

ASX ANNOUNCEMENT



2 March 2015

ASX: RGX

CORPORATE UPDATE

As announced on 13 February 2015 the Board, together with its advisers, has been reviewing the future direction of the Company including future funding requirements and suitability of its existing mining assets, in light of the travel services transaction not proceeding. Accordingly, the Company is currently in negotiations with a number of potential bidders for the acquisition of all or some of its mining assets located in Peru and Chile. The parties are aware that any decision to proceed with one or more of these proposals may however be subject to receiving any necessary shareholder approvals, and compliance with any applicable ASX requirements.

As required by ASX Listing Rule 17.2, the Company provides the following information:

- (a) the continued suspension of the Company's securities from trading is requested pending the release of an announcement confirming terms for a proposed divestment of some or all of its assets and any capital raising;
- (b) the suspension is requested to continue until 16 March 2015, in order to allow the Company sufficient time to finalise these negotiations and agree terms (particularly given the different jurisdictions and parties involved) and agree the terms of any proposed capital raising;
- (c) it is expected that the suspension will end following the release of an announcement confirming those items in (b) above;
- (d) the Company is not aware of any reason why the continued suspension should not be granted; and
- (e) the Company has no other information necessary to inform the market about the suspension.

Yours faithfully

Dr Raymond D Shaw
Executive Chairman
RED GUM RESOURCES LIMITED