplicate Assay Checks

During the quarter, Bureau Veritas Laboratory performed two studies on over 700 duplicate phosphate assays using their newly established Darwin XRF facility to compare to the ICP routinely used to date. There was a good graphical correlation of data from both techniques.

Planning for the 2013 Field Season

A Mining Management Plan (MMP) for proposed diamond drilling and RC drilling programs for the Ammaroo Phosphate Project was submitted to Department of Mines and Energy (DME) on 14/03/2013. Exploration plans were also submitted to the Central Land Council. The proposed program includes further work at Barrow Creek 1, focussed on extensional drilling of Barrow Creek 1 into untested areas up to 10 km to the west of the resource. More drilling south of Ammaroo 1, where intersections up to 20 m @ 20% P₂O₅ have been achieved, will also take place. Sterilisation drilling immediately north of Barrow Creek 1 will also be completed for future mine planning.

The 2013 Exploration program includes:

- 11,000 m of RC and air core drilling
- 16 diamond drill holes for targeted metallurgical and flotation test work
- 30 diamond drill holes for geochemical, geological and density test work

KARINGA LAKES POTASH PROJECT (RUM 85%, Reward 15%)

The Karinga Lakes Potash JV between Rum Jungle Resources Ltd and Reward Minerals Ltd includes six granted exploration licences and an application on pastoral leases 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. Rum Jungle Resources Ltd is the operator, sole risk funding and increasing equity. Reward Minerals is expected to further dilute its interest. The Karinga Lakes project has a 2013 exploration budget of close to \$2 million, providing the DME approves all programs.

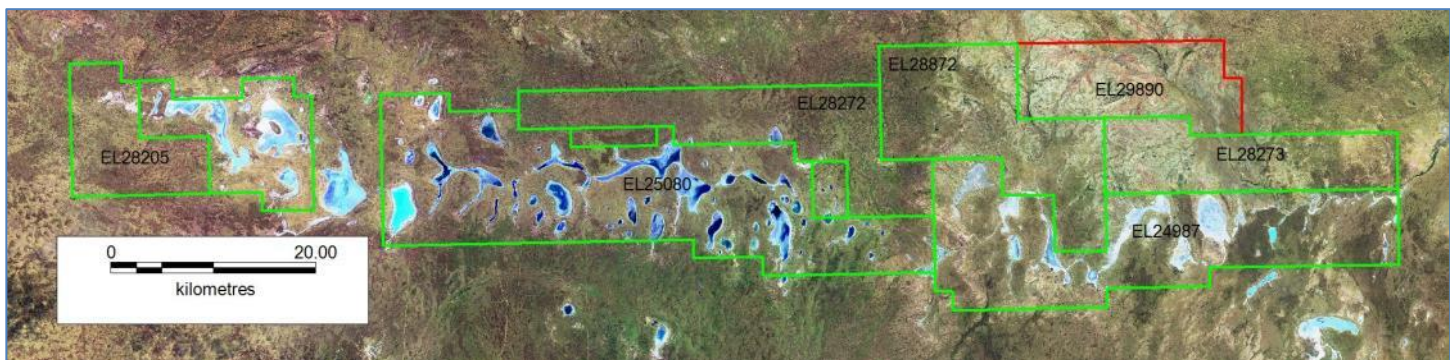


Figure 2. Karinga Lakes and tenements as of 31/03/2013 on SPOT5 imagery. Granted ELs in green, application in red.

Process Route Testing

Two process routes using staged evaporation and flotation to extract potash salts from Karinga Lake brines were trialled with successful recovery of schoenite of industry-standard purity.

Environmental

Several environmental surveys have been completed over the project area. Although the high sulfate lake brines are acid neutral, DME requested a complete study of the potential of the project to produce undesirable acid generating material. This study was completed by independent consultants and a management strategy was developed. These were submitted to the DME on 20/02/2013.

Trial EM Survey

A trial moving loop ground EM survey was undertaken over four days in late February. The ground survey was conducted by GEM Geophysical Contractors. The data processing and inversions were done by Newexco Geophysical Consultants in Perth. The aim of the survey was to test whether brine in fracture zones could be detected at depth beneath Karinga salt lakes. If successful, this geophysical technique could then be used to target resource definition drilling directly on deep brine concentrations. The results of the trial EM were not convincing and could not pick up known salt water deposits at depth making the technique unreliable.

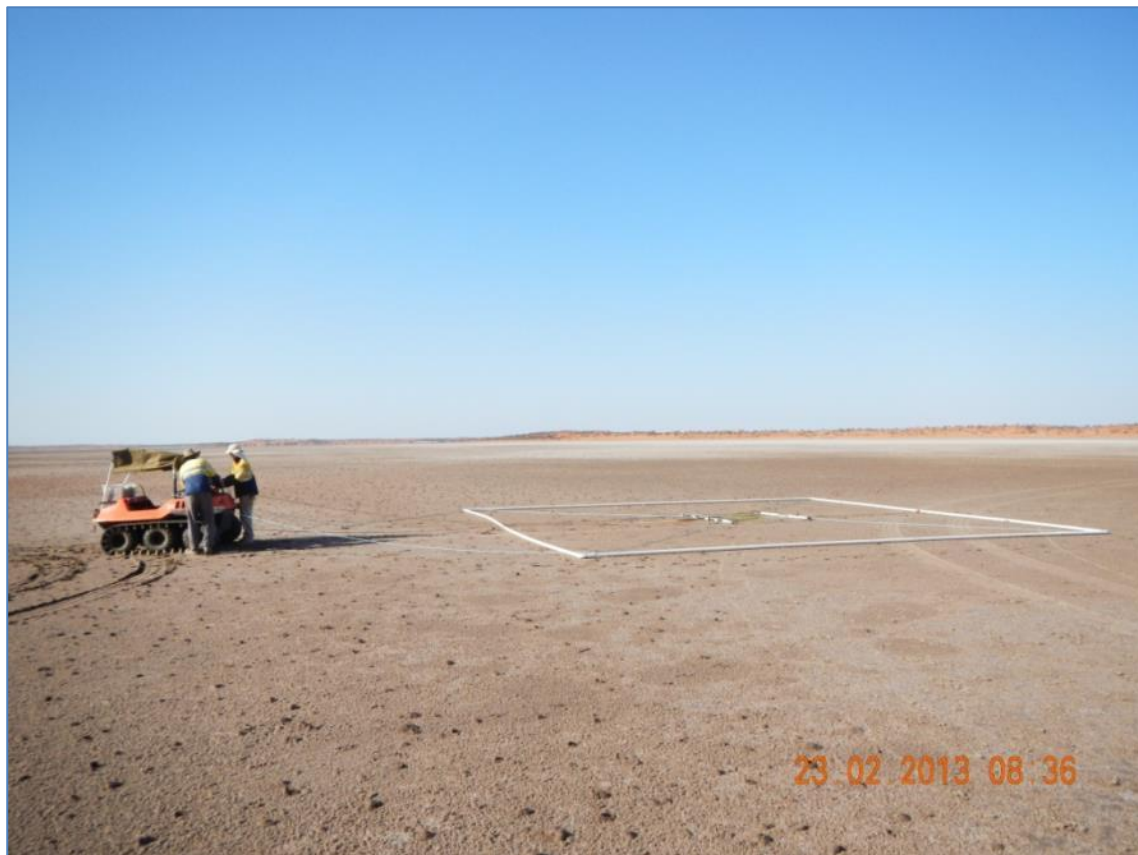


Figure 3. Trial EM survey in progress on Minigere Lake.

Planning for the 2013 Field Season

A new Mine Management Plan for the trenching and pump testing, resource drilling and onsite evaporation trials planned to commence in May 2013 was submitted to DME on 14/03/2013 and full approval of the work program was given on April 24.

The 2013 Exploration Program at Karinga Lakes will include:

- delivery and Installation of an exploration camp
- construction of new access tracks
- construction of four 100 m long brine trenches and subsequent pumping tests on each trench for 30 days duration
- resource drilling program to upgrade resource tonnage and resource confidence. Drilling will include bore installations for pump testing
- onsite evaporation trial of 12,000 litres of brine. Mixed schoenite salts produced will be run through a flotation plant using various reagents to determine the optimal processing route. Evaporation trial and flotation testing program to be supervised by MWH Global. Winter and summer trials are planned to test differences in evaporation rates.

Upon completion of the 2013 exploration program, a revised JORC resource will be estimated by hydrogeological consultants. The resource estimate will be a key component of a scoping study for Karinga Lakes which will commence late 2013 or early 2014.

The Karinga Lakes Potash Project has envinous logistical advantages of being located adjacent to the Lasseter Highway and has an existing rail siding at Kulgera around 120 km from the project.

ANGAS DOWNS POTASH PROJECT (RUM 100%)

These ELs total 635 km² and are targeting subsurface rock evaporites and potash brines in palaeo salt lakes. The tenements are located 50-70 km north of Karinga Lakes. A drilling MMP has been approved for EL 27933, but CLC clearances are yet to be obtained for the Angas Downs project. An on-country meeting was held with the Central Land Council and Traditional Owners at Imanpa on 14/03/2013. The company has yet to receive a reply from the Land Council.



Figure 4. Angas Downs granted EL 27933 and EL 28885 with interpreted palaeo-lakes outlined on SPOT5 imagery.

LAKE HOPKINS -WA

The Lake Hopkins project is targeting potash brine similar to the Karinga Lakes Project. E69/2814, which covers 153.5 km², has been acquired from Piper Preston Pty Ltd. State Revenue Duties for the transfer have been paid and the transfer was completed 07/03/2013. A meeting with Traditional Owners took place post-quarter on April 19. At the meeting, a compensation and access agreement was verbally consummated and it was agreed that exploration could commence as soon as the Ngaanyatjarra Land Council members could document the agreement and pass it through the relevant authorities. A brine sampling program and air core drill program are planned for later in 2013, with the aim of estimating an Inferred brine resource.

The next steps in the regulatory process are:

1. Final approval and execution of the agreement at a monthly meeting of the Governing Committees of the Council.
2. A fully executed copy of the agreement is then provided to the Aboriginal Lands Trust who authorise a mining access permit to be granted and that permit goes to the Minister for Indigenous Affairs for signing. The minimum amount of time to complete this process would be 3 months, but could take longer.
3. Traditional Owners and Ngaanyatjarra Council will conduct a cultural heritage clearance of the lake prior to exploration.
4. Approval for exploration from the Western Australian Department of Mines and Petroleum.



Figure 5. Managing Director David Muller and Ngaanyatjarra Council staff talking to Traditional Owners at Tjukurla.



Figure 6. David Muller shaking hands with community members along with Exploration Manager Nigel Doyle.

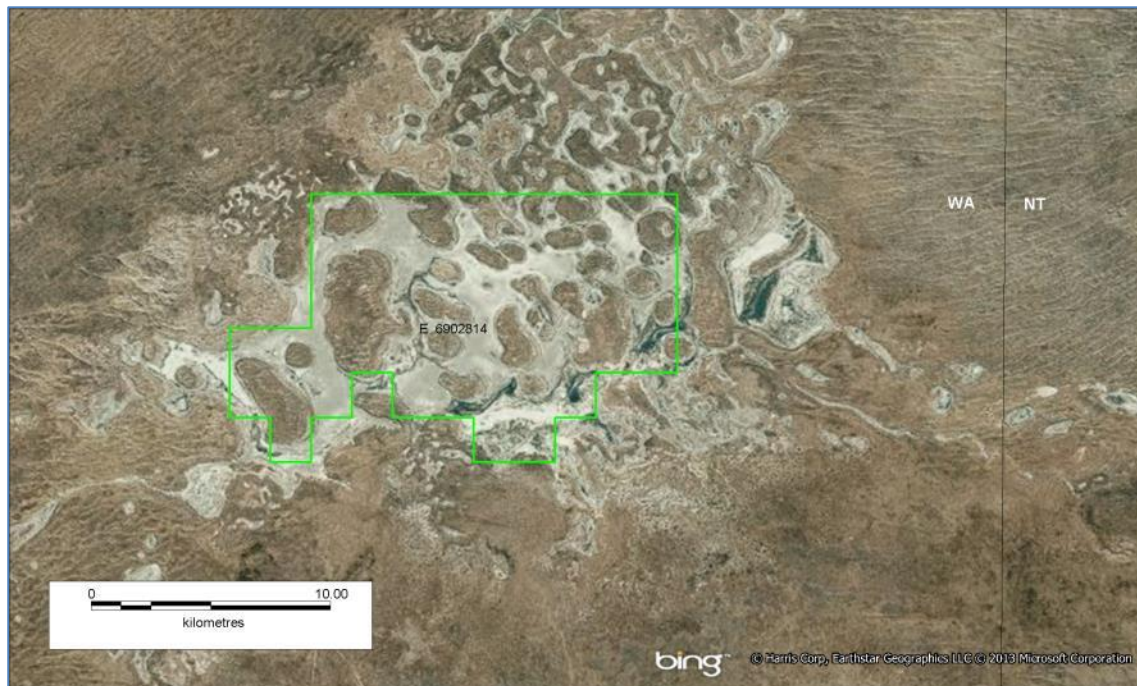


Figure 7. E69/2814 tenement boundary plotted over Lake Hopkins, WA.

ROSS RIVER / ALICE SPRINGS PROJECT (RUM 100%)

Most work planned for 2013 in the Ross River Project will be targeting an iron oxide copper gold terrain in eastern EL 28156 where there are copper shows coincident with geophysical/structural targets. Desk-top studies continued during this quarter but there was no field work.

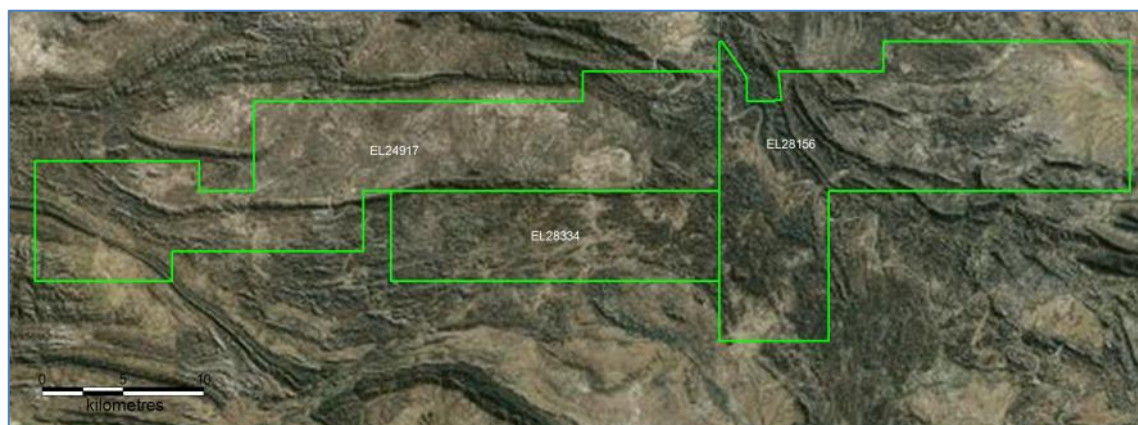


Figure 8. Ross River tenements as of 31/03/2013.

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

The Top End Project is in an established polymetallic province within 20 km of the Toms Gully gold mine. In addition to three titles in its own name, Rum Jungle Resources is earning equity in EL 25165 in JV with Uranex NL. Rum Jungle Resources' has mature leads in the Mount Goyder part of the Top End Project targeting gold in the Annaburroo Dome which includes the historic Donkey Hill Prospect. Significant high grade surface samples were presented in previous quarterly reports. Rum Jungle Resources has also been in JV with Crocodile Gold over thirteen exploration tenements near Mount Bunday, surrounding the Toms Gully Gold Mine, since 2007.

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	550
Karinga	240
Ross River	0
Mount Bunday / Mount Goyder	0
Total	790

CORPORATE

On 13/02/2013, Rum Jungle Resources (RUM) announced an off-market takeover offer for Central Australian Phosphate (CEN, formerly NuPower). CEN's Arganara phosphate is contiguous with RUM's Barrow Creek 1. RUM is offering one RUM share plus 20 cents cash for every 20 CEN shares. The premium of the offer is 43.3% higher than the closing price of Central Australian Phosphate shares on 12 February 2013, 34.4% to the price of the recent rights issue and 35.3% to the one-month volume-weighted average price of Central Australian Phosphate shares. The Bidders Statement was released 26/03/2013.

The company attended the Mines and Money Conference in Hong Kong during March and displayed its progress in an information booth. David Muller also gave a Company presentation as part of the conference agenda. David also presented at the ABN Newswire Investorium in Sydney in March.



DW Muller MSc, MBA, FAusIMM
Managing Director

The information in this report that relates to comments on 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.

The information in this report that relates to mineral resource estimation is based on work completed by Mr Jonathon Abbott who is a full-time employee of MPR Geological Pty Ltd and a member of the Australian Institute of Geoscientists.

Mr Abbott has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity 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 Abbott consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.