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Rum Jungle tweaks Ammaroo resources

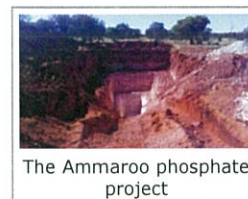
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RUM Jungle Resources says a reassessment of the phosphate resource at its Ammaroo project in the Northern Territory has established a single contiguous zone out of two mineralised areas.

The consolidation of the inventory is expected to assist with future mine planning and allow for additional applications for higher tenure.

The update reaffirmed resources at 1.1 billion tonnes at 14% phosphorus pentoxide at a 10% cut-off but also established a small increase to the area reserved as cultural exclusion zones and new estimates at various cut-off grades.



The Ammaroo phosphate project

A scenario using a 5% phosphorus pentoxide cut-off established a 2.6Bt resource at 10% phosphorus pentoxide.

The model comprised a main envelope covering most of the resource area and a subsidiary shallower zone at the project's Limestone Bore area, which contributed about 2% of the estimate.

Limestone Bore covers about 4km of potential mineralised strike test by a single traverse of 200m to 400m spaced drillholes.

The area has insufficient drilling for estimation of resources but has suggested an exploration target of 50-100 million tonnes at 8% phosphorus pentoxide at 10%.

A small internal higher-grade domain that used a 23% phosphorus pentoxide cut-off grade accounted for 11.2Mt at 26% phosphorus pentoxide.

The new estimates are expected to complement recently announced prefeasibility results for Ammaroo, which suggested a potential for a global-scale, long-life operation to supply the Asia-Pacific fertiliser market as early as the fourth quarter of 2016.

The most ambitious scenario contemplated by the study outlined a phosphate rock export operation of 2 million tonnes per annum at about 33% phosphorus pentoxide.

The 27-year mine plan included an inventory of 134.3Mt at an average mined grade of 15% phosphorus pentoxide, generating sales revenue of \$A9.1 billion with a total capital cost of \$780 million.

The \$64 million start-up case would include a 10-year mine plan generating \$550 million in revenue from an inventory of 6.1Mt at 24% phosphorus pentoxide.

Shares in Rum Jungle were last trading 1.2% higher at 8.6c.

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