



Rum Jungle Resources Ltd
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17 May 2016

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

Dear Shareholder,

RUM JUNGLE RESOURCES LTD'S RENOUNCEABLE RIGHTS ISSUE - NOTIFICATION TO INELIGIBLE SHAREHOLDERS

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 purpose of this letter is to inform you about the Entitlement Offer and to explain why you are not eligible to participate in the Entitlement Offer. This letter is not an offer to issue New Shares to you, nor an invitation for you to apply for New Shares.

You are not required to do anything in response to this letter.

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.

DETAILS OF THE ENTITLEMENT OFFER

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) (**Corporations Act**), (**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.rumjunglresources.com.au).

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

The Entitlement Offer is fully underwritten by Pitt Capital Partners Limited, a wholly owned subsidiary of Washington H Soul Pattinson and Company Limited.

Full details of the Entitlement Offer 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.

Shareholders who are not Eligible Shareholders are **Ineligible Shareholders**. Pursuant to ASX Listing Rule 7.7.1(a), Rum Jungle Resources has determined that it would be unreasonable to make offers under the Entitlement Offer to Ineligible Shareholders, having regard to legal limitations in some countries, the relatively small number of shareholders in those countries, the small number of shares they hold and the potential cost of complying with regulatory requirements in those countries.

YOUR ENTITLEMENTS

According to our records, you do not satisfy the eligibility criteria for an Eligible Shareholder set out above and so you are deemed to be an Ineligible Shareholder. Accordingly, Rum Jungle Resources advises you in accordance with ASX Listing Rule 7.7.1(b) and section 9A(3)(b) of the Corporations Act that Rum Jungle Resources is unable to extend the opportunity to participate in the Entitlement Offer to you. You will not be sent the Prospectus relating to the Entitlement Offer nor will you be able to subscribe for New Shares under the Entitlement Offer. As an Ineligible Shareholder, you are not required to do anything in response to this letter.

However, as the Entitlement Offer is renounceable, Ineligible Shareholders may receive value for the entitlements they would have received had they been eligible to participate in the Entitlement Offer (**Ineligible Entitlements**). The Company will issue the Ineligible Entitlements to a nominee appointed by the Company (**Nominee**), who will seek to sell those entitlements on ASX during the period over which entitlements may be traded on that market or by way of off-market transfer while the Entitlement Offer is open. Any sale will be at prices and otherwise in a manner determined by the Nominee in its sole discretion. If any Ineligible Entitlements are sold, you will receive your proportionate share of the proceeds from that sale, net of expenses and any applicable withholding tax. If there is no viable market for the Ineligible Entitlements, the Ineligible Entitlements will be allowed to lapse and the New Shares will revert to the underwriter, Pitt Capital Partners Limited.

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 and management of Rum Jungle Resources, thank you for your ongoing support of Rum Jungle Resources.

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.