



Rum Jungle Resources Limited

**POSITIONED TO LEVERAGE
REGIONAL GROWTH IN
AGRICULTURE**

AUSTRALIAN MICROCAP INVESTMENT CONFERENCE

22 October 2014

Chris Tziolis – Managing Director



Disclaimer and competent persons statements



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The information in this presentation that relates to Mineral Resources in respect of Rum Jungle Resources Ammaroo deposit is based on information compiled by Mr Jonathon Abbott, a full-time employee of MPR Geological Consultants Pty Ltd and a member of the Australian Institute of Geoscientists. Mr Abbott has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Abbott consents to the inclusion in this presentation of the matters based on his information in the form and context in which it appears.

The information in this presentation that relates to Exploration Results, Mineral Resources or Ore Reserves in respect of Rum Jungle Resources' potash resources is based on information compiled by Mr Ben Jeuken, a full-time employee of Groundwater Science Pty Ltd who is a member of the Australasian Institute of Mining and Metallurgy, and the International Association of Hydrogeologists. Mr Jeuken has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Jeuken consents to the inclusion in this presentation of the matters based on his information in the form and context in which it appears

The information in this presentation that relates to Rum Jungle Resources' projects and future work, comments on the resources estimates and economic potential of the estimated resources is based on information compiled by Mr David Muller, who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Muller is Non-executive Chairman 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 2012 edition of the "Australasian Code for Reporting of Exploration results, Mineral Resources and Ore Reserves". Mr Muller consents to the inclusion in this presentation of the matters based on his information in the form and context in which it appears.

The views expressed in this presentation contain information that has been derived from publicly available sources that have not been independently verified. No representation or warranty is made as to the accuracy, completeness or reliability of the information.

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Rum Jungle Resources – Strategic Overview



- ***RJR's strategic intent is to create shareholder value from phosphate and potash fertiliser mineral projects, proximity to existing transport infrastructure, primarily in the Northern Territory.***
 - ✓ An Australian company with both phosphate and sulphate of potash resources that are both essential for efficient agriculture and critical components of the global food supply value chain. Almost all projects 100% owned by RJR (ASX : RUM)
 - ✓ Strategically positioned to leverage growth in food demand, including higher value foods, the need for higher crop yields per unit of arable land and therefore growth in demand for fertilisers in Asia Pacific region, including Australia
 - ✓ Ammaroo phosphate project is Australia's largest JORC rock phosphate resource and is now at a pre-feasibility level of development. Process underway to establish funding for a bankable feasibility study
 - ✓ Most of the world's seaborne traded phosphate products emanate out of the Middle East and North Africa. In comparison, Australia's geopolitical stability offers opportunity for buyers to diversify and de-risk supply
 - ✓ Karinga Lakes sulphate of potash project is undergoing a scoping study and may represent an opportunity for a small scale, low capital start-up operation
 - ✓ Significant misalignment between the market capitalisation of the company and the potential value of the projects
 - ✓ Potential to create a significant fertiliser business in the Northern Territory, enabling regional economic development and employment, underpinning support from the Territory and Federal Governments. Agriculture is a key plank in 'Developing Northern Australia' initiative
 - ✓ Institutional shareholder base of over 35% with a demonstrated history of support

Corporate overview



ASX Code

RUM

Market Cap

A\$29m[^]

Shares on Issue

385 million

52 week price range

A\$0.175 – A\$0.075

Approximate Cash at Bank (September 2014)

A\$8 million

MAJOR SHAREHOLDERS

Washington H Soul Pattinson & Company Ltd

14.2%

Farjoy Pty Ltd

6.7%

Lion Selection Group Ltd

4.7%

Brispot Nominees

3.8%

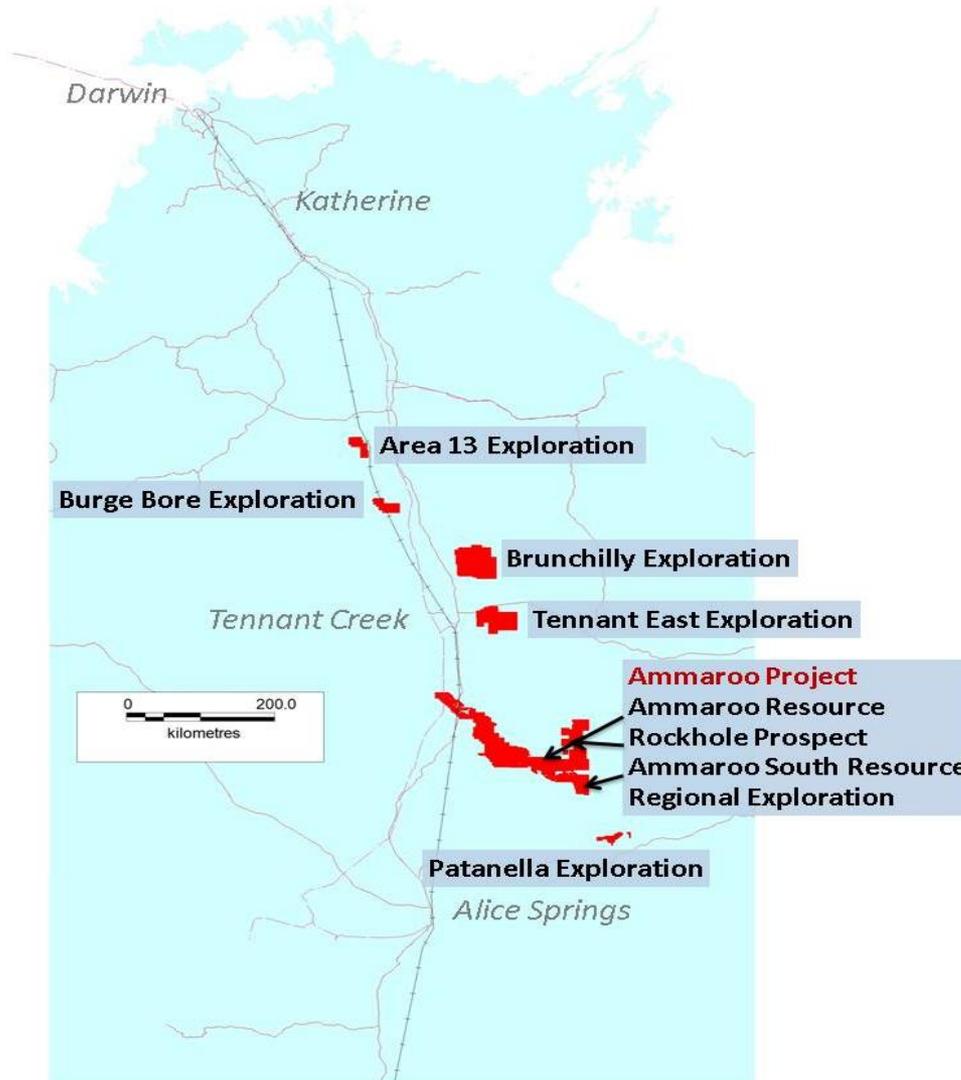
[^] As at close of trade on 16 Oct 2014

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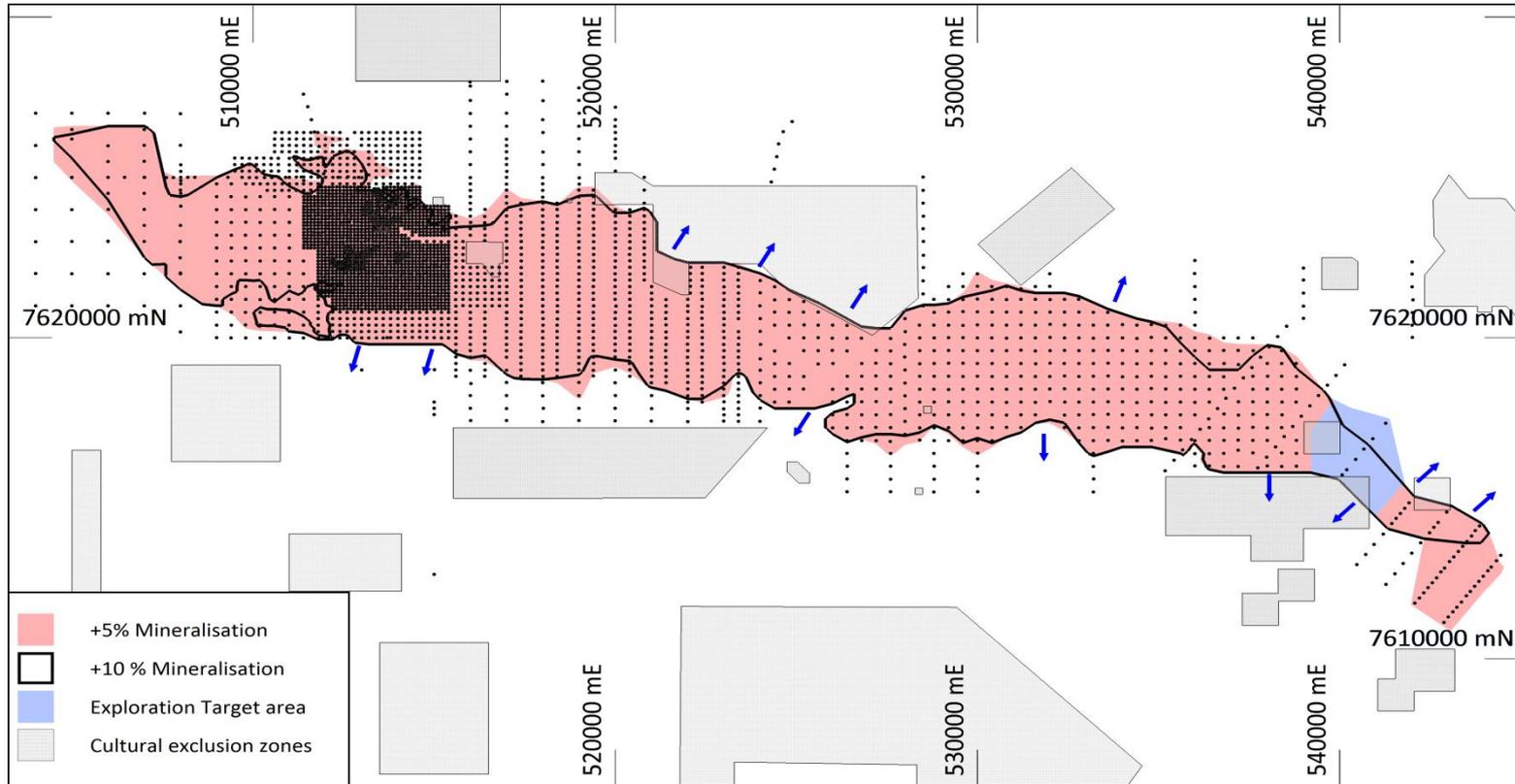


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Potential for a significant phosphate province located in proximity to the Central Australian Railway and the gas pipeline

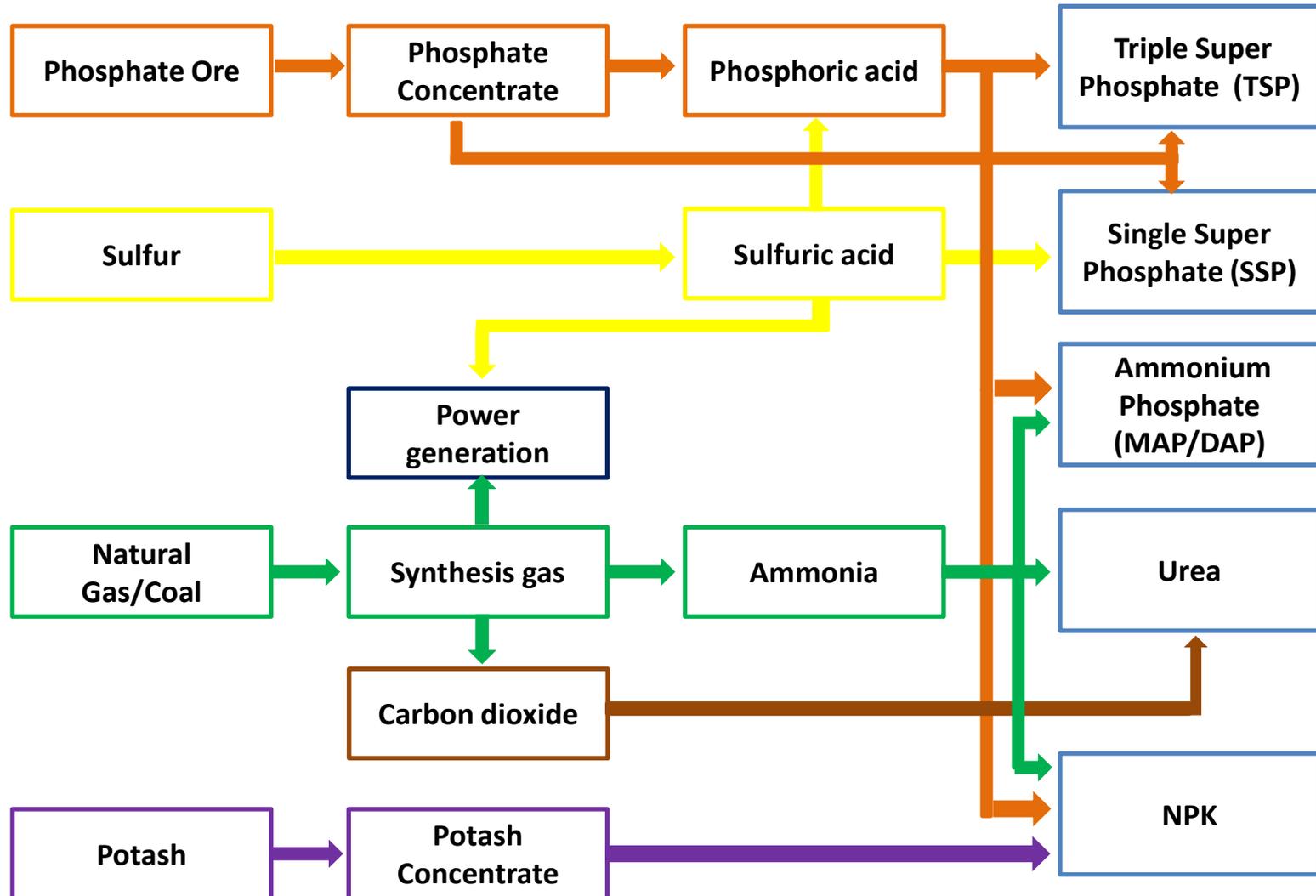


The Ammaroo Phosphate resource base is significant and could support multiple decades of production



Estimated resources now total 1.135 billion tonnes P_2O_5 at an average grade of 14% P_2O_5 using a 10% cut-off or 2.63 billion tonnes at 10% P_2O_5 using a 5% P_2O_5 cut-off. This was released to the ASX on 6 October 2014 and has not changed since.

Creating shareholder value from Phosphate - Where to play in the value chain?



The pre-feasibility study has been completed

Four project scenarios have been evolved through the study process.

Case A

Small scale, low capital start-up rock export operation, 400ktpa of mechanically beneficiated high grade ore, leveraging existing road infrastructure and latent freight train capacity.

Case B

2 Mtpa of high quality phosphate rock concentrate beneficiated through floatation. Dedicated logistics supply chain infrastructure

Case C

500ktpa (100% P_2O_5) of merchant grade phosphoric acid for export. Minimum beneficiation (combined mechanical and flotation) approach to create feedstock to acid plant, integrated sulphuric acid plant, gypsum management and dedicated logistics supply chain infrastructure

Case D

1mtpa of ammonium phosphate fertilisers. Case C plus the addition of an ammonia plant and granulation plant less liquid export infrastructure and storage.

Summary of PFS level economic results as announced to the market on 29 September 2014



		Case A	Case B	Case C	Case D
Phosphate Rock Sold	Mtpa	0.4	2	-	-
Phosphoric Acid Sold	Mtpa	-	-	0.5	-
MAP/DAP Sold	Mtpa	-	-	-	1.02
Mine Life	Years	10	20	20	20
Assumed First Production		Q4 2016	Q1 2018	Q2 2019	Q4 2019
Assumed Price at first production	US\$/t	113	149	684	523
Sales Revenues	A\$M	550	9,100	10,520	20,100
Operating Costs/Transport/Royalties	A\$M	420	5,090	5,320	7,965
Total Capital Cost	A\$M	64	780	1,400	1,830
Bankable feasibility study cost included in Total Capital Cost	A\$M	3	11	21	26
Indicative 50% Geared NPV @ 8%	A\$M	20	570	390	1,470
Geared IRR	%	23	25	14	21
Payback	Years	4.5	5	7.5	5.5

- US\$ to A\$ exchange rate assumed to decline from current levels to be \$0.80 from 2018
- Market prices of products based on CRU's market study and proprietary pricing forecasts
- Indicative NPVs are after tax project NPVs and do not include corporate overhead or marketing costs
- Mtpa: Million tonnes per annum
- A\$M: Millions of nominal Australian dollars

* PFS level of accuracy defined as +/- 25% of capital and operating costs

Ammaroo Phosphate Project – comparative advantages



Relative to other global phosphate resources

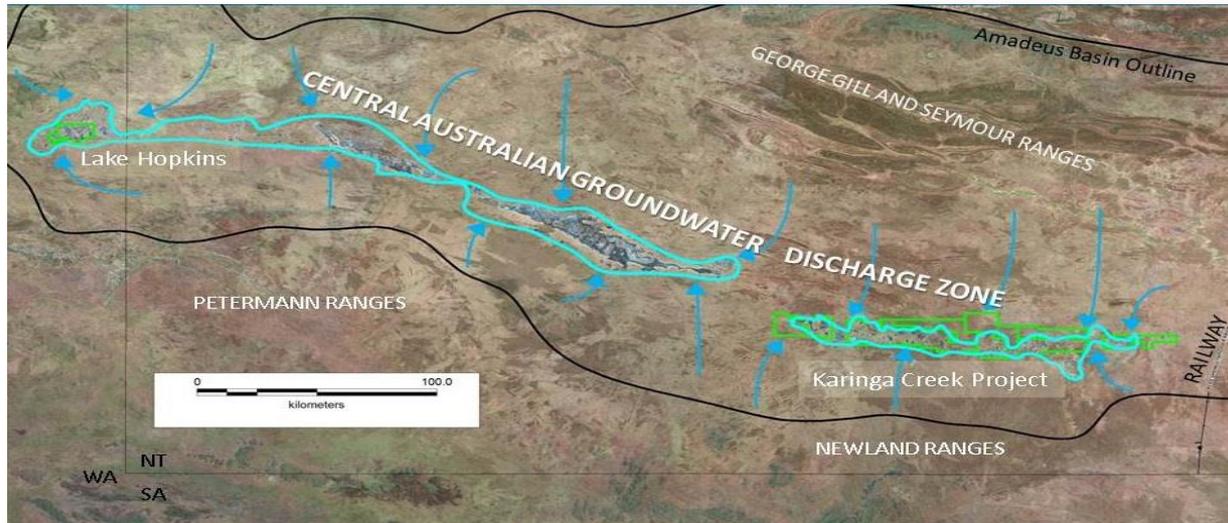
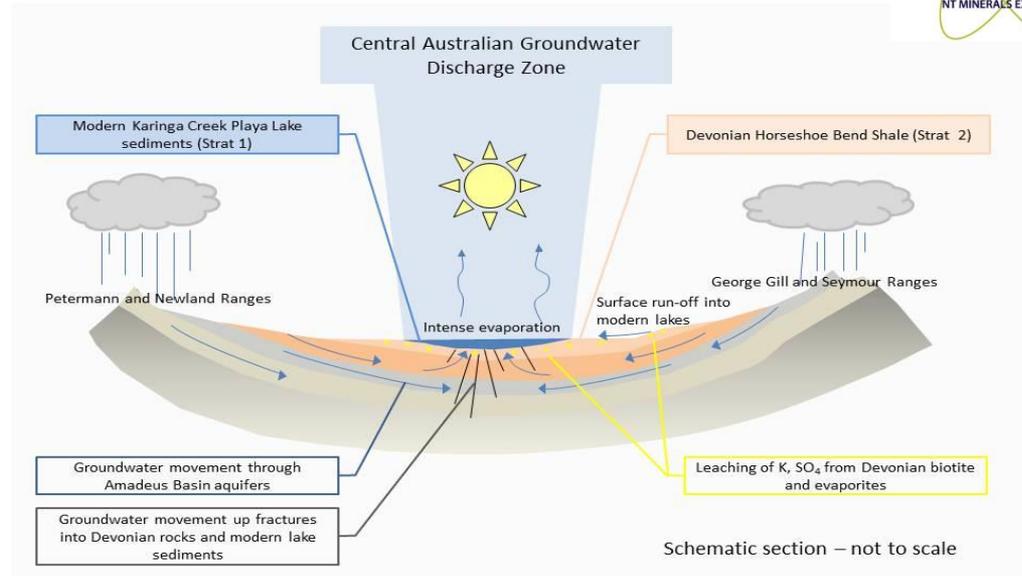
- Global need for growth in phosphate production over ensuing decade with demand growing at circa 2% per annum. There is no substitute for P in agriculture
- Located to leverage agricultural growth and demand growth for phosphate fertilisers in southern and eastern Asia , eastern Africa and Australia
- Located in a stable OECD country compared to Northern African , Middle Eastern and Central African countries where most developable and expandable phosphate resources exist
- Ammaroo is a large resource base capable of supporting multiple decades of production. PFS level 20 year mine plans just used measured and indicated resource which make up less than 20% of total resource
- Comparatively good grade, shallow and free digging ore – low mining and processing costs create competitive advantage for downstream phosphate fertiliser production. Competitively priced gas likely to be available in the NT to support ammonia production. Significant unutilised ground water resources in the region
- Physical and chemical specifications of beneficiated phosphate rock meet existing market specifications and can be converted into good quality merchant grade phosphoric acid and ammonium phosphate fertilisers
- Ammaroo is closest to existing rail and gas pipeline infrastructure of the western Georgina Basin phosphate resources. Existing port capacity available in Darwin
- Product can be distributed north to Darwin for export and south to southern Australian markets via the Central Australian Railway

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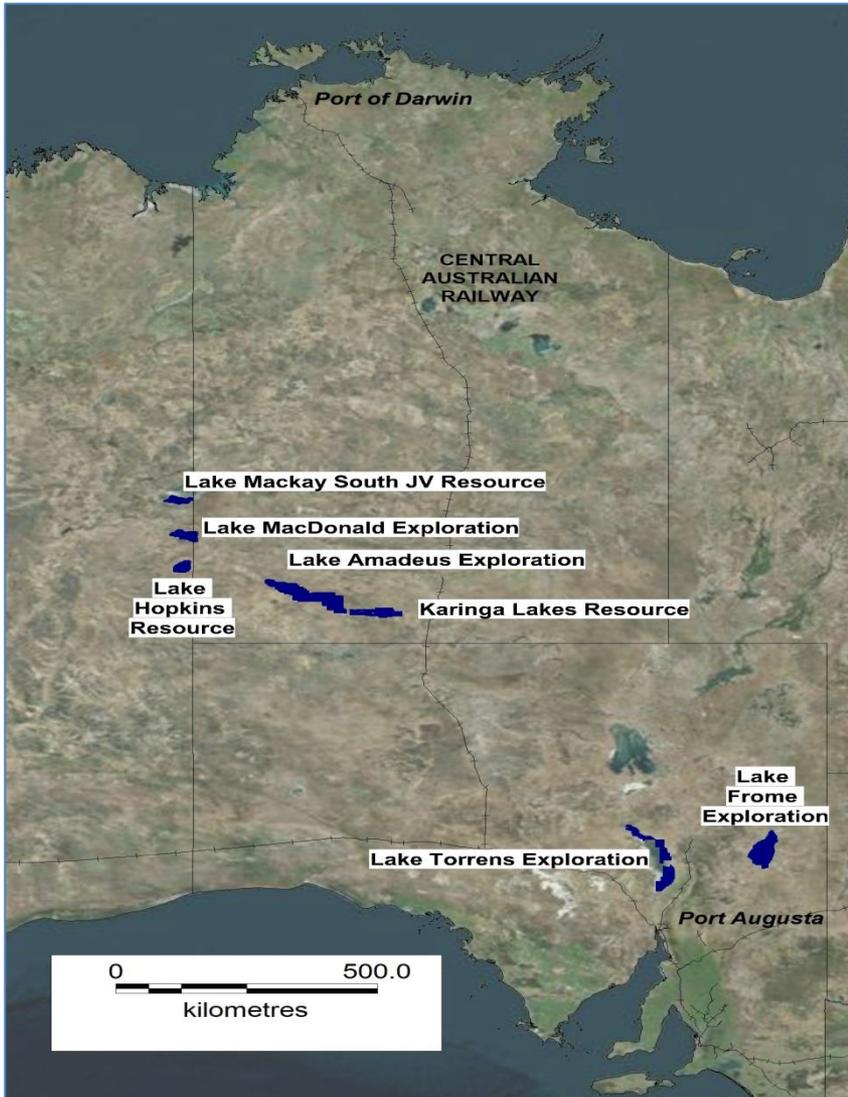


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Ongoing accumulation of potassium salts occurs via groundwater recharge from Central Australian Discharge Zone



Portfolio of salt lakes with potassium brines potential - as identified in a recent Geosciences Australia study



Karinga Lakes

- Measured, Indicated and Inferred Brine Resource of 8.3 million tonnes of K_2SO_4 at an average aquifer thickness of 15 m. This equates to a schoenite (potassium magnesium sulfate) resource of 19 million tonnes (JORC 2012 Resource announced to ASX 20 Feb 2014 and has not changed since)
- Potential to grow resource through deeper drilling and potential paleo channel exploration in region
- Located on pastoral lease, on the Lassiter Highway in proximity to the Central Australian railway

Lake Hopkins

- Maiden Inferred JORC brine potash resource of 4.5 million tonnes K_2SO_4 announced to the ASX on 12 September and hasn't changed since
- Further exploration potential

Lake Mackay JV

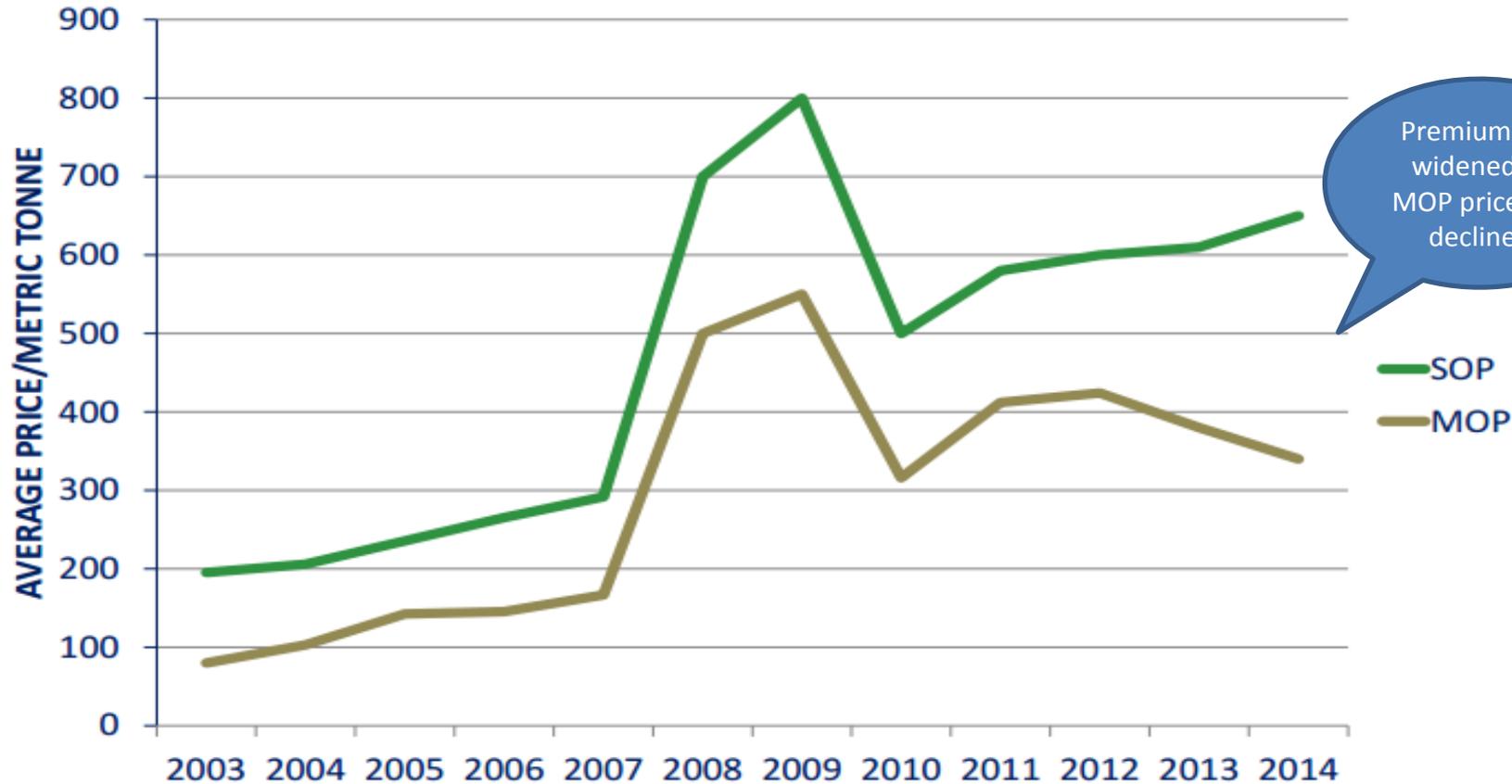
- Maiden JORC brine potash resource of 13 million tonnes K_2SO_4 announced to the ASX on 9 September 2014 and hasn't changed since. RUM has 51% of the potash rights
- Further exploration potential

Karinga Lakes Project – Scoping study update



- Initial resource exploration completed and maiden JORC resource defined
- Baseline laboratory scale test work complete.
- On site evaporation trials and pump testing complete
- Scoping study commenced in March 2014 and being conducted by China International Chemical Consulting Corporation that includes expertise involved in the development of similar Chinese operations:
 - Site visit conducted
 - Chemical analysis and processing test work completed
 - Brine extraction, evaporation, flotation and SOP conversion production flow sheet design completed
 - Handover and verification workshop conducted
- Initial sulphate of potash and potassium magnesium sulphate market study completed
- Study now in hands of GHD to develop scoping study level (+/- 35%) Australianised capital schedule and operating cost assessments
- Two production scenarios being studied
 - 100ktpa SOP production
 - 100ktpa of an intermediate potassium magnesium sulphate product which has potential to be a small scale, low environmental footprint, low capital start-up operation
- Target completion date of study mid November 2014

Sulphate of Potash (SOP) continues to trade at a premium to Muriate of Potash (MOP) in the US



Sources: Green Markets, IFA, Corporate Reports, Analyst Reports

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There are three potential outcomes that could create shareholder value from these resources



- 1. The company or individual projects are acquired by their natural owner – a global fertiliser producer or a consortium of fertiliser producers or agri-business investment companies**
- 2. The formation of joint ventures at the project level with fertiliser producers and agri-business investment companies and the subsequent development of one or both projects**
- 3. The development of one of the projects, with acceptable capital costs, return metrics and risks, such that it can be funded by existing shareholders**

RUM JUNGLE RESOURCES - CONCEPTUAL DEVELOPMENT PROGRAM

SEQUENCING RUMs DEVELOPMENT PROGRAM—NEXT THREE YEARS



Strategic objective

CY14

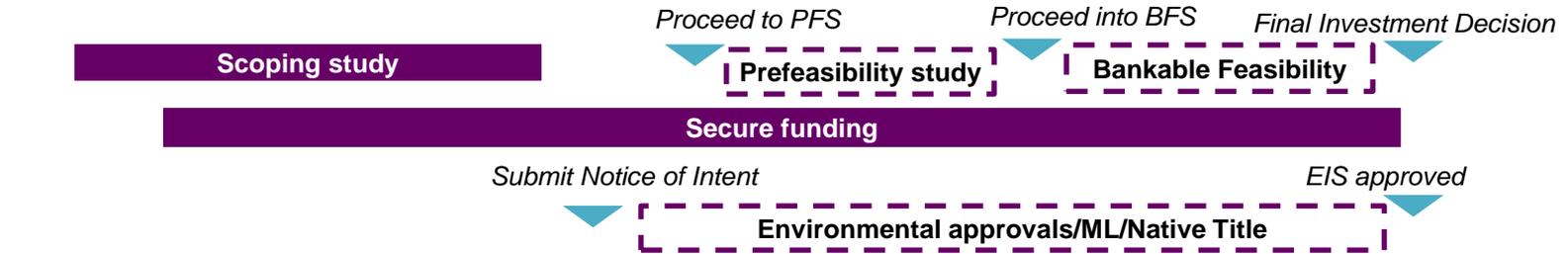
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CY16

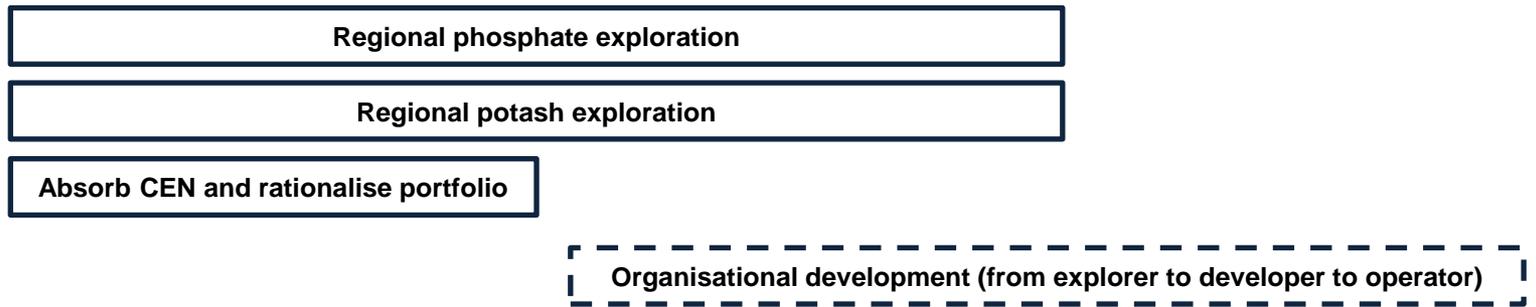
Develop the Ammaroo Phosphate Project



Develop the Karinga Lakes Potash Project



Other complimentary strategic initiatives and strategic partners



Next Steps



- **Complete Karinga Lakes scoping study in November 2014**
- **Progress native title agreement negotiations to attain a mineral leases over Ammaroo**
- **Engage Investment Bank/Corporate Advisor to develop a comprehensive 'Information Memorandum' based on the learnings and outcomes of the studies.**
- **Commence a formal engagement process with global fertiliser producers and agri-business investors to establish a Joint Venture and/or offtake agreements to underwrite the progression of at least one of the projects toward a BFS, environmental approvals and subsequent development**

Notes

