

Listings Officer
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KARINGA CREEK POTASH PROJECT
RESOURCE DRILLING INDICATES STRONG GRADE
JOINT VENTURE PROJECT (RUM 71%/RWD 29%)

The Karinga Creek Joint Venture partners Rum Jungle Resources Ltd and Reward Minerals Ltd, are pleased to announce extremely positive results from resource drilling undertaken on 22 salt lakes at the Karinga Creek Potash Project late in 2011 with a combined total area of 113 square kilometres. The Joint Venture is targeting Sulphate of Potash (SOP) and Potassium Magnesium Sulphate (Schoenite) to be produced from salt lake brine. Evaporation tests conducted to date have indicated Schoenite will be the predominant salt produced from Karinga Creek brines.

At Karinga Creek within the desert region of the Central Australian Amadeus Basin, brine production of potash salts from salt lakes is planned to be a low cost source of important fertiliser products similar to those produced by companies with salt lakes brines in the Atacama Desert in Chile, the Great Salt Lake Utah, the Dead Sea in Israel and arid zones of Lake Quinghi in China.

Results to date have included some very high grade Schoenite including:

- 41.24 kg/m³ Schoenite from 2.6-3.1m depth in hole KPSC056 on Swansons Lake
- 32.38 kg/m³ Schoenite from 2.8-3.5m depth in hole KPSC047 on Curtin Island 1 Lake
- 30.01 kg/m³ Schoenite from 2.5-3.5m depth in hole KPSC028 on Miningere Lake

Further high grade intervals with Schoenite values above 15 kg/m³ are listed in table 2.

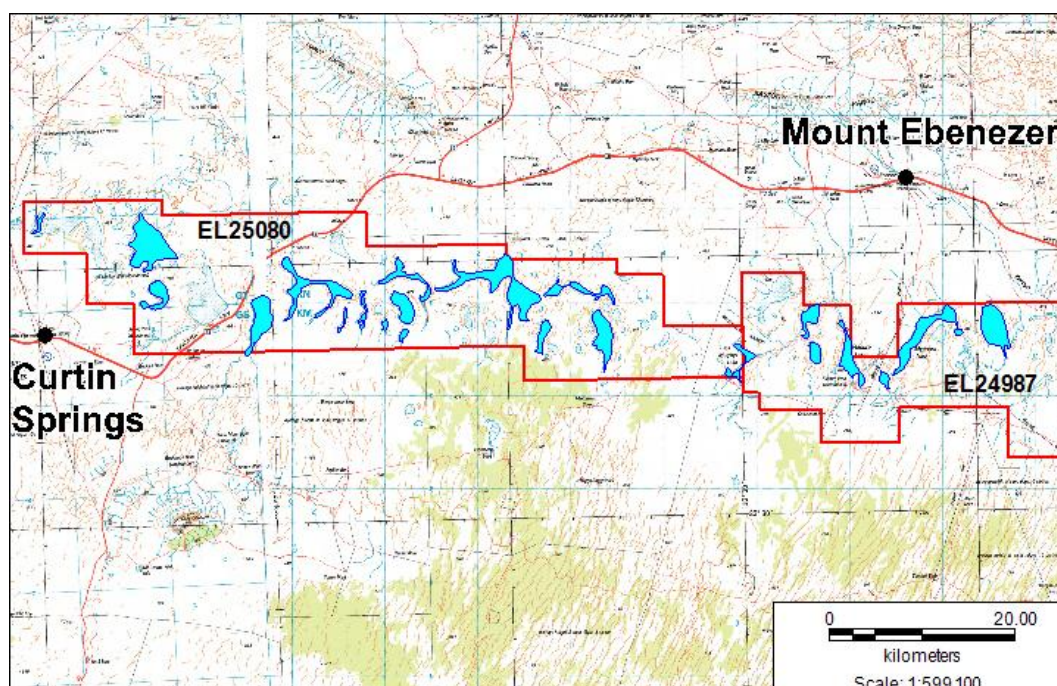


Figure 1. Karinga Creek Potash Project Salt Lakes

Resource drilling in 2011 confirmed two distinct aquifers within the Karinga Creek Lake system. Aquifer 1 is the near surface salt lake sediment brine generally within 1m of the surface but as deep as 3m. Aquifer 2 is the deeper fractured siltstone hard rock aquifer within the Horseshoe Bend Shale occurring beneath the salt lakes. The total depth of this aquifer is currently unknown. For the purpose of comparison, production bore testing of salt lake aquifers in the Atacama Desert in Chile can be as deep as 100m below surface.

From results received to date, it is clear that Aquifer 2 contains higher concentrations of potassium, magnesium and sulphate brine than Aquifer 1. This is extremely encouraging as most 2011 drill holes ended in high grade brine due to the limitations of the drill rig. A large drill program planned for 2012 aims to target Aquifer 2 at depth. Historical studies at Lake Amadeus to the west of Karinga Creek show a similar pattern in that brine density and grade increases with depth.

Table 1. Karinga Creek Aquifer Details

	Karinga Aquifer 1	Karinga Aquifer 2	Lake Mackay	Lake Disappointment
K (kg/m ³)	1.81	2.69		
SOP (kg/m ³)	4.03	5.99	4.3	6.17
Schoenite (kg/m ³)	9.33	13.87		
Density of sediments (t/m ³)	1.61	2.47		

Note: SOP (K₂SO₄), Schoenite (K₂SO₄.MgSO₄.6H₂O). Based on 61 sampled intervals for aquifer 1 and 54 sampled intervals for aquifer 2.

The table above compares Karinga Creek results with the two other most advanced potash projects in Australia. As a comparison Lake Disappointment has 6.17 kg/m³ SOP and Lake Mackay has 4.3 kg/m³ SOP (Source: Reward Minerals ASX announcements).

Drilling results have now been passed on to Geos Mining Consultants for an initial resource estimate which is expected near the end of the month. Results for a further one sonic drill hole and eight Vibracore holes should be received shortly and will also be passed on. Exploration plans for 2012 have already been submitted to the NT Department of Resources.

Exploration includes allowance for 4-5 trenches up to 100m in length for pump testing over 5 days to gauge recharge rates, transmissivity and drawdown. A combination of sonic and air core drill holes to 12m and 50m depth will target deeper brine resources in Aquifer 2. All these drill holes will be cased to allow flow rate testing to determine transmissivity of brine through sediments and drawdown levels from pumping. Along with the geochemistry of the brine, transmissivity and recharge are key factors in a successful potash operation.

Archaeological surveying will commence in April prior to construction of new access tracks through the project area and a second environmental baseline survey is also scheduled for April.

Table 2. Significant Resource Drilling Results

Hole	From	To	Lake	SOP (kg/m3)	Schoenite (kg/m3)
KPSC005-02	1.4	3	Erlunda Boundary	6.74	15.6
KPSC006-01	0	1.5	Mygoora	7.02	16.25
KPSC006-02	1.5	2.9	Mygoora	8.04	18.61
KPSC020-02	2	2.8	Mygoora South	7.63	17.64
KPSC022-02	1.2	2.5	Murphys	7.67	17.75
KPSC025-01	0	1	Miningere	9.13	21.13
KPSC026-01	0	1	Miningere	7.83	18.13
KPSC026-02	1	2.5	Miningere	7.31	16.9
KPSC026-03	2.5	4	Miningere	7.68	17.77
KPSC028-01	0	1	Miningere	8.75	20.23
KPSC028-02	1	2.5	Miningere	8.53	19.73
KPSC028-03	2.5	3.5	Miningere	12.97	30.01
KPSC043-03	3	4	Skinny	7	16.2
KPSC044-02	2.4	3.4	Curtin Boundary	7.8	18.04
KPSC046-03	2	2.7	Curtin Boundary	9.18	21.23
KPSC047-01	0	1.5	Curtin Island 1	9.81	22.7
KPSC047-02	2	2.8	Curtin Island 1	7.62	17.64
KPSC047-03	2.8	3.5	Curtin Island 1	13.99	32.38
KPSC048-02	1	2	Curtin Island 2	10.62	24.58
KPSC050-03	2.5	3.8	Curtin Island 4	8.53	19.74
KPSC050-04	3.8	4.8	Curtin Island 4	7.98	18.46
KPSC051-02	1.2	2.2	Curtin Island 4	7.66	17.73
KPSC051-04	3.2	4.2	Curtin Island 4	7.12	16.47
KPSC056-01	0	1.4	Swansons	6.9	15.97
KPSC056-02	2.6	3.1	Swansons	17.82	41.24
KPSC057-01	0	1.1	Swansons	6.71	15.52
KPSC057-02	1.1	1.7	Swansons	7.38	17.07
KPSC058-04	4	4.5	Swansons	10	23.14

Schoenite is a fertiliser compound which we expect to be able to produce by crystallising the brine in evaporation ponds. The right hand column above in table 2 highlights the contained kilograms of Schoenite within a cubic metre of lake sediment

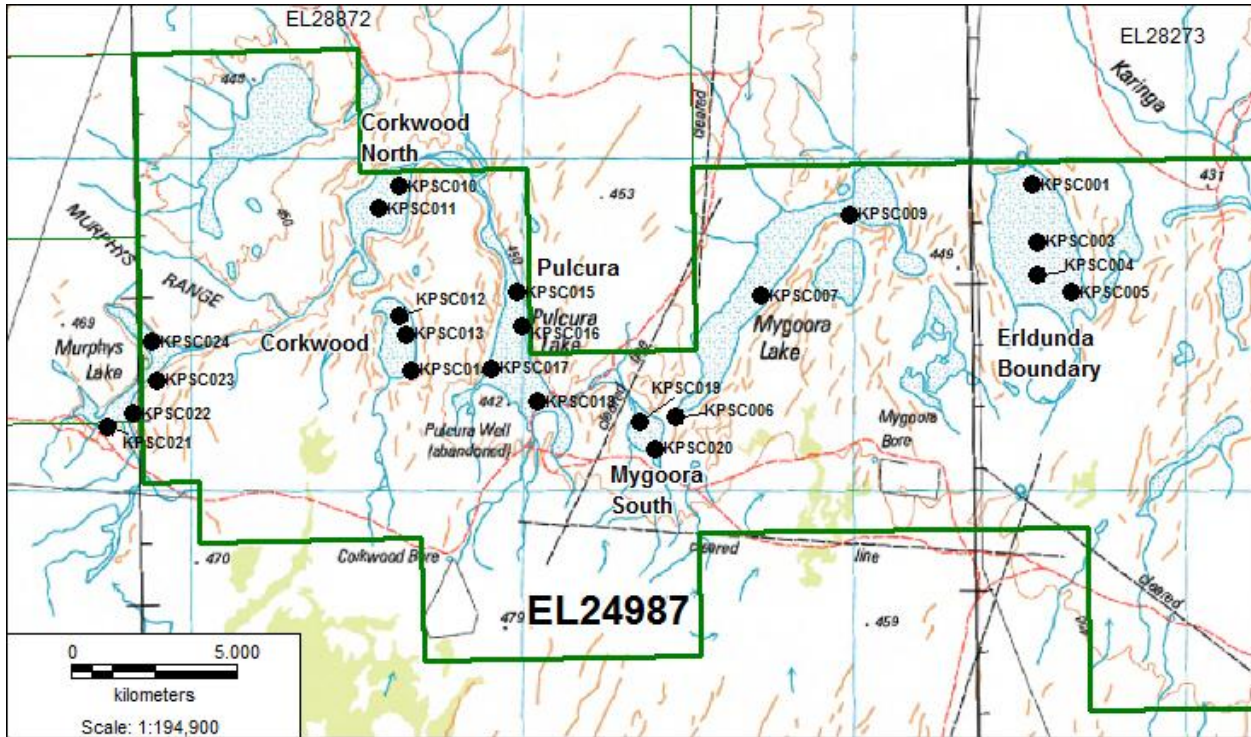


Figure 2. Sonic Drill Hole Locations on EL24987

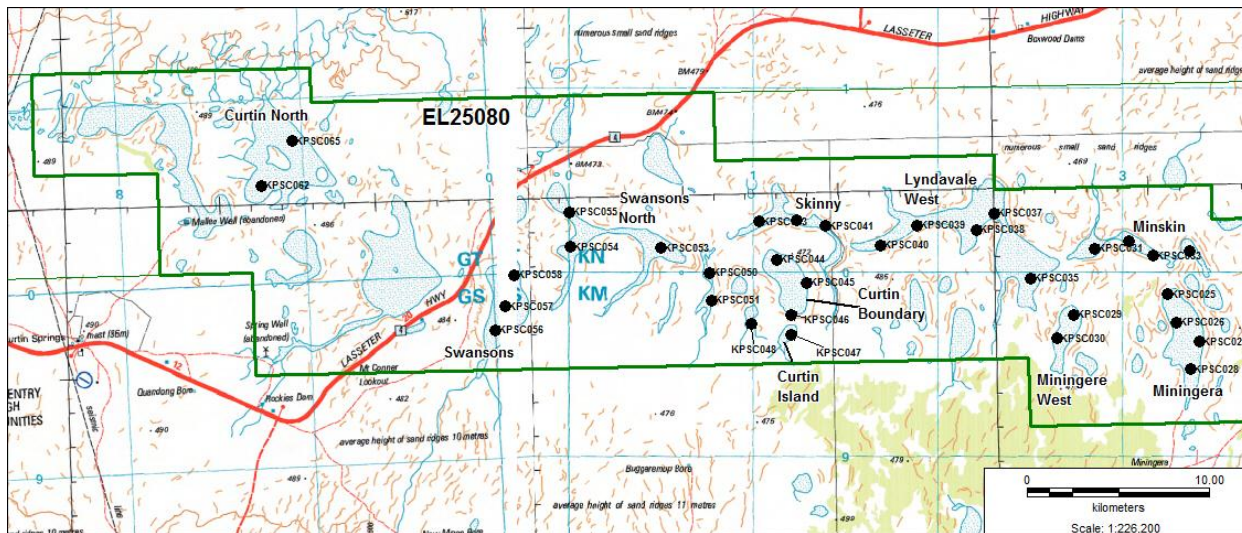


Figure 3. Sonic Drill Hole Locations on EL25080

Table 3. Sonic Drill Hole Collar Table

Hole	Easting	Northing	Zone	Date	Depth	SWL	Lake	EL
KPSC001	275353	7199246	53	29/09/2011	0.9	0.5	Erlunda Boundary	24987
KPSC003	275505	7197502	53	29/09/2011	3.5	0.8	Erlunda Boundary	24987
KPSC004	275505	7196500	53	30/09/2011	3.4	0.65	Erlunda Boundary	24987
KPSC005	276497	7195998	53	30/09/2011	3	0.7	Erlunda Boundary	24987
KPSC006	264533	7192248	53	14/10/2011	2.9	0.25	Mygoora	24987
KPSC007	267106	7195895	53	14/10/2011	0.9		Mygoora	24987
KPSC009	269812	7198342	53	14/10/2011	2.3	0.5	Mygoora	24987
KPSC010	256194	7199196	53	12/10/2011	4.8	0.6	Corkwood North	24987
KPSC011	255551	7198511	53	12/10/2011	3.4	0.7	Corkwood North	24987
KPSC012	256199	7195299	53	13/10/2011	3.9	0.5	Corkwood	24987
KPSC013	256411	7194732	53	13/10/2011	4.3	0.4	Corkwood	24987
KPSC014	256533	7193650	53	13/10/2011	4.4	0.4	Corkwood	24987
KPSC015	259744	7195995	53	12/10/2011	3.05	0.3	Pulcura	24987
KPSC016	259919	7194956	53	12/10/2011	2	0.3	Pulcura	24987
KPSC017	258995	7193685	53	11/10/2011	2.15	0.07	Pulcura	24987
KPSC018	260359	7192677	53	11/10/2011	2.8	0.3	Pulcura	24987
KPSC019	263446	7192108	53	14/10/2011	2.8	0.25	Mygoora South	24987
KPSC020	263923	7191264	53	14/10/2011	2.8	0.45	Mygoora South	24987
KPSC021	247366	7191942	53	15/10/2011	1.9	0.2	Murphys	25080
KPSC022	248129	7192321	53	15/10/2011	3.2	0.23	Murphys	25080
KPSC023	248849	7193343	53	15/10/2011	2.7	0.2	Murphys	24987
KPSC024	248721	7194503	53	15/10/2011	2.8	0.2	Murphys	24987
KPSC025	232384	7198801	53	16/10/2011	3	0.3	Miningere	25080
KPSC026	232850	7197292	53	16/10/2011	4	0.4	Miningere	25080
KPSC027	234097	7196244	53	16/10/2011	1.9		Miningere	25080
KPSC028	233658	7194721	53	16/10/2011	3.5	0.25	Miningere	25080
KPSC029	227296	7197704	53	3/10/2011	3.2	0.5	Miningere West	25080
KPSC030	226422	7196403	53	4/10/2011	4	0.1	Miningere West	25080
KPSC031	228428	7201281	53	3/10/2011	3.5	0.2	Minskin	25080
KPSC032	230310	7201698	53	2/10/2011	3.5	0.15	Minskin	25080
KPSC033	231602	7200910	53	2/10/2011	3.4	0.01	Minskin	25080
KPSC034	233603	7201161	53	2/10/2011	3.9	0.15	Minskin	25080
KPSC035	224964	7199663	53	3/10/2011	3.2	0.35	Lyndavale West	25080
KPSC037	223001	7203206	53	7/10/2011	4.1	0.05	Lyndavale West	25080
KPSC038	222002	7202315	53	7/10/2011	4.2	0.05	Lyndavale West	25080
KPSC039	218787	7202560	53	7/10/2011	4.3	0.08	Lyndavale West	25080
KPSC040	216814	7201462	53	8/10/2011	4.4	0.1	Lyndavale West	25080
KPSC041	213808	7202531	53	18/10/2011	3	0.1	Skinny	25080
KPSC042	212277	7202812	53	18/10/2011	3.7	0.15	Skinny	25080
KPSC043	210218	7202767	53	18/10/2011	4	0.2	Skinny	25080
KPSC044	211201	7200704	53	17/10/2011	3.4	0.3	Curtin Boundary	25080
KPSC045	212809	7199436	53	17/10/2011	3.1	0.35	Curtin Boundary	25080
KPSC046	211938	7197708	53	17/10/2011	2.7	0.15	Curtin Boundary	25080
KPSC047	211944	7196584	53	8/10/2011	4	0.01	Curtin Island	25080
KPSC048	209837	7197204	53	19/10/2011	3	0.1	Curtin Island 2	25080
KPSC050	207561	7199981	53	19/10/2011	4.8	0.07	Curtin Island 4	25080
KPSC051	207674	7198490	53	19/10/2011	4.2	0.25	Curtin Island 4	25080
KPSC053	204877	7201336	53	8/10/2011	3	0.13	Swansons North	25080
KPSC054	199966	7201387	53	9/10/2011	1.5	0.07	Swansons North	25080
KPSC055	199925	7203259	53	9/10/2011	1.9	0.17	Swansons North	25080
KPSC056	800024	7196953	52	20/10/2011	3.1	0.3	Swansons	25080
KPSC057	800605	7198200	52	20/10/2011	1.7	0.05	Swansons	25080
KPSC058	891174	7199886	52	20/10/2011	4.5	0.25	Swansons	25080
KPSC062	787698	7205357	52	10/10/2011	1.85	0.3	Curtin North	25080
KPSC065	789430	7207714	52	10/10/2011	2.8	0.17	Curtin North	25080



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The information in this announcement that relates to geochemical results is based on processes and spreadsheets developed by Dr Geoffrey Browne, consulting metallurgist of SBL Browne Pty Ltd. Mr Browne is a member of the Australasian Institute of Mining and Metallurgy and qualifies as a Competent Person as defined in the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves".

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 Australasian 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 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 his information in the form and context in which it appears.

This release may contain forward-looking statements. These forward-looking statements are not historical facts. Rather, these forward-looking statements are based on the current beliefs, interpretations, assumptions, expectations, estimates, and projections. Actual results could differ materially from a conclusion, forecast or projection in the forward-looking information.