



10 March 2014

ASX Market Announcements
Australian Securities Exchange Limited
20 Bridge Street
Sydney NSW 2000

Renounceable Rights Issue

Red Gum Resources Limited (**Company, ASX : RGX**) is pleased to update its earlier announcement of its intention to undertake a fully underwritten renounceable rights issue (**Rights Issue**) of three new fully paid ordinary shares in the capital of the Company (**RRI Shares**) for every two shares held by eligible shareholders on the record date, at an issue price of \$0.003 cents per RRI Share, to raise approximately \$0.582 million, together with one free attaching quoted option for every four RRI Shares issued, exercisable at \$0.01 per option on or before 15 November 2017.

Up to approximately 194 million RRI Shares will be issued pursuant to the Rights Issue which is fully underwritten, subject to certain terms and conditions, by DJ Carmichael Pty Ltd (**DJ Carmichael**). Shares issued under the Rights Issue will rank equally with the Shares which the Company currently has on issue. The offer is renounceable, accordingly there will be trading of rights on ASX and shareholders may sell or transfer all or part of their rights.

The funds raised will be used for the Company to identify new opportunities, working capital and costs of the issue. Shareholder approval is not required in relation to the issue of the Shares and Options pursuant to the Rights Issue.

Full details of the Rights Issue, including details of the use of funds, underwriting arrangement and key risks of the Rights Issue, will be set out in a prospectus which is expected to be lodged with ASIC, released to the ASX, and available on the Company's website at www.redgumresources.com, on 10 March 2014

In addition to quotation of the RRI Shares, the Company also intends to apply to ASX for quotation of the attaching options, and the Appendix 3B in respect of the Rights Issue accompanies this announcement.

Outlined below is a timetable of relevant events and dates relating to the Rights Issue. These dates are indicative only and subject to ASX approval, and may be changed at the discretion of the Board (again subject to any ASX approval required).



Event	Date
Renounceable Rights Issue announced and Appendix 3B lodged	10 March 2014
Lodgement of Prospectus with ASIC	10 March 2014
Lodgement of Prospectus with ASX	10 March 2014
Notice sent to Option holders who are unable to participate	10 March 2014
Notice sent to Shareholders containing Appendix 3B information	12 March 2014
Shares commence trading on an ex rights basis and rights trading starts	13 March 2014
Record Date for the Offer	19 March 2014
Prospectus and Entitlement and Acceptance Form despatched to	24 March 2014
Rights trading ends	31 March 2014
Shares quoted on a deferred basis	1 April 2014
Closing Date of Offer*	7 April 2014
Advise ASX of any under subscriptions	9 April 2014
Issue Date and deferred settlement trading ends	14 April 2014
Commencement of trading of Securities on ASX*	15 April 2014

* Subject to the Listing Rules, the Directors reserve the right to extend the Closing Date for the Offer by giving at least 6 Business Days' notice to ASX prior to the closing date. As such the date the securities are expected to commence trading on ASX may vary.

Unsecured Loan

In addition and also as previously announced to the market on 3 March 2014 the Company has negotiated an unsecured loan (**Loan**) through DJ Carmichael for \$0.530 million convertible, subject to shareholder approval, into 176,654,220 million ordinary shares at \$0.003 each, being the same issue price as the RRI Shares. Upon conversion (following shareholder approval) the loan subscribers will receive one quoted option for each four conversion shares on the same terms as the quoted options attaching to the RRI Shares, i.e. exercisable at \$0.01 each expiring on 15 November 2017.

The Loan is subject to standard conditions for a facility of this type in the circumstances, including an interest rate of 12% pa plus an acknowledgement that sale proceeds from any asset sales will be first applied in repayment of the Loan.

Yours sincerely

M E Lucas-Smith
Company Secretary
Red Gum Resources Limited

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

RED GUM RESOURCES LIMITED

ABN

66 119 641 986

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

1	+Class of +securities issued or to be issued	ORD Quoted options
2	Number of +securities issued or to be issued (if known) or maximum number which may be issued	ORD 194,007,468 Attaching quoted options 48,501,867 Broker options 40,000,000
3	Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)	Fully paid ordinary shares Attaching quoted options ex \$0.01 exp 15/11/2017 Broker options subscription fee \$0.00001 ex \$0.01 exp 15/11/2017

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

4	<p>Do the ⁺securities rank equally in all respects from the ⁺issue date with an existing ⁺class of quoted ⁺securities?</p> <p>If the additional ⁺securities do not rank equally, please state:</p> <ul style="list-style-type: none"> the date from which they do the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>ORD Yes</p> <p>Quoted options No.</p> <p>Options do not receive dividends but will rank equally with ORD if and when exercised.</p>
5	Issue price or consideration	<p>ORD \$0.003 each</p> <p>Attaching quoted options at no cost to recipient</p> <p>Broker quoted options – \$0.00001 each</p>
6	<p>Purpose of the issue</p> <p>(If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	Renounceable Rights Issue
6a	<p>Is the entity an ⁺eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h <i>in relation to the ⁺securities the subject of this Appendix 3B</i>, and comply with section 6i</p>	Yes
6b	The date the security holder resolution under rule 7.1A was passed	7 November 2013
6c	Number of ⁺ securities issued without security holder approval under rule 7.1	Nil
6d	Number of ⁺ securities issued with security holder approval under rule 7.1A	Nil

⁺ See chapter 19 for defined terms.

6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	NA	
6f	Number of +securities issued under an exception in rule 7.2	ORD 194,007,468 Quoted options 88,501,867	
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	NA	
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	NA	
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	Remaining capacity under LR 7.1 – 29,101,120 Remaining capacity under LR7.1A - 30,647,557	
7	+Issue dates Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B.	14/04/2014	
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	Number 323,345,780 61,234,053 88,501,867	+Class ORD excl restricted Quoted options RGXO Ex \$0.10 exp 1/03/16 Quoted options ex \$0.01 exp 15/11/2017

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

9	Number and ⁺ class of all ⁺ securities not quoted on ASX (<i>including</i> the ⁺ securities in section 2 if applicable)	Number	⁺ Class
		5,000,000	Unquoted options RGXAK ex \$0.15 exp 30/04/16
		1,000,000	Unquoted options RGXAY ex \$0.25 exp 9/06/14
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	As for existing securities	

Part 2 - Pro rata issue

11	Is security holder approval required?	No
12	Is the issue renounceable or non-renounceable?	Renounceable
13	Ratio in which the ⁺ securities will be offered	3 new shares for each 2 held
14	⁺ Class of ⁺ securities to which the offer relates	ORD
15	⁺ Record date to determine entitlements	19/03/2014
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	NA
17	Policy for deciding entitlements in relation to fractions	To be rounded up
18	Names of countries in which the entity has security holders who will not be sent new offer documents <small>Note: Security holders must be told how their entitlements are to be dealt with.</small> <small>Cross reference: rule 7.7.</small>	UAE, Bahrain, Barbados, Canada, Germany, France, UK, Hong Kong, Singapore, USA, British Virgin Islands, Vanuatu & South Africa
19	Closing date for receipt of acceptances or renunciations	7/04/2014
20	Names of any underwriters	DJ Carmichael Pty Ltd

+ See chapter 19 for defined terms.

21	Amount of any underwriting fee or commission	6% of the total amount raised from all sources
22	Names of any brokers to the issue	DJ Carmichael Pty Ltd
23	Fee or commission payable to the broker to the issue	Nil
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	Nil
25	If the issue is contingent on security holders' approval, the date of the meeting	NA
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	24/03/2014
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	10/03/2014
28	Date rights trading will begin (if applicable)	13/03/2014
29	Date rights trading will end (if applicable)	31/03/2014
30	How do security holders sell their entitlements <i>in full</i> through a broker?	By providing their E&A form to a broker
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	By first completing & returning their E&A form with the number to be accepted and then providing a copy of their E&A form to a broker to sell the balance
32	How do security holders dispose of their entitlements (except by sale through a broker)?	Must be through a broker
33	⁺ Issue date	14/04/2014

+ See chapter 19 for defined terms.

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of ⁺securities
(tick one)

(a) ☒ ⁺Securities described in Part 1

(b) ☐ All other ⁺securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 ☐ If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders

36 ☐ If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 ☐ A copy of any trust deed for the additional ⁺securities

Entities that have ticked box 34(b)

38 Number of ⁺securities for which ⁺quotation is sought

39 ⁺Class of ⁺securities for which quotation is sought

⁺ See chapter 19 for defined terms.

40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?

If the additional +securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another +security, clearly identify that other +security)

42 Number and +class of all +securities quoted on ASX (*including* the +securities in clause 38)

Number	+Class
323,345,780	ORD
149,735,920	Quoted options

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.

+ See chapter 19 for defined terms.

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- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here: M E Lucas-Smith Date: 10/03/2014....
(Director/Company secretary)

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+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital											
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated											
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	74,978,727										
Add the following: <ul style="list-style-type: none"> Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval Number of partly paid +ordinary securities that became fully paid in that 12 month period <p><i>Note:</i></p> <ul style="list-style-type: none"> Include only ordinary securities here – other classes of equity securities cannot be added Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed It may be useful to set out issues of securities on different dates as separate line items 	<table> <tr> <td>12/06/13</td><td>6,223,005</td></tr> <tr> <td>18/06/13</td><td>31,266,365</td></tr> <tr> <td>RRI issue</td><td>194,007,468</td></tr> <tr> <td></td><td>NIL</td></tr> <tr> <td></td><td>NIL</td></tr> </table>	12/06/13	6,223,005	18/06/13	31,266,365	RRI issue	194,007,468		NIL		NIL
12/06/13	6,223,005										
18/06/13	31,266,365										
RRI issue	194,007,468										
	NIL										
	NIL										
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	NIL										
“A”	306,475,565										

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	45,971,335
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
Insert number of ⁺ equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued: <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 Note: <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	16,870,215
“C”	16,870,215
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	45,971,335
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	16,870,215
Total [“A” x 0.15] – “C”	29,101,120 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	306,475,565
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	30,647,557
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A Notes: <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	NIL
“E”	NIL

+ See chapter 19 for defined terms.

Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	30,647,557
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	NIL
Total [“A” x 0.10] – “E”	30,647,557 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.