



Rum Jungle Resources Ltd
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13 February 2013

RUM JUNGLE RESOURCES ANNOUNCES TAKEOVER OFFER FOR CENTRAL AUSTRALIAN PHOSPHATE LIMITED

Summary

- Rum Jungle Resources announces it intends to make an off-market takeover offer to acquire all of the shares in Central Australian Phosphate Limited. Under the terms of the Offer, Rum Jungle Resources will offer 1 (one) Rum Jungle Resources share plus 20 (twenty) cents cash for every 20 Central Australian Phosphate shares.
- The Offer implies a value of approximately \$12.7 million for CEN, or 2.15 cents per Central Australian Phosphate share.¹
- The Offer represents a significant and attractive premium of: 43.3% to the closing price of Central Australian Phosphate shares on 12 February 2013, 34.4% to the price of the recent rights issue and 35.3% to the one-month VWAP of Central Australian Phosphate shares.
- The Offer provides an opportunity for CEN shareholders to monetise a substantial portion of their value in cash, and to participate in the potential value of the combined company.

Rum Jungle Resources Limited (ASX:RUM) (**Rum Jungle Resources**) today announces that it intends to make an off-market takeover bid (**Offer**) to acquire all of the ordinary shares in Central Australian Phosphate Limited (ASX:CEN) (**Central Australian Phosphate**) (**Offer**).

Under the Offer, Central Australian Phosphate shareholders will be offered:

- 20 cents cash; plus
- one Rum Jungle Resources share

as consideration for every 20 Central Australian Phosphate shares. This implies a value of approximately \$12.7 million for CEN or 2.15 cents per Central Australian Phosphate share.¹

The Offer provides an opportunity for CEN shareholders to monetise a substantial portion of their value in cash, and to participate in the potential value of the combined company.

Rum Jungle Resources Chairman, Mr Robert Annells, said: "We believe our Offer provides Central Australian Phosphate shareholders with an attractive value proposition. With Rum Jungle Resources' strong growth platform, the Board believes the acquisition of Central Australian Phosphate is a compelling next step in unlocking the value of our complementary Barrow Creek and Arganara assets. We look forward to welcoming Central Australian Phosphate shareholders to Rum Jungle Resources and seeking to maximise value for shareholders."

Significant premium

The Offer represents a significant premium to the recent and historical volume weighted average sale price (**VWAP**) of Central Australian Phosphate shares as follows:¹

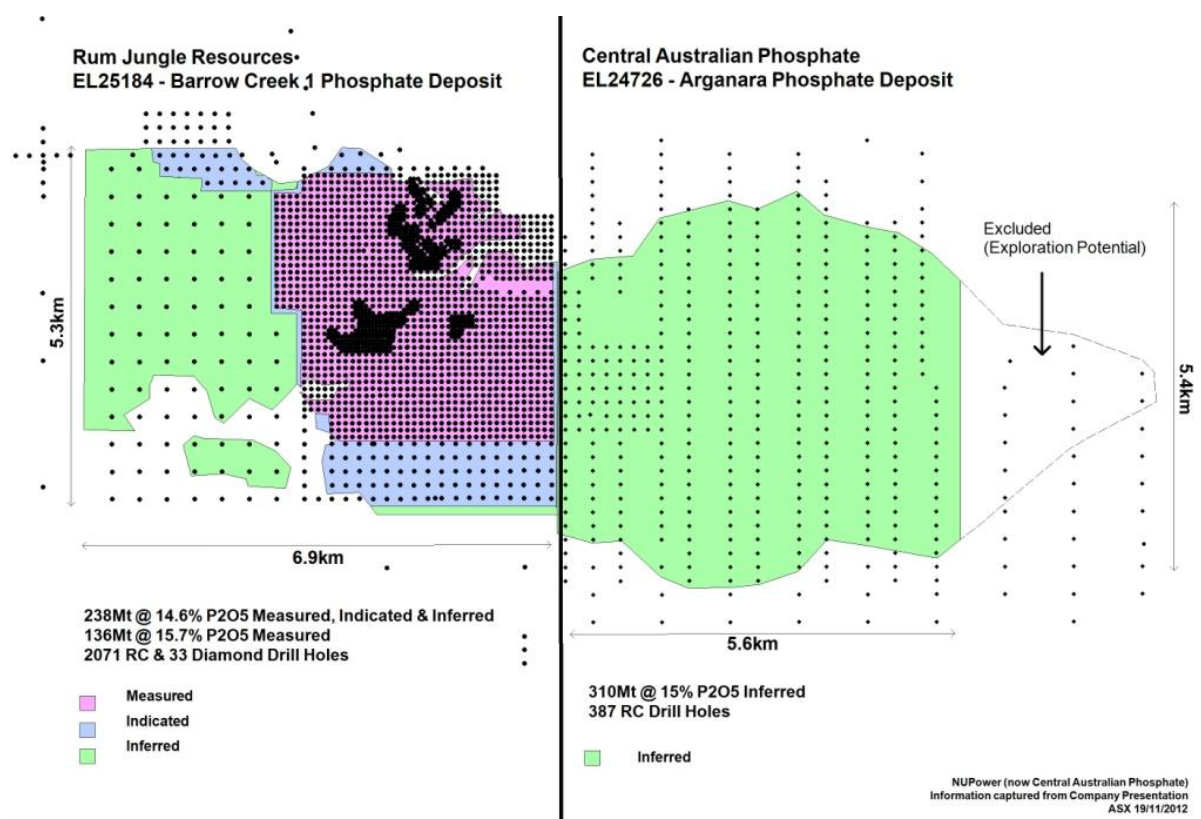
- A premium of 43.3% to the closing price of 1.5 cents per Central Australian Phosphate share on 12 February 2013 (being the last trading day before the date of this announcement)
- A premium of 35.3% to the one-month volume weighted average sale price of 1.5885 cents per Central Australian Phosphate share on ASX, up to and including 11 February 2013, being the latest practicable date prior to the date of this announcement.

¹ Based on the closing share price of Rum Jungle Resources of 23 cents as at 12 February 2013, the last trading day prior to announcement of the Offer.

Rationale for the Offer

Rum Jungle Resources sees clear benefits from combining the two companies into a larger company with a significantly increased measured, indicated and inferred resource position. The two companies have complementary assets. Bringing the adjacent Barrow Creek and Arganara resources together and applying the experience of Rum Jungle Resources' management (who have overseen extensive drilling of the Barrow Creek resource) is expected to lead to significant value creation for shareholders.

The adjacent Barrow Creek and Arganara resources are shown below.²



Rum Jungle Resources Managing Director, Mr David Muller, said: "The combined company will be better placed to increase the exploration expenditure at Arganara and attract and retain high quality people. Central Australian Phosphate shareholders will benefit initially from the significant up-front offer premium and are expected to benefit over the longer term as value is unlocked by combining the complementary assets of Rum Jungle Resources and Central Australian Phosphate."

"I believe the combination of Rum Jungle Resources and Central Australian Phosphate is very compelling and will deliver value to Central Australian Phosphate shareholders more rapidly than and significantly beyond that achievable by Central Australian Phosphate on a stand-alone basis."

² The information used for the right hand side of the diagram showing Central Australian Phosphate's Arganara Phosphate Deposit has been taken from Central Australian Phosphate's Company Presentation announced 19 November 2012.



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Benefits to Central Australian Phosphate shareholders

By accepting the Offer and becoming shareholders in Rum Jungle Resources, Central Australian Phosphate shareholders will become shareholders in a larger company, with a greater diversity of assets, including a more advanced phosphate project and an inferred potash resource. The combined company offers:

- A board and management who have successfully completed major milestones, including resource evaluation to define a measured resource at Barrow Creek and who are overseeing a scoping study for the Ammaroo Project. For example, Rum Jungle Resources has drilled approximately 2071 reverse circulation drill holes and 33 diamond drill holes in respect of the Barrow Creek 1 phosphate deposit,³ compared to Central Australian Phosphate's 387 reverse circulation drill holes in respect of its Arganara project.⁴
- Exposure to resources in both phosphate and potash with:
 - a measured resource at Barrow Creek 1 phosphate deposit of 136 million tonnes at an average grade of 15.7% at a cut off of 10% P₂O₅,⁵
 - a maximum inferred resource to 5.5 million tonnes of sulfate of potash at the Karinga Creek Salt Lake Potash Project, equating to a maximum schoenite (potassium magnesium sulfate) resource of 13 million tonnes.⁶
- Increased share liquidity and likely better access to capital markets:
 - In the financial year to date, over \$10.2 million of Rum Jungle Resources shares have been traded on the ASX, compared to just \$2.6 million of Central Australian Phosphate shares.⁷
 - In December 2012, Rum Jungle Resources successfully completed an institutional placement which raised approximately \$7.235 million. This placement was strongly supported by institutional shareholders.
- A strong platform for growth, with a 2013 budget of \$10 million in place for Rum Jungle Resources on a stand-alone basis following the completion of its December 2012 placement.

In the event that Rum Jungle Resources acquires 100% of Central Australian Phosphate, Rum Jungle Resources intends to review its 2013 budget with a view to allocating resources in a way that maximises shareholder value.

If Rum Jungle Resources acquires all of the Central Australian Phosphate shares under the Offer, Rum Jungle Resources will have approximately 270 million ordinary shares on issue and former Central Australia Phosphate shareholders will own approximately 11% of the combined company (in addition to receiving 20 cents for every 20 shares they hold under the Offer).

Further information about the benefits and the risk factors will be set out in Rum Jungle Resources' Bidder's Statement.

³ For further detail see Rum Jungle Resources announcement dated 21 January 2013 "Measured Resource Update Barrow Creek 1 Phosphate Deposit Ammaroo Phosphate Project".

⁴ Based on Central Australian Phosphate's 31 January 2013 Quarterly Activities Report.

⁵ For further detail see Rum Jungle Resources' Quarterly Activities Report announced 30 January 2013.

⁶ Rum Jungle Resources has an 85% interest in the Karinga Creek Salt Lake Potash Project. For further detail see Rum Jungle Resources' Quarterly Activities Report announced 30 January 2013.

⁷ Calculated as the sum of the daily closing price multiplied by the daily volume traded for each trading day during that period.



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Conditions

The Offer will be subject to certain conditions, including a 50% minimum acceptance, no material acquisitions or disposals and no prescribed occurrences.

Full details of the conditions to the Offer are set out in the Appendix to this Announcement.

Fractional entitlements

No fractions of Rum Jungle Resources shares will be issued to holders of Central Australian Phosphate shares. Any fractional entitlements will be rounded up or down to the nearest whole number (with fractional entitlements to 0.5 of a Rum Jungle Resources share being rounded up).

Funding

The cash component of the Offer is approximately \$6 million and will be funded through existing Rum Jungle Resources cash reserves. At the end of January 2013, Rum Jungle Resources had cash at bank of approximately \$16 million.

Further information about the Offer

Ashurst Australia is acting as legal adviser to Rum Jungle Resources.

Further details about the Offer and further information about Rum Jungle Resources will be set out in Rum Jungle Resources' Bidder's Statement. A Bidder's Statement will be lodged with ASIC, ASX and Central Australian Phosphate in due course.

A copy of this announcement and further information about Rum Jungle Resources is also available at www.rumjungleresources.com.au.

About Rum Jungle Resources

Rum Jungle Resources Limited (ASX:RUM), which listed on ASX in 2007, is a diversified junior explorer, exploring for phosphate, potash, uranium, base metals, gold and other minerals in the Northern Territory.

Significantly, it has exposure to both potash (inferred resource) and phosphate (measured resource), in the Northern Territory.

It has exploration project areas at Ammaroo, Ross River, Tennant Creek, Mount Bundy and Karinga Creek in the Northern Territory. Its head office is located in Darwin.

Competent Person Statement

The information in this announcement that relates to exploration results, mineral resources or ore reserves is based on information compiled by Mr David Muller, who is a Fellow of the Australasian Institute of Mining and Metallurgy.

Mr Muller is Managing Director of Rum Jungle Resources and an employee of it. Mr Muller has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity to which he is undertaking to qualify as a Competent Person as defined in the 2004 edition of the "Australasian Code for Reporting of Exploration results, Mineral Resources and Ore Reserves".

Mr Muller consents to the inclusion in this announcement on the matters based on their information in the form and context in which it appears.



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For further information, please contact:

David Muller – Managing Director
Chris Moyle – Company Secretary
Phone: 08 8942 0385
Email: info@rumjungleresources.com.au

Yours faithfully

David Muller
Managing Director



APPENDIX – CONDITIONS TO THE OFFER

The Offer and the contracts resulting from acceptances of the Offer will be subject to fulfilment of the following conditions:

(a) Minimum acceptance condition

At the end of the Offer Period, RUM has received acceptances in respect of more than 50% (by number) of the sum of the number of CEN Shares and the number of CEN Options on issue at that time.

(b) No material acquisitions, disposals, etc.

Except for any proposed transaction publicly announced by CEN before the date of this announcement, none of the following events occur during the Condition Period:

(i) CEN, or any subsidiary of CEN, acquires, offers to acquire or agrees to acquire one or more companies or assets (or an interest in one or more companies or assets) for an amount in aggregate greater than \$100,000 or makes an announcement about such an acquisition;

(ii) CEN, or any subsidiary of CEN, disposes, offers to dispose or agrees to dispose of one or more:

(A) companies or assets (or an interest in one or more companies or assets) for an amount in aggregate greater than \$100,000; or

(B) Tenements (or an interest in one or more Tenements),

or makes an announcement about such a disposal (and to avoid doubt, in this condition (b), "dispose" includes sell, transfer, grant an option over or interest in, declare a trust over, surrender, allow to lapse or Encumber);

(iii) CEN, or any subsidiary of CEN, enters into, offers to enter into or announces that it proposes to enter into any joint venture or partnership:

(A) in respect of or otherwise involving any Tenement (including any farm-in arrangement in respect of any Tenement); or

(B) involving a commitment of greater than \$100,000 or any dual listed company structure,

or makes an announcement about such a matter;

(iv) CEN, or any subsidiary of CEN, incurs or commits to, or grants to another person a right the exercise of which would involve CEN or any subsidiary of CEN incurring or committing to any capital expenditure or liability for one or more related items of greater than \$100,000 or makes an announcement about such a commitment;

(v) CEN, or any subsidiary of CEN, incurs, commits to or brings forward the time for incurring or committing, or grants to another person a right the exercise of which would involve CEN or any subsidiary of CEN incurring or committing to, any capital expenditure or liability, or foregoes any revenue, for one or more related items or amounts of greater than \$100,000; or



(vi) discloses (without having disclosed to ASX prior to the date of this announcement) the existence of any matter described in paragraphs (i) to (v) above, or announces an intention or proposal to do anything described in sub-paragraphs (i) to (v) above.

(c) Conduct of CEN's business

During the Condition Period, none of CEN, or any body corporate which is or becomes a subsidiary of CEN:

- (i) declares, or distributes any dividend, bonus or other share of its profits or assets;
- (ii) issues or grants options over, or agrees to issue or grant options over, or otherwise makes any commitments regarding any shares or other securities, or alters its capital structure or the rights attached to any of its shares or other securities, or issues or agrees to issue any convertible notes;
- (iii) makes any changes in its constitution or passes any special resolution;
- (iv) gives or agrees to give any Encumbrance over any of its assets otherwise than in the ordinary course of business;
- (v) borrows or agrees to borrow any money (except for temporary borrowing from its bankers in the ordinary course of business);
- (vi) releases, discharges or modifies any substantial obligation to it of any person, firm or corporation or agrees to do so;
- (vii) has appointed any additional director to its board of directors whether to fill a casual vacancy or otherwise;
- (viii) enters or agrees to enter into any contract of service or varies or agrees to vary any existing contract of service with any director or manager, or pays or agrees to pay any retirement benefit or allowance to any director, manager or other employee, or makes or agrees to make any substantial change in the basis or amount of remuneration of any director, manager or other employee (except as required by law);
- (ix) conducts its business otherwise than in the ordinary course;
- (x) has threatened or commenced against it any material claims or proceedings in any court or tribunal (including a petition for winding up or an application for appointment of a receiver or receiver and manager); or
- (xi) executes a deed of company arrangement or passes any resolution for liquidation, or has appointed or becomes susceptible to the appointment of an administrator, a receiver, a receiver and manager or a liquidator, or becomes subject to investigation under the *Australian Securities and Investments Commission Act 2001* (Cth) or any corresponding legislation.

(d) No break/inducement fees

During the Condition Period none of CEN, and any body corporate which is or becomes a subsidiary of CEN, pays or provides or agrees (whether conditionally or contingently) to pay or provide any benefit to any person, or foregoes or otherwise reduces any payment or benefit or agrees to forgo or reduce any payment or benefit to which it would otherwise be entitled, in connection with any person making or agreeing to participate in, or enter into negotiations concerning:

- (i) a takeover offer for CEN or any body corporate which is or becomes a subsidiary of CEN; or

(ii) any other proposal to acquire any interest (whether equitable, legal, beneficial or economic) in shares in, or assets of, CEN or any body corporate which is or becomes a subsidiary of CEN, or to operate CEN as a single economic entity with another body corporate.

This condition (d) does not apply to a payment, benefit or agreement: (A) for providing professional advisory services to CEN; (B) which is approved in writing by RUM; (C) which is approved by a resolution passed at a general meeting of CEN; or (D) which is made to, provided to, owed by or made with RUM.

(e) Non-existence of certain rights

No person has any right (whether subject to conditions or not) as a result of RUM acquiring CEN Shares to:

(i) acquire, or require CEN or a subsidiary of CEN to dispose of, or offer to dispose of, any Tenement or material asset of CEN or a subsidiary of CEN; or

(ii) terminate or vary any material agreement with CEN or a subsidiary of CEN.

(f) No prescribed occurrences

None of the following events happens during the period commencing on the date on which the Bidder's Statement is given to CEN and ending at the end of the Offer Period:

(i) CEN converts all or any of its shares into a larger or smaller number of shares;

(ii) CEN or a subsidiary of CEN resolves to reduce its share capital in any way;

(iii) CEN or a subsidiary of CEN:

(A) enters into a buy-back agreement; or

(B) resolves to approve the terms of a buy-back agreement under sub-section 257C(1) or 257D(1) of the Corporations Act;

(iv) CEN or a subsidiary of CEN issues shares (other than CEN Shares issued as a result of the exercise of options the existence of which had been notified to ASX before the date of this announcement), or grants an option over its shares, or agrees to make such an issue or grant such an option;

(v) CEN or a subsidiary of CEN issues, or agrees to issue, convertible notes;

(vi) CEN or a subsidiary of CEN disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;

(vii) CEN or a subsidiary of CEN grants, or agrees to grant, a security interest in the whole, or a substantial part, of its business or property;

(viii) CEN or a subsidiary of CEN resolves to be wound up;

(ix) the appointment of a liquidator or provisional liquidator of CEN or of a subsidiary of CEN;

(x) a court makes an order for the winding up of CEN or of a subsidiary of CEN;

(xi) an administrator of CEN, or of a subsidiary of CEN, is appointed under section 436A, 436B or 436C of the Corporations Act;



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(xii) CEN or a subsidiary of CEN executes a deed of company arrangement; or

(xiii) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of CEN or of a subsidiary of CEN.

(g) No prescribed occurrences between announcement and service

None of the events listed in sub-paragraphs (f)(i) to (f)(xiii) above (inclusive) happens during the period commencing on the date of this announcement and ending at the end of the day before the Bidder's Statement is given to CEN.

(h) No material failings in filings

RUM does not become aware, during the Condition Period, that:

(i) CEN has failed to file any document required by applicable law or the Listing Rules of ASX to be filed as and when required; or

(ii) any document filed by or on behalf of CEN with ASIC or ASX contains a statement which is incorrect or misleading in any material particular or from which there is a material omission.

(i) No action by Public Authority adversely affecting the Offer

During the Condition Period:

(i) there is not in effect any preliminary or final decision, order or decree issued by a Public Authority;

(ii) no action or investigation is instituted, or threatened by any Public Authority; or

(iii) no application is made to any Public Authority (other than an application by RUM or any company within the RUM Group, an application under section 657G of the Corporations Act, or an application commenced by a person specified in section 659B(1) of the Corporations Act in relation to the Offer),

in consequence of, or in conjunction with the Offer, which restrains or prohibits or threatens to restrain or prohibit, or may otherwise materially adversely impact upon, the making of the Offer or the completion of any transaction contemplated by the Bidder's Statement or seeks to require the divestiture by RUM of any CEN Shares, or the divestiture of any assets by CEN or by any subsidiary of CEN or by any company within the RUM Group.

(j) Approvals by Public Authorities

During the Condition Period RUM receives all Approvals which are required by law or by any Public Authority:

(i) to permit the Offers to be made to and accepted by CEN shareholders; or

(ii) as a result of the Offers or the successful acquisition of the CEN Shares and which are necessary for the continued operation of the business of CEN and its subsidiaries or of RUM and its subsidiaries,

and those Approvals are on an unconditional basis and remain in force in all respects and there is no notice, intimation or indication of intention to revoke, suspend, restrict, modify or not renew those Approvals.



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(k) No material adverse change

During the Condition Period, no change occurs, is discovered or becomes public which has or could reasonably be expected to have a materially adverse effect on the assets, liabilities, financial position, performance, profitability or prospects of CEN and its subsidiaries taken as a whole or of any of them including,

- (i) any creditor demanding repayment of a debt of \$100,000 or more;
- (ii) CEN or a subsidiary of CEN entering into an agreement (including an option agreement) in relation to the acquisition or disposal of assets the price or aggregate unencumbered value of which is \$100,000 or more;
- (iii) any person having, as a result of RUM acquiring CEN Shares, the right (which may be subject to conditions) to:

(A) acquire, or require CEN or a subsidiary of CEN to dispose of, or offer to dispose of, any asset of CEN or a subsidiary of CEN; or

(B) terminate any agreement with CEN or a subsidiary of CEN; or

- (iv) any person bringing a claim, which may include a plaintiff or objection, in any court or tribunal in relation to any Tenement.

(l) No CEN scheme of arrangement

During the Condition Period, CEN does not enter into an agreement under which CEN agrees to propose a scheme of arrangement.

2. DEFINITIONS

The following definitions apply in the conditions, except where the context makes it clear that a definition is not intended to apply:

"Approval" means a licence, authority, consent, approval, order, exemption, waiver, ruling or decision.

"ASIC" means the Australian Securities and Investments Commission.

"ASX" means ASX Limited (ABN 98 008 624 691) or, as the context requires, the financial market operated by it.

"Bidder's Statement" means the bidder's statement to be made by RUM under Part 6.5 Division 2 of the Corporations Act in relation to the Offer.

"CEN" means Central Australian Phosphate Limited ACN 120 787 859 (formerly known as NuPower Resources Limited).

"CEN Options" means options to subscribe for CEN Shares.

"CEN Shares" means fully paid ordinary shares in CEN.

"Condition Period" means the period beginning on the date of this announcement and ending at the end of the Offer Period.



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"Corporations Act" means the *Corporations Act 2001* (Cth).

"Encumbrance" means:

- (a) a PPS Security Interest;
- (b) any other mortgage, charge, pledge or lien;
- (c) an easement, restrictive covenant, caveat or similar restriction over property;
- (d) any other interest or arrangement of any kind that in substance secures the payment of money or the performance of an obligation, or that gives a creditor priority over unsecured creditors in relation to any property (including a right to set off or withhold payment of a deposit or other money);
- (e) a right of any person to purchase, occupy or use an asset (including under an option, agreement to purchase, licence, lease or hire purchase);
- (f) any other thing that prevents, restricts or delays the exercise of a right over property, the use of property or the registration of an interest in or dealing with property; or
- (g) an agreement to create anything referred to above or to allow any of them to exist,

and **"Encumber"** has a corresponding meaning.

"Offer" means the offer to be made by RUM (or a wholly-owned subsidiary of RUM) on the terms and conditions to be set out in the Bidder's Statement, to acquire all the ordinary shares in the capital of CEN.

"Offer Period" means the period during which the Offer is open for acceptance.

"PPS Security Interest" means a security interest that is subject to the PPSA.

"PPSA" means the *Personal Property Securities Act 2009* (Cth).

"Public Authority" means any government or any governmental, semi-governmental, administrative, statutory or judicial entity, authority or agency, whether in Australia or elsewhere, including the ACCC (but excluding the Takeovers Panel, ASIC and any court that hears or determines proceedings under section 657G or proceedings commenced by a person specified in section 659B(1) of the Corporations Act in relation to the Offer). It also includes any self-regulatory organisation established under statute or any stock exchange.

"RUM" means Rum Jungle Resources Limited ABN 33 122 131 622.

"RUM Group" means RUM and its subsidiaries.

"Tenement" means any mining or exploration tenement held by CEN (or any subsidiary of CEN) as at the date of this announcement, including each tenement listed on page 57 of CEN's Annual Report for the year ended 30 June 2012 and any application for (or interest in) any renewal, extension, variation or substitution of such tenement.