

ASX ANNOUNCEMENT



16 March 2015

ASX: RGX

CORPORATE UPDATE

As announced on 13 February 2015 and further on 2 March 2015 the Board, together with its advisers, has been reviewing the future direction of the Company, including future funding requirements and the suitability of its existing mining assets, in light of the travel services transaction not proceeding.

Currently negotiations with potential bidders for the acquisition of Red Gum's mining assets located in Chile and Peru are progressing, with the intention that their disposal will make it simpler for the Company to take advantage of new opportunities outside the resources sector, as well as remove the associated holding costs. This follows the Board having now concluded that those assets are unlikely to be relevant to the business interests of Red Gum, in the future. This decision has also been reflected in impairment write-downs, as noted in the Interim Results for the Half Year Period ending 31 December 2014, released today. If necessary the Company will seek shareholder approval for disposal of the mining assets.

Contemporaneously, the Company with its advisers is continuing to have discussions with other parties in regard to new opportunities. These discussions remain on-going and are currently still at the confidential stage, and the Company is not yet in a position to provide any further details to the market. The Board is focused on the need to ensure that the outcomes of these negotiations appeal to shareholders and investors generally, are able to be completed in an appropriate timeframe, and involve funding solutions which are in the best interests of the Company and its shareholders and other relevant parties.

The Directors will continue to update the market on these matters as and when material developments occur.

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