



Rum Jungle Resources Ltd
ABN 33 122 131 622
20/90 Frances Bay Drive
Stuart Park NT 0820
GPO Box 775
Darwin NT 0801

Tel: (08) 8942 0385
Fax: (08) 8942 0318

17 May 2016

RUM

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Dear Shareholder,

RUM JUNGLE RESOURCES LTD'S –RENOUNCEABLE RIGHTS ISSUE

Rum Jungle Resources Ltd (**Rum Jungle Resources** or the **Company**) today announced a fully underwritten renounceable rights issue of 3 **New Shares** for every 2 existing shares held by Eligible Shareholders at 7.00 pm (AEST) on Friday, 20 May 2016 at an issue price of \$0.02 per New Share, to raise approximately \$11.565 million before costs (**Entitlement Offer**).

The entitlement offer is fully underwritten by Pitt Capital Partners, a wholly owned subsidiary of Washington H. Soul Pattinson and Company Limited (**WHSP**). WHSP has agreed to take up its full entitlement under the Entitlement Offer, an indication of its support for the Company's strategy and its view of the value of the Company's resources and projects.

The Entitlement Offer is being made by Rum Jungle Resources under a transaction specific prospectus prepared in accordance with section 713 of the *Corporations Act 2001* (Cth) (**Prospectus**). The Prospectus was lodged with ASIC and ASX today and will be mailed to Eligible Shareholders (as defined below) on or around Wednesday, 25 May 2016. The Prospectus is also accessible at ASX's website (www.asx.com.au) and Rum Jungle Resources' website (www.rumjungleresources.com.au).

The Board of Rum Jungle Resources (**Board**) invites you to participate in the Entitlement Offer.

PURPOSE

The net proceeds from the equity raising will be used by Rum Jungle Resources to:

- complete a bankable feasibility study and obtain environmental and other government approvals for the world class Ammaroo phosphate project. The Company believes that it will be more likely to attract an industry development partner when bankable feasibility studies and environmental approvals are in place;
- maintain the Company's portfolio of projects, primarily focused on the Karinga/Amadeus lake systems in Central Australia and understanding the potential for the production of valuable high purity quartz from the Company's silica projects; and
- provide working capital needs in support of the Company's key activities.

The Company's key projects are proximate to existing transport and gas infrastructure which reduces the potential capital burden of development and provides ready access to markets in both Australia and Asia. This underpins the potential for costs of delivered products to be in the lower half of the relevant industry costs curves which is important in the current commodity environment.

DETAILS OF THE ENTITLEMENT OFFER

The Entitlement Offer is renounceable, which provides Eligible Shareholders who do not wish to subscribe for some or all of their entitlements to participate in the offer (**Rights**) an opportunity to sell those Rights.

Trading of Rights will commence on the ASX on Thursday, 19 May 2016 and will cease on close of trading on Monday, 6 June 2016. If you wish to sell your Rights, you should complete the section marked "Instructions to your Stockbroker" on the back of Entitlement and Acceptance Form accompanying the Prospectus and lodge the form with your stockbroker. You should allow sufficient time for your instructions to be carried out.

Full details of the Entitlement Offer and about how to apply are outlined in the Prospectus.

ELIGIBILITY CRITERIA

Rum Jungle Resources is making the Entitlement Offer to Eligible Shareholders only. **Eligible Shareholders** are Rum Jungle Resources Shareholders who:

- are registered as a holder of Shares as at the **Record Date**, being 7.00pm (AEST) on Friday, 20 May 2016;
- as at the Record Date, have a registered address in Australia or New Zealand;
- are not in the United States and are not acting for the account or benefit of a person in the United States (to the extent they are holding Shares for the account or benefit of such person in the United States); and
- are eligible under all applicable securities laws to receive an offer under the Entitlement Offer without any requirement for a prospectus or offer document to be lodged or registered.

Your shareholder entitlements will be set out in the Entitlement and Acceptance Form accompanying the Prospectus. If the result is not a whole number, your entitlement will be rounded down to the nearest whole number. The closing date for acceptance and payment is 5.00pm (AEST) on Friday, 14 June 2016 (unless extended).

Shareholders who are not Eligible Shareholders are ineligible shareholders (**Ineligible Shareholders**). Ineligible Shareholders will not be entitled to participate in the Entitlement Offer and will not receive a copy of the Prospectus. However, the Company will issue the Rights which would otherwise have been offered to each of those Ineligible Shareholders to a nominee appointed by the Company who will seek to sell those Rights for the benefit of those Shareholders.

ISSUE PRICE

The issue price for each New Share is \$0.02 per New Share.

NEW SHARES

New Shares issued under the Entitlement Offer will rank equally with all ordinary shares of the Company already on issue. The rights and liabilities attached to Shares are set out in Rum Jungle Resources' Constitution and, in certain circumstances, regulated by the *Corporations Act 2001* (Cth), the ASX Listing Rules and the general law.

TIMETABLE

An indicative timetable for the Offers is set out below:

Key dates for the Entitlement Offer	Date
Announcement of the Entitlement Offer	17 May 2016
Lodgement Date (Prospectus lodged with ASIC and ASX and Appendix 3B lodged with ASX)	17 May 2016
Dispatch of notice to Eligible Shareholders and Ineligible Shareholders	18 May 2016
"Ex" date and rights trading commences on a deferred settlement basis	19 May 2016
Record Date	20 May 2016
Dispatch of Prospectus to Eligible Shareholders	25 May 2016
Opening Date and Rights trading commences on a normal settlement basis	26 May 2016
Rights Trading Ends	6 June 2016
New shares quoted on a deferred settlement basis	7 June 2016
Closing Date	14 June 2016
Shortfall Notification Date	17 June 2016
Issue Date (deferred settlement trading ends)	No later than 21 June 2016
Normal trading of New Shares	22 June 2016

Note: The timetable above is indicative only and subject to change. Rum Jungle Resources reserves the right to amend any or all of these events, dates and times subject to the obtaining the consent of Pitt Capital Partners, and the Corporations Act, the ASX Listing Rules and other applicable laws. In particular, Rum Jungle Resources reserves the right to extend the Closing Date of the Entitlement Offer, to accept late applications either generally or in particular cases or to withdraw the Entitlement Offer without prior notice. The commencement of quotation of New Shares is subject to confirmation from ASX.

PROSPECTUS AND CONTINUOUS DISCLOSURE

Shareholders eligible to participate in the Entitlement Offer should have regard to all publicly available information on Rum Jungle Resources including all announcements made by Rum Jungle Resources to ASX (which are available from ASX's website, www.asx.com.au) as well as the Prospectus. Shareholders should consult their professional advisers before taking up all or any part of their entitlement.

CAPITAL STRUCTURE

Based on the number of Shares expected to be on issue on the Record Date, 578.2 million New Shares will be offered under the Entitlement Offer.

The following table shows the proposed capital structure of Rum Jungle Resources on completion of the Entitlement Offer.

Security	Number
Existing Shares plus Number of New Shares to be issued under Entitlement Offer	385,504,597 plus 578,256,895
Total Shares after Issue	963,761,492 shares
Existing Unlisted Options	8,100,000
Total options after Issue	8,100,000 unlisted options

APPENDIX 3B

An Appendix 3B for the Entitlement Offer has been lodged with ASX.

ENQUIRIES

If you have any enquiries concerning the Entitlement Offer, please contact Rum Jungle Resources by telephone on +61 8 8942 0385 or email to info@rumjungleresources.com.au.

On behalf of the Board, I am pleased to commend the Entitlement Offer to you and thank you for your ongoing support of the Company.

Yours sincerely



David Muller
Chairman
Rum Jungle Resources Ltd

IMPORTANT INFORMATION

This letter does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to, or for the account or benefit of, any "U.S. person" (as defined in Regulation S under the *United States Securities Act of 1933*, as amended (the **Securities Act**) (**U.S. Person**). No action has been or will be taken to register, qualify or otherwise permit a public offering of the New Shares or entitlements in any jurisdiction outside Australia, New Zealand and certain other jurisdictions. In particular, neither the entitlements nor the New Shares have been, or will be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States. Accordingly, the entitlements may not be taken up by and the New Shares may not be offered or sold to, persons in the United States or persons who are U.S. Persons or are acting for the account or benefit of U.S. Persons, except in a transaction exempt from, or not subject to, the registration requirements of the Securities Act.

The provision of this document is not, and should not be considered as, financial product advice. The information in this document is general information only, and does not take into account your individual objectives, taxation position, financial situation or needs. If you are unsure of your position, please contact your accountant, tax advisor, stockbroker or other professional advisor.