

QUARTERLY ACTIVITIES REPORT PERIOD ENDED 30 SEPTEMBER 2013

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 centred 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 \$5.2 million to complete the takeover of Central Australian Phosphate and facilitate progression of its projects.

HIGHLIGHTS

HEALTH, SAFETY, ENVIRONMENT AND COMMUNITY

- 10,362 hours were worked in the field during the quarter
- Three injuries (one LTI, one Alt Duties, one MTI) are reported below
- There were no reportable environmental incidents

CORPORATE

- The off-market takeover offer for Central Australian Phosphate (CEN) continued. At 30 June 2013, RUM had acceptances for 26% of CEN shares. RUM held 78.03% of CEN as of the 30 September 2013 and had paid out \$4.8 million to secure CEN shares during the quarter
- Acceptances had increased to 88% by 28 October 2013
- RUM Directors visited the Barrow Creek and Karinga Lakes projects during August

PHOSPHATE

- RUM now has a controlling interest in CEN and a management services agreement was signed in September. It is intended to combine RUM's Barrow Creek 1 resource and CEN's Arganara resource into a single exploration and development project known as the Ammaroo Phosphate Project
- Worley Parsons was engaged as the study lead for the Ammaroo Phosphate project's pre-feasibility study. Site and lab visits from Worley Parson's expert geological and metallurgical consultants were undertaken during September
- A phase-one workshop was undertaken to review the outcomes of the scoping study, conduct a gap analysis and complete the design the scope of the second phase of the study. This phase of study will focus primarily on lab scale metallurgical test work, flow sheet development, production of sample products to support future marketing efforts, a comprehensive regional phosphate market and pricing study and optimisation of transport solutions and economics
- A draft Notice of Intent (NOI) for mining the Ammaroo Phosphate project was completed in conjunction with EcOz Environmental Services. This draft is being reviewed with a view of issuing the NOI in order to commence the environmental approval process before the end of the year



ASX ANNOUNCEMENT

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

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- Diamond drilling at Barrow Creek 1 was completed in mid August. An additional, 51 holes were completed for 1,600 m. The diamond drilling provides reliable samples for detailed metallurgical test work and is a quality check of the RC drilling. Diamond drill hole logging and sampling continued during the quarter
- RC/air core drilling at Barrow Creek 1 was completed on July 24 and 214 holes were completed for 4,849 m. This drilling should result in a modest increase of the Barrow Creek 1 resource
- The NT Department of Mines and Energy (DME) approved Phase 1 of a drilling program at Arganara on CEN EL 24726 and Central Land Council (CLC) clearances were received after the end of the quarter on October 21. RC drilling commenced post-quarter on October 24. Two rigs are currently on-site

POTASH

KARINGA LAKES POTASH, NT

- Air core drilling continued during the quarter and was completed on August 26. In total for the quarter, 95 holes were drilled for 1,673 m at an average depth of 17.6 m. The results will lead to increased confidence in the brine resource
- Three trenches of to 100 m length were each excavated on Pulcura, Curtin Boundary and Miningere Lakes and pump testing was undertaken with encouraging results. 4.5 million litres were pumped in 26 days from Curtin Boundary Trench with no real drop in grade and an average flow rate of 2.2 litres/sec. Pump testing of the Miningere Trench began with a much higher initial flow rate of 18 litres/sec
- An onsite evaporation trial to produce a final salt/bittern enriched in potassium is proceeding as expected. Approximately 50% volume reduction occurred due to evaporation during the quarter and at the end of October evaporation had reached the 70% mark
- 70 km of track construction was completed during July. Widening, straightening and re-alignment of the Lyndavale station access track were undertaken to improve safety and access

LAKE HOPKINS POTASH, WA

- This project is awaiting approval of a Mining Access Permit from the Federal Minister to enter and work on Aboriginal Land. Once approved, a reconnaissance drilling program will be undertaken

LAKE MACKAY POTASH, WA

- A JV was signed with Toro Energy giving Rum Jungle Resources potash exploration rights to the southern part of Lake Mackay as held by Toro. Company lawyers are currently finalising the legal documents for the Joint Venture. A Program of Works Approval from WA DMP was received post quarter on October 14, allowing exploration drilling to proceed. Drilling is planned for April/May next year after Native Title approvals are gained

GOLD

TOP END / MOUNT GOYDER

- A Mining Management Plan was submitted to DME and approved. Nine RC holes were planned at Donkey Hill gold prospect and nearby EM anomalies on a Uranex joint venture tenement. At the end of the quarter, two holes had been completed for 194 m. Assay results are not yet available

HEALTH, SAFETY, ENVIRONMENT AND COMMUNITY

The person-hours worked in the field on each project are summarised below.

Project	Field Hours Worked
Ammaroo	5,150
Karinga	4,970
Ross River	42
Mount Bunday / Mount Goyder	200
Total	10,362

Table 1. Hours worked in the field on the various projects.

During July, a drilling contractor working at Karinga sustained a stomach or rib strain that resulted in three days lost time. A Rum Jungle Resources employee aggravated a back injury that resulted in three days alternate light duties. A Rum Jungle Resources employee sustained a cut hand from a door in camp that constituted a reportable Medical Treatment Injury. There were no reportable environmental incidents.

CORPORATE AND ADMINISTRATION

On 13 February 2013, Rum Jungle Resources (RUM) announced an off-market takeover offer for Central Australian Phosphate (CEN, formerly NuPower). CEN's Arganara phosphate deposit is contiguous with RUM's Barrow Creek 1. As of the end of the quarter, RUM held 78.03% of CEN. This had increased to over 88% by 28 October 2013.

WORKING CAPITAL

The working capital at end of quarter was approximately \$5.2 million, represented by cash on deposit.

AMMAROO PHOSPHATE PROJECT (RUM 100%)

Ammaroo Phosphate Project

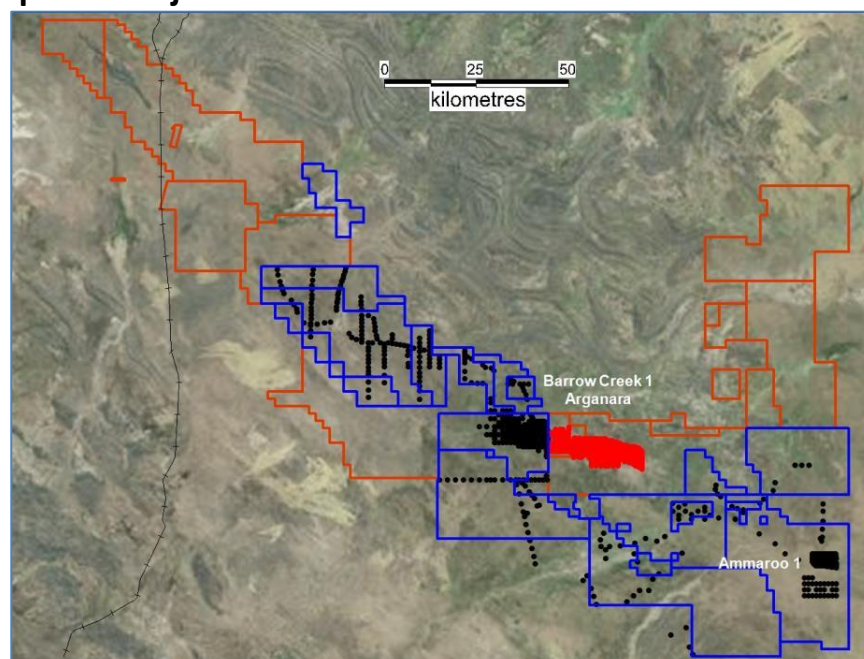


Figure 1. Rum Jungle Resources' and subsidiaries' holdings as of the 30/06/2013, showing: Ammaroo phosphate titles as of the 30/08/2013. RUM ELs shown in blue cover 4,827 km², CEN in orange. Existing RUM drillholes as black dots (including those in areas now relinquished), planned drilling on CEN EL 24726 shown in red dots. The program will be subject to CLC clearances and DME approvals.

Barrow Creek 1 and Arganara Resource

Rum Jungle Resources discovered the Barrow Creek 1 phosphate deposit on EL 25184 in 2010. The previously announced Measured Resource is 136Mt at an average grade of 15.7% and a cut off of 10% P₂O₅, and the total Measured, Indicated and Inferred Resource is 238Mt at an average grade of 14.6% and a cut off of 10% P₂O₅. The contiguous Arganara resource held by Central Australian Phosphate is 310Mt at 15% P₂O₅ using a 10% cut off. There is considerable potential to increase the combined resource to the east of Arganara.

Barrow Creek 1 RC Resource Definition Drilling

Infill and extensional resource drilling was completed on 24 July with 214 holes drilled for 4,849 m including extensions to the west and north of the grid. Modest extensions to the Barrow Creek 1 resource are expected in both directions.

Diamond Drilling

Winmax Drilling commenced PQ coring in June and completed diamond drilling at Barrow Creek 1 on August 17. Overall for the 2013 drill program, 51 holes were drilled for 1,600.1 m. This diamond drilling provides reliable samples for detailed metallurgical studies and is a quality check of the RC drilling. Diamond drill hole logging and sampling continued during this quarter. Results are yet to be received.



Figure 2. Investors inspecting core at Barrow Creek 1.

Phosphate Exploration Drilling

Early in the quarter, drilling was undertaken on EL 29266 and EL 29267 along the Murray Downs Road to the north of Barrow Creek 1. 28 holes were drilled for 1,266 m but no mineralisation was intersected. About 1-2 l/s water was evident in drill hole APRC0177 at 50 m depth about 4 km north of Barrow Creek 1 camp. This may provide a future water source. South of the Sandover River at Ammaroo South (formerly Ammaroo 1) up to 3 m at 16% P₂O₅ were intersected from 46 m in drillhole APRC161.

Sampling and Assays

Ten bulka bags of RC samples (over 2,900 samples) were despatched from site to AMDEL Darwin in August. Assay work is in progress and all RC assays should be received by the end of October.

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, covering 2,044 km², 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, providing 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. The project has a JORC potash resource and logistical advantages of being located adjacent to the Lasseter Highway and an existing rail siding at Kulgera 120 km from the project

Air Core Drilling

The 2013 air core drill program was completed on August 26. In total for the quarter, 95 holes were drilled for 1,673 m at an average depth of 17.6 m. Of these holes, 19 holes flowed over 1 litre per second and 10 holes flowed between 0.5 and 1 litre per second.

Trenching

Trenches have been excavated on Pulcura Lake, Curtin Boundary, and Miningere Lakes. The latter is 1.5 m wide, 80 m long and 3 m deep and is dug into weathered and fractured siltstone of the Horseshoe Bend Shale.



Figure 3. Newly completed trench completed at Curtin Boundary Lake, prior to fencing.



Figure 4. Miningere Trench digging in progress.

Pump Testing

Pump testing began at the Pulcura Lake trench on July 18 and finished on August 13. After 26 days approximately 5.685 million litres of brine had been pumped to an adjoining lake. Groundwater Science Hydrogeological Consultants are setting up and supervising the pump tests initially before handing over to RUM staff for daily sampling, monitoring of flow rates, water levels in the trench and surrounding piezometers. The average flow rate over the duration of the test was roughly 2.5 litres per second.

	K	Mg	SO₄	Na	Cl
Day 1	3800	3500	27000	89000	130000
Average (26 days)	3877	3570	27111	88480	136300

Brine assay results (ppm = mg/L) from Pulcura trench pump test.

Pumping was completed at the Curtin Boundary Trench on September 11. Over 26 days, approximately 4.5 million litres of brine were pumped at about 2.0 litres/sec on average. If the first day assays are discounted then the brine geochemistry stayed pretty much the same over 26 days which is very encouraging.

	K	Mg	SO₄	Na	Cl
Day 1	5000	6600	54,000	84,000	120,000
Day 2	4600	5900	53,000	73,000	110,000
Average (26 days)	4418	5922	52,666	76,111	109,259

Brine assay results (ppm = mg/L) from Curtin Boundary trench pump test

Pumping commenced at the Miningere Trench on 15 September. The trench is 1.5m wide, 80m long and 3m deep. The trench is dug into weathered and fractured siltstone of the Horseshoe Bend Shale. Flow rates and potassium grades are the highest of all trenches to date, however the pump had a mechanical failure after 5 days and had to be taken to Alice Springs for repairs. Pumping re-started on September 29. At the end of October over 20 million litres of brine had been pumped from the Miningere trench. Full assay results are awaited.

Date	Days	Flow Rate (L/s)	K (mg/L)
15-Sep	0	18.3	9700
16-Sep	1	14.1	8500
17-Sep	2	12.94	8700
18-Sep	3	11.44	8900
19-Sep	4	10.91	8900
20-Sep	5	10.5	8800
Breakdown			
29-Sep	0	14.18	9100
30-Sep	1	11.44	8900

Flow rates and potassium grades (mg/L= ppm) from Miningere Trench in September



Figure 5. Pump testing at Miningere Lake.

Evaporation Trial

Laboratory tests in 2012 have already proven that simple evaporation can produce commercial grade potash salts from Karinga Lakes brine. Field solar evaporation trials are now underway. A 12,000 litre winter evaporation trial commenced on 30 May 2013 when 3,000 litres of brine was pumped from drillholes at four different salt lakes. Combined samples of 4,000 litres were placed into three evaporation tanks for first stage evaporation. By the end of August, approximately 30% volume reduction had taken place due to evaporation, by the end of September 50% and 70% post quarter at the end of October. Water temperatures were ranging from 14-32 degrees Celsius and air temperatures have generally ranged between 1 and 40 degrees Celsius. Once about 80-90% halite precipitation has occurred, which will be early November, the enriched potash brine will be transferred from the three tanks to two smaller tanks for final crystallisation of mixed potash salts (schoenite). These salts will then undergo flotation tests to fine tune process routes and flotation reagent doses and will provide trial samples of schoenite and SOP for market evaluation.

Date	Sample	K	Mg	SO ₄	Na	Cl	Density	Volume (L)
30/05/2013	T1	5400	5400	40000	80000	120000	1.165	4000
30/05/2013	T2	5300	5300	39000	79000	120000	1.165	4000
30/05/2013	T3	5400	5300	40000	80000	120000	1.165	4000
2/07/2013	T1	5500	5300	42000	83000	120000	1.176	3685
2/07/2013	T2	5300	5100	42000	78000	130000	1.177	3717
2/07/2013	T3	5300	5200	43000	76000	120000	1.177	3682
30/07/2013	T1	6700	6200	45000	93000	140000	1.193	3416
30/07/2013	T2	6600	6200	45000	93000	140000	1.193	3360
30/07/2013	T3	6600	6200	46000	92000	140000	1.193	3364
20/08/2013	T1	7400	6900	52000	100000	160000	1.213	3011
20/08/2013	T2	7300	6900	53000	100000	160000	1.215	3017
20/08/2013	T3	7300	7000	53000	100000	160000	1.213	3009
10/09/2013	T1	8300	8000	63000	120000	180000	1.2414	2584
10/09/2013	T2	7900	7600	63000	110000	180000	1.2411	2560
10/09/2013	T3	8200	8000	64000	120000	180000	1.2416	2523
4/10/2013	T1	12000	11000	95000	120000	170000	1.2557	2022
4/10/2013	T2	12000	11000	92000	120000	170000	1.2545	1966
4/10/2013	T3	12000	12000	94000	120000	170000	1.2565	1955
10/10/2013	T1	14000	13000	100000	120000	170000	1.2632	1784
10/10/2013	T2	13000	12000	98000	110000	170000	1.2612	1792
10/10/2013	T3	13000	13000	99000	110000	170000	1.2626	1750
17/10/2013	T1	17000	15000	130000	110000	160000	1.273	1416
17/10/2013	T2	16000	14000	120000	110000	160000	1.27	1394
17/10/2013	T3	16000	15000	130000	110000	160000	1.272	1364

Table3. Evaporation trial assays(ppm = mg/L) over time increasing as evaporation progresses.



Figure 6. Evaporation trial progress as of 10 September. Note the ring of halite around the rim and the rafts of halite nucleating on the brine surface.

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. The company is still awaiting a reply from the Land Council regarding an on-country meeting held in March.

LAKE HOPKINS, WA (RUM 100%)

The Lake Hopkins project is targeting potash brine similar to the Karinga Lakes Project. A brine sampling program and air core drill program are planned, with the aim of estimating a maiden brine resource. The core tenement E69/2814, which covers 153.5 km², has been buffered by a new application, E69/3144, made by Rum Jungle Resources. The Department advised that the grant of E69/3144 application has been advertised as an act attracting the expedited procedure pursuant to section 29 of the Native Title Act 1993. The closing date for objections against the application is 28/10/2013. The project is also awaiting approval of an access permit from the Federal Minister to enter and work on Aboriginal Land and approval for exploration from the Western Australian Department of Mines and Petroleum.

LAKE MACKAY, WA (Toro JV)

A JV was signed with Toro Energy giving Rum Jungle Resources potash exploration rights to the southern part of Lake Mackay as held by a Toro subsidiary. The four JV Exploration Licenses (E 80/3484, 3485, 3486 and 3519) cover over 400 km² of lake surface. Previous shallow drilling by Toro to one metre depth has confirmed recovery of brine in the lake subsurface with contents of potassium, magnesium and sulfur similar to other potash rich brine systems in the area and overseas. The brine has the potential to produce schoenite, epsomite and sulfate of potash, similar to the Karinga Lakes Project in the NT.

Toro has previously had 112 drill holes cleared for drilling by Traditional Owners at 2 km spacing which should allow exploration drilling to proceed expeditiously. A helicopter-assisted air core drilling program is being arranged. Rum Jungle Resources' exploration manager accompanied his counterpart from Toro on a reconnaissance trip and attended a Cultural Awareness Course organised and run by Central Desert Native Title Services and attended by elders of the Tjamu-Tjamu people (Kiwirrkurra Traditional Owners).



Figure 7. Lake Mackay reconnaissance. Toro's Exploration Manager next to Rum Jungle Resources' ATV.

ROSS RIVER / ALICE SPRINGS PROJECT (RUM 100%)

This project is prospective for Cu-Ni-Cr-PGE. The western portion of EL 28156 is part of a newly recognised IOCG terrain and has anomalous surface Cu coincident with structural and magnetic targets. The only work during the quarter was drill site rehabilitation work which was completed utilising a prison work crew.

MOUNT BUNDEY / MOUNT GOYDER, TOP END PROJECT

(RUM100% & earning 70% in EL 25165, JV with Crocodile Gold)

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. During this quarter, eight RC holes were pegged at Donkey Hill gold prospect and nearby EM anomalies on the Uranex joint venture tenement. RC drilling commenced on EL 25165 on September 25. At the end of the quarter, two holes targeted on EM anomalies in flat floodplain country north of Donkey Hill had been completed for 194 m. Slightly graphitic and pyritic siltstone was encountered but no economic mineralisation was visible in these first two holes (MGRCOO1 and 002). Assays are pending.

Rum Jungle Resources has also been in JV with Crocodile Gold/Primary Minerals over thirteen exploration tenements near Mount Bunday, surrounding the Toms Gully Gold Mine, since 2007. There was no work on these this quarter.

A handwritten signature in black ink, appearing to read 'DW Muller', is written over a white background.

DW Muller BSc, 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.