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NEW PHOSPHATE DISCOVERY AMMAROO

Joint venture between Rum Jungle Uranium Ltd and Aragon Resources Ltd (RUM earning 60% with option to increase to 70%)

Air core drilling commenced early last week at the Ammaroo Project situated east of the Central Australian Rail head between Alice Springs and Tennant Creek. Drill progress has been at the rate of 300-350 metres per day. The first drilled holes were designed to delineate the ancient Cambrian shore line within the western most tenement, EL 25184 (Area 1) from which it could be determined where the likely phosphate strata might occur (see attached figure).

Drilling proceeded southward away from the shore line into the deeper basin sediments using cleared drill lines pursuant to a Mine Management Plan filed with the NT Mines Department. On the southern extremity of two of these lines several drill holes have encountered high grade phosphate. These holes are 1000 metres apart and form part of a reconnaissance drilling program. Visual interpretation of the phosphate horizon occurring as a grey silty limestone correlates well with other Georgina Basin phosphate deposits and deeper oil wells logged by the company that also contain significant phosphate levels. The phosphate layer sits directly over the Arthur Creek Cambrian limestone formation.

Company geologists are using a Niton XLT3-900 portable XRF analyzer on all drill cuttings and have recorded one meter intervals up to **40% Phosphate (P2O5)**. The accuracy of these indications cannot be confirmed until laboratory assays are received in coming weeks. Area 1 is a new phosphate discovery that has never been drilled before.

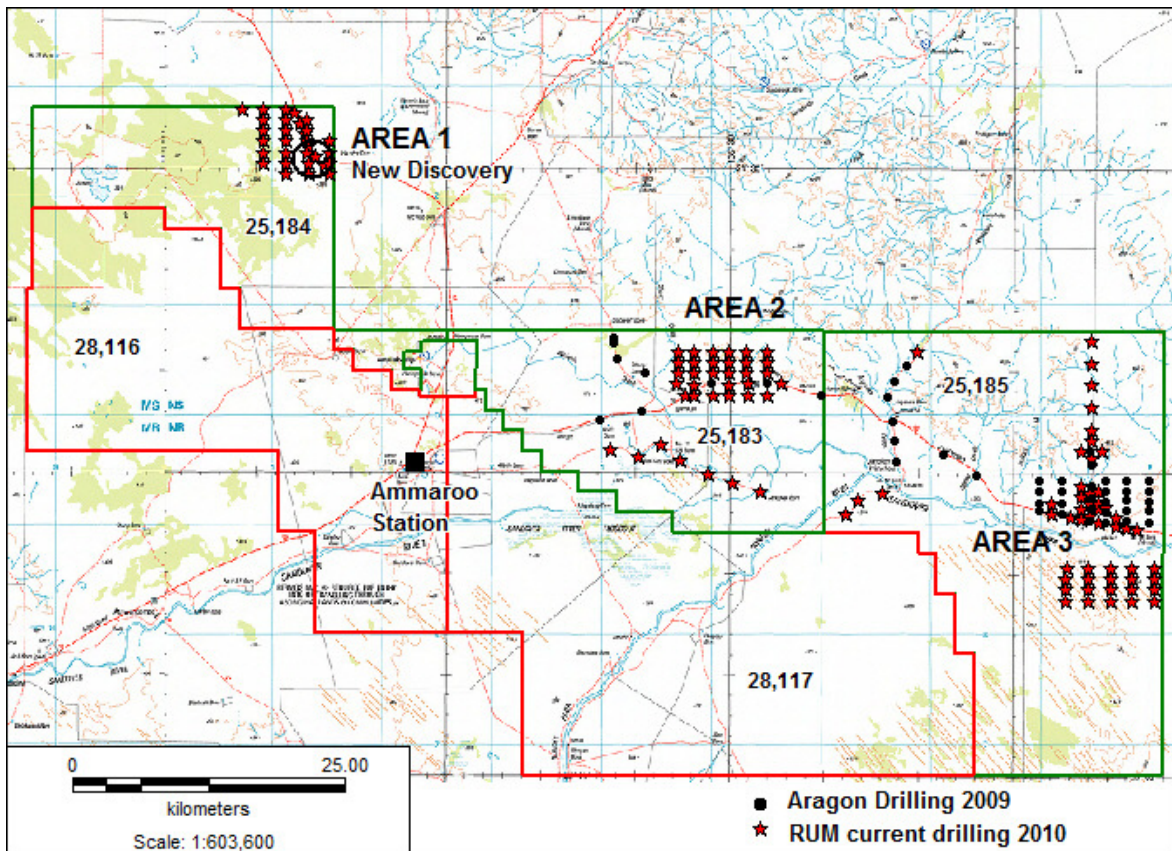
The significance of the discovery is that the highest values occur within 15-20 metres of the surface, which is largely transported loose overburden, and geographically, located about 90 km east of the Adelaide-Darwin railway line.

A new Mine Management Plan will be lodged with the NT Mines Department seeking permission to extend the drilling southward beyond the current approved plan. In the meantime the Drill rig is being moved to The Ammaroo prospect previously discovered by JV partner Aragon, where substantial thicknesses of medium grades up to 20% P2O5 were defined within the Eastern most EL 25185 (Area 3), approximately 90 kilometers east of the new discovery. Note the drill holes south of the Sandover River will not be drilled during this program due to access problems crossing the river due to recent rain.

The rig will then move to the centrally located EL 25183 (Area 2) to determine the location of the old shoreline and the most likely phosphate targets. The total length of the old shoreline with phosphate potential within the three contiguous granted tenements is 120Km.

A more comprehensive report on the drilling will be available later in the week when all data is at hand.

Figure 1. Drill Collars and new phosphate discovery at Ammaroo



D.W. Muller M.Sc., M.B.A., F.Aus.I.M.M.
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 Australian Institute of Mining and Metallurgy.

Mr. Muller is Managing Director and a consultant to the Company. Mr. Muller has sufficient experience which is relevant to the style of mineralization 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 "Australian 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 his information in the form and context in which it appears.

Further Information call Rum Jungle Office Darwin: 08 89420385