

**RED GUM RESOURCES LIMITED  
(TO BE RENAMED "AUSTRALIAN TRAVEL GROUP LIMITED")  
ACN 119 641 986**

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**NOTICE OF RESUMPTION OF ADJOURNED EXTRAORDINARY  
GENERAL MEETING**

**&**

**ADDENDUM TO THE NOTICE OF EXTRAORDINARY GENERAL  
MEETING**

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At the extraordinary general meeting of Red Gum Resources Limited (to be renamed "Australian Travel Group Limited") (ACN 119 641 986) (**Company**) held at 9:30am (WST) on 27 November 2014 at Level 3, London House, 216 St Georges Terrace, Perth, Western Australia (**Meeting**), Shareholders resolved to adjourn the meeting in order for the Company to amend certain Resolutions contained in the original Notice of General Meeting dated 20 October 2014 (**Notice of Meeting**) and give Shareholders a reasonable opportunity to consider these changes at the adjourned meeting.

**Notice of Resumption of Adjourned Meeting**

The Company hereby gives notice that the adjourned Extraordinary General Meeting (**Adjourned Meeting**) of the Company will be resumed as follows:

**TIME:** 9:30am (Perth time)  
**DATE:** 18 December 2014  
**PLACE:** Level 3, London House,  
216 St Georges Terrace,  
Perth, Western Australia

**Addendum to the Notice of Meeting**

This document is an addendum to the original Notice of Meeting.

The proposed amendments relate to the change in the Consolidation ratio of the Company's issued capital, which was originally a ratio of 25:1, and is now proposed to be amended to 44:1. As a result, Resolutions 1 and 4, and certain sections of the Explanatory Statement of the original Notice of Meeting have been updated to reflect this change. A summary of the changes include:

- (a) amendment to Resolution 1 "Approval for the Acquisition of Holiday Planet Pty Ltd" – as a result of the change in the Consolidation ratio, Holiday Planet Shareholders' could have a post-completion voting power of more than 35%, particularly if the Holiday Planet Shareholders convert their Convertible Notes;
- (b) amendment to Resolution 4 "Consolidation of Capital" – this now reflects the new Consolidation ratio of 44:1 for the Company's existing Shares and Options on issue;

- (c) references throughout the Notice of Meeting relating to the Holiday Planet Shareholders combined voting power in the Company have been amended to reflect the potential of up to 35.4% (based on the proposed issue of Shares) and up to 36.9% (based on conversion of their Convertible Notes) and amendments to the various tables relating to the potential changes to voting power in Section 2 of the Explanatory Statement; and
- (d) a revised capital structure and indicative timetable reflecting the new terms for the Consolidation.

Full details of the changes are set out below.

### **Addendum to the Independent Expert's Report**

As a result of the proposed changes to the Consolidation ratio, the Independent Expert has provided an addendum to its original Independent Expert's Report, which is attached at Annexure 2 - "Addendum to the Independent Expert's Report."

**The Independent Expert has amended its original opinion and has concluded that the acquisition of Holiday Planet, being the subject of Resolution 1 as outlined in this Addendum to the Notice of Meeting, is NOT FAIR, BUT IS REASONABLE to Shareholders.**

All Shareholders should refer to the Independent Expert's Report that was enclosed with the original Notice of Meeting, together with the "Addendum to the Independent Expert's Report" attached at Annexure 2 to this Addendum to the Notice of Meeting.

### **Important Notice**

This Addendum to the Notice of Meeting (including the Addendum to the Independent Expert's Report) should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Addendum to the Notice of Meeting please do not hesitate to contact the Company Secretary on (+61) 8 8223 1680.

### **Voting Eligibility**

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Adjourned Meeting are those who are registered Shareholders at 5:00pm (WST) on 16 December 2014.

### **General**

Definitions in the Notice of Meeting have the same meaning in this Addendum to the Notice of Meeting unless otherwise updated in this Addendum to the Notice of Meeting.

This Addendum to the Notice of Meeting is supplemental to the original Notice of Meeting and should be read in conjunction with the original Notice of Meeting. Save for the amendments to Resolutions 1 and 4 set out below, all other resolutions proposed in the original Notice of Meeting remain unchanged.

### **Voting in Person**

To vote in person, attend the Adjourned Meeting at the time, date and place set out above.

## Voting by Proxy

**PREVIOUS PROXY FORMS ALREADY RECEIVED BY THE COMPANY UNDER THE ORIGINAL NOTICE OF MEETING (IN ACCORDANCE WITH THOSE INSTRUCTIONS) WILL STILL BE ACCEPTED BY THE COMPANY AND WILL BE COUNTED IN RELATION TO THE RESOLUTIONS TO BE VOTED ON BY SHAREHOLDERS AT THE MEETING.**

**HOWEVER, IF YOU WISH TO CHANGE YOUR VOTE, OR SUBMIT A NEW PROXY FORM, PLEASE COMPLETE AND SIGN THE ENCLOSED REPLACEMENT PROXY FORM AND RETURN BY THE TIME AND IN ACCORDANCE WITH THE INSTRUCTIONS SET OUT ON THE REPLACEMENT PROXY FORM.**

In accordance with section 249L of the Corporations Act, members are advised that:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company; and
- a member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

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## ADDENDUM TO NOTICE OF EXTRAORDINARY GENERAL MEETING

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The Directors advise that the Notice of Meeting and Independent Expert's Report are to be read in conjunction with this Addendum to the Notice of Meeting and Addendum to the Independent Expert's Report and that the following variations are made to the Notice of Meeting:

### Letter to Shareholders

Reference was previously made in the "Letter to Shareholders" on page 3 of the original Notice of Meeting that the post-completion combined voting power of the Holiday Planet Shareholders in the Company could end up exceeding "27%". As a result of the new Consolidation ratio, this figure is hereby amended to "35%".

**Resolutions 1 and 4 in the original Notice of Meeting are amended by deleting the existing Resolutions 1 and 4 and replacing those Resolutions with the following:**

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### 1. RESOLUTION 1 – APPROVAL FOR THE ACQUISITION OF HOLIDAY PLANET PTY LTD

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, subject to and conditional upon the passing of Resolutions 4, 5, and 11, for the purposes of:*

- (a) *ASX Listing Rule 11.1 and for all other purposes, Shareholders approve the acquisition by the Company (or its nominee) of all the issued capital in Holiday Planet Pty Ltd in accordance with the HP Acquisition Agreement and the performance by the Company of its obligations under the HP Acquisition Agreement; and*
- (b) *Section 611 (Item 7) of the Corporations Act and for all other purposes, Shareholders approve the issue of 18,750,000 Shares and 250,000 Convertible Notes (on a post-Consolidation basis) to the HP Shareholders, which may result in the HP Shareholders' combined voting power in the Company increasing up to 35.4% (based on the proposed issue of Shares) and increasing up to 36.9% (based on conversion of their Convertible Notes);*

*and otherwise on the terms and conditions set out in the Explanatory Statement."*

**Expert's Report:** Shareholders should carefully consider the report prepared by the Independent Expert for the purposes of the Shareholder approval required under Section 611 Item 7 of the Corporations Act. The Independent Expert's Report comments on the fairness and reasonableness of the transactions the subject of this Resolution to the non-associated Shareholders in the Company.

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who might obtain a benefit, except a benefit solely in the capacity as a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides. As Resolutions 1, 4, 5 and 11 are interconditional, a person whose votes are disregarded on Resolutions 4, 5 and 11 will have their votes on Resolution 1 disregarded.

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## 2. RESOLUTION 4 – CONSOLIDATION OF CAPITAL

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, subject to and conditional upon the passing of Resolutions 1, 5 and 11, pursuant to section 254H of the Corporations Act and for all other purposes, the issued capital of the Company be consolidated on the basis that:*

- (a) every 44 (forty four) Shares be consolidated into 1 (one) Share;  
and
- (b) all Options on issue be adjusted in accordance with ASX Listing Rule 7.22.1,

*and, where this Consolidation results in a fraction of either a Share or an Option being held, the Company be authorised to round that fraction up to the nearest whole Share or Option (as the case may be)."*

**Voting Exclusion:** As Resolutions 1, 4, 5 and 11 are interconditional, a person whose votes are disregarded on Resolutions 1, 5 and 11 will have their votes on Resolution 4 disregarded.

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## SUPPLEMENTARY EXPLANATORY STATEMENT

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By way of background, as a result of the proposed change in the Consolidation ratio of the Company's issued capital from 25:1 to 44:1, Resolutions 1 and 4, and certain sections of the Explanatory Statement of the original Notice of Meeting have been amended accordingly. This amended Explanatory Statement is herein referred to as the "Supplementary Explanatory Statement".

A summary of the changes set out in this Supplementary Explanatory Statement include:

- (a) amendment to Resolution 1 "Approval for the Acquisition of Holiday Planet Pty Ltd" – as a result of the change in the Consolidation ratio, Holiday Planet Shareholders' could have a post-completion voting power of more than 35%, particularly if the Holiday Planet Shareholders convert their Convertible Notes;
- (b) amendment to Resolution 4 "Consolidation of Capital" – this now reflects the new Consolidation ratio of 44:1 for the Company's existing Shares and Options on issue;
- (c) references throughout the Notice of Meeting relating to the Holiday Planet Shareholders combined voting power in the Company have been amended to reflect the potential of up to 35.4% (based on the proposed issue of Shares) and up to 36.9% (based on conversion of their Convertible Notes) and amendments to the various tables relating to the potential changes to voting power in Section 2 of the Explanatory Statement; and
- (d) a revised capital structure and indicative timetable reflecting the new terms for the Consolidation.

**The Explanatory Statement outlined in the Notice of Meeting is supplemented or amended as follows:**

- (a) **Any reference to the following is replaced as follows, unless otherwise stated:**
  - (i) "27.8%" is replaced with "35.4%"; and
  - (ii) "29.2%" is replaced with "36.9%".
- (b) **Any reference to the Independent Expert concluding that the proposed acquisition of Holiday Planet (the subject of Resolution 1) is "fair and reasonable" to the non-associated Shareholders of the Company be deleted and replaced with "NOT FAIR, BUT IS REASONABLE" to the non-associated Shareholders of the Company.**
- (c) **The paragraph entitled "Consolidation of Capital" in section 1.8 is deleted and replaced with the following paragraph set out below:**

**"Consolidation of Capital**

As required by the ASX Listing Rules, the Company will undertake a consolidation of its issued capital (**Consolidation**) on the basis of:

- (a) one (1) Share for every forty-four (44) Shares held; and
- (b) one (1) Option for every forty-four (44) Options held.

Shareholder approval for the Consolidation is the subject of Resolution 4.”

**(d) The table in Section 2.5(c) is deleted and replaced with the following table set out below:**

HP Shareholders	Shares	Convertible Notes	Voting Power assuming HP Acquisition only	Voting Power assuming HP & MT (but no AE)	Voting Power assuming HP & AE (but no MT)	Voting Power assuming HP, AE & MT Acquisitions
Alan and Yvonne Dodson	10,312,500	137,500	19.47	17.79	16.38	15.17
Michael and Kerry Croy	6,075,000	81,000	11.47	10.48	9.65	8.94
Graham Lorrigan	2,362,500	31,500	4.46	4.08	3.75	3.48
<b>TOTAL</b>	<b>18,750,000</b>	<b>250,000</b>	<b>35.4</b>	<b>32.4</b>	<b>29.8</b>	<b>27.6</b>

Notes:

1. This table assumes that only the minimum subscription is raised under the Capital Raising (\$3,000,000) and no Convertible Notes have been converted. If more than the minimum subscription is raised under the Capital Raising, the potential voting power of the HP Shareholders (and their associates) will be reduced.

**(e) Section 2.7(b)(ii) “Voting Power – Undiluted Basis” and Section 2.7(b)(iii) “Assumptions” are deleted and replaced with the following set out below:**

**“(ii) Voting Power – Undiluted Basis**

The voting power of each HP Shareholder (and their associates) (being the current voting power, the voting power following the issue of the Consideration Shares, and settlement of the MT Acquisition and AE Acquisition) is set out in the table below:

Party	Voting Power as at the date of this Notice of Meeting	Voting Power assuming HP Acquisition only	Voting Power assuming HP & MT (but no AE)	Voting Power assuming HP & AE (but no MT)	Voting Power assuming HP, AE & MT Acquisitions
Alan and Yvonne Dodson	0%	19.47	17.79	16.38	15.17
Michael and Kerry Croy	0%	11.47	10.48	9.65	8.94
Graham Lorrigan	0%	4.46	4.08	3.75	3.48
<b>TOTAL</b>	<b>0%</b>	<b>35.4</b>	<b>32.4</b>	<b>29.8</b>	<b>27.6</b>

Notes:

1 This table assumes the minimum subscription is raised under the Capital Raising (\$3,000,000) and that no Convertible Notes have been converted.

Further details on the voting power of each HP Shareholder are set out in the Independent Expert's Report prepared by RM Capital Pty Ltd.

From the above table it can be seen that:

- (A) The maximum relevant interest that Alan and Yvonne Dodson will hold after Settlement is 10,312,500 Shares, and the maximum voting power that Alan and Yvonne Dodson will hold is 19.47%.
- (B) The maximum relevant interest that Michael and Kerry Croy will hold after Settlement is 6,075,000 Shares, and the maximum voting power that Michael and Kerry Croy will hold is 11.47%.
- (C) The maximum relevant interest that Graham Lorrigan will hold after Settlement is 2,362,500 Shares, and the maximum voting power that Graham Lorrigan will hold is 4.46%.

(iii) **Assumptions**

Note that the following assumptions have been made in calculating the relevant interest and voting power of the HP Shareholders for the purposes of the above two tables (assuming only the minimum subscription is raised (\$3,000,000)):

- (A) the Company has 67,959,091 Shares on issue (on a post-Consolidation basis) upon Settlement of the Acquisitions (this figure assumes all securities are issued pursuant to this Notice of Meeting);
- (B) the Company has 62,959,091 Shares on issue (on a post-Consolidation basis) upon Settlement of the HP Acquisition and the AE Acquisition, but not the MT Acquisition (this figure assumes all securities are issued pursuant this Notice of Meeting other than the Shares under Resolution 3);
- (C) the Company has 57,959,091 Shares on issue (on a post-Consolidation basis) upon Settlement of the HP Acquisition and the MT Acquisition, but not the AE Acquisition (this figure assumes all securities are issued pursuant this Notice of Meeting other than the Shares under Resolution 2);
- (D) the Company has 52,959,091 Shares on issue (on a post-Consolidation basis) upon Settlement of the HP Acquisition but not the AE Acquisition or the MT Acquisition (this figure assumes all securities are issued pursuant this Notice of Meeting other than the Shares under Resolutions 2 & 3);
- (E) the Company does not issue any additional Shares;
- (F) no existing Options are exercised and no Convertible Notes are converted; and
- (G) the HP Shareholders do not acquire any additional Shares."

**(f) Section 2.7(b)(v) "Voting Power – Fully Diluted Basis" and Section 2.7(b)(vi) "Assumptions" are deleted and replaced with the following set out below:**



“(v) **Voting Power – Fully Diluted Basis**

The voting power of each HP Shareholder (and their associates) (being the current voting power, the voting power following the issue of the Consideration Shares and conversion of the HP Shareholders' Convertible Notes, and settlement of the MT Acquisition and AE Acquisition) is set out in the table below:

<b>Party</b>	<b>Voting Power as at the date of this Notice of Meeting</b>	<b>Voting Power assuming HP Acquisition only</b>	<b>Voting Power assuming HP &amp; MT (but no AE)</b>	<b>Voting Power assuming HP &amp; AE (but no MT)</b>	<b>Voting Power assuming HP, AE &amp; MT Acquisitions</b>
Alan and Yvonne Dodson	0%	20.29	18.58	17.13	15.89
Michael and Kerry Croy	0%	11.95	10.94	10.09	9.36
Graham Lorrigan	0%	4.65	4.26	3.92	3.64
<b>TOTAL</b>	<b>0%</b>	<b>36.9</b>	<b>33.8</b>	<b>31.1</b>	<b>28.9</b>

Notes:

- 1 This table assumes the minimum subscription is raised under the Capital Raising (\$3,000,000) and that the HP Shareholders have converted their Convertible Notes.

Further details on the voting power of each HP Shareholder are set out in the Independent Expert's Report prepared by RM Capital Pty Ltd.

From the above table it can be seen that:

- (A) The maximum relevant interest that Alan and Yvonne Dodson will hold after Settlement (on the basis that their Convertible Notes have been converted) is 11,000,000 Shares, and the maximum voting power that Alan and Yvonne Dodson will hold is 20.29%.
- (B) The maximum relevant interest that Michael and Kerry Croy will hold after Settlement (on the basis that their Convertible Notes have been converted) is 6,480,000 Shares, and the maximum voting power that Michael and Kerry Croy will hold is 11.95%.
- (C) The maximum relevant interest that Graham Lorrigan will hold after Settlement (on the basis that his Convertible Notes have been converted) is 2,520,000 Shares, and the maximum voting power that Graham Lorrigan will hold is 4.65%.

(vi) **Assumptions**

Note that the following assumptions have been made in calculating the relevant interest and voting power of the HP Shareholders for the purposes of the above two tables (assuming only the minimum subscription is raised (\$3,000,000)):

- (A) the Company has 69,209,091 Shares on issue (on a post-Consolidation basis) upon Settlement of the Acquisitions (this figure assumes all securities are issued pursuant to this Notice of Meeting and the HP Shareholders have converted their Convertible Notes);

- (B) the Company has 64,209,091 Shares on issue (on a post-Consolidation basis) upon Settlement of the HP Acquisition and the AE Acquisition, but not the MT Acquisition (this figure assumes all securities are issued pursuant this Notice of Meeting other than the Shares under Resolution 3 and the HP Shareholders have converted their Convertible Notes);
- (C) the Company has 59,209,091 Shares on issue (on a post-Consolidation basis) upon Settlement of the HP Acquisition and the MT Acquisition, but not the AE Acquisition (this figure assumes all securities are issued pursuant this Notice of Meeting other than the Shares under Resolution 2 and the HP Shareholders have converted their Convertible Notes);
- (D) the Company has 54,209,091 Shares on issue (on a post-Consolidation basis) upon Settlement of the HP Acquisition but not the AE Acquisition or the MT Acquisition (this figure assumes all securities are issued pursuant this Notice of Meeting other than the Shares under Resolutions 2 & 3 and the HP Shareholders have converted their Convertible Notes);
- (E) the Company does not issue any additional Shares;
- (F) no existing Options are exercised;
- (G) no Convertible Notes (other than those to be issued to the HP Shareholders) are converted; and
- (H) the HP Shareholders do not acquire any additional Shares."

**(g) Paragraph (b) in Section 2.9 is deleted and replaced with the following set out below:**

"(b) the issue of the Consideration Shares to the HP Shareholders may result in them having voting power of up to approximately 35.4%, reducing the voting power of non-associated Shareholders in aggregate from 100% to 64.6% (assuming the AE Acquisition and MT Acquisition are not completed) and on the basis that the Convertible Notes are issued and subsequently converted by the HP Shareholders, increasing their voting power up to 36.9% (reducing the voting power of non-associated Shareholders in aggregate from 100% to 63.1%, assuming the AE Acquisition and MT Acquisition are not completed);"

**(h) Section 5.1 is deleted and replaced with the following set out below:**

**"5.1 Background**

If Resolution 4 is passed, and excluding any Shares, Convertible Notes and Options issued pursuant to the other Resolutions, the number of Shares on issue will be reduced from 832,000,000 to 18,909,091 and the number of Options on issue will be reduced from 242,234,053 to 5,505,319 (subject to rounding).

Resolution 4 is conditional upon Shareholders approving Resolutions 1, 5 and 11."

**(i) Section 5.3 is deleted and replaced with the following set out below:**

**"5.3 Fractional entitlements**

Not all Shareholders will hold that number of Shares and / or Options which can be evenly divided by 44. Where a fractional entitlement occurs, the Company will round that fraction up to the nearest whole Share or Option."

(j) **Section 5.6 is deleted and replaced with the following set out below:**

**“5.6 Effect on capital structure**

The effect which the Consolidation will have on the Company's capital structure is set out in the table below.

<b>Capital Structure</b>	<b>Shares</b>	<b>Options</b>	<b>Convertible Notes</b>
Existing Shares on issue	832,000,000	-	-
Existing Options on issue	-	242,234,053 <sup>2</sup>	-
Post 1 for 44 Consolidation of Shares and Options (Resolution 4)	<b>18,909,091</b>	<b>5,505,319<sup>3</sup></b>	-
Issue of Shares and Options under the Capital Raising (Resolution 5) <sup>1</sup>	25,000,000	12,500,000	-
Securities to be issued to the HP Shareholders (Resolution 1)	18,750,000	-	250,000
Securities to be issued to the AE Shareholder (Resolution 2)	10,000,000	-	750,000
Securities to be issued to the MT Shareholder (Resolution 3)	5,000,000	-	500,000
Broker Options (Resolution 6)	-	5,000,000	-
Promoter Shares (Resolution 11)	300,000	-	-
<b>Total</b>	<b>77,959,091</b>	<b>23,005,319</b>	<b>1,500,000<sup>4</sup></b>

1. This assumes that the Capital Raising is fully subscribed (raising \$5,000,000).
2. This currently consists of:
  - (a) 61,234,053 quoted options exercisable at \$0.10 each expiring on or before 1 March 2016 and 176,000,000 quoted options exercisable at \$0.01 each expiring on or before 15/11/2017.
  - (b) 5,000,000 unquoted options exercisable at \$0.15 each expiring on or before 30 April 2016.
3. Post-Consolidation, this will consist of:
  - (a) 1,391,683 quoted options exercisable at \$4.40 each expiring on or before 1 March 2016 and 4,000,000 quoted options exercisable at \$0.44 each expiring on or before 15/11/2017.
  - (b) 113,636 unquoted options exercisable at \$6.60 each expiring on or before 30 April 2016.
4. Refer to Schedule 3 for terms and conditions attaching to the Convertible Notes.”

(k) **Section 5.7 is deleted and replaced with the following set out below:**

**“5.7 Indicative timetable**

If Resolution 4 is passed, the Consolidation will take effect in accordance with the following timetable (as set out in Appendix 7A (paragraph 5) of the ASX Listing Rules):

Action	Date
Company announces Consolidation and dispatches Notice of Meeting.	24 October 2014
Company tells ASX that Shareholders have approved the Consolidation.	18 December 2014
Last day for pre-Consolidation trading.	19 December 2014
Post-Consolidation trading starts on a deferred settlement basis.	22 December 2014
Last day for Company to register transfers on a pre-Consolidation basis.	24 December 2014
First day for Company to send notice to each holder of the change in their details of holdings.	29 December 2014
First day for the Company to register Shares on a post-Consolidation basis and first day for issue of holding statements.	29 December 2014
Dispatch date. Deferred settlement market ends.	5 January 2015
Last day for Shares to be entered into holders' Security holdings.	5 January 2015
Last day for the Company to send notice to each holder of the change in their details of holdings.	5 January 2015

- (l) **All references to the Independent Expert's Report as set out in Annexure 1 of the original Notice of Meeting should be read in conjunction with the "Addendum to the Independent Expert's Report" as set out in new Annexure 2 to this Addendum to the Notice of Meeting.**
- (m) **The Independent Expert has provided the Addendum to the Independent Expert's Report and has provided a revised opinion based on the proposed changes to the Consolidation ratio. As such, the Independent Expert has amended its opinion and has concluded that the proposal as outlined in Resolution 1 is NOT FAIR, BUT IS REASONABLE to the Shareholders of the Company not associated with the HP Shareholders. It is recommended that all Shareholders read the Addendum to the Independent Expert's Report in full (in conjunction with the original Independent Expert's Report).**

The Addendum to the Independent Expert's Report is enclosed with this Addendum to the Notice of Meeting at Annexure 2.

DATED 4 DECEMBER 2014  
BY ORDER OF THE BOARD



**DR RAYMOND SHAW  
EXECUTIVE CHAIRMAN  
RED GUM RESOURCES LIMITED**

**Enquiries:** Shareholders are required to contact the Company Secretary on + 61 8 8223 1680 if they have any queries in respect of the matters set out in this Addendum to the Notice of Meeting.

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**ANNEXURE 2 – ADDENDUM TO THE INDEPENDENT EXPERT’S REPORT**

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2 December 2014

The Directors  
Red Gum Resources Limited  
Suite 9, Lester Court  
759 Angas Street  
ADELAIDE SA 5000

Dear Sirs,

We refer to our Independent Expert's Report ("IER") dated 10 October 2014 which accompanied the notice of meeting issued by Red Gum Resources Limited ("Red Gum") on 20 October 2014 ("Notice of Meeting") and opined on the fairness and reasonableness of the proposal for Red Gum to issue 18,750,000 fully paid ordinary shares at a deemed issue price of \$0.20 each to Holiday Plant shareholders together with 250,000 convertible notes with a denominate face value of \$1 per note and the payment of \$750,000 in cash.

On 27 November 2014 General Meeting was held to consider those various motions. Shareholders resolved to adjourn the meeting in order for certain resolutions contained in the original Notice of General Meeting dated 17 October 2014, to be amended and to give shareholders a reasonable opportunity to consider these changes at the adjourned meeting.

#### **Addendum to the Independent Expert's Report**

This document is an addendum to the original Independent Expert's Report ("Original Report") as a result of the proposed amendments to the change in the Consolidation ratio of the Company's issue capital, which was originally a ratio of 25:1, and is now proposed to be amended to 44:1 ("Addendum"). As a result, Resolutions 1 and 4, and certain sections of the Independent Expert's Report have been updated to reflect this change.

A Summary of the changes to the original report are set out below:

- 2.3.1 Fairness,
- 3.1 Purpose
- 9.1 Net Tangible Assets,
- 9.2 Valuation Conclusion
- 10.1 Net Tangible Assets
- 11.1 Minority Interest Value
- 12 Is the issue of shares, convertible notes and cash consideration fair; and
- 14 Conclusion

The purpose of the original report is prepared pursuant to Item 7 of section 611 of the Corporations Act 2001 ("the Act") and is to be included in the Notice of Meeting for Red Gum in order to assist the Shareholders in their decision as to whether or not to approve the transaction to comply with the takeover prohibition section 606 of the Corporations Act ("Corporations Act") which expressly prohibits the acquisition of shares by a party if that acquisition will result in that person (or someone else) holding an interest in excess of 20% or more of the issued shares of a public company, unless a formal takeover offer is made to all shareholders.

As at the date of our Original Report, and as at the date of this addendum, Holiday Planet does not hold any shares in Red Gum. Assuming no other shares are issued by Red Gum prior to settlement under the terms of the share sale agreement, the issue of the New Shares and Convertible Notes could increase Holiday Planet's holding to between a maximum of 35.4% to 36.9% on the basis that there was a conversion of all Convertible Notes to shares by Holiday Planet assuming that the Company raises the minimum \$3 million with no over subscription (up to a further \$2 million). The following amendments are made to the original report and for convenience refer to the original report.

### 2.3.1 Fairness

In Section 9 we determined that the value of a Red Gum share prior to the issue of the New Shares compared to the consideration of both shares and convertible notes offered to Holiday Planet as set out below:

	Ref	Minimum Subscription	Maximum Subscription
Value of a <b>Red Gum</b> share prior to Issue of the New Shares on a post consolidated basis	9.1	\$0.137	\$0.137
Implied value of a <b>Red Gum</b> share post issue of Shares and Convertible Notes & payment of cash	10.1	\$0.098	\$0.112

The value of a Red Gum share prior to the issue of the New Shares, Convertible Notes and payment of cash is equal to or more than the value of a share after the acquisition of Holiday Planet and the subsequent capital raising. Therefore, we consider that the issue of the New Shares, Convertible Notes and payment of cash is not fair to existing shareholders

### 3.1 Purpose of Report Minimum Subscription

	Holiday Planet	Other Shareholders	Total
<b>Shares on issue at 4 September 2014 Proposed Consolidation 1 for every 44 currently held</b>	-	832,000,000	832,000,000
<b>Issued Shares as at date of our Report</b>	-	18,909,091	18,909,091
% holdings as at date of our revised Report	0%	100%	100%
Shares to be issued to Holiday Planet	18,750,000	-	18,750,000
Promoter Shares	-	300,000	300,000
Capital Raising Shares (assuming min \$3mil)	-	15,000,000	15,000,000
<b>Shares on issue after New Shares</b>	<b>18,750,000</b>	<b>34,209,091</b>	<b>52,959,091</b>
Conversion of \$250,000 of Convertible Notes	1,250,000	-	1,250,000
<b>Issued Shares after conversion of Convertible Notes at \$0.20 per Share</b>	<b>20,000,000</b>	<b>34,209,091</b>	<b>54,209,091</b>
% holdings after issue of Shares	35.4%	64.6%	100%
% holdings after issue of Shares and Convertible Notes	36.9%	63.1%	100%

## Maximum Subscription

	Holiday Planet	Other Shareholders	Total
Shares on issue at 4 September 2014 Proposed Consolidation 1 for every 44 currently held	-	832,000,000	832,000,000
<b>Issued Shares as at date of our Report</b>	-	<b>18,909,091</b>	<b>18,909,091</b>
% holdings as at date of our Report	0%	100%	100%
Shares to be issued to Holiday Planet	18,750,000	-	18,750,000
Promoter Shares	-	300,000	300,000
Capital Raising Shares (assuming max \$5mil)	-	25,000,000	25,000,000
<b>Shares on issue after New Shares</b>	<b>18,750,000</b>	<b>44,209,091</b>	<b>62,959,091</b>
Conversion of \$250,000 of Convertible Notes	1,250,000	-	1,250,000
<b>Issued Shares after conversion of Convertible Notes at \$0.20 per Share</b>	<b>20,000,000</b>	<b>44,209,091</b>	<b>64,209,091</b>
% holdings after issue of Shares	29.8%	70.2%	100%
% holdings after issue of Shares and Convertible Notes	31.1%	68.9%	100%

## 9. Valuation of Red Gum before the Proposed Transaction

### 9.1 Net Tangible Assets

To determine the fair market value of Red Gum before the Proposed Transaction, we have considered the NAV of Red Gum as at 30 June 2014, as set out below:

\$	\$
NAV	2,603,451
Equity of Red Gum (control)	2,603,451
Number of ordinary shares on issue	832,000,000
Value pre consolidation	\$0.003
Number of shares post 44 to 1 consolidation	18,909,090
Equity value of Red Gum per share (\$)	\$0.137

In relation to the NAV of Red Gum before the Proposed Transaction we note the following:

- We have assumed Red Gum will operate as a going concern for purposes of our assessment.
- We have assumed that no material contingent liabilities exist as at the time of preparing this Report.

### 9.2 Valuation Conclusion

Based on the book value of Red Gum's tangible assets as at 30 June 2014, Red Gum's NAV per share pre consolidation is \$0.003 cents and post consolidation is approximately 0.14 cents per share on a controlling interest basis, before the Proposed Transaction.



As noted previously, Red Gum's auditor has raised concerns regarding Red Gum's ability to operate as a going concern, and the value of assets is likely to decrease in the context of liquidation. Accordingly, adopting the book value of tangible assets is likely to be conservative for purposes of assessing the fairness of the Proposed Transaction.

## 10. Valuation of Red Gum after the Proposed Transaction

### 10.1 Net Tangible Assets

To determine the fair market value of Red Gum after the Proposed Transaction, we have considered the pro-forma NAV of Red Gum which includes the tangible assets of Holiday Planet and the cash raised as part of the transaction as at 30 June 2014, as set out below:

	Minimum Subscription	Maximum Subscription
NAV		
Equity raised pursuant to Resolution 6 – Share Placement		
Equity of Red Gum (control)	2,603,451	2,603,451
Equity of Holiday Planet	1,172,858	1,172,858
Cash raised	3,000,000	5,000,000
Total	6,776,309	8,776,309
Minority interest discount	10%	10%
Equity value of Red Gum (Minority)	6,098,678	7,898,678
Less Cash	(750,000)	(750,000)
	5,348,678	7,228,678
Potential number of ordinary shares on issue after the Proposed Transaction	54,209,091	64,209,091
Equity value of Red Gum per share (Minority) (\$)	0.098	0.1125

The potential number of shares on issue after the Proposed Transaction assumes that:

- Resolutions 1, 4, 5, 6 and 7 are all approved
- The minimum and maximum number of shares are issued at \$0.20 pursuant to the share placement under resolution 6

## 11. Valuation of Red Gum prior to the issue of the shares, convertible notes and cash consideration.

### 11.1 Minority Interest Value

Red Gum's Quoted Market Price results in the following valuation range:

	Low (\$)	Midpoint (\$)	High (\$)
Quoted Market Price Value	\$0.004	\$0.0065	\$0.009
Market Price reflecting Consolidation of Capital	\$0.176	\$0.286	\$0.396

Our assessment is that a range of values for a Red Gum share based on market pricing is between \$0.004 and \$0.009 with a midpoint value of \$0.0065, and when adjusted to reflect the consolidation, it is between \$0.176 and \$0.396 with a midpoint of \$0.286.

**12. Is the issue of shares, convertible notes and cash consideration fair?**

The value of a Red Gum share prior to the issue of the Shares compared to the value per share after the acquisition:

Ref	Minimum Subscription	Maximum Subscription
Value of <b>Red Gum</b> Share after the proposed transaction	\$0.098	\$0.112
Implied value of <b>Red Gum</b> share post issue of shares and convertible notes and payment of cash	\$0.137	\$0.137

We note from the table above that the value of a Red Gum share prior to the issue of the Cash Component, Shares and Convertible Notes is equal to or more than the value of shares.

**14. Conclusion**

We have considered the terms of the transaction including the issue of the Shares, Convertible Notes and Cash Consideration as outlined in the body of our Report and have concluded that the issue of the Shares, Convertible Notes and Cash Consideration to acquire Holiday Planet is not fair to the Shareholders of Red Gum.

For reasons set out in our original report, including section 2.3.2, section 13.4 and section 13.5 in our opinion, the change in the Consolidation ration as proposed does not affect the conclusion reached in our original report that the issue of shares, Convertible Notes and cash consideration to acquire Holiday Planet is reasonable to the Shareholders of Red Gum.

Yours faithfully





GUY T. LE PAGE, FFIN, MAusIMM  
**DIRECTOR**



**RED  
GUM**

Red Gum Resources Limited  
ABN 66 119 641 986

## Lodge your vote:

  **Online:**  
[www.investorvote.com.au](http://www.investorvote.com.au)

 **By Mail:**  
Computershare Investor Services Pty Limited  
GPO Box 242 Melbourne  
Victoria 3001 Australia

Alternatively you can fax your form to  
(within Australia) 1800 783 447  
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only  
(custodians) [www.intermediaryonline.com](http://www.intermediaryonline.com)

**For all enquiries call:**  
(within Australia) 1300 556 161  
(outside Australia) +61 3 9415 4000

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

## Replacement Proxy Form



### Vote online

- Go to [www.investorvote.com.au](http://www.investorvote.com.au) or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

### Your access information that you will need to vote:

Control Number: 999999

SRN/HIN: I9999999999 PIN: 99999

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.



 **For your vote to be effective it must be received by 9:30am (Perth time) Tuesday 16 December 2014**

## How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

### Appointment of Proxy

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

## Signing Instructions for Postal Forms

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

## Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the help tab, "Printable Forms".

**Comments & Questions:** If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,  
or turn over to complete the form** →

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

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

# Proxy Form

Please mark  to indicate your directions

## STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Red Gum Resources Limited hereby appoint

the Chairman of the Meeting OR

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the resumed Extraordinary General Meeting of Red Gum Resources Limited to be held at Level 3, London House, 216 St Georges Terrace, Perth WA on Thursday, 18 December 2014 at 9:30am (Perth time) and at any adjournment or postponement of that meeting.

## STEP 2 Items of Business

**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
1. Approval for the Acquisition of Holiday Planet Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Approval for the Acquisition of Keygate Holdings Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Approval for the Acquisition of Jaecer Holdings Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Consolidation of Capital	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Capital Raising	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Issue of Broker Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Change of Company Name	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Election of a Director - Alan Dodson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Election of a Director - Michael Croy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Election of a Director - Mason Adams	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Issue of Promoter Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

## SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name \_\_\_\_\_

Contact Daytime Telephone \_\_\_\_\_

Date / /