

**RUM JUNGLE URANIUM LTD  
CHAIRMAN'S ADDRESS**

**Delivered at the 2010 Annual General Meeting on  
Thursday, November 25, 2010 at Level 11, 500 Collins Street,  
Melbourne, Victoria 3000**

Ladies and Gentlemen,

Before addressing the business of this meeting I would like to add to the remarks I made in the 2010 Annual Report.

All of our exploration projects are described in detail in the Annual Report and our Managing Director, Mr David Muller, will present a project update following the close of this meeting.

I will focus on some key issues.

In the 2008/09 financial year the Company took up six exploration licences over the Amadeus Basin evaporite sequence south of Alice Springs. The target was potash mineralisation, an important fertiliser commodity, for which future demand and prices are forecast to be favourable. This was the first step in diversifying our exploration and widening our search criteria in response to changing markets.

On further consideration, the decision was taken that deep drilling in the Amadeus Basin for hard rock potash deposits overlying hard evaporite deposits of salt would be too expensive and not in the interest of shareholders, especially in the absence of a joint venture partner. The Company decided instead to focus on

potash exploration in salt lake brines and sediments in the Karinga Creek Lake system south of Lasseter Highway between Erldunda and Curtin Springs.

At this location there are hundreds of salt lakes representing the eastern extension of Lake Amadeus. These playa lakes contain brines enriched in salts such as potassium salts. The Company has an option to acquire 100% of exploration licence ('EL') 24987 and has entered a joint venture into the contiguous EL25080 over the lake system.

Previous work had demonstrated that enrichment of potassium and other metal salts occurs in the brines and David Muller will discuss the results of our sampling. Suffice to say that results are very encouraging and that the system has the size to provide very large recharge, if not be renewable, provided the geochemistry of the salt water is suitable. Laboratory tests producing potassium sulphate from the brines are currently underway.

It is important to note that Australia has no producing potash mines and that about 350,000 tonnes of potash are imported into Australia from Canada per year - worth some \$200 million. Export opportunities are also possible.

Within our strategy to pursue fertiliser commodities in addition to base metals we entered an agreement allowing Rum Jungle to earn up to 70% interest in three ELs for phosphate at the Ammaroo Phosphate Project within the Georgina Basin, but close to the Adelaide-Darwin railway line. In addition to the Joint Venture, Rum Jungle has applied for five new Exploration Licenses in the immediate area for which it is entitled to 100% of the mineral rights. Four of these are contiguous To the JV area and one is actually crossed by the Central Australian Railway.

Our initial drilling at Ammaroo resulted in a new phosphate discovery in the western-most EL where no previous drilling had been carried out. David will present the details of this discovery and the results of later work. Most importantly, recent laboratory assaying reported in the last few days has confirmed high grade phosphate very close to the present land surface.

The initial results from both Ammaroo and Karinga Creek are very encouraging and we believe our potash and phosphate projects could well be of a quality such that Rum Jungle will move forward to become a fertiliser raw material supplier. It is with this in mind that we feel the name change to de-emphasis uranium is appropriate.

During the year under review exploration for uranium near Ross River, east of Alice Springs, directed us to very prospective surface copper mineralisation near Tommy's Gap and later follow-up has indicated several areas anomalous for base metal. Considerable work is justified in this widely mineralised district. Exploration also located a uranium prospect comprising a red mudstone bed very anomalous for uranium. If assays confirm the XRF field readings, this stratiform target will justify drill testing.

Elsewhere, work during the year indicated that more work is justified at Mount Bundy (uranium, base metals), Tennant Creek (O.O.C.G.U.) and results are under review at Woolner (uranium).

As described in the Annual Report, Rum Jungle expended \$1.94M on exploration in the year ended June 2010 and held cash and cash equivalents of \$4.74M at the end of the year.

We believe Rum Jungle is well positioned to achieve its goal of building a significant mineral resource and mining house.

Finally, I would like to extend my sincere thanks to my fellow Directors for their continuing support and good advice and, on behalf of all of us, thank David Muller and his small team for their outstanding efforts during a busy and successful year.

**John Roberts**  
**Chairman**