ASX ANNOUNCEMENT

ASX CODE: RUM

ABN: 33 122 131 622

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ASX Release
19 January 2016

Listings Officer
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ASX Limited, Melbourne

KARINGA LAKES DEEP RC DRILLING DEMONSTRATES PRESENCE OF DEEPER SULPHATE OF POTASH BRINES

HIGHLIGHTS

- 11 deeper RC holes were drilled on the edges of selected salt lakes in the Karinga SOP project area. Previous drilling had targeted only the top 12-30 metres
- 5 of the deeper holes successfully flowed brines from depths greater than 30 metres with 4 of the 5 holes flowing brines with potassium levels typical of the existing SOP resource
- A number of SOP grades exceeded 12,000 mg per litre of brine (equates to more than 12 kg/m^3 SOP)
- It is anticipated that this recent drilling data will enable a modest increase in the potash brine resource
- The results of this limited program provide additional information to support the preliminary feasibility study for a small scale start up. The preliminary feasibility study (PFS) was commenced in late 2015

Rum Jungle Resources Managing Director Chris Tziolis stated that *"the results of this limited deep drilling evaluation program were encouraging as they indicated the presence of deeper SOP quality brines on the edges of a number of the lakes. The leading hypothesis is that the presence of deeper brines will be, at the very least, replicated toward the centre of the lakes and indeed could be potentially more significant than at the lake edges. This recent evaluation drilling will inform the PFS currently underway and facilitate a modest increase in the resource. Whilst the existing Karinga Lakes resource is sufficient to support the proposed small scale start up operation, these results add confidence to the notion that the operating footprint can be further minimised thus reducing the capital required for a 40,000 tonne per annum operation. An operation of this scale developed over the next 18 months to two years will be positioned to capture a portion of the southern and northern Australian horticultural markets and markets in SE Asia, particularly noting these markets are relatively small but importantly can be accessed via existing transport infrastructure (Lassiter Highway, Central Australian Railway and Port of Darwin). This will again limit the capital required in developing the project."*

EVALUATION SUMMARY

In mid November 2015, a deep RC drilling program was undertaken at Karinga Lakes to test for deeper brine around the edges of selected salt lakes. Eleven RC holes for 1,574 m were drilled adjacent to lakes at an average depth of 143 m and a maximum depth of 200 m. Previous drilling had generally targeted the top 15 to 30 m from surface, therefore in this program the top 12-30 m was cased off with PVC and cement grout to ensure only deeper brine was sampled and flow tested. Five holes successfully flowed brine below the collar, four of which had potassium levels significantly above the 3,000 mg/L K cut-off used for the existing Karinga Lakes SOP brine resource. Three other holes produced brine which was sampled but only within the top 30 m. Potassium values shown in Table 2 are typical of Karinga Lakes potassium values based on previous drilling.

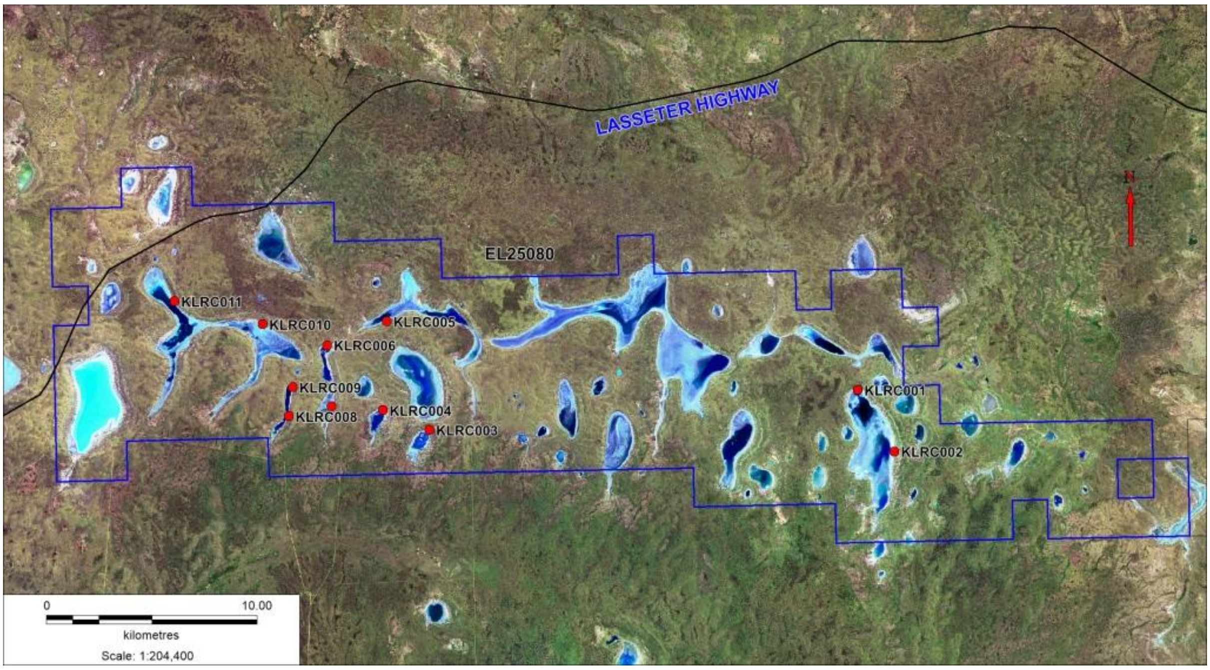
Flow rates were generally low below 30 m with the exception of hole KLRC009, which flowed around 10 l/s at 48 m depth.

The Karinga Lakes brine is hosted in shallow lake sediment generally less than 3 m in thickness and in underlying weathered and fractured siltstone of the Devonian aged Horseshoe Bend Shale below the lake sediment which is believed to be the source of much of the SOP. It is understood from historical petroleum data that the Horseshoe Bend Shale can extend for up to several hundred metres below the salt lakes.

The Horseshoe Bend Shale is uniformly a brown biotitic siltstone which grades downward into a dolomitic siltstone. Assays from 38 sediment samples taken between 40 m and 200 m depth show potassium (K_2O) content of 3.93% and a magnesium (MgO) content of 4.95% which are slightly higher values than in the top 30 m. The sulfate (SO_4) value below 40 m is 1.72%, down from 3.69% in the top 30 m which is due to more gypsum being present in the upper section. It is expected that as ground and rain water enter the system, some of these potassium salts may be dissolved thus recharging the SOP brine system.

The existing JORC 2012 resource is 8.4 Mt K_2SO_4 at 4,760 mg/l K using a 3,000 mg/L K cut-off. This was reported to the ASX on 20 February 2014 and has not changed since.

It is anticipated that this recent drilling data will enable a modest increase in the SOP brine resource. More importantly, it provides extra information and additional focus for the pre-feasibility study currently being conducted GHD and Norwest Corporation.



RC Drilling hole locations within EL 25080.

Hole_ID	Easting	Northing	Lake	Date Completed	Casing (m)	Max depth of brine below casing (m)	Hole Depth (m)
KLRC001	232664	7199028	Miningere 1	12/11/2015	30	dry	200
KLRC002	234396	7196103	Miningere 2	10/11/2015	12	dry	200
KLRC003	212342	7197129	Island 1	11/11/2015	30	65	200
KLRC004	210128	7198071	Island 2	12/11/2015	24	30	200
KLRC005	210301	7202275	Skinny	17/11/2015	23	dry	78
KLRC006	207464	7201143	Island 4 - 2	18/11/2015	24	66	102
KLRC007	207691	7198263	Island 4 - 1	18/11/2015	30	30	72
KLRC008	205657	7197784	Island 5 - 1	17/11/2015	30	dry	102
KLRC009	205835	7199164	Island 5 - 2	17/11/2015	18	42	72
KLRC010	204416	7202149	Swansons North	16/11/2015	18	42	162
KLRC011	200224	7203236	Swansons North	16/11/2015	3	144	186

Table 1. RC Drill hole data. Hole locations are GSA94, MGA Zone 53.

Hole_ID Unit	Lake	K mg/L	Mg mg/L	SO_4 mg/L	SOP mg/L	Sampled Interval (m)
KLRC001	Miningere 1	NSR	NSR	NSR	NSR	na
KLRC002	Miningere 2	NSR	NSR	NSR	NSR	na
KLRC003	Island 1	5,420	6,735	50,625	12,124	30-86
KLRC004	Island 2	5,670	5,660	39,800	12,683	0-30
KLRC005	Skinny	NSR	NSR	NSR	NSR	na
KLRC006	Island 4 - 2	5,785	8,136	47,283	12,941	24-66
KLRC007	Island 4 - 1	3,780	8,240	38,100	8,455	0-30
KLRC008	Island 5 - 1	2,570	8,010	40,800	5,749	0-30
KLRC009	Island 5 - 2	5,000	9,910	26,900	11,185	18-48
KLRC010	Swansons North	3,710	9,780	41,700	8,299	18-42
KLRC011	Swansons North	682	2600	4,770	1,525	0-144

Table 2. Brine results averaged per hole. NSR = no sample recovered.

High flow from KLRC009 on Island 5 Lake.

Drilling KLRC010 on Swansons North Lake.

FORWARD LOOKING STATEMENTS

This announcement contains forward looking statements. Forward looking statements are not based on historical facts, but are based on current expectations of future results or events. These forward looking statements are subject to risks, uncertainties and assumptions which could cause actual results or events to differ materially from the expectations described in such forward looking statements. Although Rum Jungle Resources believes that the expectations reflected in the forward looking statements in this announcement are reasonable, no assurance can be given (and Rum Jungle Resources does not give any assurance) that such expectations will prove to be correct. Undue reliance should not be placed on any forward looking statements in this announcement, particularly given that Rum Jungle Resources has not yet made a decision to proceed to develop the Karinga Lakes Project or any other project, and Rum Jungle Resources does not yet know whether it will be able to finance this project.

Chris Tziolis
Managing Director

IDENT	Hole ID	From (m)	To (m)	SG	pH	TDS	NO_3	Cl	Ca	K	Mg	Na	SO_4
UNITS				na	units	mg/L	mg/L	mg/L	mg/L	mg/L	mg/L	mg/L	mg/L
SCHEME				(soln)	ALK1	TSSTDS	FIAS_4	FIAS_4	W108I	W108I	W108I	W108I	W108I
KL3-1	KLRC003	0	30	1.18	7.4	-	34.3	90800	474	3640	4910	53600	36400
KL 3-2	KLRC003	30	86	1.57	8.4	186000	18.7	128000	468	5420	5090	77500	35700
KL 3-3	KLRC003	30	106	1.46	7.8	182000	4.67	131000	328	5570	6290	86800	53900
KL 3-4	KLRC003	30	125	1.34	7.7	212000	17	124000	338	5490	6940	84100	54900
KL 3-5	KLRC003	30	136	1.25	7.6	242000	24.9	117000	352	5310	7370	79500	54600
KL 3-6	KLRC003	30	160	1.24	7.5	213000	28	119000	346	5420	7690	80300	56400
KL 3-7	KLRC003	30	174	1.27	7.4	243000	32.4	120000	345	5440	7850	81800	57000
KL 3-8	KLRC003	30	198	1.22	7.4	224000	25.4	121000	337	5450	7740	80600	56100
KL4-1	KLRC004	0	30	1.2	7.3	-	19	135000	354	5670	5660	73200	39800
KL 6-1	KLRC006	0	16	1.2	7.3	215000	64.7	108000	434	5680	8070	69600	46200
KL 6-2	KLRC006	0	28	1.18	7.3	236000	69.8	109000	449	5750	8120	70400	46900
KL 6-3	KLRC006	24	48	1.17	8.2	244000	69.7	109000	450	5910	8150	71500	47600
KL 6-4	KLRC006	24	66	1.17	7.8	235000	68.6	108000	444	5800	8070	70400	47200
KL 6-5	KLRC006	24	84	1.28	7.3	187000	69.3	112000	396	5720	8150	71700	48100
KL 6-6	KLRC006	24	102	1.18	7.4	233000	70	109000	431	5850	8260	71400	47700
KL 7-1	KLRC007	0	22	1.16	7.2	182000	1000	83600	554	3780	8240	52900	38100
KL 8-1	KLRC008	0	30	1.13	7	173000	92.7	74700	565	2570	8010	49500	40800
KL 9-1	KLRC009	0	18	1.26	7.1	246000	9.08	132000	322	4860	9750	83900	52100
KL 9-2	KLRC009	18	30	1.2	7.1	258000	9.25	139000	355	5300	10400	77500	26700
KL 9-3	KLRC009	18	48	1.23	7	225000	0.175	124000	343	4700	9420	69400	27100
KL 9-4	KLRC009	18	66	1.35	6.9	205000	0.2	125000	409	4730	9490	71600	29500
KL 10-1	KLRC010	0	18	1.24	7.1	178000	8.56	106000	546	2600	6650	64800	29100
KL 10-2	KLRC010	18	42	1.22	7.3	253000	1.25	154000	320	3710	9780	93900	41700
KL 10-3	KLRC010	18	72	1.22	7.3	261000	1.4	151000	318	3670	9720	93900	41500
KL 10-4	KLRC010	18	102	1.21	7.2	298000	1.55	153000	333	3730	9790	94000	41700
KL 10-5	KLRC010	18	162	1.34	7.2	239000	0.98	155000	308	3510	9530	92900	40200
KL 11-1	KLRC011	0	96	1.17	7.2	197000	0.36	137000	2130	721	2640	80000	4980
KL 11-1A	KLRC011	0	96	1.18	7.2	201000	0.365	139000	2060	697	2570	77400	4810
KL 11-2	KLRC011	0	114	1.15	7.2	196000	0.47	135000	2250	652	2600	77800	4670
KL 11-3	KLRC011	0	144	1.21	7.2	163000	0.55	134000	2240	658	2590	76300	4620
KL 11-4	KLRC011	0	186	1.2	7.3	163000	0.43	140000	2200	679	2650	77900	4520

Table 3. Full assay data.

JORC Code, 2012 Edition – Table 1 report template

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Brine samples from RC drilling were taken from the outside return pipe at irregular intervals down-hole and stored in 500 ml bottles • A 25 litre bucket was used to collect brine samples and the time taken to fill the bucket was measured to estimate flow rates. • Sample bottles were labelled and the sample interval recorded.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Drilling was carried out on the edge of salt lakes by a Schramm 685 RC rig. • All holes were vertical. • RC bit size was 140 mm. • Casing diameter was either 177 mm or 200 mm.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• For RC drilling, both brine and sediment samples were collected at irregular intervals as dictated by what was intersected. • If no water was intersected, then brine samples cannot be taken. • Where sufficient water is intersected, air pressure forces water up the drill rods and through the outside return. Water is allowed to run for a few minutes to "clean up" and allow for a representative sample to be taken in a 500 ml bottle. • For sediment samples, 2 m or 3 m composite samples were taken at irregular intervals and placed in pre-numbered calico bags.

Criteria	JORC Code explanation	Commentary
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• All drill holes were geologically logged, noting in particular moisture content of sediments, lithology, colour, structural observations and flow rates of brine. Log sheets were developed specifically for this project. • Experienced, qualified, geologists logged all samples.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• RC samples were collected in plastic bags each metre and laid out in sequence. • Composite samples are taken by the scoop method. • Brine was sampled from the outside return pipe, with duplicates taken periodically, immediately following the previous sample. • Sample bottles were rinsed with brine and discarded prior to sampling. Labelling is done on the shoulder of the sample bottle as well as the cap in a permanent marker or paint marker.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• The geochemical assay method used for analysis of brine and sediment was appropriate. • The technique used for brine was ICP-AES. • The technique used for sediment was ICPMS. • One blind field duplicate was submitted to the laboratory. • Four duplicate samples were sent to a second laboratory for comparison. • No standards were submitted. However the same lab standards as used for previous work in this project were again employed. • The laboratory is asked to re-assay any unusual results.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*	• Brine geochemistry has been consistent over the last four years and the brine generally displays little variation over large areas. There is some variation noted in sulfate

Criteria	JORC Code explanation	Commentary
	• *Discuss any adjustment to assay data.*	assays. • No holes were twinned. In this program. • Data entry and logging is done into excel spreadsheets and forwarded to Maxwell Geoscience for data verification and storage. • Geochemical results are forwarded directly from the lab to Maxwell for addition to the database.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Drill hole co-ordinates are captured using hand held GPS. • The grid system used in GDA 94. The project is located in both MGA Zone 52 and 53. This drilling is entirely within Zone 53. • Topographic control is not considered critical as the salt lakes are general flat lying and the watertable is taken to be a level plane within the confines of each lake.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Drill hole spacing was irregular and based on easy access for a large rig in sandy and sand dune conditions. Some planned holes could not be accessed by the rig and support vehicles. • It is anticipated that drill hole spacing reported here will be sufficient for an upgrade of Mineral Resource estimation given that over 250 previous holes have been drilled on the project area. • Samples are composited down-hole whereby brine from up-hole is mixed with brine from down-hole ie a sample taken from 3 m represents 0-3 m whilst a sample taken at 12 m represents 0-12 m. Near surface brine was cased off by PVC and cement grout to prevent mixing with down hole brine.
Orientation of data in relation to geological	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling*	• All drill holes are vertical. • Lithology is generally flat lying. • Structures are present and control brine flow in the

Criteria	JORC Code explanation	Commentary
structure	*orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	sub-surface but their orientations are unknown.
Sample security	• *The measures taken to ensure sample security.*	• Samples are labelled and kept onsite before transport to Alice Springs where they are handed over to Intertek Laboratory with sample submission forms.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• None conducted.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• These exploration activities were on EL 25080 which is 100% owned by Rum Jungle Resources Ltd. • The exploration tenement is granted and in good standing. • The tenement is located on pastoral lease and has no current native title claims over it.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• The Karinga salt lakes were explored for evaporites and other salts by NT Evaporites in the late 1980s to mid 1990s.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The deposit type is salt lake brine potash.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth* o *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• Full information has been included in the ASX announcement. • All holes are vertical.
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.*	• Rum Jungle Resources has used a cut-off grade of 3000 mg/L potassium for the brine resource at Karinga.

Criteria	JORC Code explanation	Commentary
	• *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• The mineralisation is salt lake brine. Generally, the present salt lake boundary is taken to be the limit of higher grade brine, but this is not always the case. There are also dry holes within salt lakes with brine flow elsewhere restricted to near surface lake sediments. • There is also a deeper fractured rock aquifer which may extend beyond the present lake boundaries.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Addressed in the ASX announcement.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Where more than one brine sample was taken per hole or per interval, the average value is listed in the results table in the body of the announcement.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• An extensive program of hydrogeological testing has been undertaken in previous years and reported to the ASX.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Data will be sent to an independent consultant for a brine resource upgrade.