

Third rising for Rum Jungle

Robin Bromby
Mining writer

BACK in the mid-1960s, the uranium at Rum Jungle was worth almost nothing.

The British and Americans who had taken the mineral to equip their nuclear weapons needed no more, and the Northern Territory mine was mothballed. There was, in an era before nuclear power generation had properly taken off, simply no use or demand for uranium.

It was explored again in the early 1980s, when nuclear power was established, by the British and Germans but the sudden flood of surplus uranium from weapons stores on to the civilian market saw prices collapse. And, again, the explorers packed up their drilling rigs and departed.

Rum Jungle is about to get its third lease of life.

Compass Resources NL is to start drilling at two targets around the Rum Jungle mine site. One, Rum Jungle East, is less than 100m from the old pit and under-ground workings; the other, Mt Fitch, is just 8km away.

Uranium was the last thing on the minds of those running Compass when they originally picked up all their acreage just 65km south of Darwin. The main project was - and still is - the Browns and associated base metals projects, particularly copper. The old uranium mine just happened to be at one end of their mineral target zone.

At Rum Jungle East, Compass will test for extensions of the Whites deposit; this was mined, both by open pit and underground workings, between 1954 and 1958 and produced 1090 tonnes of uranium oxide along with 19,000 tonnes of copper.

In March 1952, the federal Government financed the development of Rum Jungle for the UK- US Combined Development Agency, with the then Consolidated Zinc operating the mine and marketing the copper by-product.

The same company discovered another deposit, and a small quantity of uranium was mined even though there was no buyer.

Compass has a big job on its hands. It has spent more than 10 years working in the area, and more than \$15 million has been spent so far. There was a false start in 2002 when US lead giant Doe Run came on the scene, but that company had its own problems and nothing came of the deal.

Last week, Compass pulled out of the Worldbeater gold project in California after its Canadian partner withdrew. But the company seems to have decided that more production experience is needed at the top. Last month, Gordon Toll, who is associated with Ivanhoe Mines and has worked at BHP, Texas Gulf and Rio Tinto, took over as Chairman.

Compass director Malcolm Humphreys said the plan was to come into production by 2006, mining the oxide ore at Browns for copper-cobalt-nickel for at least five years,

then moving into the sulphide resource that contains those metals - but also a huge resource of lead.

The beauty of an oxide copper treatment plant was that few modifications were needed to enable it to process uranium ore.

Mr Humphreys said the task for small companies like Compass was made harder by the disappearance of the mid-tier sector - entities like Peko, North, EZ Industries - that once would have been natural senior partners to a project such as Browns. Now the small companies had to do it themselves unless it was big enough to attract what he calls the "super majors".

"Smaller companies like ourselves now have to bring on these project to fill the gap."

From The Weekend Australian 18 June, 2005

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