

ASX ANNOUNCEMENT



2 April 2015

ASX: RGX

CAPITAL RAISING

Red Gum Resources Limited (“Red Gum” or “Company”) advises that the Company has successfully raised circa \$0.6m via a Placement and Converting Loan. The Company also announces a Non-Renounceable Rights Issue to raise circa \$0.7m which together with the Placement and Converting Loan will raise \$1.28 million in total, before costs (assuming the Rights Issue is either fully underwritten or fully subscribed). Patersons Securities Limited acted as Lead Manager to the Placement and Converting Loan, and will be Lead Manager to and proposes to underwrite the Rights Issue.

The Placement of approximately 2.8 million shares at 3.5 cents per share was made to sophisticated (s708) investors under the Company’s existing 15% allowance in accordance with Listing Rule 7.1.

The Converting Loan is for \$490,000, with conversion subject to Shareholder Approval. The Converting Loan will be convertible into fully paid ordinary shares in Red Gum at the conversion price of 3.5 cents per share, with a 12% pa interest rate payable until converted. Conversion will occur following Shareholder Approval at an EGM which will be called shortly.

The Non-Renounceable Rights Issue will be to existing shareholders, as at the Record Date, on the basis of eleven (11) new shares for every twelve (12) existing shares held, and at a price of 3.5 cents per share. In accordance with the attached Indicative Timetable the Record Date will enable Placees to participate in the Rights Issue, which is expected to raise \$696,513 through the issue of 19,900,380 New Shares. Patersons is Lead Manager to the Rights Issue and will underwrite the Rights Issue, subject to negotiating an Underwriting Agreement with the Company on standard commercial terms.

Further details relating to the Converting Loan and Non-Renounceable Rights Issue will be outlined in the Prospectus to be lodged with ASIC shortly, and in the Notice of Meeting and accompanying Information Memorandum to be circulated to Shareholders.

Chairman of Red Gum Dr Ray Shaw said that he was pleased with the support provided by Patersons and that the funds would put the Company in a position to continue funding its existing asset portfolio and the pursuit of new opportunities, as part of its new forward business strategy.

Dr Raymond Shaw, Chairman

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-Ends-

INDICATIVE TIMETABLE

Event	2015
• Announce terms of funding arrangements	Thursday 2 April
• Placement Settlement	Wednesday 8 April
• Lodge Rights Issue prospectus with ASIC and ASX	Thursday 9 April
• Notice to security holders	Friday 10 April
• Ex Date	Monday 27 April
• Record Date	Wednesday 29 April
• Dispatch Prospectus	Monday 4 May
• Closing Date	Wednesday 13 May
• Deferred Settlement	Thursday 14 May
• Notification of under subscriptions	Friday 15 May
• Shares allotted	Monday 18 May