



ASX ANNOUNCEMENT

ASX CODE: RUM

ABN: 33 122 131 622

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DIRECTORS
David Muller
Jeff Landels
Chris Tziolis, MD

MAJOR PROJECTS
Ammaroo Phosphate
Karinga Creek Sulphate Potash

RUM JUNGLE RESOURCES LTD

ABN 33 122 131 622

**INTERIM FINANCIAL REPORT FOR THE HALF YEAR
ENDED 31 DECEMBER 2015**

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Company Strategy

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

Rum Jungle Resources Ltd has significant resources of both phosphate and potash.

Directors' Report

The Directors present their report together with the consolidated financial statements of Rum Jungle Resources Ltd, for the half-year ended 31 December 2015 and the independent audit review report thereon.

Directors

The Directors of the Company at any time during or since the end of the interim period are:

Name:	Status	Period of Directorship
David W Muller	Non Executive Chairman	Since 13 October 2006
Jeffrey D Landels	Non-Executive Director	Since 17 October 2012
Christopher N Tziolis	Managing Director	Since 6 June 2013

Review of Operations

Overview

The Company's focus remained on evaluation of its key projects with the objective of securing a partnership with a phosphate industry player to fund a bankable feasibility study, environmental approvals and subsequent development of the global scale Ammaroo phosphate project. The Company is also continuing the evolution of the portfolio of sulphate of potash projects by progressing a preliminary feasibility study for a small scale start-up on the Karinga Lakes project and also progressing negotiations for access with traditional owners of Lake Amadeus in the Northern Territory and Lake Frome in South Australia.

Furthermore, the Company has conducting initial evaluation and metallurgical test work on samples from its silica deposits with a view of identifying the potential for the production of highly valuable high purity quartz.

Health, Safety, Environment and Community

During the six months ended 31 December 2015 1,460 hours of field work was conducted and there were no LTI's recorded. There were no reportable environmental incidents during the half year.

Operating Result

The Group's loss after tax for the half year ended 31 December 2015 was \$3,743,763 after impairment and write down of \$2,795,128 in exploration costs (2014 loss \$1,638,789). Corporate costs of \$989,205 (2014 \$1,167,473) decreased compared to the prior comparative half year reflecting management focus to essential expenditure to maintain tenements. Exploration and evaluation (including studies) expenditure for the half year was \$1,048,574 (2014 \$3,161,000).

Phosphate

- Engagement with a number of regional fertiliser industry and financial entities was undertaken with an aim to secure cornerstone project investment, joint ventures and/or offtake to support the potential development of the global scale Ammaroo Project.

Potash

- A non-binding MOU regarding potential off-take of sulphate of potash was signed with a major Japanese Trading House
- A preliminary feasibility study on a small scale start-up on the Karinga Lakes project was commenced
- A 2,000 litre evaporation trial of Karinga Lakes brine was conducted in Alice Springs. It is anticipated this will provide potassium salts for the next stage of process test work that will be required for completion of pre-feasibility study (PFS).
- An RC drilling programme of eleven holes for 1,574 m was completed at Karinga Lakes.
- Negotiations with Traditional Owners for access to Lakes Amadeus, Frome and McDonald were undertaken during the period

Silica (High Purity Quartz (HPQ))

- Preliminary and prospective sampling was conducted on Silica outcrops.
- Initial processing test work was conducted and this indicates more work is required to determine whether or not an IOTA standard HPQ product can be produced.

Corporate

- Flagstaff Partners facilitated engagement with the fertiliser industry and contact with financial and investor institutions to assist with strategy around development of Company projects.

Other

The Quarterly Activities Report for the period ended 31 December 2015 was released to the ASX on the 28th January 2016 and can be referred for further information and discussion on the Group's projects.

Auditor's Independence Declaration

The auditor's independence declaration in relation to the review of the half-year financial report is set out on page 5 and forms part of this Directors' Report for the six months ended 31 December 2015.

Rounding Off

The Group is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the consolidated interim financial statements and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to Section 306 (3) of the *Corporations Act 2001*.



David Muller, MSc, MBA, FAusIMM
Chairman

Dated: Melbourne 14th March 2016

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001



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To: the directors of Rum Jungle Resources Ltd

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2015 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

A handwritten signature in black ink that reads 'KPMG'.

KPMG

A handwritten signature in black ink that reads 'Clive Garland'.

Clive Garland
Partner

Darwin

14 March 2016

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**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015**

	Note	Consolidated	
		Half-Year Ended 31 Dec 2015 \$'000	Half-Year Ended 31 Dec 2014 \$'000
Continuing operations			
Other Income		40	119
Depreciation		(7)	(9)
Employee benefits expense		(400)	(649)
Exploration and evaluation assets impairment		(2,795)	(590)
Loss on sale of assets		-	-
Listing & Registry costs		(61)	(64)
Other expenses		(521)	(446)
Loss before income tax expense		(3,744)	(1,639)
Income tax benefit		-	-
Net loss for the half year		(3,744)	(1,639)
Other comprehensive income for the half year		-	-
Total comprehensive income for the period attributable to owners of Rum Jungle Resources Ltd		(3,744)	(1,639)
Earnings per share:		<i>Cents</i>	<i>Cents</i>
Basic earnings per share		(0.97)	(0.43)
Diluted earnings per share		(0.97)	(0.43)

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to the consolidated interim financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

		Consolidated	
	Note	31 Dec 2015	30 Jun 2015
		\$'000	\$'000
ASSETS			
Current Assets			
Cash and cash equivalents		2,024	3,624
Trade and other receivables		64	48
Other		359	781
Total Current Assets		2,447	4,453
Non-Current Assets			
Exploration and evaluation assets		40,545	42,292
Property, plant and equipment		812	878
Total Non-Current Assets		41,357	43,170
TOTAL ASSETS		43,804	47,623
LIABILITIES			
Current Liabilities			
Trade and other payables		257	350
Short-term provisions		107	89
Total Current Liabilities		364	439
TOTAL LIABILITIES		364	439
NET ASSETS		43,440	47,184
EQUITY			
Contributed equity		73,357	73,357
Share-based payments reserve		1,448	1,448
Accumulated losses		(31,365)	(27,621)
TOTAL EQUITY		43,440	47,184

The consolidated statement of financial position is to be read in conjunction with the notes to the consolidated interim financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015**

	Consolidated			
	Issued Capital	Share-based Payments Reserve	Accumulated Losses	Total Equity
	\$'000	\$'000	\$'000	\$'000
Balance at 1 July, 2014	73,357	1,251	(25,698)	48,910
Loss for the half year	-	-	(1,639)	(1,639)
Total comprehensive Loss for the period	-	-	(1,639)	(1,639)
Transactions with owners of the Company, recognised directly in equity				
Issue of employee share options	-	152	-	152
Balance at 31 December 2014	73,357	1,403	(27,337)	47,423
Balance at 1 July, 2015	73,357	1,448	(27,621)	47,184
Loss for the half year	-	-	(3,744)	(3,744)
Total comprehensive Loss for the period	-	-	(3,744)	(3,744)
Transactions with owners of the Company, recognised directly in equity				
Balance at 31 December 2015	73,357	1,448	(31,365)	43,440

The statement of changes in equity is to be read in conjunction with the notes to the consolidated interim financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015**

	Note	Half-Year Ended 31 Dec 2015 \$'000 Consolidated	Half-Year Ended 31 Dec 2014 \$'000 Consolidated
Cash flow from operating activities			
Interest received		38	141
Payments to suppliers, employees and others		(1,075)	(2,033)
Net cash flows from operating activities		(1,037)	(1,892)
Cash flows from investing activities			
Purchase of non-current assets		(3)	(1)
Proceeds from sale of non-current assets		9	17
Payments for exploration and evaluation assets		(994)	(3,026)
Recovery from secured Term Deposits		425	69
Net cash flows from investing activities		(563)	(2,941)
Cash flows from financing activities			
Proceeds from share issues net of issue costs		-	-
Net cash flows from financing activities		-	-
Net (decrease) in cash and cash equivalents		(1,600)	(4,833)
Cash and cash equivalents at the beginning of the half year		3,624	9,229
Cash and cash equivalents at end of the half year		2,024	4,396

The consolidated statement of cash flows is to be read in conjunction with the notes to the consolidated interim financial statements.

RUM JUNGLE RESOURCES LTD – Interim Financial Report 31 December 2015

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

NOTE 1: Reporting entity

Rum Jungle Resources Ltd (“the Company”) is a company domiciled in Australia. The Group comprises the Company and its subsidiaries together referred to the “Group”. The Group is entirely involved in the exploration for and development of mineral resources in Australia.

NOTE 2: Basis of preparation

(a) Statement of compliance

These consolidated interim financial statements for the six months period ended 31 December, 2015 have been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standards including AASB 134: Interim Financial Reporting, the equivalent of the International Accounting Standard IAS34: Interim Financial Reporting.

Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the last annual consolidated financial statements as at and for the year ended 30 June 2015. The consolidated interim financial statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated annual financial statements of the Group as at and for the year ended 30 June 2015.

These consolidated interim financial statements were approved by the Board of Directors on 14 March 2016.

The company is of a kind referred to in ASIC Class Order CO98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the consolidated interim financial statements have been rounded off to the nearest thousand dollars, or in certain cases, to the nearest dollar.

(b) Going Concern

Notwithstanding the loss for the half year of \$3,743,763 the financial statements have been prepared on a going concern basis, which contemplates continuity of normal activities and realisation of assets and settlement of liabilities in the normal course of business. As is generally the case for explorers, the ability of the company to continue its exploration and evaluation activities as a going concern including meeting its obligations is dependent upon accessing funds from investors in the capital markets or securing partner support for activities at project level.

The Board anticipates the Group will be able to raise additional equity and has a history of securing such funding as required in the past to support their confidence. While the Board is confident in the ability to continue as a going concern, if the cash flow forecasts are adversely impacted by not being able to raise finance or secure another investor in the projects there would be material uncertainty as to whether the Group would be able to continue as a going concern.

Consequently, material uncertainty exists as to whether the Group will continue as a going concern and it may therefore be required to realise assets at amounts different to their carrying amounts in the statement of financial position and settle liabilities (and contingent liabilities) other than in the ordinary course of business.

(c) Judgements and estimates

In preparing these interim financial statements, Management make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by Management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 June 2015.

NOTE 3: Significant accounting policies

The accounting policies applied by the Group in the consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 30 June 2015.

NOTE 3: Significant accounting policies (continued)

In the half year ended 31 December 2015, the Group has reviewed the revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2015. It has been determined by the Group that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business with no impact on disclosure.

The Group has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half year ended 31 December 2015. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is anticipated to Group accounting policies in subsequent periods.

	Consolidated	
	Half-Year Ended 31 Dec 2015 \$'000	Year Ended 30 June 2015 \$'000
Cash at bank and on hand	1,364	1,784
Term deposits	660	1,840
Total cash and cash equivalents	2,024	3,624

NOTE 4: CASH AND CASH EQUIVALENTS

NOTE 5: DEFERRED EXPLORATION EXPENDITURE

Costs carried forward in respect of areas of interest in the following phases:

Exploration and evaluation assets – at cost

Balance at beginning of period	42,292	39,012
Expenditure cost incurred	1,048	4,066
	43,390	43,078
Impairment of exploration and evaluation assets	(2,795)	(786)
Total deferred exploration expenditure	40,545	42,292

The ultimate recoupment of the carrying value of Exploration and Evaluation assets is dependent upon the successful development and commercial exploitation or sale of the respective area of interest.

The impairment of exploration and evaluation assets reflect the Group's decision to focus on the Potash and Phosphate projects and represents the write off of previously capitalised exploration expenditure on a number of tenements not related to projects for which it is expected there will be future benefits.

RUM JUNGLE RESOURCES LTD – Interim Financial Report 31 December 2015

Consolidated Half-Year Ended 31 December 2015

NOTE 6: ISSUED CAPITAL

Fully Paid Ordinary Shares

	No.	\$
Balance at 1 July 2015	385,504,597	73,356,647
Shares issued during the period	-	-
Balance as 31 December 2015	385,504,597	73,356,647

Share options

At 31 December 2015, the following options for ordinary shares in Rum Jungle Resources Ltd were on issue:

	December 2015 Number	June 2015 Number
Employee options	3,100,000	3,100,000
Directors options	5,000,000	15,500,000
Options issued and exercisable at end of period	8,100,000	18,600,000

NOTE 7: SEGMENT INFORMATION

Business segments

The Group operates in one geographic segment for management reporting, being Australia, and in one business segment, being mineral exploration and evaluation of minerals.

NOTE 8: EVENTS SUBSEQUENT TO REPORTING DATE

There has not arisen in the period between the end of the half-year and the date of this report any item, transaction or event of a material or unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future years.

NOTE 9: CONTINGENT LIABILITY

The company is under review by a government agency in relation to one project subject to a research and development grant. The company will vigorously defend the basis of the work and the claim as appropriate (a consistent view and as supported by advisors) but the result of the review is unknown at this time. The director's view is that the review has not been concluded and will be subject to a request for audit review process if the findings of the review are not favourable. This will extend the time to finalise this outcome considerably.

DIRECTORS' DECLARATION

For the half-year ended 31 December 2015

In the opinion of the directors:

- (a) The consolidated financial statements and notes set out on pages 6 to 12 are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the financial position of the Group as at 31 December 2015 and of its performance, as represented by the results of its operations and cash flows for the half-year ended on that date; and
 - (ii) complying with Accounting Standards AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001 and other mandatory professional reporting requirements.
- (b) There are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.



David Muller, MSc, MBA, FAusIMM
Chairman

Dated: 14th March 2016.



Independent auditor's review report to the members of Rum Jungle Resources Ltd

Report on the financial report

We have reviewed the accompanying half-year financial report of Rum Jungle Resources Ltd (the Group), which comprises the consolidated statement of financial position as at 31 December 2015, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes 1 to 9 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Group comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2015 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Rum Jungle Resources Ltd, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Rum Jungle Resources Ltd is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and
- (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Emphasis of matter

Without modifying our opinion, we draw attention to Note 2(b) in the financial report, under the heading "Going Concern", which indicates that the Group incurred a net loss of \$3,743,763 during the half-year ended 31 December 2015 and, as of that date, the ability of the Group to continue as a going concern is dependent upon accessing funds from investors in the capital markets or securing partner support for activities at project level. These conditions, along with other matters as set forth in Note 2(b), indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

A handwritten signature of the KPMG firm, written in dark ink.

KPMG

A handwritten signature of Clive Garland, written in dark ink.

Clive Garland
Partner

Darwin

14 March 2016