

ASX ANNOUNCEMENT

29 March 2017

Company Announcements Office

Dear Sir/Madam

Re: Pro-Rata Non Renounceable Rights Issue – Mail Out

This is to confirm that the offer document, a copy of which was lodged with the ASX on the 21st March 2017, was mailed to all eligible shareholders yesterday.

For those shareholders who have a registered address outside Australia or New Zealand, the attached correspondence was also forwarded as required under Listing Rule 7.7.1(b).

Yours faithfully



Chris Lobb
Company Secretary

28 March 2017

Dear Shareholder,

Non Renounceable Rights Issue – Notice to Ineligible Shareholders

On 21 March 2017, Australian Rural Capital Limited (**ARC** or the **Company**) announced a pro rata non-renounceable rights issue offer of new ARC ordinary shares (**New Shares**) at an issue price of \$0.50 per New Share to raise up to approximately \$1,600,000 (before expenses) (**Offer**).

Eligible shareholders will be able to purchase 1 New Share for every 2.85 existing ARC ordinary shares held as at 7.00pm (Sydney time) on 24 March 2017 (**Record Date**). New Shares issued under the Offer will rank equally with existing ARC ordinary shares.

The proceeds from this Offer will be used for general working capital purposes, the further development of our funds management business and to continue our current direct investing activities.

The purpose of this letter is to inform you about the Offer, and to explain why you will not be able to purchase New Shares under the 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.

Documents relating to the Offer have been lodged with ASX and are currently being despatched to Eligible Shareholders (as defined below).

Details of the Offer

The Offer is being implemented under Section 708AA of the Corporations Act 2001 (Cth) (**Corporations Act**), as modified by ASIC Class Order [CO 08/35]. The Offer will raise up to approximately \$1,600,000 (before expenses).

The Offer is being made to Eligible Shareholders (as defined below), on the basis of 1 New Share for every 2.85 existing ARC ordinary shares held.

Eligibility Criteria

ARC has determined pursuant to ASX Listing Rule 7.7.1(a) and section 9A(3) of the Corporations Act that it would be unreasonable to make offers to shareholders in all countries in connection with the Offer. This determination was made due to legal limitations on making or extending an offer of New Shares in some countries, the relatively small number of shareholders in those countries, the small number of securities they hold and the potential cost of complying with regulatory requirements in those countries.

Accordingly, in compliance with ASX Listing Rule 7.7.1(b) and section 9A(3) of the Corporations Act, ARC wishes to advise you that it will not be extending the Offer to you and you will not be able to purchase New Shares under the Offer.

Australian Rural Capital Limited

ABN 52 001 746 710

c/- Broadley Rees Hogan, Level 24, 111 Eagle Street, BRISBANE, QLD 4001

GPO Box 635 BRISBANE QLD 4001

phone: (07) 3223 9170



Shareholders who are eligible to participate in the Offer are shareholders who, as at 7.00pm (Sydney time) on the Record Date, were registered as holders of existing ARC ordinary shares and had a registered address in Australia or New Zealand (Eligible Shareholders).

Unfortunately, as you do not satisfy the eligibility criteria for an Eligible Shareholder, you will not be able to purchase New Shares under the Offer. You will not be sent documents relating to the Offer.

As the Offer is non-renounceable, you will not receive any payment or value for entitlements in respect of New Shares that would have been offered to you if you were eligible.

If you have any questions in relation to any of the above matters, please contact the Company's share registry, Boardroom Pty Limited on +61 2 9290 9600.

On behalf of the Board of ARC, we thank you for your continued interest in ARC.

Yours Sincerely,

James A Jackson
Executive Chairman

This document is issued by Australian Rural Capital Limited ACN 001 746 710. It is not a prospectus or any other form of disclosure document and has not been lodged with ASIC. It is for information purposes only and does not constitute an offer, invitation or recommendation to subscribe for, retain or purchase any securities in ARC in any jurisdiction. This document does not constitute financial product advice and will not form any part of any contract for the acquisition of ARC shares. This document may not be released or distributed in the United States.

Important notice to nominees: Because of legal restrictions, you must not send copies of this letter or any material relating to the Offer to any of your clients (or any other person) in the United States and on whose behalf you are the registered owner of shares. Failure to comply with these restrictions may result in violations of applicable securities laws.

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