



Prospectus

Red Gum Resources Limited

To be renamed

“Australian Travel Group Limited”

ACN 119 641 986 (ASX code: ATL)

For an offer of 15,000,000 Shares at an issue price of \$0.20 per Share, together with 7,500,000 free attaching Options (on the basis of one (1) free attaching Option exercisable at \$0.25 per Share on or before 15 November 2017 for every two (2) Shares subscribed for and issued), in order to raise \$3,000,000.

The Company may accept Over Subscriptions of up to a further 10,000,000 Shares at an issue price of \$0.20 per Share (together with 5,000,000 additional free attaching Options) in order to raise up to a further \$2,000,000 (Public Offer).

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The Company may accept Over Subscriptions of up to a further 10,000,000 Shares at an issue price of \$0.20 per Share (together with 5,000,000 additional free attaching Options) in order to raise up to a further \$2,000,000 (**Public Offer**).

This Prospectus also contains an additional offer of 33,750,000 Consideration Shares and 1,500,000 Convertible Notes to the Vendors (**Vendor Offer**).

The Offers are conditional upon the Company satisfying a number of conditions set out at Section 10.1 of this Prospectus.

This Prospectus is a re-compliance prospectus for the purposes of satisfying Chapters 1 and 2 of the ASX Listing Rules and to satisfy ASX requirements for re-listing following a change to the nature and scale of the Company's activities.

Lead Manager

DJ Carmichael Pty Ltd (Australian Financial Services Licence No. 232571)

ABN 26 003 058 857

IMPORTANT INFORMATION

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Securities offered by this Prospectus should be considered highly speculative.

Important Notes

Offers

The Public Offer contained in this Prospectus is an invitation to acquire 15,000,000 fully paid ordinary Shares together with 1 (one) free attaching Options in Red Gum Resources Limited (**ASX code: RGX**) to be renamed "Australian Travel Group Limited" (**Company**) for every 2 (two) Shares issued in order to raise a minimum of \$3,000,000. The Company may accept Over Subscriptions of up to a further 10,000,000 Shares together with 5,000,000 free attaching Options in order to raise an additional \$2,000,000.

The Prospectus also contains an additional offer of 33,750,000 Consideration Shares and 1,500,000 Convertible Notes to the Vendors.

This Prospectus is a re-compliance Prospectus for the purposes of satisfying Chapters 1 and 2 of the ASX Listing Rules and to satisfy ASX requirements for re-listing following a change to the nature and scale of the Company's activities.

Lodgement and listing

This Prospectus is dated 11 November 2014 and was lodged with the Australian Securities and Investments Commission ("**ASIC**") on that date. Neither the ASIC or Australian Securities Exchange ("**ASX**") (or their respective officers) take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

Securities issued under this Prospectus will be issued on the terms and conditions set out in this Prospectus. No Securities may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

It is important that you read this Prospectus in its entirety and seek professional advice where necessary. Investment in the Securities the subject of this Prospectus should be considered highly speculative.

Conditional Offers

The Offers are conditional on the passing of certain resolutions that are being put to Shareholders at the General Meeting scheduled to be held on 27 November 2014, including approval to proceed with the Consolidation (on the basis of one (1) Share for every twenty-five (25) Shares held and one (1) Option for every twenty-five (25) Options held).

Furthermore, the Offers under this Prospectus are subject to the satisfaction of certain conditions precedent under the Agreements, including:

- (a) the Company re-complying with Chapters 1 and 2 of the ASX Listing Rules; and
- (b) the Company raising the Minimum Subscription.

Full details of the conditions the subject of the Agreements are set out in detail in Section 10.1 of this Prospectus. If these conditions are not met in accordance with the Agreements, the Company will not proceed with the Offers and will repay all application monies received, without interest and in accordance with the Corporations Act.

Note to Applicants

Unless stated otherwise, all references to securities of the Company as set out in this Prospectus are on the basis that the Consolidation has occurred.

Obtaining a copy of this Prospectus

A copy of this Prospectus can be downloaded from the Company's website at www.redgumresources.com. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian resident and must only access this Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless

it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

Other than as otherwise stated in this Prospectus, no document or information included on the Company's website is incorporated by reference into this Prospectus.

Not Financial Product Advice

The information contained in this Prospectus is not personal financial product advice and as such has been prepared without taking into account your investment objectives, financial circumstances or particular needs. Before deciding to invest in the Securities offered under this Prospectus you should read this Prospectus in its entirety and consider whether the Securities represent an appropriate investment in view of your personal circumstances.

Forward-looking statements

This Prospectus contains forward-looking statements that are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, Directors and management. You should carefully consider the assumptions underlying the financial forecasts and the risk factors that could affect the financial performance of the Company. Forward looking statements are subject to various risk factors that could cause the actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 7 of this Prospectus.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements. There is no guarantee that the Securities offered under this Prospectus will provide a return on capital, lead to payment of dividends or that there will be any increase in the value of the Securities so offered.

Except where required by law, the Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not

contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

Foreign Jurisdictions

The Offers made in this Prospectus is not made in any jurisdiction other than Australia and no action has been undertaken by the Company to qualify the Securities or the Offers or to permit a public offering of the Securities in any jurisdiction other than in Australia. This Prospectus does not constitute an offer in any place which, or to any person to whom, it would not be lawful to make such an offer.

The distribution of this Prospectus, both in hard copy or electronic version in a jurisdiction other than Australia may be restricted by law. Refer to Section 4.7.

Disclaimer

Section 6 sets out in detail the financial information referred to in this Prospectus. The basis of preparation of the financial information is set out in Section 6.2. The Historical Financial Information has been prepared in accordance with the recognition and measurement principles prescribed by the Australian Accounting Standards. The Prospectus also includes Forecast Financial Information based on the best estimate assumptions of the Directors.

The basis of preparation and presentation of the Forecast Financial Information, to the extent applicable, is consistent with the basis of preparation and presentation of the Historical Financial Information presented in this Prospectus.

The Prospectus includes information regarding the past performance of Holiday Planet, Asia Escape and Motive Travel as well as the Company. You should be aware that the past performance of each

is not necessarily indicative of future performance of the proposed Australian Travel Group Limited.

The Prospectus, including the market overview contained in Section 2, makes use of market data, industry forecasts, market trends and projections – some of which have been obtained by the Company from third parties. The Company can give no assurances that any of these forecasts, surveys and/or trends referred to in this Prospectus will be achieved. The Company has not independently verified such information.

Privacy

The Application Form attached to, or accompanying, this Prospectus requires you to provide information that may be personal information for the purposes of the Privacy Act 1988 (Cth) (as amended) (Privacy Act).

The Company, and Share Registry on its behalf, will collect, hold and use that personal information in order to assess your application, service your needs as an investor, provide the facilities and services that you request, carry out appropriate administration and provide information to you about the Company and its services. Company and tax laws also require some of the information to be collected in connection with your application. If you do not provide the information requested, your Application may not be able to be processed.

The Company and Share Registry may disclose your personal information for purposes related to your investment, to the Company's subsidiaries and related bodies corporate, and to their agents and service providers including those listed below or as otherwise authorised under the Privacy Act:

- The Lead Manager in order to assess your application.
- The Share Registry for ongoing administration of the share register.
- Printers and mailing house for

the purposes of preparation and distribution of holding statements and for handling of mail.

Your information may also be used or disclosed from time to time to inform you about the Company's products or services that the Company thinks may be of interest to you. If you do not want your personal information to be used for this purpose, you should contact the Share Registry. Under the Privacy Act you may request access to your personal information held by (or on behalf of) the Company or the Share Registry. You can request access to your personal information by writing to the Company or contacting its Share Registry.

Investigating Accountant's Report

The providers of the Investigating Accountant's Report on the financial information are required to provide Australian retail investors with a financial services guide in relation to the review, under the Corporations Act.

The Investigating Accountant's Report and accompanying financial services guide is provided in Section 8.

Other

Photographs and diagrams used in this Prospectus that do not have descriptions are for illustration purposes only and should not be interpreted to mean that any person or entity in them endorses

the contents of the Prospectus or that the assets shown in those photographs or diagrams are assets belonging to, or endorsed or used by the Company.

Unless otherwise stated, references in this Prospectus to currency are to Australian dollars.

Certain terms and abbreviations used in this Prospectus are defined meanings and as such are contained and explained in the Glossary at the back of this Prospectus.

Unless stated otherwise, all references to securities of the Company as set out in this Prospectus are on the basis that the Consolidation has occurred.

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Chairman's Letter



11 November 2014

Dear Investor,

On behalf of the Board of Directors, I am pleased to offer to you the opportunity to become a Shareholder in Red Gum Resources Limited (ASX: RGX) (to be renamed "Australian Travel Group Limited" (ASX: ATL)).

Red Gum Resources Limited is a mineral exploration company which listed on the Australian Securities Exchange on 13 January 2012. To date the Company's principal focus has been on exploration for base and precious metals in Peru and Chile. As foreshadowed in announcements earlier this year, as a priority the Board had been identifying and assessing possible new opportunities for the Company, as well as reviewing how to optimise the Company's return from its existing operations.

As a consequence, and as announced to the ASX, the Company has entered into agreements to acquire three existing and profitable travel businesses; Holiday Planet, Asia Escape and Motive Travel. The Acquisitions form part of an online travel business aggregation strategy. Subject to Shareholder and regulatory approval, the Company's focus will move to leisure and tourism and away from the resources industry. The proposed acquisitions are expected to create a formidable independent online travel service operator in Western Australia, while enabling the expansion to also cover the east coast of Australia.

The renamed listed entity, Australian Travel Group Limited (ATG), intends to deliver expanded wholesale, retail and group tourism facilities via a vertically integrated online travel service platform supported by advanced technologies.

This Prospectus relates to the Company's decision to proceed with an offer of Shares and Options to the Public to fund these Acquisitions and seek re-admission to the ASX Official List as ATG. This will be subject to Shareholder approval at the Extraordinary General Meeting scheduled to be held on 27 November 2014.

The proposed Acquisitions and the Offers under this Prospectus are subject to the satisfaction of a number of conditions, including the Company re-complying with Chapters 1 and 2 of the ASX Listing Rules, raising the minimum subscription of \$3,000,000 under the Public Offer, and receiving Shareholder approval for (among other things) the Acquisitions at the Extraordinary General Meeting.

Upon successful completion of the Acquisitions, the proposed new Board of the Company will comprise directors with extensive experience in the travel and leisure industry. The proposed new Board will consist of Mr Alan Dodson (Holiday Planet) as Executive Chairman, Mr Michael Croy (Holiday Planet) as Operations Director and Mr Mason Adams (Asia Escape) as Wholesale Director. Ms Jennifer Tobin will remain on the Board as a non-executive director while Mr Edwin Bulseco and I will resign prior to the proposed date for reinstatement.

This Prospectus contains detailed information about the Offers, as well as key risks associated with an investment in the Company. I recommend you read this document carefully and in its entirety. I also encourage you to seek independent professional advice before making a decision to invest.

The Board (and the proposed new Board) joins me in extending this Public Offer to you and we look forward to welcoming you as a Shareholder of the Company.



Yours sincerely,

Dr Raymond Shaw

Executive Chairman, Red Gum Resources Limited

Key Offer Statistics and Important Dates

Key dates:

Prospectus lodgement date	11 November 2014
Offers open	11 November 2014
Extraordinary General Meeting	27 November 2014
Suspension of RGX's securities from trading on ASX at opening of trading	27 November 2014
Offers close	5:00pm (WST) on 12 December 2014
Completion of the Agreements ¹ and Completion of the Offers	15 December 2014
Proposed date for reinstatement on ASX	17 December 2014
Expected commencement of trading on ASX on normal settlement basis	19 December 2014

This timetable is indicative only and Applicants are encouraged to submit their Applications as early as possible. Red Gum Resources Limited, in consultation with the Lead Manager has the right to close the Offers early or extend the Offers, to accept late Applications, or vary any other date without prior notice. Applications received under the Public Offer are irrevocable and may not be varied or withdrawn except as required by law.

Key statistics of the Offers:

Public Offer Price	\$0.20 per Share
Minimum number of Shares under the Public Offer	15,000,000 Shares
Maximum number of Shares under the Public Offer	25,000,000 Shares
Minimum number of free attaching Options with Shares under the Public Offer ²	7,500,000 Options
Maximum number of free attaching Options with Shares under the Public Offer ²	12,500,000 Options
Minimum Subscription amount	\$3,000,000
Over Subscription amount ³	\$5,000,000
Number of Shares and Options Pre Consolidation	832,000,000 Shares 242,234,053 Options ⁴
Number of Shares and Options Post Consolidation	33,280,000 Shares 9,689,362 Options
Number of Consideration Shares to be issued to the Vendors ⁵	33,750,000
Number of Convertible Notes to be issued to the Vendors ⁶	1,500,000
Issue of Promoter Shares	300,000 Shares
Issue of Broker Options	5,000,000 Options
Total on Completion of Acquisitions (\$3,000,000 capital raising)	82,330,000 Shares 22,189,362 Options 1,500,000 Convertible Notes

¹ The Agreements refer to the sale purchase agreements of Holiday Planet, Asia Escape, and Motive Travel.

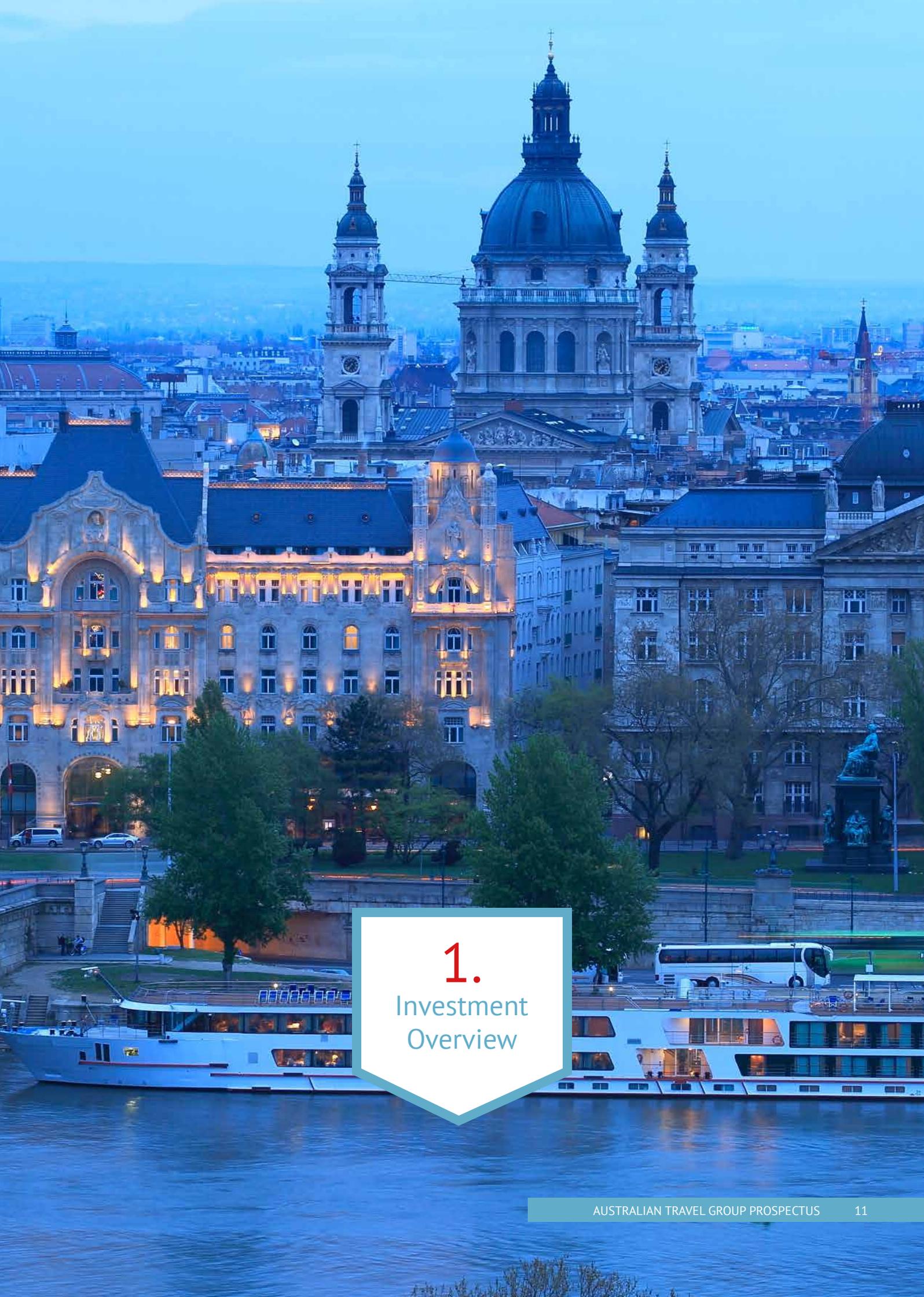
² This is on the basis of one (1) free attaching Option exercisable at \$0.25 per Share on or before 15 November 2017 for every two (2) Shares subscribed for and issued.

³ The Company may accept Over Subscriptions of up to a further 10,000,000 Shares at an issue price of \$0.20 per Share, together with 5,000,000 additional free attaching Options.

⁴ Options currently on issue pre consolidation consist 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 November 2017 (b) 5,000,000 unquoted options exercisable at \$0.15 each expiring on or before 30 April 2016.

⁵ Vendors include Holiday Planet, Asia Escape, and Motive Travel under the Acquisitions. In exchange for the Company acquiring the Vendors' companies the Company is offering a combination of Shares, Convertible Notes, and Cash Consideration to each Vendor.

⁶ This is the total number of Convertible Notes offered by Red Gum to the Vendors in addition to Shares and cash given in consideration.



1.

Investment Overview

1. Investment Overview

This Section is a summary only and is not intended to provide full information for investors intending to apply for Securities pursuant to this Prospectus. This Prospectus should be read and considered in its entirety.

1.1 Introduction

Topic	Summary	For more information
What is Red Gum Resources?	Red Gum Resources Limited (Red Gum or the Company) is a public company listed on the official list of ASX (Official list) (ASX code: RGX) previously having a principal focus on mining exploration for base and precious metals in Peru and Chile. Red Gum was admitted to the official List on 17 January 2012.	Section 3
What does Red Gum do?	Red Gum is a junior exploration company with three projects based in Latin America where its main focus has been copper-gold opportunities within the IOCG Belt of Region IV in Central Chile located 120 Kilometres south of La Serena in northern Chile. In Chile the Company holds the 'La Negra', a polymetallic project. In Peru the Company holds "Cerro Huancash" and "Chongos" projects, also involving exploration of polymetallics. The Company discontinued active exploration activities on these projects in April 2014.	
What are Red Gum's Acquisition Strategies?	As previously announced to the ASX, the Board of Red Gum had been reviewing a number of new opportunities including those outside the resources sector as part of its strategy to reinvigorate shareholder value. This was being done while reviewing how to maximise the Company's return from its existing operations.	Section 3
What are the intended acquisitions?	As announced on 4 June 2014 and subsequently on 17 June 2014 and 2 July 2014, the Company has entered into Agreements to acquire 100% of the issued capital of Holiday Planet Pty Ltd ("Holiday Planet"), Keygate Holdings Pty Ltd trading as Asia Escape ("Asia Escape") and Jaecer Holidays Pty Ltd trading as Motive Travel ("Motive Travel"). Combined, these acquisitions are referred to as the "Acquisitions" in this Prospectus. Holiday Planet, Asia Escape and Motive Travel operate as established online travel and holiday businesses generating income through commissions and fees on the sale of travel and holiday related services and products. The Acquisitions will lead to a significant change in the nature and scale of Red Gum's current activities. As a result, Red Gum is required to obtain shareholder approval for (among other things) the Acquisitions and to re-comply with Chapters 1 and 2 of the ASX Listing Rules.	Section 3
What is the purpose of this Prospectus?	This Prospectus relates to Red Gum's desire to proceed with a public offer of securities to fund the Acquisitions and seek re-admission to the Official List as the Australian Travel Group Limited (Australian Travel Group or ATG), following shareholder approval at the Extraordinary General Meeting. The proceeds from the issue of new Shares and Options under the Public Offer will be primarily used by Red Gum to acquire Holiday Planet, Asia Escape and Motive Travel in order to establish an online vertically integrated travel services company, ATG. The aim is to become a new force in the national Australian travel sector by combining the companies it seeks to acquire, and optimising, refining and improving the performance of their operations, skills and their specialisations. The ultimate aim is to enhance revenue and earning streams. Initially this will be achieved through the natural economies of scale and leveraging off its combined operations. As a result the Company envisages it will achieve immediate gains and steady organic growth to its earnings after the Acquisitions are complete. At a later time and where circumstances permit and the right opportunities arise, the directors intend to pursue accretive acquisitions.	Section 3

1. Investment Overview *continued*

Topic	Summary	For more information
What is Holiday Planet?	<p>Holiday Planet, a successful online travel agency operating since 2001, is a privately owned online retail focused travel company. Based in Western Australia, Holiday Planet targets the higher margin leisure industry, particularly the cruise leisure market. As testament to its highly rated reputation, Holiday Planet is recognised as one of a select number of Emerald Agents in Australia for Princess Cruises.</p> <p>Managing Director Alan Dodson, Operations Director Mike Croy, and senior management have overseen the growth of the company, now with over 30 personnel and average annualised Total Transactional Values (TTV)⁷ during FY11 to FY14 exceeding \$34 million. Together with its sister brands, "cruiseplanet", "flightplanet" and "hotelplanet" Holiday Planet is a highly diversified online retail travel group with specific sites across all key sectors of leisure travel. This includes 'Holidays-Cruise-Flights-Hotels' involving both online and offline functionality.</p> <p>Holiday Planet is seeking to build on its success in the leisure cruise industry by creating an east-west coast presence, increased promotion of cruiseplanet and the introduction of a range of new products including "Seniorsplanet.com.au", specialising in travel packages for seniors with relatively high disposable income and discretionary spending. This demographic tends to be less price conscious and more focused on the experience.</p>	Section 3.3
What is Asia Escape?	<p>Asia Escape is a large, privately owned independent travel wholesaler. Based in Perth, Western Australia, Asia Escape has been operating for more than 15 years. Asia Escape has experienced an annual average TTV over the last 4 financial years (FY11-FY14) in excess of \$30 million. Asia Escape has grown from a single destination, single airline wholesaler to its current size. It now offers accommodation and travel options to 10 countries throughout Asia and the Indian Ocean region. This includes all the main airlines servicing the region, plus 15 cruise companies operating out of that region's major tourist ports.</p> <p>Importantly, Asia Escape currently sells its wholesale travel program throughout Australia and across a network of more than 3000 retail travel agents.</p> <p>This strong wholesale distribution network has enabled Asia Escape to secure preferred distribution agreements with many of Australia's leading retail travel groups. The company has over the past two years significantly expanded its footprint into the east coast Australian market.</p> <p>Geographically located in Perth and sharing a key Asian time zone, a strong Asian product focus gives Asia Escape a significant natural advantage over many of its wholesale, and east coast based competitors.</p>	Section 3.3
What is Motive Travel?	<p>Established in 1973 and operating for more than 40 years, Motive Travel is one of Western Australia's oldest independent, privately owned and operated travel agencies. During that period Motive Travel has become one of the most respected agencies in the Western Australian travel industry.</p> <p>Motive Travel holds the coveted Qantas Platinum travel agent status. Motive Travel has experienced an annual average TTV of approximately \$19 million per annum over the past 3 financial years.</p> <p>In addition to high end leisure travel Motive Travel's key areas of business include small to medium sized special interest, escorted and corporate incentive group tours and sporting interest group tours to world class events, including the Dubai World Cup, Kentucky Derby, AFL Grand Final and key global golfing events.</p>	Section 3.3

⁷ Total Transaction Value (TTV) is a common measurement used in the travel and leisure sector. TTV refers to the value of gross bookings of travel services sold.

1. Investment Overview *continued*

Topic	Summary	For more information
What is the overall objective of acquiring the three online travel services?	<p>Red Gum Resources Limited's intention is to acquire Holiday Planet, Asia Escape and Motive Travel in order to establish a strategically positioned online vertically integrated travel services company. This will be known as Australian Travel Group Limited (ATG) (ASX:ATL). Each of the Travel Service Entities within ATG are all currently based in Western Australia and will initially continue to focus on their existing local outbound travellers in the Western Australia market. Asia Escape already has a presence on the east coast of Australia with travel agencies and tourism operators. It will seek to continue to expand its coverage from west to east coasts.</p> <p>ATG intends to become a new force in the national Australian travel sector by combining, optimising and refining assets, skills and specialisations to deliver future enhanced revenue and profit streams. This is intended to initially be derived organically by achieving economies of scale and operational efficiencies. Later when opportunities permit the Company plans to extend this to synergistic and accretive acquisitions.</p> <p>Through the acquisition of these three privately owned and well established travel companies, ATG will establish its initial foothold by building a comprehensive online tourism service across the wholesale sector (Asia Escape), retail sector (Holiday Planet) and group and specialist tourism sector (Motive Travel). Combined, ATG will have a database comprising in excess of 50,000 retail customers and 3,000 travel agencies.</p>	Section 3
What are the key benefits of the Acquisitions?	<p>As a result of the Acquisitions and the formation of ATG, key benefits are expected to be achieved that will enhance the performance of the respective individual travel companies.</p> <p>The formation of ATG will create a formidable, independent Western Australian based leisure and tourism entity involving both online and offline functionality.</p> <p>All companies in the group intends to leverage off each other to gain greater access to eastern Australian States to promote sizeable growth to ATG.</p> <p>ATG intends to gain access to a large retail database, enabling it to engage in target marketing and cross-selling opportunities for the enhanced ATG product range.</p> <p>As a group, ATG intends to introduce major technology advancements to the businesses while significantly reducing operating costs through efficiencies. ATG will introduce new search engines, expected to provide greater connectivity between group entities aimed at providing seamless online booking for integrated packages involving cruise, flight, hotel, and car rental options.</p> <p>As a result of the Acquisitions ATG expects to enhance its buying power with suppliers and key partners across the airline, hotel and cruise industry.</p> <p>It also expects its strengthened balance sheet and projected growth in profitability will provide more efficient future funding options, including access to funding using the equity capital markets following its ASX listing.</p>	Section 3
What are the effects of the Acquisitions?	<p>The effect of the Acquisitions will see the nature and scale of the business activities of the Company change with the Company proposing to focus on the leisure and tourism industry.</p> <p>The acquisition of Holiday Planet, Asia Escape and Motive Travel is an event which requires the Company to re-comply with the requirements of Chapters 1 and 2 of the ASX Listing Rules. This includes Shareholder approval for the Acquisitions (to be voted on by Shareholders at an Extraordinary General Meeting), issuing a prospectus and obtaining Shareholder spread in accordance with those rules. This Prospectus is issued to assist the Company to re-comply with these requirements.</p> <p>The effect of the Acquisitions is set out in the capital structure table in Section 1.8, and the pro-forma balance sheet of the Company in Section 6.5.</p>	Section 1.8 & Section 6.5

1. Investment Overview *continued*

1.2 Key Features of ATG's business model

Topic	Summary	For more information
How will ATG generate its income?	<p>Based on the currently well-established travel businesses of Holiday Planet, Asia Escape and Motive Travel, ATG intends to generate its income as follows:</p> <ul style="list-style-type: none"> • Commissions earned from sales of holidays to the consumer direct and through travel agents with its wholesale business; • Sale of airline tickets, cruise packages, hotels, and tours; • Marketing support from various airlines, shipping companies and hotels; • Service fees; • Package Holidays; • Wholesale products delivered to travel agents; and • Rebates from suppliers. <p>Holiday Planet, Asia Escape and Motive Travel have historically funded their respective operations through cash flow generated by those operations. Based on the income and cashflow forecasts, it is expected following completion of the Acquisitions, ATG will grow into a profitable company. Some of these profits are expected to be available to expand the business and acquire new assets.</p>	Section 3 & Section 6
Which geographical markets does ATG operate in?	<p>Currently each of the travel companies operate principally in Western Australia with offices based in Perth. Asia Escape provides wholesale travel services to travel agencies on the western and the eastern seaboard, of Australia. On the east coast there are large numbers of active travel agencies operating in a sizable geographical marketplace. To date Holiday Planet accesses retail consumers on the eastern seaboard of Australia via its electronic database and websites, while Motive Travel has focused on the local outbound market in Western Australia. With the creation of ATG and as part of its growth strategies Holiday Planet and Motive Travel will seek to gain greater access and profile on the east coast.</p>	Section 3
What is ATG's growth strategy?	<p>The formation of ATG creates a high growth platform for all three Travel Service Entities, enhancing their existing strong online position in leisure and holiday packages, cruise, flight and hotel markets. By pooling and leveraging its resources ATG is seeking to grow its revenue and earnings by achieving economies of scale efficiencies, cross-promotion, the provision of new and on-trend products, access to the larger markets on the east coast, and the introduction of advanced online systems (including integrated back-end systems and development of apps on smart mobile devices) to support its endeavours.</p>	Section 3.2
Financial Information	<p>Following the change in the nature of its activities the Company will focus on operating its newly acquired internet travel businesses. As a result, the Company's past operational and financial historical performance with respect to its mining related activities won't be of relevance to future activities of ATG going forward.</p> <p>The historical financial performance with respect to the target entities forming ATG including Holiday Planet, Asia Escape, Motive Travel and Red Gum are set out in Sections 6.4, 6.5 and 6.6. This comprises audited Historical Comprehensive Income Statements, audited Historical Balance Sheets, and Pro forma Historical Cash Flow Statements for the financial reporting periods FY2011, FY2012 and FY2013. It also includes Pro forma Historical Financial Information for FY2014, also set out in 6.4, 6.5 and 6.6.</p> <p>In addition, a Pro forma Forecast Comprehensive Income Statement and Pro forma Forecast Cash Flow Statement is set out in Section 6.4 and 6.6.</p> <p>The initial funding for the Company's future activities will be generated from the Offer of Securities pursuant to this Prospectus and existing cash reserves. Based upon the success of the business, the Company may also raise additional funds from equity raisings or debt funding in the future.</p>	Section 6

1. Investment Overview *continued*

Topic	Summary	For more information																																																														
What is the key financial information?	<p>The following table contains summary Financial Information only and should be read in conjunction with the more detailed discussion of the Historical and Forecast Financial Information in Section 6 including assumptions, management discussion and analysis, and sensitivity analysis. It should also be read in conjunction with the Key Risks set out in Section 7.</p> <table border="1"> <thead> <tr> <th rowspan="2">000's</th> <th colspan="4">TRAVEL SERVICE ENTITIES</th> <th colspan="2">ATG</th> </tr> <tr> <th>FY2011</th> <th>FY2012</th> <th>FY2013</th> <th>FY2014</th> <th>FY2015</th> <th>CY2015</th> </tr> </thead> <tbody> <tr> <td>TTV</td> <td>88,123</td> <td>86,681</td> <td>84,007</td> <td>86,437</td> <td>100,010</td> <td>104,133</td> </tr> <tr> <td>Revenue</td> <td>37,271</td> <td>36,136</td> <td>35,292</td> <td>37,809</td> <td>48,551</td> <td>49,989</td> </tr> <tr> <td>Gross Profit</td> <td>11,130</td> <td>9,975</td> <td>10,083</td> <td>10,604</td> <td>12,190</td> <td>12,675</td> </tr> <tr> <td>EBITDA</td> <td>1,589</td> <td>674</td> <td>466</td> <td>708</td> <td>807</td> <td>1,278</td> </tr> <tr> <td>TTV Growth</td> <td></td> <td>(2%)</td> <td>(3%)</td> <td>3%</td> <td>16%</td> <td>4%</td> </tr> <tr> <td>Gross profit / TTV</td> <td>13%</td> <td>12%</td> <td>12%</td> <td>12%</td> <td>12%</td> <td>12%</td> </tr> <tr> <td>EBITDA / Gross profit</td> <td>14%</td> <td>7%</td> <td>5%</td> <td>7%</td> <td>7%</td> <td>10%</td> </tr> </tbody> </table> <p>The table above represents a summary of the audited Historical Financial Information for FY2011, FY2012, and 2013, audited Historical Financial Information for Red Gum and Motive Travel for FY2014, and audited reviewed Historical Financial Information for Holiday Planet and Asia Escape up to 30 April 2014 combined with the unaudited financial results for May and June 2014 for FY2014.</p> <p>The Travel Service Entities represent the combined results of Holiday Planet, Asia Escape and Motive Travel of that period. It also includes the Forecast Financial Information for ATG for FY2015 and CY2015. Included are key financial performance metrics.</p>	000's	TRAVEL SERVICE ENTITIES				ATG		FY2011	FY2012	FY2013	FY2014	FY2015	CY2015	TTV	88,123	86,681	84,007	86,437	100,010	104,133	Revenue	37,271	36,136	35,292	37,809	48,551	49,989	Gross Profit	11,130	9,975	10,083	10,604	12,190	12,675	EBITDA	1,589	674	466	708	807	1,278	TTV Growth		(2%)	(3%)	3%	16%	4%	Gross profit / TTV	13%	12%	12%	12%	12%	12%	EBITDA / Gross profit	14%	7%	5%	7%	7%	10%	Section 6
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1.3 Key Strengths

Topic	Summary	For more information
Exposure to dynamic Travel Industry	<p>Since the GFC there has been progressive but moderate growth in the travel agency sector. However certain market segments are experiencing better performance than others. In respect to the travel agency industry there has been a significant increase in bookings by Australians travelling overseas as compared to domestic travel. This has been in an environment of intense price competition, a transition to internet based sales where travellers can bypass travel agencies and book online directly with airline and hotel providers, a move away from travel agents with 'bricks and mortar' operations, and structural changes with industry consolidation. Australians increasing desire to travel overseas has been driven by a high valued Australian dollar, price discounted holiday packages, and increasing demand for leisure cruises.</p> <p>ATG is well positioned to take advantage of the growing trend for outbound international travel, especially with its leisure cruise products, senior holiday packages, online technology platform, holiday packaging and the amalgamation of proven and well established online travel agency, travel wholesaler and specialist corporate, leisure, and group tourism businesses.</p>	Section 2
Combined benefits of 3 leading travel services companies	<p>The combined strength of Holiday Planet, Asia Escape and Motive Travel with forecasted aggregated TTV of \$100 million⁸ FY15 makes ATG a formidable travel service provider servicing outbound travellers from Australia. The three travel service companies will combine with complementary services targeted at the higher margin leisure and tourism sector, each leveraging off each other. Together these successful travel companies in their own right will assist ATG to gain greater access to the lucrative and larger market on the east coast of Australia. It will also enable the Company to introduce on-trend products. This will combine to enable future growth in revenue and earnings.</p> <p>The following is a summary of the key benefits:</p> <ul style="list-style-type: none"> • Technology and operating cost efficiencies. This includes the introduction of new search engines for better connectivity and integration of database information within the group. As a result it will enable seamless online booking for integrated packages involving cruise, flight, hotel and rental vehicle options. Integration of databases significantly strengthens retail growth potential in relation to the eastern states of Australia, particularly through existing wholesale networks. In summary, improved technology will provide retail growth through an expanded distribution network. 	Section 3 & Section 6

⁸ Refer to Section 6 'Financial Information' for further details on ATG's forecasted TTV.

1. Investment Overview *continued*

Topic	Summary	For more information
	<ul style="list-style-type: none"> Improved buying power with suppliers and key partners. Significant improvement in operating margins through economies of scale, group integration, streamlined operations and an expanded digital customer base. Strengthened balance sheet and anticipated growing profitability will provide more efficient debt funding optionality. ASX listing provides additional equity funding optionality for future acquisitions. 	
Enhancing the product range	ATG will introduce enhanced products. Due to the combination of all three Travel Service Entities, Holiday Planet and Motive Travel will distribute their new products through Asia Escape and its 3,000 travel agents, enabling greater market penetration to all key target markets.	Section 3.4 & Section 3.2

1.4 Key Risks

Topic	Summary	For more information
What are ATG's risks?	<p>The business, assets and operations of the Company will be subject to certain risk factors having the potential to influence the future operating and financial performance of the Company. These risks can impact on the value of an investment in the Securities of the Company. The Board aims to manage these risks by carefully planning its activities and implementing risk control measures. Some of the risks are, however, highly unpredictable and the extent to which they can effectively be managed or mitigated may be limited.</p> <p>Set out below are specific risks the Company is and will be exposed to post Acquisitions. Further details relating to risks associated with an investment in the Company are outlined in Section 7.</p>	Section 7
Re-quotations of Securities on the ASX	<p>The Acquisitions are dependent upon the satisfaction of a number of conditions, which include (but are not limited to) completion of the Capital Raising, re-compliance with Chapters 1 and 2 of the ASX Listing Rules, and Shareholder approval of certain resolutions at the Extraordinary General Meeting.</p> <p>Trading in the Company's Shares and Options will be suspended following the Extraordinary General Meeting and will continue to be suspended until the Company satisfies the requirements of Chapters 1 and 2 of the ASX Listing Rules. If successful, issue of the Shares and Options under the Capital Raising and relisting is anticipated to occur on or around mid December 2014.</p> <p>If the Acquisitions at the Extraordinary General Meeting are not approved, the Company will continue with its existing portfolio of assets, whilst seeking out new opportunities and investments.</p>	
Forecast financial information risk	<p>The Forecast Financial Information represents the Company's best estimate of anticipated future transactions and events based on the information available at the date of issue of this Prospectus. However, investors should appreciate that forecasts by their very nature are subject to uncertainties which may be outside of the Company's control or may not be capable of being foreseen or accurately predicted. As such, actual results may differ from the Forecast Financial Information and such differences may be material.</p> <p>Section 6 sets out in detail the financial information referred to in this Prospectus. The basis of preparation of the financial information is set out in Section 6.2. The Historical Financial Information has been prepared in accordance with the recognition and measurement principles prescribed by the Australian Accounting Standards. The Prospectus also includes Forecast Financial Information based on the best estimate assumptions of the Directors.</p> <p>The basis of preparation and presentation of the Forecast Financial Information, to the extent applicable, is consistent with the basis of preparation and presentation of the Historical Financial Information presented in this Prospectus.</p> <p>The Prospectus includes information regarding the past performance of Holiday Planet, Asia Escape and Motive Travel as well as the Company. You should be aware that the past performance of each is not necessarily indicative of future performance of the proposed Australian Travel Group Limited.</p>	
ATG achieving its objectives	The ultimate success and financial viability of the Company depends on the successful completion of the Acquisitions (or any alternative transaction). The Company cannot guarantee the Company's current projects or any new opportunities following completion of the Acquisitions can be profitably exploited and/or divested, where appropriate. The Company may not be successful in either realising sufficient value for its existing exploration projects if divested, or in satisfactorily completing the Acquisitions.	

1. Investment Overview *continued*

Topic	Summary	For more information
Integration risk	Following completion of the Acquisitions, the Company's business activities will radically change. The integration of Holiday Planet, Asia Escape and Motive Travel may take longer than anticipated. Also, the expected synergies and savings resulting from the integration of those businesses may not eventuate, or may be less than anticipated.	
Information Technology Risk	<p>Holiday Planet, Asia Escape and Motive Travel provide and maintain internet travel platforms, integrated to third party providers and their back-office systems. Such operations are the subject of a number of specific risks and hazards including (among others) operational and technical difficulties, hardware malfunction and deliberate and unauthorised attacks on the system.</p> <p>Should the Company complete the Acquisitions then the occurrence of any of these risks could have an adverse effect on the Company's financial position and performance. Internet based operations are generally considered high-risk undertakings.</p>	
Contractual risk	Pursuant to the Agreements (summarised at Section 10.1) the Company has agreed to acquire 100% of the issued share capital of Holiday Planet, Asia Escape and Motive Travel. This is subject to the fulfilment of certain conditions precedent. If the conditions precedent are not satisfied (or waived), in accordance with the Agreements, the Acquisitions may not proceed. Further, if the Vendors default in the performance of their obligations it may be necessary for the Company to approach a court to seek legal remedy which can be both costly and time consuming.	Section 10.1
Competition within the travel industry	The online travel industry is highly competitive. Holiday Planet's, Asia Escape's and Motive Travel's respective financial performances and/ or operating margins could be adversely affected, compared to their respective historical levels, if existing competitors engage in more aggressive marketing or pricing behaviour, or if new competitors enter the market.	
Supplier relationships	<p>A key element of Holiday Planet's, Asia Escape's and Motive Travel's current respective business models is the strength of the relationships each has established with their respective key accommodation, airline, shipping and holiday package suppliers. The retention of these existing key suppliers and sourcing of new suppliers underpins the success of ATG's business model going forward.</p> <p>Factors reducing the willingness of suppliers to deal with Holiday Planet, Motive Travel or Asia Escape, post-Acquisition, constitute a key risk to the Company's future prospects within the leisure and tourism industry. These factors may relate to the increased activity of ATG's competitors or be driven by the actions of the supplier directly.</p>	
Growth Risk	<p>There is a risk that the Company may be unable to manage its future growth successfully. In particular:</p> <p>Mergers and acquisitions</p> <p>The Company's future growth strategy may be adversely impacted if it is unable to find suitable mergers and acquisitions. The Company's due diligence processes may not be successful and a merger or acquisition may not perform to the level expected. The success of mergers and acquisitions is heavily dependent on a successful integration process regarding systems, premises, client and staff retention.</p> <p>Capital and funding requirements</p> <p>Additional capital or liquidity may be required in the future to meet capital requirements, fund growth, or pay for mergers and acquisitions. Additional funding may not be available on suitable terms or conditions at the time required.</p>	
Downturn in the travel industry	<p>The performance of ATG will be influenced by the performance of the overall travel industry. A reduction in the level of economic activity, or lessening of demand in ATG's key markets, may reduce the total level of turnover in the travel industry. This in turn may have a negative impact on the total bookings made through Holiday Planet, Motive Travel and/or Asia Escape.</p> <p>The prospects of the Company must be considered in light of the future demand for leisure and tourism services. This will depend on a wide variety of matters applying to international and domestic customers. Customer demand by Australian travellers for outbound travel can be affected by many factors including the strength of the Australian economy especially in relation to growth trends, employment, wages, inflation, and interest rates. It also is heavily sensitive to currency fluctuations, adverse global events such as terrorism, wars, environmental catastrophes, and health epidemics such as, for example, outbreaks of SARs, swine flu, bird flu and the Ebola virus.</p>	

1. Investment Overview *continued*

Topic	Summary	For more information
Operational security	As with all e-commerce based businesses, ATG will be heavily reliant on the security of its websites and associated payment systems to ensure that customers are confident of transacting online. Breaches of security could impact customer satisfaction and confidence in the Company and therefore detrimentally impact on its overall financial performance.	
ATG may not be successful in retaining and/or attracting new key management personnel	<p>ATG will rely on the talent and experience of its personnel. It may be difficult to replace key personnel, or to do so in a timely manner, or at comparable expense. Additionally, any key personnel of the Company who leave to work for a competitor may adversely impact the Company.</p> <p>ATG's ability to attract and retain suitable staff may impact upon service standards to clients, relationships with suppliers and on operating performance more generally. Also, increases in recruitment, wages and contractor costs, or employment related claims or industrial disputes may adversely impact upon the financial performance of the Company.</p>	
Limited history	Currently the Company is operating as Red Gum Resources and has no operating history in the leisure and tourism industry. Accordingly it has no meaningful historical financial information or track record in those fields (however the Travel Service Entities do). The Company's prospects must be considered in light of the risks, expenses and difficulties encountered by companies with assets in the early stages, including the risk that the Acquisitions do not complete, are not successful, or that the Company encounters difficulties in integrating those new businesses or assets.	
Additional requirement for capital	<p>The Company will engage in growing its business opportunities. To the extent profits are not generated or are not sufficient the Company may continue to require funding through its cash reserves, equity capital funding and/or debt financing. In part, the viability of the Company is dependent upon the Company's access to further capital in addition to the current capital raising. There can be no guarantee the Company will not seek to grow its business and exploit new opportunities of a kind requiring further capital. There can be no assurance such funding, if required will be available, or if available will be on favourable terms to the Company (via either equity funding or debt financing).</p> <p>Any additional equity funding will dilute shareholdings and debt financing may involve restrictions on financing and operating activities.</p>	
Due diligence risk	The Company has contracted to acquire Holiday Planet, Motive Travel and Asia Escape. Management has performed pre-acquisition due diligence on each of these entities. However, there is a risk that due diligence has not identified issues that would have been material to the decision to acquire the entities.	
Impairment of intangible assets	<p>As a result of the Acquisitions, Red Gum will recognise a material value of intangible assets on its balance sheet relating to goodwill and identifiable intangible assets, principally website domains and customer lists.</p> <p>Under Australian Account Standards, goodwill and indefinite life intangible assets must be tested for impairment at least annually. If impaired, Red Gum would need to write down the value of the intangible assets, which would result in an expense in the income statement and could have a material adverse impact on Red Gum's earnings and financial position.</p>	
Going Concern	<p>The Annual Report of Red Gum for the year ended 30 June 2014 stated the following:</p> <p><i>"Without modifying my opinion above, note 4(r) to the financial report indicates that for the financial year ended 30 June 2014 the consolidated entity incurred a net loss after tax of \$6,041,721 (2013: \$970,058) and generated negative cash flows from operating activities for the year of \$1,294,229 (2013: \$787,355). These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's and the consolidated entity's ability to continue as a going concern. However, the consolidated entity has net assets of \$2,603,451 (2013: \$5,274,259) and cash and cash equivalents of \$2,074,889 (2013: \$771,013) Note 4(r) to the financial report also indicates that the cash flow forecasts project that the consolidated entity will continue to be able to meet its liabilities and obligations as and when they fall due for a period of at least 12 months from the date of signing this financial report. The cash flow forecast is dependent on the cash and cash equivalents position at 30 June 2014 being able to fund the consolidated entity's planned activities and meet the liabilities and obligations as and when they fall due for at least the next 12 months from the date of signing this financial report."</i></p>	

1. Investment Overview *continued*

Topic	Summary	For more information
	Shareholders should note that, if the Public Offer is not successful, the Company may be unable to meet its short-term working capital requirements and, as such may not be able to remain a going concern. Any failure to pay creditors may have significant implications for the Company, empowering creditors to take enforcement action including appointing an administrator and the Company may become insolvent. In the opinion of the Board, completion of the Public Offer significantly reduces this risk for the Company.	
Mining risks	While it is the Company's intention to divest its mining interests following completion of the Acquisitions, risks associated with the Company's mining interests in Peru and Chile still exist. Please refer to Section 7.4 for further details of mining related risks relating to the Company.	Section 7.4

1.5 ATG's Directors and Senior Management

Topic	Summary	For more information
Proposed new Board of Directors	<p>In accordance with the terms of the Agreements, Alan Dodson will be appointed as Executive Chairman, Michael Croy Operations Director and Mason Adams Wholesale Director of ATG. The appointments will take place on and from settlement of the Acquisitions.</p> <p>In accordance with the terms of the Agreements, both Dr Raymond Shaw and Mr Edwin Bulseco will resign at Settlement. Following reinstatement, Jennifer Tobin will remain on the Board as an Independent Non-Executive Director of ATG.</p>	Section 5
	<p>Alan Dodson, Executive Chairman</p> <p>Founder of the Holiday Planet Group, Alan has successfully guided Holiday Planet since its inception. Alan's key responsibilities will include company development, finance and overall sales and marketing strategy. Upon listing it is proposed that Alan will become Executive Chairman of ATG.</p> <p>Michael Croy, Operations Director</p> <p>Michael has extensive knowledge of international and domestic tourism markets. Michael was previously a senior executive with Jetset Travel. Michael's current responsibilities at Holiday Planet include information technology management, recruitment and overall logistical and operational management. Upon listing, it is proposed Michael will become an executive director of ATG.</p> <p>Mason Adams, Wholesale Director</p> <p>Mason joined Asia Escape Holidays shortly after its inception and has some 17 years of travel experience particularly in wholesale travel and leisure. Within Asia Escape Mason's key responsibilities include overall management, wholesale distribution channels, marketing and promotion. Following acquisition of Asia Escape, and upon listing, Mason will become an executive director of ATG and remain responsible for wholesale activities.</p> <p>Jennifer Tobin, Non-Executive Director</p> <p>Jennifer is currently a non-executive director of Red Gum Resources Limited. She is also a partner with the law firm Minter Ellison, having 20 years' experience in corporate law and mining, oil and gas law. Jennifer specialises in corporate law (mergers and acquisitions, corporate governance, ASX compliance, IPOs and other capital raisings, risk management and general commercial matters). Jennifer has also been a director of a number of public companies.</p> <p>Upon reinstatement, Jennifer will remain on the Board as an independent non-executive director of ATG.</p>	Section 5.1
Management & Consultants	The Company is aware of the need to have sufficient management to properly supervise the business operations of the Company and the Board will continually monitor the management of roles in the Company. As the Company's operations require an increased level of involvement, the Board will look to appoint additional management and/or consultants when and where appropriate to ensure proper management of the Company's operations.	Section 5.2

1. Investment Overview *continued*

Topic	Summary	For more information
	<p>George Michalczyk, Executive Manager, Motive Travel</p> <p>George's relationship with Motive Travel spans some 27 years taking over ownership of Motive Travel in 1989. He has taken Motive Travel to a dominant position as a specialised travel service provider within Western Australia for special interest, escorted and corporate incentive group tours and sporting interest group tours to world class events, including the Dubai World Cup, Kentucky Derby and key global golfing events. While George will not be a Director of ATG, George will continue as a full time executive having managerial responsibility for the group travel division (Motive Travel).</p> <p>Mal Lucas-Smith, Company Secretary</p> <p>Mal Lucas-Smith is experienced in finance, executive and non-executive management, property development, and corporate secretarial and administrative services. For the past 20 years Mal has provided consulting services including new public company listings and company secretarial services for public companies and offshore entities.</p> <p>Vicky Allinson – Chief Financial Officer</p> <p>Vicky is a Fellow of The Association of Certified Chartered Accountants and a member of the Governance Institute of Australia. She has over 23 years accounting and auditing experience, including senior accounting positions in a number of listed companies and an audit manager for Deloitte Touche Tohmatsu. Vicky is currently Company Secretary and Chief Financial Officer for a number of ASX listed companies.</p>	Section 5.2

1.6 Significant interests of key people

Topic	Summary	For more information																												
<p>Who are the key people and what will be their interests at completion?</p>	<p>Directors are not required under the Company's constitution to hold Shares. Details of the Directors' and proposed Directors' relevant interests in Securities as at the date of this Prospectus are set out in the table below:</p> <p>Current Interests</p> <table border="1"> <thead> <tr> <th>Director &/or Proposed Director</th> <th>Shareholding Pre-Offer Pre-Consolidation</th> <th>Options held Pre-Offer Pre-Consolidation</th> <th>Convertible Notes</th> </tr> </thead> <tbody> <tr> <td>Dr Raymond Shaw</td> <td>10,537,854¹</td> <td>750,013²</td> <td>Nil</td> </tr> <tr> <td>Jennifer Tobin</td> <td>1,454,170</td> <td>318,126²</td> <td>Nil</td> </tr> <tr> <td>Edwin Bulseco</td> <td>5,010,000³</td> <td>1,250,000²</td> <td>Nil</td> </tr> <tr> <td>Alan Dodson</td> <td>Nil</td> <td>Nil</td> <td>Nil</td> </tr> <tr> <td>Michael Croy</td> <td>Nil</td> <td>Nil</td> <td>Nil</td> </tr> <tr> <td>Mason Adams</td> <td>Nil</td> <td>Nil</td> <td>Nil</td> </tr> </tbody> </table> <p>1. Please note of this amount a total of 421,104 are held indirectly by Dr Shaw through his associated or controlled entities. 2. Options exercisable at \$0.25 each, expiring on or before 15 November 2017. 3. Mr Bulseco holds these Shares indirectly through his associated or controlled entities.</p>	Director &/or Proposed Director	Shareholding Pre-Offer Pre-Consolidation	Options held Pre-Offer Pre-Consolidation	Convertible Notes	Dr Raymond Shaw	10,537,854 ¹	750,013 ²	Nil	Jennifer Tobin	1,454,170	318,126 ²	Nil	Edwin Bulseco	5,010,000 ³	1,250,000 ²	Nil	Alan Dodson	Nil	Nil	Nil	Michael Croy	Nil	Nil	Nil	Mason Adams	Nil	Nil	Nil	
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1. Investment Overview *continued*

Topic	Summary	For more information																												
	<p>Post-Completion Interests assuming \$3,000,000 Minimum Subscription^{1,2}</p> <table border="1"> <thead> <tr> <th>Director &/or Proposed Director</th> <th>Shares and % voting power Post Consolidation</th> <th>Options held Post Consolidation</th> <th>Convertible Notes</th> </tr> </thead> <tbody> <tr> <td>Dr Raymond Shaw</td> <td>421,514³ (0.5%)</td> <td>30,001⁷</td> <td>Nil</td> </tr> <tr> <td>Jennifer Tobin</td> <td>58,167 (0.07%)</td> <td>12,725⁷</td> <td>Nil</td> </tr> <tr> <td>Edwin Bulseco</td> <td>200,400⁴ (0.24%)</td> <td>50,000⁷</td> <td>Nil</td> </tr> <tr> <td>Alan Dodson</td> <td>10,312,500⁵ (12.52%)</td> <td>Nil</td> <td>137,500^{5,8}</td> </tr> <tr> <td>Michael Croy</td> <td>6,075,000⁶ (7.38%)</td> <td>Nil</td> <td>81,000^{6,8}</td> </tr> <tr> <td>Mason Adams</td> <td>10,000,000⁹ (12.15%)</td> <td>Nil</td> <td>750,000^{8,9}</td> </tr> </tbody> </table> <p>1. Based on a total of 82,330,000 Shares on issue on completion of the Consolidation and Acquisitions and assuming: (a) the full amount under the Minimum Subscription (\$3,000,000) is raised; and (b) no Shares other than the Promoter Shares and those as contemplated under the Public Offer and Vendor Offer have been issued, no options have been exercised and no Convertible Notes have been converted.</p> <p>2. In the event that the full Over Subscription of \$5,000,000 is received, the Company will have a total of 92,330,000 Shares on issue and as a result existing Shareholders and the vendors' percentage holdings in the Company post completion of the Offers will be diluted accordingly.</p> <p>3. These are held indirectly by Dr Shaw through his associated or controlled entities.</p> <p>4. Mr Bulseco holds these Shares indirectly through his associated or controlled entities.</p> <p>5. These Securities will be held jointly with Mr Dodson's wife, Yvonne Dodson.</p> <p>6. These Securities will be held jointly with Mr Croy's wife, Kerry Croy.</p> <p>7. These Options are exercisable at \$0.25 each expiring on or before 15 November 2017.</p> <p>8. A summary of the terms and conditions of these Convertible Notes is set out in Section 11.7.</p> <p>9. Tilakee Nominees Pty Ltd, a company controlled by Mr Adams will hold these Securities.</p>	Director &/or Proposed Director	Shares and % voting power Post Consolidation	Options held Post Consolidation	Convertible Notes	Dr Raymond Shaw	421,514 ³ (0.5%)	30,001 ⁷	Nil	Jennifer Tobin	58,167 (0.07%)	12,725 ⁷	Nil	Edwin Bulseco	200,400 ⁴ (0.24%)	50,000 ⁷	Nil	Alan Dodson	10,312,500 ⁵ (12.52%)	Nil	137,500 ^{5,8}	Michael Croy	6,075,000 ⁶ (7.38%)	Nil	81,000 ^{6,8}	Mason Adams	10,000,000 ⁹ (12.15%)	Nil	750,000 ^{8,9}	
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Remuneration	<p>The annual remuneration (inclusive of superannuation) payable to each of the Directors was as follows:</p> <table border="1"> <thead> <tr> <th>Director &/or Proposed Director</th> <th>Remuneration Financial Year 13/14</th> <th>Anticipated Remuneration Financial Year 14/15</th> </tr> </thead> <tbody> <tr> <td>Dr Raymond Shaw</td> <td>\$260,314</td> <td>\$118,130⁵</td> </tr> <tr> <td>Jennifer Tobin¹</td> <td>\$36,000</td> <td>\$36,000</td> </tr> <tr> <td>Edwin Bulseco²</td> <td>\$12,000</td> <td>\$15,000</td> </tr> <tr> <td>Alan Dodson³</td> <td>Nil</td> <td>\$154,583^{4,6}</td> </tr> <tr> <td>Mason Adams³</td> <td>Nil</td> <td>\$125,417^{4,7}</td> </tr> <tr> <td>Michael Croy³</td> <td>Nil</td> <td>\$84,583^{4,8}</td> </tr> </tbody> </table> <p>1. Jennifer Tobin was appointed as a Director on 14 June 2013.</p> <p>2. Edwin Bulseco was appointed as a Director on 2 March 2014.</p> <p>3. To be appointed on completion of the Acquisitions.</p> <p>4. Assumes 7 months full time employment during FY2015.</p> <p>5. Comprises \$15,000 in director's fees and \$103,130 in consulting fees.</p> <p>6. Based on annual remuneration of \$215,000 plus Directors' fees of \$50,000.</p> <p>7. Based on annual remuneration of \$190,000 plus Directors' fees of \$25,000.</p> <p>8. Based on annual remuneration of \$120,000 plus Directors' fees of \$25,000.</p>	Director &/or Proposed Director	Remuneration Financial Year 13/14	Anticipated Remuneration Financial Year 14/15	Dr Raymond Shaw	\$260,314	\$118,130 ⁵	Jennifer Tobin ¹	\$36,000	\$36,000	Edwin Bulseco ²	\$12,000	\$15,000	Alan Dodson ³	Nil	\$154,583 ^{4,6}	Mason Adams ³	Nil	\$125,417 ^{4,7}	Michael Croy ³	Nil	\$84,583 ^{4,8}	Section 10.3							
Director &/or Proposed Director	Remuneration Financial Year 13/14	Anticipated Remuneration Financial Year 14/15																												
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Mason Adams ³	Nil	\$125,417 ^{4,7}																												
Michael Croy ³	Nil	\$84,583 ^{4,8}																												
Agreements for the Acquisitions	<p>Alan Dodson and Michael Croy as Holiday Planet Shareholders are parties to the Holiday Planet Acquisitions Agreement. Tilakee Nominees Pty Ltd is an entity controlled by Mason Adams a Proposed Director and is a party to the Asia Escape Acquisitions Agreement. A summary of the Acquisitions Agreements is set out in Section 10.1.</p>	Section 10.1																												
Executive Services Agreements	<p>In conformity with the respective Agreements, Alan Dodson, Michael Croy and Mason Adams entered into Executive Service Agreements (ESA's) with the Company. The appointments will take effect on Completion. A summary of the ESA's is set out in Section 10.3.</p>	Section 10.3																												
Agreements with senior managers	<p>George Michalczyk has entered into a services agreement with the Company to act as Executive Manger, Motive Travel with his appointment to take effect on Completion (Senior Executive Agreement). A summary of the Senior Executive Agreement is set out in Section 10.4.</p>	Section 10.4																												

1. Investment Overview *continued*

Topic	Summary	For more information																																													
Deeds of indemnity insurance and access	The Company will enter into deeds of indemnity, insurance and access with each of the proposed new Directors. Refer to Section 10.5 for further details.	Section 10.5																																													
Substantial Shareholders	<p>Those Shareholders holding 5% or more of the Shares on issue both as at the date of this Prospectus and on completion of the Offers are set out in the respective tables below.</p> <p>As at the date of the Prospectus:</p> <table border="1"> <thead> <tr> <th>Shareholder</th> <th>Shares Pre-Consolidation</th> <th>Options Pre-Consolidation</th> <th>Convertible Notes</th> <th>% Voting Power</th> </tr> </thead> <tbody> <tr> <td>Willowdale Holdings PL</td> <td>70,000,000</td> <td>Nil</td> <td>Nil</td> <td>8.41%</td> </tr> <tr> <td>Dead Knick PL</td> <td>68,000,000</td> <td>Nil</td> <td>Nil</td> <td>8.20%</td> </tr> </tbody> </table> <p>Post-Completion basis:</p> <table border="1"> <thead> <tr> <th>Shareholder</th> <th>Shares Pre-Consolidation</th> <th>Options Pre-Consolidation</th> <th>Convertible Notes⁷</th> <th>% Voting Power \$3,000,000¹</th> <th>% Voting Power \$5,000,000²</th> </tr> </thead> <tbody> <tr> <td>Alan & Yvonne Dodson</td> <td>10,312,500³</td> <td>Nil</td> <td>137,500</td> <td>12.52%</td> <td>11.17%</td> </tr> <tr> <td>Tilakee Nominees PL⁴</td> <td>10,000,000</td> <td>Nil</td> <td>750,000</td> <td>12.15%</td> <td>10.83%</td> </tr> <tr> <td>Michael & Kerry Croy</td> <td>6,075,000⁵</td> <td>Nil</td> <td>81,000</td> <td>7.38%</td> <td>6.58%</td> </tr> <tr> <td>Rita & George Michalcyk ATF Michalcyk Management Trust</td> <td>5,000,000⁶</td> <td>Nil</td> <td>500,000</td> <td>6.07%</td> <td>5.41%</td> </tr> </tbody> </table> <p>1. Based on a total of 82,330,000 Shares on issue on completion of the Consolidation and Acquisitions and assuming no Shares other than the Promoter Shares and those as contemplated under the Public Offer and Vendor Offer have been issued, no options have been exercised and no Convertible Notes have been converted.</p> <p>2. Based on a total of 92,330,000 Shares on issue on completion of the Consolidation and Acquisitions and assuming no Shares other than the Promoter Shares and those as contemplated under the Public Offer and Vendor Offer have been issued, no options have been exercised and no Convertible Notes have been converted.</p> <p>3. These Shares will be held jointly by Alan Dodson and Yvonne Dodson (or an associated entity) with Mr Dodson a proposed Director of the Company.</p> <p>4. This entity is controlled by Mr Mason Adams, a proposed Director of the Company.</p> <p>5. These Shares will be held jointly by Michael Croy and Kerry Croy (or an associated entity) with Mr Croy a proposed Director of the Company.</p> <p>6. These Shares will be held jointly by Rita & George Michalcyk.</p> <p>7. A summary of the terms of the Convertible Notes are set out in Section 11.7.</p> <p>The Company will announce to the ASX details of its top 20 Shareholders (following completion of the Public Offer), prior to the Shares commencing trading on the ASX.</p>	Shareholder	Shares Pre-Consolidation	Options Pre-Consolidation	Convertible Notes	% Voting Power	Willowdale Holdings PL	70,000,000	Nil	Nil	8.41%	Dead Knick PL	68,000,000	Nil	Nil	8.20%	Shareholder	Shares Pre-Consolidation	Options Pre-Consolidation	Convertible Notes ⁷	% Voting Power \$3,000,000 ¹	% Voting Power \$5,000,000 ²	Alan & Yvonne Dodson	10,312,500 ³	Nil	137,500	12.52%	11.17%	Tilakee Nominees PL ⁴	10,000,000	Nil	750,000	12.15%	10.83%	Michael & Kerry Croy	6,075,000 ⁵	Nil	81,000	7.38%	6.58%	Rita & George Michalcyk ATF Michalcyk Management Trust	5,000,000 ⁶	Nil	500,000	6.07%	5.41%	
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Rita & George Michalcyk ATF Michalcyk Management Trust	5,000,000 ⁶	Nil	500,000	6.07%	5.41%																																										
Lead Manager Mandate	<p>The Company has entered into a mandate with D.J. Carmichael Pty Ltd (DJ Carmichael) to act as lead manager (Lead Manager) to the Public Offer (Mandate).</p> <p>A summary of the terms of the Mandate is set out in Section 10.2.</p>	Section 10.2																																													
Escrow restrictions	No Securities currently on issue or to be issued by the Company with respect to the Offers or the Acquisitions are expected to be subject to any escrow restrictions under the ASX Listing Rules.																																														

1. Investment Overview *continued*

1.7 Proposed use of funds and key terms and conditions of the Offer

Topic	Summary	For more information
The Offer	<p>By this Prospectus the Company invites applications for 15,000,000 Shares at an issue price of \$0.20 per Share, together with one (1) free attaching Option exercisable at \$0.25 per Share on or before 15 November 2017 for every two (2) Shares subscribed for and issued in order to raise \$3,000,000 (Minimum Subscription). The Company may accept Over Subscriptions of up to a further \$2,000,000 through the issue of up to a further 10,000,000 Shares and 5,000,000 free attaching Options under the Public Offer. The maximum amount that may be raised under this Prospectus is \$5,000,000 (Public Offer).</p> <p>The Company will apply for quotation of the Shares and Options offered pursuant to this Prospectus.</p> <p>This Prospectus also contains a separate offer of 33,750,000 Consideration Shares and 1,500,000 Convertible Notes to the Vendors as part of the consideration for the Acquisitions under the Agreements (Vendor Offer).</p>	Section 4
Offer conditions	<p>The Offers are conditional on the passing of certain resolutions that are being put to Shareholders at the Extraordinary General Meeting scheduled to be held on 27 November 2014, including approval to proceed with the Consolidation (on the basis of one (1) Share for every twenty-five (25) Shares held and one (1) Option for every twenty-five (25) Options held).</p> <p>Furthermore, the Offers under this Prospectus are subject to the satisfaction of a number of conditions under the Agreements, including:</p> <ul style="list-style-type: none"> (a) the Company re-complying with Chapters 1 and 2 of the ASX Listing Rules; and (b) the Company raising at least the Minimum Subscription. <p>Full details of the outstanding conditions precedent for the Acquisitions are set out in Section 10.1 of this Prospectus. If these conditions are not met (or waived in accordance with the Agreements), the Company will not proceed with the Offers and will repay all application monies received, without interest and in accordance with the Corporations Act.</p>	Section 4 & Section 10.1
What is the purpose of the Offers?	<p>The purpose of the Vendor Offer is to issue Consideration Shares and Convertible Notes to the Vendors in accordance with the Agreements. As such, no separate public funds will be raised pursuant to the Vendor Offer.</p> <p>The purpose of the Public Offer is to provide additional capital to enable the Company to complete the Acquisitions, relist on ASX and provide additional working capital to the Company.</p>	Section 3
Changes in nature and scale of activities	<p>The Acquisitions are an event that requires the Company to re-comply with the requirements of Chapters 1 and 2 of the ASX Listing Rules, including seeking Shareholder approval for a change in the nature and scale of activities (which will be sought at the Extraordinary General Meeting). This Prospectus is issued to assist the Company to re-comply with these requirements.</p> <p>The Company's Shares and Options will remain suspended from Official Quotation on the ASX from the date of the Extraordinary General Meeting and will not be reinstated until the ASX approves the Company's re-compliance with Chapters 1 and 2 of the ASX Listing Rules (unless Shareholders do not approve the Acquisitions, in which case the suspension will be lifted following the Extraordinary General Meeting).</p> <p>There is a risk that the Company may not be able to meet the requirements of the ASX for re-quotation of its Shares on the ASX. In the event the Company does not receive conditional approval for re-quotation on the ASX the Company then will not proceed with the Offers and will repay all application monies received. In this instance, the Agreements would automatically terminate and the proposed acquisitions of Holiday Planet, Asia Escape and Motive Travel would not proceed.</p>	Section 4

1. Investment Overview *continued*

Topic	Summary	For more information																																										
What will the funds be used for?	<p>Together with existing funds of approximately \$1.16 million the Company intends to use funds raised under the Public Offer to:</p> <ul style="list-style-type: none"> (a) pay the consideration to the Vendors in accordance with the Agreements; (b) meet the requirements of the ASX and satisfy Chapters 1 and 2 of the ASX Listing Rules (a condition precedent to completion under the Acquisitions); (c) assist in paying costs of the Public Offer and Acquisitions; (d) fund investment in information technology, development of new online booking engines and new product marketing; (e) provide additional funds to enable ATG to finance marketing activities, undertake development, as well as consolidate and integrate activities historically undertaken separately by each of Holiday Planet, Asia Escape and Motive Travel businesses as outlined in the table below; and (f) provide adequate general working capital to establish financial underpinning and certainty for funding future growth of ATG. <p>The table below sets out the intended application of funds raised under the Prospectus, together with its existing cash reserves, following reinstatement on the basis of the Company raising the Minimum Subscription (\$3,000,000) and full Over Subscription (\$5,000,000):</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Funds</th> <th style="text-align: right;">Minimum Subscription \$3,000,000 capital raising</th> <th style="text-align: right;">Over Subscription \$5,000,000 capital raising</th> </tr> </thead> <tbody> <tr> <td>Funds raised from the Offer</td> <td style="text-align: right;">\$3,000,000</td> <td style="text-align: right;">\$5,000,000</td> </tr> <tr> <td>Estimated cash on hand as at 5 November 2014</td> <td style="text-align: right;">\$1,160,000</td> <td style="text-align: right;">\$1,160,000</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">\$4,160,000</td> <td style="text-align: right;">\$6,160,000</td> </tr> </tbody> </table> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="3" style="text-align: left;">Allocation of Funds¹</th> </tr> </thead> <tbody> <tr> <td>Transaction Costs²</td> <td style="text-align: right;">\$768,000</td> <td style="text-align: right;">\$901,000</td> </tr> <tr> <td>Vendor cash component consideration</td> <td style="text-align: right;">\$2,000,000</td> <td style="text-align: right;">\$2,000,000</td> </tr> <tr> <td>IT integrated search engine installation</td> <td style="text-align: right;">\$250,000</td> <td style="text-align: right;">\$600,000</td> </tr> <tr> <td>New product marketing</td> <td style="text-align: right;">\$150,000</td> <td style="text-align: right;">\$350,000</td> </tr> <tr> <td>IT development including mobile/tablet enabled mobile interactive systems</td> <td style="text-align: right;">\$200,000</td> <td style="text-align: right;">\$500,000</td> </tr> <tr> <td>Administration Costs</td> <td style="text-align: right;">\$250,000</td> <td style="text-align: right;">\$475,000</td> </tr> <tr> <td>Acquisitions</td> <td style="text-align: right;">Nil</td> <td style="text-align: right;">\$500,000</td> </tr> <tr> <td>Working Capital</td> <td style="text-align: right;">\$542,000</td> <td style="text-align: right;">\$834,000</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">\$4,160,000</td> <td style="text-align: right;">\$6,160,000</td> </tr> </tbody> </table> <p>1. Please refer to Section 3 for more details on how the Company will use the funds raised. 2. This amount is the estimated transaction costs which have not been paid as at the date of the Prospectus. As at the date of this Prospectus, a total of approximately \$809,000 of the transaction has been paid by the Company.</p> <p>In the event that more than the Minimum Subscription (\$3,000,000), but less than the full Over Subscription (\$5,000,000) is subscribed for and issued under the Public Offer, the Company will expend funds in the following order of priority; expenses of the offer, administration costs and working capital, with business expenditure to be scaled accordingly on a pro rata basis.</p> <p>The table above is a statement of current intentions of the Board as of the date of this Prospectus. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.</p> <p>Upon completion of the Public Offer, the Board believes the Company will have sufficient working capital to achieve its objectives.</p>	Funds	Minimum Subscription \$3,000,000 capital raising	Over Subscription \$5,000,000 capital raising	Funds raised from the Offer	\$3,000,000	\$5,000,000	Estimated cash on hand as at 5 November 2014	\$1,160,000	\$1,160,000	Total	\$4,160,000	\$6,160,000	Allocation of Funds ¹			Transaction Costs ²	\$768,000	\$901,000	Vendor cash component consideration	\$2,000,000	\$2,000,000	IT integrated search engine installation	\$250,000	\$600,000	New product marketing	\$150,000	\$350,000	IT development including mobile/tablet enabled mobile interactive systems	\$200,000	\$500,000	Administration Costs	\$250,000	\$475,000	Acquisitions	Nil	\$500,000	Working Capital	\$542,000	\$834,000	Total	\$4,160,000	\$6,160,000	Section 3
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1. Investment Overview *continued*

Topic	Summary	For more information
Corporate Governance	<p>To the extent applicable, commensurate with the Company's size and nature, the Company has adopted The Corporate Governance Principles and Recommendations (3rd Edition) as published by the ASX Corporate Governance Council (Recommendations).</p> <p>The Company's main corporate governance policies and practices as at the date of this Prospectus are outlined in Section 9 and the Company's full Corporate Governance Plan is available in a dedicated corporate governance information section of the Company's website www.redgumresources.com.</p> <p>In addition, the Company's full Corporate Governance Plan may be requested from the Company Secretary on +61 8 8223 1680.</p>	Section 9
Taxation	<p>The Company is and will be subject to tax at the Australian corporate tax rate.</p> <p>The acquisition and disposal of Securities will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Securities from a taxation viewpoint and generally.</p> <p>To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Securities under this Prospectus.</p>	
Dividend Policy	<p>It is anticipated that significant expenditure will be incurred in the investment and business opportunities in the tourism and leisure industry that ATG will in the future be involved in. These activities, together with the possible acquisition of interests in other projects, are expected to dominate at least the 2 year period following the date of this Prospectus. Accordingly, the Company does not expect to declare any dividends during that period.</p> <p>Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the availability of distributable earnings and operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.</p>	Section 6.10
Transaction Costs	<p>The total expenses of the Offers and Aquisitions (excluding GST), including advisory, legal, accounting, listing, administrative fees, printing, advertising and other expenses (excluding options) are estimated to be approximately \$1,577,000 if only the Minimum Subscription is raised, or \$1,710,000 if the Offer is oversubscribed.</p>	

1. Investment Overview *continued*

1.8 Capital Structure

Topic	Summary	For more information																																																										
What is the capital structure?	<p>The capital structure of the Company following completion of the Acquisitions and Offers will be as follows (which assumes that no further securities are issued other than as set out in the table):</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 70%;"></th> <th style="text-align: right;">Shares</th> <th style="text-align: right;">Options</th> <th style="text-align: right;">Convertible Notes</th> </tr> </thead> <tbody> <tr> <td>Current Shares and Options:</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Existing Issued Capital¹</td> <td style="text-align: right;">832,000,000</td> <td style="text-align: right;">242,234,053²</td> <td style="text-align: center;">Nil</td> </tr> <tr> <td>Post 1 for 25 Consolidation of Shares and Options³</td> <td style="text-align: right;">33,280,000</td> <td style="text-align: right;">9,689,362⁴</td> <td style="text-align: center;">Nil</td> </tr> <tr> <td>Shares and Options Issued pursuant to the Public Offers⁵ - Minimum Subscription</td> <td style="text-align: right;">15,000,000</td> <td style="text-align: right;">7,500,000</td> <td style="text-align: center;">Nil</td> </tr> <tr> <td>Shares and Options Issued pursuant to the Public Offers⁵ - Maximum Subscription</td> <td style="text-align: right;">25,000,000</td> <td style="text-align: right;">12,500,000</td> <td style="text-align: center;">Nil</td> </tr> <tr> <td>Shares Issued pursuant to the Vendor Offer/Acquisitions⁶</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Holiday Planet Shareholder</td> <td style="text-align: right;">18,750,000</td> <td style="text-align: center;">Nil</td> <td style="text-align: right;">250,000</td> </tr> <tr> <td>Asia Escape Shareholder</td> <td style="text-align: right;">10,000,000</td> <td style="text-align: center;">Nil</td> <td style="text-align: right;">750,000</td> </tr> <tr> <td>Motive Travel Shareholder</td> <td style="text-align: right;">5,000,000</td> <td style="text-align: center;">Nil</td> <td style="text-align: right;">500,000</td> </tr> <tr> <td>Issue of Promoter Shares⁷</td> <td style="text-align: right;">300,000</td> <td style="text-align: center;">Nil</td> <td style="text-align: center;">Nil</td> </tr> <tr> <td>Issue of Broker Options⁸</td> <td style="text-align: center;">Nil</td> <td style="text-align: right;">5,000,000</td> <td style="text-align: center;">Nil</td> </tr> <tr> <td>Total on completion of Acquisitions based on Minimum Subscription</td> <td style="text-align: right;">82,330,000</td> <td style="text-align: right;">22,189,362</td> <td style="text-align: right;">1,500,000</td> </tr> <tr> <td>Total on completion of Acquisitions based on Over Subscription</td> <td style="text-align: right;">92,330,000</td> <td style="text-align: right;">27,189,362</td> <td style="text-align: right;">1,500,000</td> </tr> </tbody> </table> <p>Notes</p> <ol style="list-style-type: none"> 1. The rights attaching to Securities are set out in Sections 11.5, 11.6 and 11.7 of this Prospectus. 2. The Options currently on issue consist of: <ol style="list-style-type: none"> (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 November 2017. (b) 5,000,000 unquoted options exercisable at \$0.15 each expiring on or before 30 April 2016. 3. The consolidation of Securities is subject to Shareholder approval at the forthcoming Extraordinary General Meeting. 4. Post consolidation, the options on issue will consist of: <ol style="list-style-type: none"> (a) 2,449,362 quoted options exercisable at \$2.50 each expiring on or before 1 March 2016 and 7,040,000 quoted options exercisable at \$0.25 each expiring on or before 15 November 2017. (b) 200,000 unquoted options exercisable at \$3.75 each expiring on or before 30 April 2016. 5. Assuming full subscription of the minimum and maximum amounts (in each case) under the Public Offer. The issue of these Securities is subject to Shareholder approval at the forthcoming General Meeting. The Options issued under the Public Offer will be quoted Options exercisable at \$0.25 on or before 15 November 2017. Refer to Section 11.6 for details. 6. Assuming all conditions precedent to the Agreements are satisfied, details of which are set out in Section 10.1 of this Prospectus. The issue of these Consideration Shares and Convertible Notes is subject to Shareholder approval at the forthcoming Extraordinary General Meeting. The terms of the Convertible Notes are summarised at Section 11.7. 7. The issue of the Promoter Shares is subject to Shareholder approval at the forthcoming Extraordinary General Meeting. 8. The Broker Options will be quoted and exercisable at \$0.25 on or before 15 November 2017. Refer to Section 11.6 for details. The issue of the Broker Options is subject to Shareholder approval at the forthcoming Extraordinary General Meeting. 		Shares	Options	Convertible Notes	Current Shares and Options:				Existing Issued Capital ¹	832,000,000	242,234,053 ²	Nil	Post 1 for 25 Consolidation of Shares and Options³	33,280,000	9,689,362⁴	Nil	Shares and Options Issued pursuant to the Public Offers ⁵ - Minimum Subscription	15,000,000	7,500,000	Nil	Shares and Options Issued pursuant to the Public Offers ⁵ - Maximum Subscription	25,000,000	12,500,000	Nil	Shares Issued pursuant to the Vendor Offer/Acquisitions⁶				Holiday Planet Shareholder	18,750,000	Nil	250,000	Asia Escape Shareholder	10,000,000	Nil	750,000	Motive Travel Shareholder	5,000,000	Nil	500,000	Issue of Promoter Shares ⁷	300,000	Nil	Nil	Issue of Broker Options ⁸	Nil	5,000,000	Nil	Total on completion of Acquisitions based on Minimum Subscription	82,330,000	22,189,362	1,500,000	Total on completion of Acquisitions based on Over Subscription	92,330,000	27,189,362	1,500,000			
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2.

Industry & Market Overview

2. Industry & Market Overview

2.1 Overview of the Australian travel agencies and tourism sector

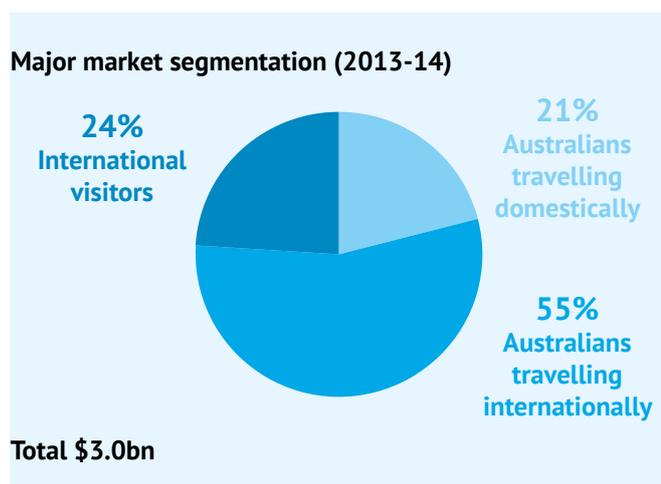
The Australian travel agencies and tour arrangement services industry has recently gone through a period of constrained growth.

The subdued growth forecasts are due to:

- Intense price competition for a share of travel and tourism spending
- Exchange rate instability
- Online booking facilities heightening competition amongst travel agencies, and
- Airlines and hotel accommodation providers developing websites to attract direct bookings online effectively cutting out the traditional role of travel agents.

Even though overall growth in the sector is constrained, international travel by Australians is currently a shining light with revenue growth of a compounded annual rate of 8.8%.

Australians have a high propensity for international travel, especially young singles and older couples. Australians travelling overseas represent 55% of the travel agent industry revenue. These travellers are more likely to seek the assistance of a travel agent to finalise their travel arrangements and commit to a booking. This trend is favourable to travel service companies focused on Australians holidaying overseas. Holiday Planet, Asia Escape and Motive Travel are focused on this market segment.



The industry has structurally changed over the last decade. Travel agencies with an online presence, customer call centres and sophisticated booking systems dominate the sector, rather than traditional 'bricks and mortar' shopfronts. There is a high concentration of travel agents as consolidation continues to take place. In particular, the industry has experienced significant price competition from operators and travel service providers competing for a share of the market. This has led to

downward margin pressure for flight and accommodation bookings and a trend towards selling higher margin holiday packages. This includes targeting the leisure cruise market and in particular people who are over 55 years old where demand continues to demonstrate strong growth.

2.2 Key Drivers - International travel by Australians

Unlike domestic travel, overseas travel by Australians in recent years has demonstrated strong growth and indications are that this will continue. Key drivers for the growth include:

- Improved consumer confidence. Travel is a discretionary spend and this is highly dependent on consumer sentiment on the state of the economy.
- Australians have been taking advantage of heavy discounts for advance purchases of international airfares, accommodation and holiday packages.
- Short-term holidays to South-east Asia and oceanic destinations have been attractive for Australian travellers. At the same time the strong Australian dollar has driven an increase in long haul overseas travel in Europe and North America.

2.3 Industry performance for the travel agencies sector

In recent years travel agents have faced declining commissions from airline ticket sales and international package sales where profit margins are falling. To maintain their margins travel agents have been steadily moving into new growth areas.

The traditional travel agent shopfront operation is giving way to online travel booking websites where travellers can visit to gain holiday and travel information, access booking and reservation platforms for airlines and hotels, review holiday packages on offer, and contact the travel agent through customer call centres to help organise travel arrangements.

2.4 What's on trend

The most popular destination countries for Australians travelling overseas were New Zealand, Indonesia, USA, Thailand, and United Kingdom. The most popular reasons for travel were holiday, visiting friends and relatives and business.

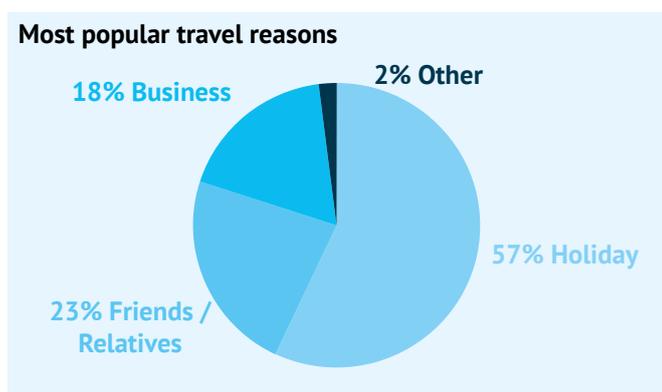
Australians have spent 144 million nights away on outbound travel, at an average of 20 nights for each overseas trip. There is an opportunity to further develop this market that has higher disposal income and greater likelihood for longer and luxury packaged holidays.

Cruise market

A key area of luxury tourism with 55 years and over age bracket is the cruise market. This market has grown by 20% (compound annual growth rate) over the past 5 years. In FY2013, approximately 833,000 passengers

2. Industry & Market Overview *continued*

travelled on a cruise (20% increase on previous year) from an Australian port. In response to these predictions a number of major cruise lines are increasing their cruise ship capacity between 2014-2016 by around 50% for cruising leaving out of Australia. Another major cruise line is seeking to triple cruise penetration into the Australian market by 2030 with the local cruise industry set to exceed previous targets four years earlier than predicted. The aim of reaching one million passengers per year by 2020 is now likely to be achieved by 2016 according to forecasts. More than 700,000 Australians took to the seas in FY2012 and this increased to approximately 833,000 in FY2013. The cruise industry is now worth more than \$1 billion to the national economy.



2.5 Key success factors for the sector

There are a number of key factors that are important to the success of travel agencies in Australia. They include:

- Being part of a larger group with purchasing power, enabling cost savings, access to online technology including search and booking engines, access to new and on-trend product offerings, and having the capability to leverage the group to conduct promotional and marketing activity to build brand awareness. This is a major reason we are witnessing the large-scale consolidation of small travel agent operations.
- Having a loyal customer base. There is increasing pressure in the sector with intensive price competition, airline and hotel providers selling direct through their own websites at a discount, customers able to componentise aspects of the holiday package, and dominant consolidated companies such as Flight centre and *helloworld*TM have approximately 70% market share of the sector. Travel agents which demonstrate excellence in customer service in conjunction with experienced and expert travel consultants, have the ability to tailor holiday packages to suit their customers, and provide a seamless and efficient experience through online technology, are well positioned to acquire new customers and have existing customers keep returning.

- Travel agents need to keep on-trend with their product offerings. They also need to cater for growth markets such as over 55's, cruises, well-structured and diverse packaged holidays to overseas destinations, and interesting and attractive holiday locations and tours.
- Access to the latest available and most efficient technologies delivering reduced operational costs, better quality of services and an overall better user experience.
- Travel agents will need to have high performing, interactive websites to compete in the market. The more integrated the booking and reservation systems, with access to travel consultants through online call centres to help customers with their holiday packages, the more likelihood of success. Websites need to be informative, easy to navigate and provide an overall good user-experience. Travel agents will also have to have effective online social network strategies. In particular, travel agents will need to focus their online strategies on delivering their platform on smart phones, tablets and the use of apps as the main channel to build revenue growth.

2.6 Barriers to Entry

The travel agency sector in Australia has a medium barrier for new entrants. The major limitations arise from having adequate size from a brand recognition perspective and the ability to achieve economies of scale to capture sufficient margins. Participants will also need to gain access to online booking and reservation systems from major third party providers. Importantly, they will need to keep pace with constantly evolving technology, essential to acquire new customers and retain existing customers, as well as gaining necessary operational cost efficiencies.

Barriers to Entry checklist	Level
Competition	High
Concentration	High
Life Cycle Stage	Mature
Capital Intensity	Low
Technology Change	High
Regulation & Policy	Medium
Industry Assistance	Low



3. Business Overview

3. Business Overview

Red Gum Resources Limited is a public company listed on the official list of the ASX (ASX code: RGX) with a principal focus on exploration for base and precious metals in Peru and Chile. The Company was admitted to the official list of the ASX on 13 January 2012.

Pursuant to the Agreements, the Company recently agreed to acquire Holiday Planet, Motive Travel and Asia Escape as part of its refocus away from the resources industry to the leisure and tourism industry. Subject to regulatory and shareholder approvals the Company intends to be renamed as the “Australian Travel Group Limited”. Further information in relation to each of these companies is set out in Sections 3.3 and 3.4.

3.1 Australian Travel Group Overview

It is the intention of the Company to acquire Holiday Planet, Asia Escape and Motive Travel in order to establish a sizeable and profitable online travel service. ATG will initially continue to focus on the Western Australian market and then soon after extend its reach into the eastern seaboard of Australia. ATG intends to become a new force in the national Australian travel industry.

3.2 Australian Travel Group’s Business Objectives

By combining, utilising and integrating the assets, skills and specialisations of each of the three individual travel agencies, ATG intends to deliver enhanced revenue and profit streams. Initially this will be achieved through economies of scale and operational efficiencies as part of its organic growth platform. At the same time it will look to grow its revenues by introducing on-trend and high demand products. It will also seek to capitalise on the formation of the travel group by gaining greater access to the east coast markets. Later as opportunities permit it plans to seek growth through other accretive acquisitions.

The combination of the three entities will deliver a comprehensive online tourism service encompassing the travel wholesale sector through Asia Escape, retail travel agency sector through Holiday Planet and Motive Travel.

Moreover, ATG will seek to leverage Holiday Planet’s

database of over 50,000 retail customers and Asia Escape’s 3,000 travel agents to promote its services and provide new product offerings.

Total Transaction Value (TTV) of the three entities combined for the FY15 is forecast to be \$100 million (Section 6).

ATG’s main focus immediately following re-listing will be the integration, consolidation and continued development of the businesses and operations previously undertaken by Asia Escape, Holiday Planet and Motive Travel.

Following completion of Offers, ATG will seek to:

- (a) Increase penetration into the Australian east coast and Asian domestic markets through leveraging each company’s already successful operations.
- (b) Introduce new products including hotelplanet’s luxury collection holiday packages, Seniors packages and higher margin leisure cruise holidays. The opportunity will be to expand travel services and increase sales by firstly promoting products on the east coast, and secondly by cross-selling them via Asia Escape to its network of 3,000 travel agents.
- (c) Maintain a strong positioning in Western Australia while expanding on the east coast as the preferred online travel and tour service provider.
- (d) Maintain and continue to invest in information technology to allow for enhanced virtual reality searching and seamless transaction and ticketing for online users.
- (e) Develop new online booking engines in the high volume leisure travel areas of Asia, North America, the South Pacific and Europe.
- (f) Leverage each company in the group to enable significant target marketing and cross-selling of the enhanced ATG product range.
- (g) Enhance buying power with suppliers and key partners across the airline and cruise industry, negotiating better commercial terms and strategic alliances with its existing suppliers and service providers.
- (h) Deliver operational efficiencies in areas such as product sourcing, advertising, marketing, finance, technology design and development.

ATG intends to use funds raised under the Public Offer to assist in achieving the above objectives. Please refer to Section 1.7 for a more detailed breakdown of the use of funds.

Total Transaction Value (TTV) of combined Travel Service Companies
Holiday Planet, Asia Escape and Motive Travel combined

FY2011	\$88m
FY2012	\$87m
FY2013	\$84m
FY2014	\$86m
FY2015	Forecast \$100m

3. Business Overview *continued*

3.3 About the travel service companies

About Holiday Planet

Holiday Planet is one of the largest privately owned online travel companies in Australia, focusing the majority of its business on the higher margin leisure industry. It is one of a small number of Emerald Platinum Agents in Australia for Princess Cruises, having operated profitably since inception in 2001 with average annualised TTV exceeding \$36 million per annum for the past 4 financial years. Holiday Planet is one of Australia's most diversified online retail travel groups with sites across all key sectors of leisure travel including 'Holidays-Cruise-Flights-Hotels'.

Since the move into more luxurious style holidays and cruises, as well as the launch of the "luxury collection", average Holiday Planet booking values have increased by 70%. This is with a substantial increase in overall margins.

Two of the current sites offer online search and booking engines as well as a customer call centre. By late 2014 a new booking engine is planned to service the burgeoning global cruise market with a search-book-pay online service applying to 80% of the world's leading cruise lines. This will position Holiday Planet to take advantage of projected 30% plus growth in the Australian cruise market.

In mid 2015 the planned installation of a new online booking engine is expected to provide consumers with a Search-Book-Pay service across air and land packages to high volume destinations in Asia.

As a subsidiary of ATG, Holiday Planet's multi-pronged business approach will involve a clear growth strategy. It includes development of five websites including holidayplanet.com.au, cruiseplanet.com.au, flightplanet.com.au, hotelplanet.com.au, and the new seniorsplanet.com.au, and as mentioned the installation of the new cruise-booking engine in December 2014, and the development of two new booking engines to be installed mid to late 2015.

Cruise numbers are predicted to be over one million passengers by mid 2015 and this is considered the single biggest growth area in leisure.

Holiday Planet will also continue the roll out of its "Luxury Collection" program. This on the back of a successful campaign in late 2013 where it launched four programs over five continents. This involved high-end luxury holiday packages including tours, cruises, safaris and rail.

Holiday Planet will also expand their long haul holiday packages to the United Kingdom, Europe, North America-Africa and South America.

About Asia Escape Holidays

After commencing operations in 1997 Asia Escape has grown from a single destination, single airline wholesaler to its current size whereby it offers accommodation and travel options to 10 countries throughout Asia and the Indian Ocean region. Offers include all the main airlines servicing that region, plus 15 cruise companies operating out of that region's major tourist ports. Today Asia Escape sells its wholesale travel program throughout Australia across a network of more than 3000 retail travel agents. Asia Escape has achieved an annual average TTV of over \$30 million over the last 4 financial years.

This strong wholesale distribution network has enabled Asia Escape to secure preferred distribution agreements with many of Australia's leading retail travel groups. During the past two years Asia Escape has significantly expanded its distribution footprint into the east coast Australian market with its east-west coast distribution split having strengthened substantially during that period.

Geographically located in Perth and sharing a key Asian time zone, a strong Asian product focus gives Asia Escape a significant natural advantage over many of its wholesale travel east coast based competitors. In the last 18 months the company has expanded its distribution split from a predominately west coast (90%:10%) split to its current split of (75%:25%). By the end of 2015 Asia Escape Holidays aims to generate 50% of its revenue from the east coast of Australia. An expanding east coast sales team, a growing east coast marketing program and dedicated east coast customer service staff are proposed in the short term to ensure targets are achieved.

Asia Escape's strong product focus will greatly strengthen ATG's ability to provide wholesale tourism services, not only to the overall industry, but also to Holiday Planet and Motive Travel.

About Motive Travel

Established in 1973, Motive Travel is one of Western Australia's largest independently owned travel agencies. Motive Travel provides specialised travel services both inbound and outbound in many areas including corporate business travel, holiday and leisure travel, sports teams and corporate group travel, escorted group tours including sporting event destinations as part of the itinerary.

Motive Travel has Qantas Platinum travel agent status. This affiliation strengthens the company's market credibility and provides customer reassurance.

3. Business Overview *continued*

Motive Travel has a loyal team of 16 experienced, professionally trained and qualified travel consultants with long standing careers. Motive Travel's expertise, especially in the high-end retail, business and group areas of the travel sector will add substantially to ATG's ability to achieve its business objectives.

3.4 ATG's Business Model

Following the Acquisitions ATG's primary objective is to maximize Shareholder value through growth opportunities. The combined entities intend to deliver expanded wholesale, retail and specialist group tourism through their online travel services platform.

By coming together as a group each individual travel service company will be able to combine and leverage off each other, enhancing their already successful position in the travel market.

Current business model of individual travel companies

Pre consolidation and prior to becoming part of an ASX listed group, each travel company has been operating as a stand-alone business. Holiday Planet and Motive Travel are online and offline travel agencies focused on servicing the Western Australian market, Asia Escape is a travel wholesale business servicing over 3,000 travel agents throughout Australia, including the east coast.

As separate entities each business has achieved sustained profits in a highly competitive environment. This has been achieved by generating funds from organic growth, consistency in the quality of their operational performance, and due to the leadership of their experienced management teams.

The directors of each company have recognised that in order to achieve their growth strategies including increasing revenue, leveraging their existing assets, and expanding their geographical coverage, it would be advantageous to change their business model. As outlined in ATG's Business Objectives in Section 3.2 above, the changed business model combines each company and forms a vertically integrated online travel services company. As a result Holiday Planet, Asia Escape and Motive Travel will benefit from their combined synergies. As a group they will be able to reach size and scale with greater bargaining power with suppliers, increased presence on the east coast of Australia, economies of scale and operational efficiencies. They will also be able to introduce new and on-trend products with higher margins, and an enhanced distribution network that couldn't be achieved as separate and stand alone entities.

New business model of ATG

ATG intends to become a significant new force in the Australian travel sector. It plans to do this by expanding its distribution channels, focusing on the higher margin leisure market, introducing advanced information technology platforms and functionality, introducing new product lines that are on-trend including cruise packages, luxury holiday packages, and speciality group tours.

In addition, under the new business model ATG will strive to achieve operational efficiencies across the group of travel companies to strengthen earnings.

3. Business Overview *continued*

Pre-Acquisition Business Model



Red Gum Resources Limited
ASX Listed (ASX Code: RGX)
 Junior mining exploration company
Red Gum Resources Chile Pty Ltd
Red Gum Resources Peru Pty Ltd

Travel Agency



Online Travel Agent

- Leisure Travel industry
- Holiday Packages
- Flights
- Hotels
- Cruises
- Luxury Collection Program

Online Travel Products

www.cruiseplanet.com.au
www.flightplanet.com.au
www.hotelplanet.com.au

Customer Call Centre

Average annualised TTV is over \$34M⁹

- Over 50,000 travellers on Holiday Planet's customer database
- High brand focus in Western Australia
- Private company situated in WA
- Focusing on high margin travel

Holiday Planet sources travel products directly and from wholesalers. Their websites allow customers to book flights and accommodation via a booking reservation system.

Travel Wholesaler



Travel Service Wholesaler

- Offers accommodation and travel options to 10 countries throughout Asia and Indian Ocean
- Flights, Hotels & Cruises
- Access to 15 cruise companies in the region
- Growing east coast market

www.asiaescapeholidays.com

Online eCommerce platform for travel agents to access.

Average annualised TTV is over \$30M⁹

- Operates on the east and west coast of Australia
- Provides wholesale travel services to a network of 3,000 Travel Agents
- Preferred distribution agreements with many of Australia's leading retail travel groups

Asia Escape offers products to travel agents, including accommodation, flights, cruises, and tours throughout Asia.

Specialist Travel Agency



Specialist Retail and Group Travel Agency

- Corporate business travel
- Holiday leisure travel
- Corporate groups
- Sporting events and packages

www.motivetravel.com.au

Strong retail travel agency presence

Average annualised TTV is approximately \$19M¹⁰

- Established in 1973
- Private company based in Western Australia
- Long standing employees
- High-end leisure travel specialising in inbound and outbound group travel
- Includes special interest group holiday packages in combination with sports, arts, music events etc.

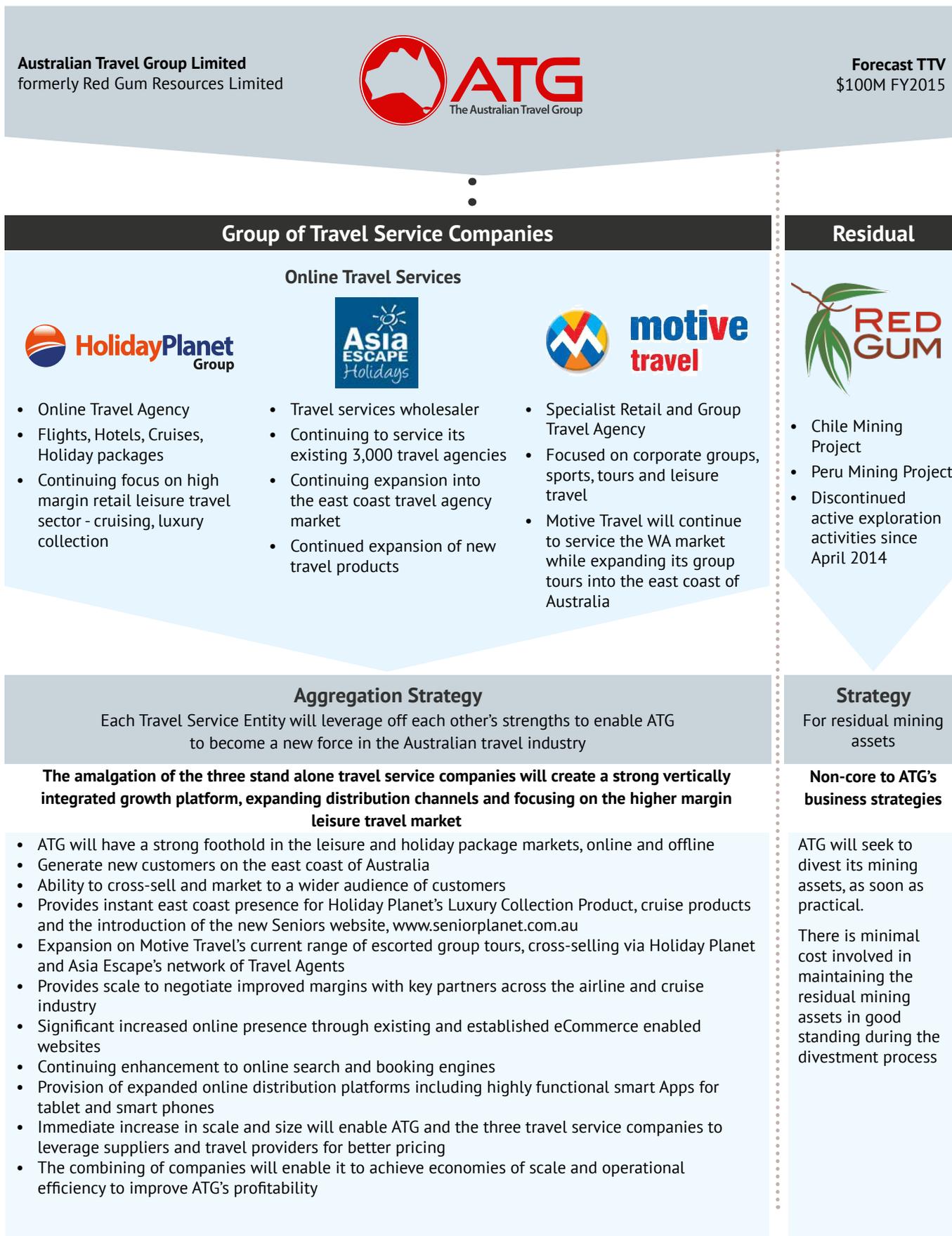
Motive Travel offers air travel, cruise travel, hotel reservations, car rental, coach travel and rail travel bookings, as well as escorted group tours.

⁹ For past 4 financial years including FY2011, FY2012, FY2013 and FY2014.

¹⁰ For past 3 financial years including FY2012, FY2013 and FY2014.

3. Business Overview *continued*

Post-Acquisition Business Model



3. Business Overview *continued*

3.5 Technology Overview

Key to ATG's success is the utilisation of a range of technologies to suit the requirements of each of its business divisions. These include:

Airline Flight Bookings

Through existing relationships with Holiday Planet, Asia Escape and Motive Travel ATG will continue to maintain contracts with various global distribution systems.

Online Hotel Bookings

ATG will continue to use the Expedia "white label" system allowing consumers to book-pay online hotel accommodation with immediate confirmation.

Online Cruise Bookings

ATG will utilise Holiday Planet's new "Online Cruise Booking system" from December 2014. This booking system covers 80% of the world's leading cruise companies. The system provides an easy search-booking system.

Wholesale Leisure Bookings

ATG will utilise the Australian designed online system, "Calypso". This is widely used by some of the sector leaders including Flight Centre and Qantas Holidays. Calypso allows retail travel agents to book air and land packages online and receive immediate confirmation.

Smartphone and Tablet Enabled Access

ATG intends to allocate funding to enable smartphone and tablet enablement across all of its retail divisions during 2015.

3.6 Relationships with travel service providers

Holiday Planet, Asia Escape Holidays and Motive Travel have current arrangements with a number of travel service providers including:

Sabre

The world's leading provider of technology solutions for the travel and tourism industry. It includes data-driven business intelligence, mobile, distribution and Software as a Service solutions used by travel suppliers (airlines, hotels, car rental outlets, railways, cruise lines and tour operators) and travel buyers (travel agencies, travel management companies and corporate travel departments) to plan, market, sell, serve and operate their business.

Expedia Affiliate Network

Holiday Planet is an Expedia Affiliate.

Emirates

Emirates offers flights to over 140 destinations worldwide spanning six continents. From Australia, Emirates flies one-stop to over 35 European cities and offers triple daily flights from Sydney, Melbourne and Perth, double daily from Brisbane and daily flights from Adelaide.

Etihad Airways

Etihad Airways is the flag carrier airline of the United Arab Emirates. Established by royal decree in July 2003 and based in Abu Dhabi, Etihad commenced operations in November 2003. Etihad Airways flies to 120 destinations and is one of the world's fastest growing airlines.

Qatar Airways

Qatar Airways is world renowned for offering superior levels of excellence through their 5 star experiences since operating from 1993.

Now servicing over 140 destinations worldwide, destinations include New York, Edinburgh, Paris, Istanbul and many more.

Qatar Airways is the only Middle Eastern Carrier to be a part of the oneworld alliance.

The Skytrax 2014 Best Airline in the Middle East Award has been given to Qatar Airways for the eighth time.

Cathay Pacific

Cathay Pacific is the heart of Asia. Cathay Pacific fly scheduled passenger and cargo services to 188 destinations in 42 countries.

Qantas

Qantas the spirit of Australia is the second oldest airline in the world and is ranked as one of the world's safest airlines. Carrying nearly 50 million passengers per year, Qantas is Australia's largest airline.

Virgin Australia

Virgin Australia was launched in 2000 and has since established itself as a contemporary, full service airline with a reputation for exceptional customer service. The Virgin Australia Group employs more than 10,000 people in Australia, New Zealand, the United States and the United Kingdom. Virgin Australia has strategic alliances with four key airline partners: Air New Zealand, Delta Air Lines, Etihad Airways and Singapore Airlines, providing customers with access to over 450 destinations worldwide.

Royal Caribbean

Royal Caribbean International, owned by Royal Caribbean Cruises Ltd., is a cruise line brand founded in Norway and based in Miami, Florida in the United States of America.

3. Business Overview *continued*

Celebrity Cruises

Celebrity Cruises is a cruise line founded in 1988 by the Greece-based Chandris Group. In 1997, Celebrity Cruises Ltd. merged with Royal Caribbean International to become Royal Caribbean Cruises. Celebrity Cruises provide luxury cruising.

Azamara Club Cruises

Azamara Club Cruises provides an up-market voyage experience reaching out-of-the-ordinary destinations in the Mediterranean, Northern and Western Europe, Asia, South America, the West Indies and North America.

Cover-more Travel Insurance

A specialist and integrated travel insurance and medical assistance provider with approximately 40% market share in the Australian travel industry market and a growing footprint in Asia.

Cunard

Since its founding in 1839, Cunard has perfected the legendary adventure of cruising with an unrivalled sense of glamour, sophistication and romance. To travel with Cunard is to step back into the golden age of ocean travel, to a time where liners at sea were the embodiment of the good life.

Queen Mary 2 is the largest and most luxurious ocean liner ever made, while sister ships Queen Elizabeth and Queen Victoria are testament to Cunard's devotion to offering their passengers a truly unforgettable travel experience.

Princess

Known as the Destination Experts, Princess Cruises visits more than 330 ports around the world. Locally, passengers enjoy departures from Sydney, Brisbane, Melbourne and Fremantle with year round cruises to New Zealand and South Pacific, as well as around Australia and longer Round-World Cruises.

P&O

With a local cruising history of 80 years, P&O Cruises is Australia's most loved cruise line. From the Pacific Islands, Papua New Guinea and New Zealand, to the best of Australia's east and southern coasts, P&O Cruises delivers some of the southern hemisphere's most incredible destinations.

Each of the fleet's three ships offers incredible and varied dining choices, entertainment from day into night and activities for all tastes and moods, and the largest shore tour program in the region.

P&O Worldwide

With Britain's largest fleet, P&O Cruises World Cruising has long earned its reputation as a leader in world cruising. Since pioneering cruise holidays 175 years ago P&O Cruises World Cruising has been redefining, developing and perfecting them ever since.

The exceptional choices and services, P&O Cruises World Cruising provides memorable experiences and fulfils lifelong travel dreams.



3. Business Overview *continued*

3.7 Accreditations

Australian Federation of Travel Agents (“AFTA”)

The Australian Federation of Travel Agents Limited (AFTA) is the peak body for Australia’s travel agents and represents the majority of travel agents in Australia. AFTA aim to stimulate, encourage and promote travel, and to uphold the interests of travel agents who form a vital part of Australia’s highly specialised travel and tourism industry. Holiday Planet, Motive Travel and Asia Escape are members of AFTA.

Independent Travel Group

The Independent Travel Group is designed to enable independent agents increase their profits and empower their growth in a highly competitive market. Holiday Planet is a current member of the Independent Travel Group.

QANTAS Platinum Accreditation

Motive Travel holds Qantas Platinum travel agent status as recognition of Motive Travel’s support for the national carrier, Qantas. This status benefits Qantas customers as well as Emirates customers following the announcement of the Qantas/Emirates alliance.

Travel Agents Accreditation Scheme (“ATAS”)

ATAS is an industry accreditation scheme setting the benchmark of quality for the travel industry. Travel intermediaries meeting the requirements of ATAS are awarded national accreditation and receive the right to use the ‘ATAS - travel accredited’ branding, a symbol of quality and professionalism. Motive Travel is currently a member of ATAS. Asia Escape is in the process of becoming an ATAS member, while Holiday Planet is not currently a member but intends to arrange its membership to ATAS.

Cruise Lines International Association (“CLIA”)

CLIA affiliation identifies travel agencies as being authorities on selling cruise holidays, with accredited cruise consultants. Motive Travel is a CLIA Affiliate.



3. Business Overview *continued*

3.9 Key Event History

Holiday Planet

Year	Key Event
FY2001	Premier Travel Centre founded by Alan Dodson
FY2002	Michael Croy, Operations Director joins the company
FY2005	Launch of Holiday Planet
FY2007	Launch of cruiseplanet
FY2011	Launch of flightplanet
FY2012	Launch of hotelplanet
FY2013	Princess Emerald status achieved early 2014
FY2014	Launch of "The Luxury Collection Series" of 4 to 5 star holidays across Africa and around the world holiday packages
FY2014	cruiseplanet's new booking engine to launch December 2014
FY2015	Seniors Planet product estimated to launch in January 2015

Asia Escape

Year	Key Event
FY1997	Bali Escape Holidays Launch – the start of Asia Escape Holidays
FY2002	Asia Escape Holidays Launch and Expansion into Thailand
FY2004	Expansion of key destinations in Asia including Singapore and Malaysia
FY2007	Commenced working on Calypso Wholesale Booking System
FY2008	Expansion into Cruise Wholesaling
FY2009	Expansion into Japan, Hong Kong, Vietnam & Cambodia
FY2011	Expansion into Worldwide cruising
FY2012	Expansion into Indian Ocean destinations Mauritius and Maldives
FY2012	Expansion of Agent distribution network to include all key capital cities around Australia via national preferred contracts

Motive Travel

Year	Key Event
FY1989	George Michalczyk acquires ownership of Motive Travel, (established in 1973 by Clive Nelthorpe and Mike Nevin).
FY2003	Motive Travel gains Qantas Platinum Agent status and has maintained this status every year since.
FY2003	Launch of Motive Travel's highly sought after horse racing tours, starting with the Dubai World Cup tour and extending to Kentucky Derby, Cox Plate and Royal Ascot tours.
FY2006	The first Motive Travel website launched.
FY2012	Acquisition of VisitWA online to enhance the online booking capacity of Motive Travel's inbound division, Motive Tours.
FY2014	25 year anniversary of consistent growth under the direction of George Michalczyk.



4.
Details of the
Offer

4. Details of the Offers

4.1 The Offer

The Offers consist of the Public Offer and the Vendor Offer.

Public Offer

Pursuant to this Prospectus, the Company invites applications for 15,000,000 Shares at an issue price of \$0.20 per Share, together with one (1) free attaching Option exercisable at \$0.25 per Share on or before 15 November 2017 for every two (2) Shares subscribed for and issued, to raise \$3,000,000.

The Company may accept over subscriptions of up to a further \$2,000,000 through the issue of up to a further 10,000,000 Shares at an issue price of \$0.20 per Share and 5,000,000 free attaching Options under the Public Offer (**Over Subscriptions**). The maximum amount which may be raised under this Prospectus is therefore \$5,000,000.

The Shares offered under the Public Offer will rank equally with the existing Shares on issue, the terms and conditions of which are set out in Section 11.5. The Options offered under Public Offer will be issued on the terms and conditions set out in Section 11.6 of this Prospectus.

Vendor Offer

This Prospectus also includes a separate offer of 33,750,000 Consideration Shares and 1,500,000 Convertible Notes (total value of \$1,500,000) to the Vendors in part consideration for the acquisition of 100% of the issued capital in Holiday Planet, Asia Escape and Motive Travel. Summaries of the relevant Acquisition Agreements are set out in Section 10.1 of this Prospectus. Information relating to the business of these entities is set out in Section 3.3 of this Prospectus.

The Consideration Shares offered under this Prospectus will rank equally with the existing Shares on issue, the terms and conditions of which are set out in Section 11.5. The Convertible Notes offered under the Vendor Offer will be issued on the terms and conditions set out in Section 11.7 of this Prospectus.

4.2 Minimum Subscription

If the Public Offer of \$3,000,000 (**Minimum Subscription**) has not been raised within four (4) months after the date of this Prospectus, or such longer period as is permitted by the Corporations Act, the Company will not issue any Securities and will repay all application monies for the Securities within the time prescribed under the Corporations Act, without interest.

4.3 Applications

Applications for securities under the Public Offer must be made using the Application Form.

Applications for securities must be for a minimum of 10,000 Shares (and associated Options) and thereafter in multiples of 1,000 Shares (and associated Options) and payment must be made in full at the issue price of \$0.20 per Share (and nil for the Options, as they are free attaching).

Completed Application Forms and accompanying cheques, made payable to "Red Gum Resources Limited" and crossed "Not Negotiable", must be mailed to the address set out on the Application Form so that it is received by no later than the Closing Date.

The Company reserves the right to close the Public Offer early.

4.4 Re-compliance with Chapters 1 and 2 of the ASX Listing Rules

On and from the date of the Extraordinary General Meeting, the Company's Shares will be suspended from quotation on the ASX. Provided Shareholders approve the resolutions put forth at the Extraordinary General Meeting (including a change in the nature and scale of the Company's activities), the Company's Shares will continue to be suspended from trading and will not be reinstated to Official Quotation until ASX approves the Company's re-compliance with Chapters 1 and 2 of the ASX Listing Rules.

In the event that the Company does not receive conditional approval for re-quotation on ASX, it will not proceed with the Public Offer and will repay all application monies received.

4.5 ASX listing

Application for Official Quotation by the ASX of the Shares and Options offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus.

If the Shares and Options are not admitted to Official Quotation by the ASX before the expiration of 3 months after the date of issue of this Prospectus, or such period as varied by the ASIC, the Company will not issue any Shares and Options and will repay all application monies for the Shares and Options within the time prescribed under the Corporations Act, without interest.

The fact that the ASX may grant Official Quotation to the Shares and Options is not to be taken in any way as an indication of the merits of the Company or the Shares and Options now offered for subscription.

4. Details of the Offer *continued*

4.6 Issue

Subject to the Minimum Subscription to the Public Offer being reached and the ASX granting conditional approval for the Company to be admitted to the Official List, the issue of Securities offered by this Prospectus will take place as soon as practicable after the Closing Date.

Pending the issue of the Securities or payment of refunds pursuant to this Prospectus all application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

The Directors will determine the allottees of all the Shares and Options in their sole discretion. The Directors reserve the right to reject any application or to allocate any applicant fewer Shares and Options than the number applied for. Where the number of Shares and Options issued is less than the number applied for, or where no allotment is made, surplus application monies will be refunded without any interest to the Applicant as soon as practicable after the Closing Date.

Holding statements for Shares and Options issued to the issuer sponsored sub register and confirmation of issue for Clearing House Electronic Sub register System (CHESS) holders will be mailed to Applicants being issued Shares and Options pursuant to the Public Offer as soon as practicable after their issue.

4.7 Applicants outside Australia

This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

No action has been taken to register or qualify the Securities or otherwise permit a public offering of the Securities the subject of this Prospectus in any jurisdiction outside Australia. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consent are required or whether any other formalities need to be considered and followed.

If you are a resident outside of Australia it is your responsibility to obtain all necessary approvals for the allotment and issue of the Securities pursuant to this Prospectus. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by you that all relevant approvals have been obtained.

4.8 Not underwritten

The Public Offer is not underwritten.

4.9 Commissions payable

The Company reserves the right to pay a commission of up to 6.5% (exclusive of goods and services tax) of amounts successfully subscribed through any Australian financial services licensee in respect of any valid applications lodged and accepted by the Company and bearing the stamp of the Australian financial services licensee. Payments will be subject to the receipt of a proper tax invoice from the Australian financial services licensee.



5.
Board &
Management

5. Board & Management

5.1 Proposed Board of Directors

In accordance with the terms of the Agreements, Alan Dodson will be appointed as Executive Chairman, Michael Croy Operations Director and Mason Adams Wholesale Director of the Australian Travel Group. The appointments will take place on and from Settlement.

Alan Dodson

Executive Chairman



Alan Dodson was founder of The Holiday Planet Group in May 2001. Alan has successfully guided the company since its inception and has spent in total more than 38 years in the travel industry both in Australia and the United Kingdom. Alan's key responsibilities within ATG will include company development, finance and overall Sales and Marketing Strategy. Upon listing it is proposed Alan will become Executive Chairman of ATG.

Michael Croy

Operations Director



With over 30 years prior experience in the travel industry, Michael Croy joined Holiday Planet in 2002. Michael has extensive knowledge of international and domestic tourism markets having served with Jetset Travel for some 22 years, including the latter 19 years of which he was WA State Manager. Michael's current responsibilities at Holiday Planet include information technology management and recruitment in addition to the overall logistical and operational management. Upon listing it is proposed Michael will become an executive director of ATG.

Mason Adams

Wholesale Director



Mason Adams joined Asia Escape Holidays shortly after its inception and has some 17 years of travel experience particularly in wholesale travel and leisure. Within Asia Escape Mason's key responsibilities have included overall management of that company's wholesale distribution channels, marketing and promotion. Asia Escape's wholesale reach has grown from 85 agents to over 3,000 travel agents throughout Australia. Following acquisition of Asia Escape, and upon listing, Mason will become an executive director of ATG responsible for wholesale activities.¹¹ Mason holds a Bachelor of Business from Edith Cowan University.

Jennifer Tobin

Non-Executive Director



Jennifer Tobin is currently a non-executive director of Red Gum Resources Limited. Jennifer is a partner with the law firm Minter Ellison having 20 years' experience in corporate law and mining, oil and gas law. Her specialities are in corporate law (mergers and acquisitions, corporate governance, ASX compliance, IPOs and other capital raisings, risk management and general commercial matters).

Jennifer's corporate experience covers a broad range of commercial and resources projects including advising on major projects, international transactions and foreign investment, capital raisings, and acquisition of companies and businesses. Jennifer has also been a director of a number of public companies and is familiar with corporate governance issues.

In 2013 and 2014, she was selected as one of Australia's 'Best Lawyers' for Corporate Governance and Oil & Gas. Jennifer holds LL.B and B.A. degrees from the University of Adelaide, and is a member of AICD, the Corporations Committee of the Business Law Section of the Law Council of Australia and the SA Branch of the Resources and Energy Law Association (AMPLA).

Upon reinstatement Jennifer will remain on the Board as an independent, non-executive, director of ATG.

¹¹ Mr Adams is a Director of Three Five Three (WA) Pty Ltd (Three Five Three), a company which has an administrator appointed and has been placed into liquidation at the resolution of creditors since July 2014. The administrator is still in the process of finalising the affairs of Three Five Three. Mr Adams has advised the Board that he expects to be personally liable for approximately \$40,000 in outstanding debts owing to Three Five Three.

5. Board & Management *continued*

5.2 Senior Management

The Company is aware of the need to have sufficient management to properly supervise the business operations of the Company and its group of travel service companies. To ensure this occurs, apart from the intended appointment of Alan Dodson, Michael Croy and Mason Adams in their ATG managerial and operational roles as outlined in Section 5.1 above, ATG has retained the services of Red Gum Resources' existing Company Secretary and Chief Financial Officer. This will provide continuity of business knowledge and appropriate experience to ensure a seamless transition, particularly during the formative transitional phase following re-listing as ATG.

In addition, and subsequent to the completion of the Acquisitions each travel service company will retain the services of its existing senior management team as outlined below, to ensure the continuity of operational performance and the execution of business strategies for each separate entity.

Mal Lucas-Smith – Company Secretary

As outlined in Section 1.4 Mal Lucas-Smith is experienced in finance, executive and non-executive management, and has for the past 20 years provided company secretarial services for a variety of public companies listed on the ASX, including Red Gum Resources Limited.

Vicky Allinson – Chief Financial Officer

Vicky is a Fellow of The Association of Certified Chartered Accountants and a member of the Governance Institute of Australia. She has over 25 years accounting and auditing experience, including senior accounting positions in a number of listed companies and an audit manager for Deloitte Touche Tohmatsu. Vicky is currently Company Secretary and Chief Financial Officer for a number of ASX listed companies, including Rampart Energy Ltd and Tregre Leisure and Entertainment Ltd

Holiday Planet Group

Alan Dodson – Managing Director

Alan is the founder of Holiday Planet and is responsible for company development, finance and overall sales and marketing strategy. Upon listing Alan will become executive Chairman of ATG.

Michael Croy – Operations Manager

Michael joined Holiday Planet in 2002 and is responsible for information technology management, recruitment and overall logistical and operational management. Upon listing it is proposed Michael will become an executive director of ATG responsible for operations.

Sharon Bacich - General Manager

Sharon has over 17 years in the retail travel industry and previously held senior positions at Flight Centre. Sharon has been employed by Holiday Planet for over twelve years. Her key responsibilities include staff management-consumer relations & supplier training.

Alex Bell - Accounts Manager

Alex has over 14 years experience in accounting and has been with Holiday Planet for over seven years. She has extensive experience in financial management. Alex's key responsibilities include financial reporting and payroll.

David Doran – flightplanet Manager

David has over 10 years experience in online retail travel & corporate travel. Prior to joining Holiday Planet he was employed by Best Flights and Corporate Travel Management in managerial roles. His key responsibilities include development of the flightplanet program and UK/Europe long haul Tour Program.

Sam Titley - Cruise Manager

Over 17 years in the Cruise Industry previously with Carnival Corporation. He joined Holiday Planet in January 2012. Key responsibilities include development of the cruiseplanet online & offline programs.

5. Board & Management *continued*

Aliesha Mason - Call Centre Manager

Joined the Holiday Planet Group in January 2007. Key responsibilities include monitoring the Call Centre Staff and KPI Performance throughout the Call Centre.

Kelly Mchugh & Fleur Naughton - Senior Managers

Kelly joined the Holiday Planet Group in March 2006 and Fleur in October 2003. They have shared responsibilities to monitor a team of sales consultants and KPI Performance.

Asia Escape

Mason Adams – Managing Director

Mason has had 17 Years in wholesale travel. Previously Mason was responsible for all product development and marketing of the business. He is currently responsible for the day-to-day management of the business, all currency requirements, and the product buying for Japan. Mason will become an executive director of ATG responsible for group wholesale activities.

Sally Edwards – National Sales Manager

Sally has 34 years experience across both retail and wholesale in various sales positions. Prior to joining Asia Escape Holidays Sally had 10 years in retail with Thomas Cook UK, a further 12 years in retail travel in Perth, and in the past 12 years in wholesale Sales Manager positions. Sally oversees the on road sales executives and internal sales team on a national basis.

Jamie O'Brien – Product Manager

Jamie has had 20 years wholesale travel experience and is responsible for managing the team of product buyers. He also manages the product buying and product development of Indonesia.

Peter Dolman – Operations and Finance Manager

Peter has 35 years experience in Wholesale, Airline, Retail, GDS system and AFTA Training travel college. He is responsible for managing the accounts team, overseeing all operations aspects of the business, and managing all non-Calyпсо information technology.

Neil Giolitto – Systems Development Manager (Calyпсо)

Neil has 27 years experience in wholesale travel. Prior to joining Asia Escape Holidays Neil has had extensive experience in finance, reservations, groups, airfares and ticketing. He is currently responsible for managing the Calypso system, the product load and system development and distribution team throughout Australia.

Carlene Henderson – Customer Services Manager

Carlene has had 11 years experience in wholesale travel. Carlene is responsible for the management of the call centre Customer Service team.

Motive Travel

George Michalczyk – Manager

George has owned and operated Motive Travel for 27 years. George will continue as a full time executive within ATG having managerial responsibility for the group travel division.

Terri Maine – IT Manager/Senior Travel Consultant

Terri has 38 years of experience in the travel industry, 25 of those years with Motive Travel. A specialist in corporate and leisure travel, Terri is now an integral part of the management and decision making team and manages all the IT operations, GDS systems and office hardware.

Alison Hollingworth – Office Supervisor/Senior Travel Consultant

Alison has been with Motive Travel for over 3 years and has over 33 years' experience in travel covering corporate, leisure and wholesale travel as well as experience as a travel lecturer. She has also been a Tour Escort and is a Master Accredited Cruise Consultant, having achieved the highest standard of cruise industry training via the internationally recognised Cruise Lines International Association.

Michelle Blakely – Accounts Manager

Michelle has over 27 years experience in the travel industry including leisure and corporate travel, airline, GDS and travel accounting systems experience. Michelle has been with Motive Travel for over 15 years and is responsible for managing the accounts team, finance and overseeing payroll and HR.



6.
Financial
Information

6. Financial Information

6.1 Introduction

Background

The Company has convened an Extraordinary General Meeting to be held on 27 November 2014, seeking Shareholder approval to proceed with an offer of Shares and Options to the Public to fund the Acquisitions.

In addition, the Company is seeking to raise a minimum of \$3,000,000 and a maximum of \$5,000,000 through the Offer of shares outlined in this Prospectus to fund the acquisition of 100% of the issued capital of:

- Holiday Planet Pty Ltd;
- Keygate Holdings Pty Ltd trading as “Asia Escape”; and
- Jaecer Holidays Pty Ltd trading as “Motive Travel”.

Each company will be a subsidiary of the parent company ASX listed, Red Gum Resources Limited (to be renamed Australian Travel Group Limited (“ATG”). Collectively, they are referred as the “Travel Service Entities”.

Reporting Structure following Completion of Offer

Post completion of the Offer and Acquisitions, Red Gum (to be renamed Australian Travel Group) will comprise:

- An ASX listed parent entity, Australian Travel Group Limited (formerly Red Gum Resources Limited)
- Red Gum Resources (Chile) Pty Ltd;
- Red Gum Resources Chile SPA;
- Red Gum Resources (Peru) Pty Ltd;
- Central Peru Resources SAC;
- Holiday Planet Pty Ltd;
- Key Gate Holdings Pty Ltd (trading as “Asia Escape”); and
- Jaecer Holdings Pty Ltd (trading as “Motive Travel”)

The impact of the Offer and Acquisitions has been reflected in the presentation of the Pro forma Financial Information (as defined below) as though the structure had been in place since 30 June 2014. The transactions involving the purchase of Holiday Planet, Asia Escape and Motive Travel have been treated as a single acquisition whereas the assets and liabilities are consolidated at their existing carrying value with the difference between the consideration paid and carrying value of net tangible assets recognised within “goodwill”. Further details regarding the basis of preparation for the Pro forma Financial Information are set out in Section 6.2.

While there is no requirement under Australian Accounting Standards to do so, if ATG were to adopt a fair value approach in accounting for the internal restructure and presenting the Statement of Financial Position at 30 June 2014, it would require an assessment of the fair values of assets and liabilities at that date. This assessment will likely result in different values being ascribed to tangible assets such as property plant and equipment and to intangible assets (including goodwill) should there be an increase in these values. The assessment may also result in the recognition of other assets and liabilities. The increase in values and recognition of other assets and liabilities would impact earnings in future years, particularly through higher depreciation and amortisation charges.

Overview of financial information

The financial information contained in Section 6 includes:

- Audited Historical Financial Information for Red Gum, being the:
 - audited statement of profit and loss for FY2011, FY2012, FY2013 (Historical Profit and Loss Results)
 - audited historical statement of financial position as at 30 June 2011, 30 June 2012, 30 June 2013 and 30 June 2014 (Historical Balance Sheet)
 - audited historical cash flow statements for FY2011, FY2012, FY2013 (Historical Cash flows)
- Individually audited historical Financial information for the aggregated group of Holiday Planet, Asia Escape and Motive Travel (“Travel Service Entities”)
 - audited statement of profit and loss for FY2011, FY2012 and FY2013 (Historical Profit and Loss Results)
 - audited statement of profit and loss for FY2014 for Motive Travel (Historical Profit and Loss Results)
 - audited review of profit and loss up to 30 April 2014 for Holiday Planet and Asia Escape (Historical Profit and Loss Results)

6. Financial Information *continued*

- audited historical statement of financial position as at 30 June 2011, 30 June 2012 and 30 June 2013 (Historical Balance Sheet)
- audited historical statement of financial position as at 30 June 2014 for Motive Travel (Historical Balance Sheet)
- audited review of historical statement of financial position as at 30 April 2014 for Holiday Planet and Asia Escape (Historical Balance Sheet)
- pro forma historical cash flow statements for FY2011, FY2012, FY2013 and FY2014 (Pro forma Historical Cash flows) (together, the “Historical Financial Information”)
- Pro forma historical financial information for the aggregated group of Red Gum, Holiday Planet, Asia Escape and Motive Travel (“ATG”)
 - pro forma historical statement of profit and loss for FY2014 (Pro forma Historical Profit and Loss Results)
 - pro forma historical statement of financial position as at 30 June, 2014 (Pro forma Historical Balance Sheet)
 - pro forma historical cash flow statement for FY2014 (Pro forma Historical Cash flows) (together, the “Pro forma Historical Financial Information”)
- Pro forma forecast financial information for the aggregated group of Red Gum, Holiday Planet, Asia Escape and Motive Travel (“ATG”)
 - pro forma forecast statement of profit and loss for FY2015 (Pro forma Forecast Results)
 - pro forma forecast cash flow statement for FY2015 and CY2015 (Pro forma Forecast Cash flows) (together, the “Pro forma Forecast Financial Information”)
- Please note ATG will only be formed and operating for a period of 7 months, notwithstanding the transaction is deemed to have occurred at 30 June 2014.

Also contained in this Section are:

- key operating metrics;
- ATG’s management discussion and analysis;
- current and incoming Directors’ best estimate general and specific assumptions underlying the Forecast Financial Information;
- Sensitivity analysis of the Forecast Financial Information to changes in certain key forecast assumption; and
- ATG’s proposed dividend policy.

The Historical Financial Information, the Pro forma Historical Financial Information and the Pro forma Forecast Financial Information together form the “Financial Information”. The information in Section 6 should also be read in conjunction with the risk factors set out in Section 7 and other information contained in this Prospectus.

All amounts disclosed in the tables in this Section 6 are presented in Australian dollars.

The Investigating Accountant’s Report on the Financial Information is set out in Section 8. Investors should note that past performance is not a guide to future performance.

6.2 Basis of preparation and presentation of the financial information

The current and incoming Directors of ATG are responsible for the preparation of the Financial Information.

Overview

The Financial Information has been prepared and presented in accordance with the recognition and measurement principles of the Australian Accounting Standards (including the Australian Accounting Interpretations) (“AAS”), issued by the Australian Accounting Standards Board (“AASB”), consistent with International Financial Reporting Standards (“IFRS”) and interpretations issued by the International Accounting Standards Board (“IASB”). The Financial Information is presented in an abbreviated form and does not include all the disclosures, statements or comparative information as required by the Australian Accounting Standards applicable to general purpose financial reports prepared in accordance with the Corporations Act.

Accounting policies have been consistently applied to ATG throughout the periods presented and are set out in the Significant Accounting Policies section.

6. Financial Information *continued*

The Prospectus includes Pro forma Forecast Financial Information based on the best estimate assumptions of the current and incoming Directors. The Pro forma Forecast Financial Information presented in this Prospectus is unaudited. The basis of preparation and presentation of the Pro forma Forecast Financial Information, to the extent possible, is consistent with the basis of preparation and presentation for the Historical Financial Information, unless otherwise noted.

The information in Section 6 should be read in conjunction with the Key Risks set out in Section 1.4 and Section 7 and other information contained in this Prospectus.

Preparation of Pro forma Historical Financial Information for FY2014 and CY2015

The Pro forma Historical Financial Information for FY2014 has been prepared solely for inclusion in this Prospectus.

The Pro forma Historical Financial Information and Pro forma FY2014 have been derived from the Pro forma Historical Financial Information after adjusting for pro forma transactions. This was done to reflect the Company's operations following Completion of the Transaction as set out in Sections 6.4, 6.5 and 6.6.

The Pro forma Historical Financial Information for ATG for FY2014 consist of:

- the audited Historical Financial Information of Red Gum for FY2014;
- the audited Historical Financial Information of Motive Travel of FY2014;
- the audited reviewed results for the ten months to 30 April 2014 of Holiday Planet and Asia Escape;
- two months (May and June 2014) of unaudited management accounts for Holiday Planet and Asia Escape;
- the Pro forma Historical Financial Information to 30 June 2014 for Holiday Planet, Asia Escape and Motive Travel (collectively known as the Travel Service Entities); and
- Red Gum and the Travel Service Entities together are included in the Pro forma Historical Information for FY2014.

Investors should be aware pro forma adjustments were made in ATG's FY2014 Pro forma Historical Financial Information to eliminate non-recurring items, to reflect stand alone public company costs, and to reflect ATG's operating and capital structure following Completion of the Offer and Acquisitions.

Red Gum, subject to Shareholder and regulatory approvals, will be the legal acquirer of each of Holiday Planet, Asia Escape and Motive Travel. The accounting policies of the acquired group of Travel Service Entities used in the compilation of the Pro forma Historical Financial Information for FY2014 are outlined in the 'Significant Accounting Policies' in Section 12 of this Prospectus.

Upon completion of the Acquisitions, the business purpose of the Company going forward will change to the operational activities of the ATG. This will result in the need to consider and/or adopt new accounting policies.

Adjustments made to the Pro forma Financial Information in FY2014 reflect business combination benefits and cost integration impacts following the completion of the Acquisitions. It also includes adjustments for one-off or non-recurring costs as set out in Section 6.4.

Preparation of Pro forma Forecast Financial Information for FY2015

The Pro forma Forecast Financial Information consist of the current and incoming Directors' best estimate forecasts for the 12 months to 30 June 2015 as well as for the calendar year 2015 (CY2015).

In preparing the Pro forma Forecast Financial Information the current and incoming Director's have considered the current economic and operating conditions and best estimate assumptions regarding future events and actions as set out in Section 6.8. The Pro forma Forecast Financial Information is subject to the Key Risks set out in Section 1.4 and Section 7.

The inclusion of assumptions and key risks are intended to assist investors in assessing the reasonableness and likelihood of the assumptions occurring. They are not intended to be a representation the assumptions will occur. The Pro forma Forecast Financial Information presented in this Prospectus has been reviewed by RSM Bird Cameron Corporate Pty Ltd but has not been audited. Investors should note the scope and limitations of the Investigating Accountant's Report (refer Section 8).

Investors should be aware the timing of actual events and the magnitude of their impact may differ from what has been assumed in preparing the Pro forma Forecast Financial Information. This may have a material positive or material

6. Financial Information *continued*

negative effect on the Company's actual financial performance, or financial position. In addition, the assumptions in the Pro forma Forecast Financial Information are based on are by their very nature subject to significant uncertainties and contingencies. Many will be outside the control of the Company's current and incoming Directors and management, and are not reliably predictable. Accordingly, neither the Company, the current or incoming Directors nor any other person can give investors any assurance the outcomes discussed in the Pro forma Forecast Financial Information will arise.

The Pro forma Forecast Financial Information in Sections 6.4 and 6.6 should be read in conjunction with the specific assumptions as set out in Section 6.8, the general assumptions as set out in Section 6.8, the sensitivities as set out in Section 6.9, the key risks as set out in Section 1.4 and Section 7 and other information in this Prospectus.

The Company has no intention to update or revise the Pro forma Forecast Financial Information or other forward looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

The Company has prepared and included a financial forecast for Calender Year 2015. Investors should note this is included for information purposes only and the Company will not report on a Calender Year basis in the future.

6.3 Explanation of certain non-IFRS and other financial measures

The Company uses certain measures to manage and report on its business that are not recognised under Australian Accounting Standards. These measures are referred to as "non-IFRS financial measures". Non-IFRS financial measures are intended to supplement the measures calculated in accordance with AAS and not as a substitute for those measures. As the recognised body of accounting standards does not define non-IFRS financial measures, they do not have a prescribed meaning and the way the Company calculates them may be different to the way that other companies calculate similarly titled measures. Readers should therefore not place undue reliance on these non-IFRS financial measures.

The principal non-IFRS financial measures used in this Prospectus are described below, together with certain other measures that management uses to assess the business and to communicate with investors regarding its performance and financial condition.

EBITDA, EBITDA margin, EBIT and EBIT Margin

EBITDA

This represents earnings before interest, taxation, depreciation and amortisation. Due to it eliminating the non-cash charges for depreciation and amortisation, EBITDA is useful to help understand the cash generation potential of the business. However, it should not be considered as an alternative to cash flow from operations because it does not reflect actual cash movements or movements in the Company's Working Capital (as defined below).

Management uses EBITDA to evaluate the operating performance of the business without the non-cash impact of depreciation and amortisation and before interest and tax charges.

EBITDA Margin on Gross Profit

This represents EBITDA divided by Gross Profit and expressed as a percentage. EBITDA Margin on Gross Profit is a key measure management uses to evaluate the profitability of the overall business and individual contracts.

EBIT

This represents earnings before interest and taxation. EBIT eliminates the influence of the Company's capital structure and historical tax position when assessing profitability, thus making it easier to perform cross-company comparisons with respect to profitability.

EBIT Margin on Gross Profit

This represents EBIT divided by Gross Profit. EBIT Margin on Gross Profit is a key measure management uses to evaluate the profitability of the overall business.

In addition:

Working Capital

The Company defines Working Capital as the total of current assets less the total of current liabilities.

6. Financial Information *continued*

6.4 Audited and Pro Forma Historical and Forecast Comprehensive Income Statements

(Profit and Loss Statements)

The table below sets out the audited Historical Profit and Loss Results for FY2011, FY2012 and FY2013, the Pro forma Financial Historical Profit and Loss Results for FY2014 and the Pro forma Forecast Profit and Loss Results for FY2015 and CY2015.

COMPREHENSIVE INCOME STATEMENT (Profit & Loss Statement)		RED GUM			TRAVEL SERVICE ENTITIES ¹²			ATG		
		Audited Historical						Pro forma		
		Historical			Forecast					
\$000's	Notes	FY2011	FY2012	FY2013	FY2011	FY2012	FY2013	FY2014	FY2015	CY2015
TTV					88,123	86,681	84,007	86,437	100,010	104,133
Revenue	1		16	141	37,271	36,136	35,292	37,683	48,551	49,989
Cost of sales	2				26,141	26,161	25,208	27,205	36,361	37,314
Gross Profit			16	141	11,130	9,975	10,083	10,478	12,190	12,675
Expenses										
Employee Benefits	3	1	210	400	6,105	6,086	6,087	6,622	7,274	7,232
Occupancy Costs	4				564	586	623	706	713	717
Other Expenses	5	45	364	482	2,872	2,629	2,907	3,373	3,275	3,324
Exploration	6		20	121				226	121	124
Total Expenses		46	594	1,003	9,541	9,301	9,617	10,928	11,138	11,397
EBITDA		(46)	(578)	(862)	1,589	674	466	(450)	807	1,278
Depreciation & Amortisation		2	4	2	278	256	217	179	179	179
EBIT		(48)	(582)	(864)	1,310	419	249	(629)	628	1,099
Net Finance Income	7	5	77	35	198	113	63	46	107	74
NPBT		(44)	(505)	(829)	1,508	532	312	(583)	735	1,174
Taxation	8				413	129	98	184	307	408
NPAT	9	(44)	(505)	(829)	1,095	403	213	(767)	428	765

Notes

- Revenue for the Travel Service Entities represents an aggregation of revenues from each travel service company (Holiday Planet, Asia Escape and Motive Travel). Red Gum's source of income in FY2012 and FY2013 is from foreign currency exchange rate differences on translating foreign operations. Inclusive of the financial reporting period outlined in the table above, Red Gum is providing no operational revenue due to its mining operations being inactive, which are in any event purely of an exploration nature. As a result no income is being generated. The revenue for ATG in FY2014 and the forecast in FY2015 and CY2015 includes revenue from the Travel Service Entities' travel operations. The Travel Service Entities' revenue has been recognised in FY2011, FY2012, FY2013, FY2014, FY2015 and CY2015 and ATG's revenue. Revenue has been sourced from of Holiday Planet, Asia Escape, Motive Travel and Red Gum. In the case of Holiday Planet and Motive Travel, revenue is recognised as commissions and fees earned, as opposed to total sales revenue made. In the case of Asia Escape, revenue is recognised as the wholesale price which has a margin included over the cost from the travel provider.
- Cost of sales of the Travel Service Entities and the Australian Travel Group represents those costs payable to the carrier or accommodation or tourist operator with respect to ticketing.
- Employee benefits expense represent all remuneration benefits paid and payable to employees of Red Gum, all employees of the Travel Service Entities, and the combination of Red Gum and the acquired Travel Service Entities (the Acquisitions) collectively titled the Australian Travel Group. It includes the pro forma adjustment for executive remuneration and Directors' fees arising and following Completion of the Offer and Acquisitions. Such remuneration costs include but are not limited to wages and salaries, allowances, leave benefits, post-employment costs and employee equity option plans.
- Occupancy costs include rental of premises for Holiday Planet, Asia Escape and Motive Travel, each entity operates out of separate commercial premises in Perth, Western Australia.
- Other expenses represent general operating expenses for each and all entities.
- Exploration expenses represent Red Gum's ongoing obligations and costs in relation to the exploration assets.
- Net Financial income represents interest earned on cash reserves.
- The income tax expense has been adjusted to an effective tax rate of 30%, reflective of the anticipated tax rate following the Completion of the Offer.

Transaction Costs have been capitalised as at 10 November 2014. However these may be expensed in the Profit and Loss Statement as at 30 June 2015 based on the new incoming auditor's view.

¹² Travel Service Entities represent the audited statement of profit and loss for FY11, FY12 and FY13 for the combination of Holiday Planet, Asia Escape and Motive Travel.

6. Financial Information *continued*

Summary of Historical Pro Forma Profit & Loss Statement for FY2014

\$000's	Notes	RED GUM	TRAVEL SERVICE ENTITIES	ATG
		Pro-forma	Pro-forma	Pro-forma
		Historical	Historical	Historical
		FY2014	FY2014	FY2014
Revenue		(126)	37,809	37,683
Gross Profit		(126)	10,604	10,478
EBITDA	1 & 2	(1,158) ¹	708 ²	(450)

Notes

- The Red Gum Pro-forma EBITDA is after adjusting for the impairment loss and transaction costs.
- The Travel Service Entities Pro-Forma EBITDA is after adjusting for Directors' salaries which were taken as dividends.

Key Financial Operating Metrics

Set out below is a summary of the key historical operating metrics for FY2011, FY2012 and FY2013 for Red Gum and the Travel Service Entities, as well as the historical operating metrics for the Australian Travel Group for FY2014. The table also includes the key forecast operating metrics for the Australian Travel Group for FY2015.

KEY FINANCIAL OPERATING METRICS	Notes	RED GUM			TRAVEL SERVICE ENTITIES			ATG	
		Audited Historical						Pro forma Unaudited	
		FY2011	FY2011	FY2013	FY2011	FY2012	FY2013	Historical	Forecast
		FY2011	FY2011	FY2013	FY2011	FY2012	FY2013	FY2014	FY2015
Revenue Growth	1					(3.0%)	(2.3%)	6.3%	28.8%
Gross Profit Growth	1					(10.4%)	1.1%	2.5%	16.3%
EBITDA	2					(57.5%)	(30.9%)	NM*	NM
EBITDA Margin on Gross Profit	2				14.3%	6.8%	4.6%	(4.3%)	6.6%
EBIT Growth						(68.0%)	(40.6%)	NM	NM
EBIT Margin					11.8%	4.2%	2.5%	(6.0%)	5.1%

*NM is an abbreviation for Not Meaningful

Notes

- There is no material revenue or EBITDA attributable to Red Gum over the Financial Period for the purpose of providing financial ratios and growth metrics as displayed in the table above.
The combined Travel Service Entities comprise Asia Escape as a travel wholesaler and Holiday Planet and Motive Travel which are travel agencies. Asia Escape recognises gross travel income while Holiday Planet and Motive Travel recognise commissions and fees as revenue. Accordingly, the gross profit margin is the more relevant growth metric.
Gross profit in FY2012 declined due to slowing economic growth in Western Australia, impacting directly on the travel sector. There was a slight decline in revenue in FY2013 however gross margins improved resulting in a slight increase. In FY2014 revenue and gross profit improved due to slightly better market conditions. The Directors have forecasted significantly improved revenue and gross profit growth in FY2015 based on the Completion of Offer and Acquisitions, an ability to leverage off each other as a combined travel services entity, increased marketing, and wider market penetration in the eastern states of Australia.
- The negative EBITDA growth for the Travel Service Entities in FY2012 and FY2013 and declining margins from the high of FY2011 when the travel market was stronger in Western Australia, as a result of heightened activity in the mining sector, is due to a decline in revenue, management maintaining staffing levels, and increasing marketing spend in FY2013. The EBITDA growth for FY2014 and FY2015 is not meaningful given negative EBITDA in FY2014. The EBITDA margin for FY2014 is impacted by Red Gum effectively ceasing all active operations and incoming Directors anticipating uplift in revenue, gross profit and improved operation performance due to gaining efficiencies working as a group. The Directors forecast FY2015 will return to EBITDA margins achieved in FY2012.

Transaction Costs have been capitalised as at 10 November 2014. However these may be expensed in the Profit and Loss Statement as at 30 June 2015 based on the new incoming auditor's view.

6. Financial Information *continued*

Significant items

The table below provides a detailed summary of the Significant Items presented within the unaudited Pro forma Historical Financial Results for FY2014. It includes Historical Financial Information for Red Gum and the Travel Service Entities for FY2014, ATG's unadjusted results, the adjustments for ATG in FY2014, and adjusted Pro forma Historical Financial Results for ATG in FY2014.

For clarity, ATG is the combination of Red Gum and the Travel Service Entities.

SIGNIFICANT ITEMS	Notes	ATG				ATG Historical
		Pro forma Unaudited FY2014				
		Red Gum Historical	Travel Service Entities Historical	ATG (unadjusted) Historical	Adjustments Historical	
\$000's		FY2014	FY2014	FY2014	FY2014	FY2014
Revenue		(126)	37,809	37,683		37,683
Cost of sales			27,205	27,205		27,205
Gross Profit		(126)	10,604	10,478		10,478
Operating Expenditure						
Employee Benefits	3	297	6,050	6,347	276	6,622
Occupancy costs			706	706		706
Other expenses	2	827	2,864	3,691	(318)	3,373
Exploration	1	4,811		4,811	(4,584)	226
Transaction costs	2	459		459	(459)	
Total Expenses		6,394	9,620	16,014	(5,086)	10,928
EBITDA		(6,520)	984	(5,536)	5,086	(450)
Depreciation & Amortisation		1	178	179		179
EBIT		(6,521)	806	(5,715)	5,086	(629)
Net interest income (expense)		4	42	46		46
NPBT		(6,516)	848	(5,669)	5,086	(583)
Taxation	3	111	156	267	(83)	184
NPAT		(6,627)	692	(5,936)	5,169	(767)

Notes

1. A Pro-forma adjustment to remove the impairment of the exploration and evaluation assets of Red Gum.
2. A Pro-forma adjustment to remove transaction costs incurred by Red Gum in FY2014 and estimated transaction costs to be paid on the Completion of the Offer and settlement of the Acquisitions.
3. A Pro-forma adjustment to recognise salaries for Directors which were paid by way of a dividend in the Travel Service Entities and the resultant reduction in the taxation expense.

6. Financial Information *continued*

6.5 Historical Statement of Financial Position at 30 June 2014 (Balance Sheet)

BALANCE SHEET	Notes	RED GUM			TRAVEL SERVICE ENTITIES			ATG ^{Note 3}
		Audited Historical ^{Note 1}			Audited Historical ^{Note 2}			Pro forma Historical
\$000's		FY2011	FY2012	FY2013	FY2011	FY2012	FY2013	FY2014
Assets								
Current Assets								
Cash and cash equivalents	4	341	2,792	771	5,039	4,574	4,659	5,444
Trade and other receivables		23	141	57	736	838	867	838
Inventories					14	70	30	65
Prepayments					1,023	1,129	586	890
Other financial assets	5				241	140	436	
Assets classified as held for sale	6	1,021	3,301	4,682				561
Total current assets		1,386	6,233	5,510	7,053	6,750	6,578	7,799
Non-current assets								
Property, plant and equipment	7	3	4	1	678	719	632	476
Other assets				248	89	124	88	87
Intangible assets	8				696	2,209	2,926	9,749
Total non-current assets		3	4	250	1,464	3,051	3,646	10,311
Total assets		1,389	6,237	5,760	8,517	9,801	10,223	18,110
Liabilities								
Current liabilities								
Trade and other payables	9	224	1,215	486	6,025	5,967	5,956	4,911
Provisions					356	273	287	517
Financial liabilities					85	113	52	45
Other creditors	10	264						360
Total current liabilities		488	1,215	486	6,466	6,353	6,296	5,833
Non-current liabilities								
Other financial liabilities	11							1,378
Total Non-current liabilities					85	113	52	1,378
Total liabilities		488	1,215	486	6,466	6,353	6,295	7,211
Net assets		900	5,022	5,274	2,051	3,448	3,928	10,899
Equity								
Issued Capital	12	1,446	6,050	7,084	490	490	490	18,715
Reserves	13		39	227		1,302	1,891	721
Retained earnings	14	(546)	(1,067)	(2,037)	1,561	1,656	1,547	(8,538)
Total Equity		900	5,022	5,274	2,051	3,448	3,928	10,899

Notes

- Reflects the audited and reported balance sheets (financial position) of Red Gum Resources Limited as at 30 June 2011, 30 June 2012 and 30 June 2013 respectively.
- Reflects the audited historical balance sheets of Holiday Planet, Asia Escape and Motive Travel (combined as the 'Travel Service Entities') as at 30 June 2011, 30 June 2012 and 30 June 2013 respectively.
- Reflects the audited balance sheet of Red Gum as at 30 June 2014, combined with the audit review of Holiday Planet, Asia Escape and Motive Travel's financial position as at 30 April 2014 and management prepared balance sheets of each Travel Service entity as at 30 June 2014. This is titled the ATG Pro forma Historical for FY2014 Balance Sheet and includes all pro forma adjustments; transaction costs and reflects the Completion of the Offer and Acquisitions.
- Cash and cash equivalents consists of cash held in trust for travel providers, cash from operations, and for FY2014 the net proceeds from the Offer and Acquisitions assuming \$3,000,000 is raised. As at 30 June 2014 client payables of \$2,420,988 are covered in the cash held in trust.
- Other financial assets include related party loans that have been paid out as part of the Acquisitions.
- Assets classified as held for sale are the exploration and evaluation assets of Red Gum, ATG intend to sell.
- Property Plant and Equipment reduces in FY2014 due to the removal of the directors valuation of website and databases recorded in FY2013 for Holiday Planet and removed in FY2014. This adjustment was \$1.9 million and is also reflected in the reduction of the asset revaluation reserve.
- Intangibles reflect the acquisition of intangibles assets from the Acquisitions.

6. Financial Information *continued*

9. Trade and other payables include client trade payables (effectively offsetting the cash held in trust) and trade and other payables from operations.
10. Other creditors in FY2014 is income received in advance.
11. Other financial liabilities primarily represent the convertible notes issued under the Acquisitions.
12. Issued capital in FY2014 reflects the issue of shares as part of the Offers and Acquisitions.
13. Reserves in Red Gum prior to FY2014 include a foreign currency translation reserve and share capital reserve. For the Travel Service Entities, it includes an asset revaluation reserve. This was written off in FY2014. The pro forma FY2014 reserves include the impact of the issue of the Convertible Notes and the Broker Options.
14. Retained earnings in FY2014 reflect the impact of the Offers and Acquisitions set out below.

6.6 Impact of the Offers and Acquisitions - Pro forma Balance Sheet as at 30 June, 2014

The table below sets out the adjustments made to the Pro forma Historical Statement of Financial Position of ATG as at 30 June 2014. It is presented as though the Offer had been completed on 30 June 2014 and Agreements of each of the travel service companies (Acquisitions) had been executed prior to 30 June 2014.

Pro forma Balance Sheet as at 30 June, 2014			ATG			
\$000's	Notes	Red Gum 30 June 2014 Pro forma	Travel Service Entities 30 June 2014 Pro forma	Pro forma 30 June 2014	Impact of Offer & Acquisitions	Pro forma 30 June, 2014 Adjusted
Current Assets						
Cash and cash equivalents	1, 1a	2,075	3,568	5,643	(119)	5,444
Trade and other receivables	2	190	886	1,075	(237)	838
Inventories			65	65		65
Prepayments			890	890		890
Other financial assets			678	678	(679)	
Assets classified as held for sale	3	561		561		561
Total current assets		2,825	6,087	8,913	(1,114)	7,799
Non-current Assets						
Property, plant and equipment		1	475	476		476
Other assets			87	87		87
Intangible assets	4		1,219	1,219	8,530	9,749
Total non-current assets		1	1,781	1,781	8,530	10,311
Total assets		2,826	7,868	10,694	7,416	18,110
Current liabilities						
Trade and other payables		222	4,688	4,911		4,911
Financial liabilities			45	45		45
Provisions			517	517		517
Other creditors			360	360		360
Total current liabilities		222	5,610	5,833		5,833
Non-current liabilities						
Other financial liabilities	5				1,378	1,378
Total non-current liabilities					1,378	1,378
Total liabilities		222	5,611	5,833	1,378	7,211
Net assets		2,603	2,258	4,864	6,038	10,899
Equity						
Issued Capital	6	10,449	490	10,939	7,776	18,715
Reserves	7	233		233	488	721
Retained earnings	8	(8,079)	1,767	(6,312)	(2,226)	(8,538)
Total equity		2,603	2,257	4,860	6,038	10,899

6. Financial Information *continued*

Notes

1. Net proceeds from the capital raising assuming the Minimum Subscription on Offer of \$3,000,000 is raised. The net proceeds include cash from the capital raising (\$3,000,000) less payment to the Vendors (\$2,000,000) less transaction costs (\$459,366), less capital raising costs (\$880,477) plus cash from the Directors to pay out Directors' loans (\$141,330).
- 1a. The cash and cash equivalents for the Travel Service Entities includes cash held in trust. Accordingly the Pro forma cash and cash equivalents as at 30 June 2014 for ATG includes cash held in trust. As at 30 June 2014 client payables of \$2,420,988 are covered in the cash held in trust.
2. Success Fee paid by Red Gum in FY2014 and recorded as a receivable if the transaction does not proceed and payment of capital raising costs by the Travel Service Entities. Please note \$237,026 (made up of \$125,000 representing a prepayment by Red Gum for success fee and \$112,026 paid by Holiday Planet in relation to capital raising costs) plus the transaction costs of \$459,366 and capital raising costs of \$880,477 total \$1,576,869 (refer to Section 1.7 Transaction Costs).
3. Payment of the director loans by the Vendors through dividends and cash outlined in the separate Sale Purchase Agreements for each Vendor.
4. Recognition of the intangible assets acquired as part of the transaction.
5. Convertible notes issued to the Vendors as part consideration for the Travel Service entities less the equity component of the Convertible Notes.
6. Shares issued comprising of 6,750,000 to the Vendors and \$3,000,000 as part of the capital raise, less the issued capital of the three travel entities of 490,025 and capital raising costs of \$1,484,002 (includes the Broker's Options)
7. Share capital reserve for 5,000,000 Options issued to the Broker at market value of 7 cents and the equity component of the Convertible Notes.
8. Comprises of:

Existing retained earnings of the three travel entities	\$1,229,661
Dividends paid to the Vendors	\$ 537,228
Transaction costs	\$ 459,366
Total	\$2,226,255

Liquidity and capital resources

Following Completion of the Offer, ATG's principal sources of liquidity consist of cash resources and cash flows from operations.

The majority of Australian Travel Group's cash requirements relate to maintaining sufficient working capital to operate the business and execute its organic growth strategies in accordance with its Forecast Financial Information. The Directors believe ATG will have sufficient working capital to carry out its stated objectives in the forecast period to 31 December 2015.

Working Capital position

The Working Capital position for the Company as at 30 June 2014 is reflected in the net current assets position of \$2.0 million (assuming the Minimum Subscription of \$3 million capital raising).

Management continually monitors the Working Capital position including forecast Working Capital requirements in light of available cash reserves to ensure debts are paid as and when they fall due.

Indebtedness

We note the Australian Travel Group does not have any loan or debt facilities other than Convertible Notes offered to the Vendors of Holiday Planet, Asia Escape and Motive Travel as part of the consideration for the Acquisitions post the Completion of the Offer.

Following Shareholder approval at the Extraordinary General Meeting, Red Gum will issue:

- 250,000 (\$250,000) Convertible Notes (under the Holiday Planet Acquisition Agreement);
- 750,000 (\$750,000) Convertible Notes (under the Asia Escape Acquisition Agreement); and
- 500,000 (\$500,000) Convertible Notes (under the Motive Travel Acquisition Agreement)

All Convertible Notes will be issued on a post-consolidation basis with each Convertible Note deemed to have a face value of \$1.00 each. This represents a total of \$1,500,000 redeemable 2 years after Completion.

6. Financial Information *continued*

6.6 Summary Pro forma Historical and Forecast Statements of Cash Flows

CASH FLOW	RED GUM			TRAVEL SERVICE ENTITIES			ATG		
	Audited Historical						Pro forma		
							Historical	Forecast	
\$000's	FY2011	FY2012	FY2013	FY2011	FY2012	FY2013	FY2014	FY2015	CY2015
Cash flows from operating activities									
Receipts from customers				37,549	36,059	35,468	37,809	48,551	49,989
Payment to suppliers	(99)	(567)	(787)	(36,266)	(35,559)	(34,964)	(38,395)	(47,744)	(48,711)
Income tax paid				(604)	(208)	(91)	(73)	(307)	(408)
Change in working capital				(909)	54	(121)	(1,321)	63	85
Change in provisions				249	54	659	187	(10)	(12)
Cash from Operations	(99)	(567)	(787)	19	401	952	(1,793)	553	942
Cash flows from financing activities									
Interest income (paid)	5	77	35	198	113	63	46	107	74
Receipts from equity raised	819	4,201	1,007				3,188		
Dividend payments				(350)	(308)	(323)	(180)		
Increase/ (decrease) in borrowings				(284)	127	(379)	(249)		
Cash from financing	824	4,277	1,042	(436)	(67)	(639)	2,805	107	74
Cash flow from investing activities									
Property, Plant & Equipment payments		(4)		(730)	(461)	(259)	42		
Payments (receipts) in Other assets				(40)	(338)	31	(247)	(218)	(233)
Change in Exploration	(525)	(1,256)	(2,275)				(792)		
Cash from investing	(525)	(1,260)	(2,275)	(770)	(799)	(228)	(997)	(218)	(233)
Net cash flows	200	2,450	(2,021)	(1,187)	(465)	85	15	442	784
Opening cash balance	141	341	2,792	6,226	5,039	4,574	5,430	5,444	5,593
Closing cash balances	341	2,792	771	5,039	4,574	4,659	5,444	5,867	6,287

6. Financial Information *continued*

6.7 Management discussion and analysis of the Historical and Forecast Financial Information

General factors affecting the operating and financial performance

Below is a discussion of the main factors affecting the operations and relative financial performance in FY2012, FY2013 and FY2014 for each of Red Gum, Holiday Planet, Asia Escape and Motive Travel. Given the shift in focus away from the mining sector into the leisure and tourism sector the Company does not expect the Historical Financial Information for Red Gum to be reflective of future performance. On the other hand the Historical Financial Information of Holiday Planet, Asia Escape and Motive Travel are relevant in going forward. The discussion of the general factors below is intended to provide a brief summary only and does not detail all factors affecting the historical operating and financial performances of each of the entities, nor collectively as ATG in the future.

Red Gum Resources Limited

The Historical Comprehensive Income Statements and Historical Financial Position are extracted from the audited financial statements of Red Gum Resources for the years FY2011, FY2012, FY2013. The audit was completed by K.S. Black & Co. Red Gum's audited Comprehensive Statement for FY2014 and Historical Financial Position as 30 June 2014 was audited by Faizal Ajmat and has been included and combined with the unaudited Pro forma Historical Financial Information Results of the Acquisitions (Holiday Planet, Asia Escape and Motive Travel) for FY2014 under ATG. The FY2014 Historical Financial Information Results reflect pro forma adjustments, the Completion of the Offer and minimum Share subscription of \$3,000,000 and completion of the Acquisitions.

In 2012, Red Gum issued 20,017,818 shares through a public offering (prospectus dated 21 October 2011) to raise \$4,003,563 before issue costs. In 2013, Red Gum issued a further 37,489,370 shares to raise an additional \$1,125,000 before costs of \$118,000. In 2014, the Company issued a further 719,531,903 shares to raise \$3,673,595 before costs of \$308,677.

In FY2013, exploration and evaluation assets increased in value by \$1,380,940. In the same financial year ending 30 June 2013, a further \$411,894 was spent on exploration and evaluation. However, at 30 June 2014 the exploration asset was impaired with management's determination that the carrying value of the exploration assets exceeded the recoverable amount by \$4,584,160.

In accordance with its business strategies, Red Gum has ceased its active exploration mining activities in Peru and Chile and will seek to divest these assets as soon as practical. Red Gum doesn't generate any revenue from its operations. While ATG seeks to divest its mining assets it will continue to fund mining licenses, maintenance expenses and administration costs.

Travel Service Entities

Holiday Planet

The Travel Service Entities' Historical Comprehensive Income Statements (Historical Profit and Loss Statements) have partly been extracted from audited Historical Financial Information Results for Holiday Planet for FY2011, FY2012, and FY2013. An audit review for the period up to 30 April 2014 for FY2014 was undertaken. Holiday Planet supplied management accounts for May and June 2014 to contribute to the ATG Pro forma Financial Information Statements for FY2014.

Revenue and Gross Profit

Holiday Planet, as an online travel agency receives commission fees for travel bookings sold to retail customers. For FY2014 revenue was slightly down by 0.7% on an annualized basis from FY2013. This compares to a decrease in revenue in FY2013 from the preceding financial year of 1.4%. Although Holiday Planet was impacted by lower consumer confidence due to the lingering effects of the GFC, and the mining industry coming off its cyclical boom period and impacting directly on Western Australia's economy, Holiday Planet was able to minimise a decrease in revenue. Capturing growth segments including overseas travel by Australians, especially in relation to the rapidly growing cruise holidays and overseas holiday packages, significantly improved revenue in the last half of FY2014. This is forecast to continue, especially with greater access to larger markets in eastern Australia, as well as the introduction of new products including Seniorsplanet.com.au.

6. Financial Information *continued*

Salaries & Wages

Holiday Planet's salaries and wages including on-costs account for approximately 60% of total operating expenses. In FY2011 wage costs represented 59.9% of operating costs and 54.4% of sales revenue. Comparative FY2012 figures were 63.5% of operating costs and 61.1% of sales revenue, in FY2013 they were 58.5% of operating costs and 55.6% of sales revenue, and in FY2014 they were 58.1% of operating costs and 55.3% of sales revenue. As sales increase and greater efficiencies are achieved operationally by being part of ATG, the trend of a proportional decrease in relation to sales is set to continue into the future, reflected in an increase in the margin.

Advertising

Advertising expenses are also a significant component of Holiday Planet's operating expenditure, ranging between 22-26% of total revenue from FY2011 to FY2014. Advertising campaigns form a key instrument in achieving Holiday Planet's organic growth objectives including the initiation of an intensive print media advertising campaign having resulted in noticeable client enquiry during CY2014. Campaigns have used a broader distribution network including radio advertising, direct marketing, brochure, email direct marketing and exposure at the travel expos. Advertising and marketing is a significant expense but necessary to maintain brand presence and awareness. It also enables improved market penetration, especially in relation to new product releases such as the higher margin products Cruiseplanet and the proposed Seniorplanet.com.au. Holiday Planet forecast increasing sales and marketing expenditure in FY2015 from 22% of sales revenue in FY2014 to 27% of sales revenue in FY2015.

Capital Expenditure

During FY2011 to FY2014 Holiday Planet invested in the development of its range of websites, a cruise booking platform and an integrated database to enable greater operational streamlining and efficiencies, as well as improving customer experience. This represented \$2.8 million in non-current assets in FY2013. In FY2014 website development totals \$1.1 million, reflected in non-current assets. The difference is due to an adjustment in the valuation compared to FY2013.

EBITDA

Holiday Planet has achieved positive EBITDA results from FY2011 to FY2014. However, in FY2012 EBITDA decreased by 64.5% from \$472,030 in FY2011 to \$167,366 in FY2012. This has subsequently recovered and stabilised in FY2013 at \$217,118 and \$207,532 in FY2014. This was primarily as a result of revenue performance over the period. Holiday Planet anticipates EBITDA will increase by 12% in FY2015 due to growth drivers in revenue and operational efficiencies. Please refer to Specific Financial Forecast Information, Specific Assumptions in Section 6.8.

Asia Escape

The Travel Service Entities' Historical Comprehensive Income Statements (Historical Profit and Loss Statements) have partly been extracted from audited Historical Financial Information Results for Asia Escape for FY2011, FY2012, and FY2013. An audit review for the period up to 30 April 2014 for FY2014 has also been undertaken. Asia Escape supplied management accounts for May and June 2014 to contribute to the ATG Pro forma Financial Information Statements for FY2014.

Revenue and Gross Profit

Asia Escape is a travel wholesaler, offering travel products to travel agencies throughout Australia. Unlike Holiday Planet and Motive Travel who receive commission fees representing their revenues, Asia Escape sells travel products at wholesale rates. This represents Asia Escape's primary revenue stream.

Costs of sales represent costs payable to the carrier or accommodation or tourist operator with respect to ticketing. The cost of sales is a critical component of Asia Escape's business performance. Apart from ensuring the right products are being offered, the gross profit margin is dependent on the negotiated agreements in place with travel providers.

Asia Escape experienced a slight decline year-on-year in gross revenue in FY2012 (1.6%) and FY2013 (2.9%) before improving in FY2014 with a 8.7% increase, returning to similar gross revenue performance in FY2011 (FY2011: \$30.2 million, FY2014: \$31.4 million). Over the Financial Period of FY2012 to FY2014 Asia Escape achieved an average of 13% gross profit margin. This was consistent each year and indicates by increasing revenue it will translate into improved gross profit.

In addition, Asia Escape receives recoverable and reimbursable income for placing advertisements in various media on behalf of the travel providers. It's envisaged, as part of ATG, Asia Escape will receive improved advertising rates and enhancing margin.

6. Financial Information *continued*

Salaries & Wages

Salaries & Wages represent the most significant expense of Asia Escape. Salaries and Wages including on-costs have ranged from 65% to 67% of operating expenditure between FY2011 to FY2014.

EBITDA

In FY2013 Asia Escape had an EBITDA loss of \$69,000 or a net loss after tax of \$149,781. This was due to greater expenditure in FY2013 associated with implementing a strategy designed to provide market penetration in the east coast. This resulted in increased staffing costs and advertising costs but contributed significantly to a return to profit FY2014 (\$120,050 NPAT), as well as anticipated future increased profitability.

Motive Travel

The Travel Service Entities' Historical Comprehensive Income Statements (Historical Profit and Loss Statements) have partly been extracted from audited Historical Financial Information Results for Motive Travel for FY2011, FY2012, FY2013 and FY2014.

Revenue & Gross Profit

Motive Travel is a long established and successful travel agency in Western Australia. Revenue is derived from commission and fees charged for bookings sold. Motive Travel has experienced continuous annual revenue growth over the past 5 years including year-on-year; FY2012 (5%), FY2013 (4.3%), and FY2014 (1.7%). The fall in the rate of growth is due to the general softening of economic conditions over the same period. As part of ATG, Motive Travel forecasts revenue growth of 6.2% as its corporate travel and escorted group tours are promoted in the eastern Australia through ATG.

Salaries & Wages

Given the nature of Motive Travel's business, its main operational expenses relates to Salaries and Wages. Over the past 3 years on average Salaries & Wages represent 70% of total operating expenditure and 61% of sales revenue.

EBITDA

Over the Financial Period of FY2011 to FY2014, Motive Travel has enjoyed positive EBITDA with significant improvement occurring in FY2013 with an increase of 57.8% on the previous period (FY2013 EBITDA of \$317,948 and NPAT of \$215,686). This continued in FY2014 with a 5% increase in EBITDA.

Australian Travel Group FY2014

Acquisitions of Holiday Planet, Asia Escape and Motive Travel by the existing Red Gum entity in FY2014 will result in the creation of ATG. The Pro forma Financial Information for FY2014 has been prepared on the basis the Completion of Offers and Acquisitions in this financial period having occurred with corresponding pro forma adjustments having been made to reflect this.

Please refer to Sections 6.4, 6.5, and 6.6 for further details.

Australian Travel Group Forecasted FY2015

Revenue Forecast

The Company has forecast annual TTV growth of 15.7% for ATG in FY2015. The significant increase is driven by the vertical integration of the travel service companies, the introduction of on-trend travel products including cruise holidays, luxury holiday packages, and Seniorsplanet.com.au, and the expansion of market penetration on the east coast of Australia.

Gross Profit Forecast

The gross profit forecast in FY2015 is \$12,190,308. This is primarily driven by the increase in forecast revenue.

Operating Expenditure

In the case of forecast operating expenditure a 3% increase has broadly been applied to FY2014 costs. The forecast operating expenditure in ATG is mainly impacted by employment costs and marketing expenditure. Salaries and Wages including on-costs in FY2014 represented 60% of gross profit. In FY2015 this is forecast at 57% of gross profit. This reflects the anticipation of economies of scale being achieved as a group, while at the same time significant growth in revenue occurs.

6. Financial Information *continued*

ATG intends to increase its advertising and marketing expenditure by 19% in FY2015. The Company anticipates it will achieve better advertising rates for the group as a whole based on leveraging existing arrangements, and having greater size and scale resulting in better bargaining power. This will coincide with increased advertising and marketing activity to support revenue growth ambitions.

EBDITDA Forecast

As a result of growth in the FY2015 forecast revenue of 28.8% and ATG's proportionally lower operational expenditure of 23.4% in FY2015 compared to 28.8% in FY2014, ATG anticipates its EBITDA will be \$807,072 in FY2015.

Please refer to Section 6.8 for information regarding general and specific assumptions of the FY2015 Forecast Financial Information.

COMPARISONS	RED GUM			TRAVEL SERVICE ENTITIES			ATG	
	Audited Historical						Pro forma Unaudited	
							Historical	Forecast
000's	FY2011	FY2012	FY2013	FY2011	FY2012	FY2013	FY2014	FY2015
Revenue		16	141	37,271	36,136	35,292	37,683	48,551
Gross Profit		16	141	11,130	9,975	10,083	10,478	12,190
EBTIDA	(46)	(578)	(862)	1,589	674	466	(450)	807
Revenue Change		16	125		(1,134)	(845)	2,250	10,868
Revenue Change %		NM	772.2%		(3.0%)	(2.3%)	6.8%	28.8%
Gross Profit Change		16	125		(1,154)	108	253	1,712
Gross Profit Change %		NM	772.2%		(10.4%)	1.1%	2.5%	16.3%
EBITDA Change		(532)	(283)		(914)	(208)	(916)	1,257
EBITDA Change %		NM	49%		(57.5%)	(30.9%)	(196.5%)	279.4%

*NM is an abbreviation for Not Meaningful

Notes

RED GUM

- As Red Gum is in "a care and maintenance" exploration stage where there are no revenues and a negative EBITDA due to holding costs.

TRAVEL SERVICE ENTITIES

- Revenue has declined from the high of FY2011 as the boom cycle from the mining sector slowed. This resulted in a general softening in the Western Australia economy and impacted on the travel industry.
- Revenue growth in FY2014 was due to a general improvement in the travel market, increased overseas travel particularly in the cruise market, new product offerings and increased advertising.
- ATG is forecasting further growth in FY2015 and CY2015 due to integrating the businesses and cross selling products through their distribution channels.
- Gross profit margins have been reasonably consistent around 11% of total travel value and is forecast to remain at historical levels with increases in gross profit driven by the growth in revenue.
- The decline in EBITDA for FY2012 – FY2013 was due to management maintaining staffing levels to retain staff during a weaker market conditions. This assisted in driving future growth once the market improved.
- Transaction Costs have been capitalised as at 10 November 2014. However these may be expensed in the Profit and Loss Statement as at 30 June 2015 based on the new incoming auditor's view.

6. Financial Information *continued*

CASH FLOW COMPARISONS	RED GUM			TRAVEL SERVICE ENTITIES			ATG	
	Audited Historical						Pro forma Unaudited	
							Historical	Forecast
000's	FY2011	FY2012	FY2013	FY2011	FY2012	FY2013	FY2014	FY2015
Operating cash flows	(99)	(567)	(787)	19	401	952	(1,793)	553
Financial activities cash flows	824	4,277	1,042	(436)	(67)	(639)	2,805	107
Investing activities cash flows	(525)	(1,260)	(2,275)	(770)	(799)	(228)	(997)	(218)
Net cash flows	200	2,450	(2,021)	(1,187)	(465)	85	15	442
Operating cash flows Change		(468)	(220)		382	551	(1,958)	2,346
Operating cash flows Change %		473%	39%		2,032%	138%	(1,188%)	(131%)
Financial activities cash flows Change		3,453	(3,235)		369	(572)	2,402	(2,697)
Financial activities cash flows Change %		419%	(76%)		(85%)	854%	596%	(96%)
Investing activities cash flows Change		(735)	(1,015)		(28)	571	1,506	779
Investing activities cash flows Change %		140%	81%		4%	(71%)	(60%)	(78%)
Net cash flows Change		2,251	(4,471)		722	550	1,950	428
Net cash flows Change %		1,126%	(182%)		(61%)	(118%)	(101%)	2,895%

Notes:

- Red Gum has negative cash flows due to being at the exploration stage of mining operations.
- The Travel Service Entities experienced low operating cash flows in FY2011. Despite growth in revenue for 2011 this was reflected in the working capital position in FY2012 as cash was released.
- Financing activities reflects capital raising activity, as well as payment of dividends and Directors' loans for the Travel Service Entities. In respect to ATG, it includes the capital raising and interest income.
- Investing activities for Red Gum reflect investment in the development of the mining tenements. For the Travel Service Entities investments was in technology such as computer hardware, software, website development, and development of travel programs and packages.
- In FY2014 the majority of the investing cash flows relates to exploration costs for Red Gum.

6.8 Pro forma Forecast Financial Information

General assumptions

- In preparing the Pro forma Forecast Financial Information, the following general assumptions have been adopted in relation to the forecast period of FY2015:
- No significant change in the economic conditions prevailing in Australia or overseas;
- No material change in the competitive operating environment in which Australian Travel Group will operate;
- No material changes in the Australian Commonwealth, state or local government legislation, tax legislation, regulatory legislation, regulatory requirements or government policy that may have a material impact on the financial performance of cash flows, financial position, accounting policies, financial reporting or disclosure of ATG during the Forecast Periods;
- No material changes in key personnel, including key management personnel. It also assumes ATG maintains its ability to recruit and retain personnel required to support the existing operations and future growth;
- No material acquisitions or disposals of assets or businesses;
- No material changes in the tax legislation, regulatory legislation, regulatory requirements or government policy in the foreign jurisdictions in which ATG will have sales and operations that will have a material impact on the financial performance of cash flows, financial position, accounting policies, financial reporting or disclosure of ATG during the Forecast Periods;
- No material beneficial or adverse effects arising from the actions of competitors;
- No significant deviation from current market expectations of general economic and business conditions including levels of inflation, employment and interest rates relevant to the Travel Industry for the period;

6. Financial Information *continued*

- No material changes in applicable Australian Accounting Standards, other mandatory professional reporting requirements or the Corporation Act which have a material effect on ATG's financial performance, financial position, accounting policies, financial reporting or disclosure;
- No material supply disturbances, environmental costs, contingent liabilities or legal claims will arise or be settled to the detriment of ATG;
- No material cash flow, income statement or financial position impact in relation to litigation or dispute (existing or otherwise);
- No material changes to ATG's corporate and funding structure other than as set out in, or contemplated by this Prospectus;
- No material disruptions to the continuity of operations of ATG nor other material changes in its business;
- A general "consumer price index" increase of 3% per annum throughout the Forecast Period and other market related increases where appropriate;
- No material amendment to any material agreement or arrangement relating to Australian Travel Group's business other than set out in, or contemplated by this Prospectus;
- None of the Key Risks listed in Section 1.4 and Section 7 will have a material adverse impact on the operations of ATG; and
- The Offer proceeds are received in accordance with the timetable and terms detailed in the Key Offer Statistics & Important Dates section of the Prospectus.

Specific Assumptions

The Australian Travel Group has made assumptions in the Pro forma Forecast Financial Information. Revenue and Gross Profit uplift in ATG has been assessed as taking effect from January 2015. These assumptions are based on discussions with the incoming vendors of each organisation.

Revenue

Revenue

ATG will be focused on generating revenues from each individual travel service subsidiary including Holiday Planet, Asia Escape and Motive Travel. Each company will continue operate autonomously, but will leverage off each other to achieve improved revenue growth going forward.

The Company has estimated the revenue component of the Forecast Financial Information based on detailed analysis of:

- The continued anticipated growth in the travel and tourism sector in Australia, especially in continuing demand by Australians for overseas travel;
- The continuing growth demand for higher margin leisure travel products such as luxury overseas holiday packages and cruise holidays;
- Holiday Planet, Asia Escape and Motive Travel's ability as a whole to leverage off each other through cross-selling and collaborative marketing activity;
- Holiday Planet, Asia Escape and Motive Travel's ability to leverage off each other to expand ATG's presence in the larger market in the eastern States of Australia. Asia Escape as a travel wholesaler already services travel agencies on the east coast. ATG expects to increase Asia Escape's coverage on the east coast while introducing Holiday Planet and Motive Travel, with the assistance of Asia Escape, to the east by promoting new and on-trend product offerings to the market;
- Asia Escape will continue to expand its product offerings to travel agencies throughout Australia to satisfy ongoing demand for new destinations and holiday packages. It is anticipated this will maintain and grow the revenue;
- Holiday Planet will leverage its existing database to cross-sell and market new and higher margin leisure holiday travel products to the market including Cruiseplanet and Seniorplanet.com.au;
- Motive Travel will continue to offer outbound escorted tour group travel, while expanding these tours in the eastern States of Australia; and
- ATG will continue to promote its travel services in Western Australia as it expands into eastern Australia.

6. Financial Information *continued*

Operating Costs

ATG anticipates it will achieve economies of scale and operational efficiencies in combining Holiday Planet, Asia Escape and Motive Travel on the ATG platform. Each of these Travel Service Entities will continue to operate autonomously, while taking advantage of cost savings and benefits from being part of a larger group of companies.

The Company has estimated the operating expenditure component of the Forecast Financial Information based on detailed analysis of:

- ATG's employment costs including salaries and wages and on-costs are a major component of operating expenditure across the group. Given the nature of the business it is imperative skilled travel consultants are retained and new staff employed in the business with the requisite knowledge, experience and level of expertise in online travel services. ATG will increase staffing in line with the forecasted growth in revenue.
- ATG intends to invest in increased advertising and marketing activity across the group (Holiday Planet, Asia Escape and Motive Travel). This is aimed at increasing bookings, coinciding with the release of new products including Holiday Planet's seniorplanet.com.au and greater promotion of cruiseplanet, the luxury collection, and Motive Travel's escorted group tours on the east coast.
- ATG anticipates cost savings in purchasing advertising for the group given its scale and size. This will enable the individual subsidiaries to purchase more advertising (at a cheaper rate) to encourage growth in revenues.

EBITDA

The Travel Service Entities are anticipated to have an EBITDA of \$1,824,462 and NPAT of \$1,181,675 for FY2015. Due to Red Gum not generating any income but rather incurring ongoing operating costs, Red Gum is forecasted to have a pro forma operating EBITDA loss of \$1,015,089 and net loss after tax of \$581,473. As a result ATG anticipates an EBITDA of \$809,373 and NPAT of \$600,202 for FY2015.

6.9 Sensitivity Analysis

The Pro forma Forecast Financial Information is based on a number of estimates and assumptions that are subject to business, economic and competitive uncertainties and contingencies, many of which are beyond the control of ATG, its Directors and management, and depend upon assumptions with respect to future business developments, which are subject to change.

Investors should be aware that future events cannot be predicted with certainty and as a result, deviations from the figures forecast in this Prospectus are to be expected. To assist investors in assessing the impact of these assumptions on the forecasts, set out below is a summary of the sensitivity of certain Pro forma Forecast Financial Information to changes in a number of key variables. The changes in the key variables as set out in the sensitivity analysis are not intended to be indicative of the complete range of variations that may be experienced.

The sensitivity analysis is intended as a guide only and variations in actual performance could exceed the ranges shown.

Assumptions	Notes	Variance	FY2015 NPAT impact (\$ thousands)
Revenue	1	± 1.0%	91 / (91)
Gross Profit Margin	2	± 0.1%	68 / (68)
Employee Benefits	3	± 1.0%	(59) / 59
Other Expenses	4	± 1.0%	(39) / 39

Notes

1. Impact of a 1.0% change in revenue
2. Impact of 0.1% change in gross profit margin
3. Impact of a 1.0% change in employee benefits
4. Impact of 0.1% change in gross other expenses

6. Financial Information *continued*

6.10 Dividend Policy

It is anticipated that significant expenditure will be incurred by ATG in organically growing its business over at least the 2 year period following the date of this Prospectus. Accordingly, the Company does not expect to declare any dividends during that period.

In assessing the dividend payment in future periods the Directors may consider a number of factors, including the general business environment, the operating results and financial condition of, future funding requirements, capital management initiatives, tax considerations (including the level of franking credits available), any contractual, legal or regulatory restrictions on the payment of dividends by the Australian Travel Group, and any other factors the Directors may consider relevant.

No assurances can be given by any person, including the Directors, about the payment of any dividend and the level of franking on any such dividend. Please read the Pro forma Forecast Financial Information in conjunction with the assumptions underlying its preparation as set out in Sections 6.4 and 6.6, and the risk factors set out in Section 7.

Investors who are not residents of Australia and who acquire Shares may be subject to Australian withholding tax on dividends or other distributions paid in respect of the Shares. Prospective investors who are not residents of Australia should consult with their own tax advisers regarding the application of the Australian withholding or other taxes to their particular situations as well as any additional tax consequences resulting from purchasing, holding or disposing of the Shares.



7.
Risk Factors

7. Risk Factors

7.1 Introduction

Investment in the Securities offered under this Prospectus is considered highly speculative and accordingly the Directors strongly recommend potential investors consider the risk factors described below, together with information contained elsewhere in this Prospectus, and to consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

There are specific risks related directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this Section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Shares and the value of Options.

The following is not intended to be an exhaustive list of the risk factors the Company is potentially exposed to. The types of risks the Company is exposed to can change over time and vary with changes in economic, technological, environmental and regulatory conditions both generally and within the industry.

7.2 Key Risks

Refer to Section 1.4 for details of the key risks the Company will be exposed to following reinstatement.

7.3 Specific Risks

The following risks include those which pertain particularly to those ATG will be exposed to primarily as a business participant in the leisure travel and tourism industry. These should be read in conjunction with those outlined in Section 1.4 and 7.4, the latter being risks pertaining to ATG's residual mining industry interests.

(a) Customer service and professional reputation

Holiday Planet, Motive Travel and Asia Escape are currently, and ATG will be, a customer service reliant business. Customer service reliant entities are dependent upon customer satisfaction and loyalty, as well as reputation and branding.

Any diminution in customer sentiment towards Holiday Planet, Motive Travel or Asia Escape in its merged form may have an adverse impact on the future financial performance of ATG. Any unforeseen issues or events which place Holiday Planet's, Motive Travel's and Asia Escape's current reputations at risk may also impact on ATG's future growth and profitability. Many of Holiday Planet's, Motive Travel's and Asia Escape's current customers have been obtained by referrals from their existing customer basis. Any factors that diminish Holiday Planet's, Motive Travel's or Asia Escape's reputation, or that of any of its personnel, could have an adverse effect on the future business plans of ATG.

(b) Operating risks in travel industry

The Company has entered into the Agreements to acquire Holiday Planet, Asia Escape and Motive Travel. If the Acquisitions are completed the Company's main business will be online tourism. The prospects of the Company must be considered in light of the future demand for tourism services. This depends on a wide variety of matters applying to international and domestic customers. International customer demand can be affected by the strength of the Australian dollar against the destination currency and the cost of international travel. Customer demand for Australian domestic travel can be affected by many factors. This includes the level of disposable income of Australian consumers, the strength of the Australian economy, taxation, cost of living expenses, the price of motor fuel and the opportunity cost of alternate travel experiences.

(c) Acts of Terrorism

Acts of terrorism or an outbreak of international hostilities, particularly if perpetrated or specifically targeted at internationally renowned tourism infrastructure or facilities may adversely affect the demand for ATG's products. These, or an associated adverse change in sentiment with respect to the share market, could negatively impact on the value of an investment in the Company.

(d) Industrial risk

The Company has, subject to Shareholder, regulatory and contractual requirements, elected to focus the Company's future interests in the leisure and tourism industry. Each industry carries with it individual risks associated with that industry. The leisure and tourism industry can be affected by industrial action, labour strikes, lockouts, work to procedures, "go-slow" labour actions, union bans, pickets and boycotts. Any of these could have detrimental impact on the provision of cruise, flight and accommodation services by the Company and therefore detrimentally impact upon its revenues and overall performance.

(e) Insurance

To mitigate the impact of the risk factors outlined in this section that may affect the operations of the Company, ATG intends to ensure appropriate insurance is maintained within ranges of coverage ATG believes is consistent with industry practice, having regard to the nature of activities being conducted. No assurance can be given that the Company will be able to obtain such insurance coverage at reasonable rates or that any coverage the Company arranges will be adequate and available to cover any potential claims. Insurance cover may not be available for every risk faced by the Company.

7. Risk Factors *continued*

The occurrence of an event not covered or not fully covered by insurance may have a material adverse effect on the business, financial condition, and/or financial results of the Company.

(f) Contractual risk

The Company's ability to efficiently conduct its operations in a number of respects depends upon a number of contract arrangements. As in any contractual relationship the ability for the Company to ultimately receive the benefit of the contract is dependent upon the relevant third party complying with its contractual obligations. Moreover, it will require maintenance or renegotiation of contractual arrangements post the Acquisitions on terms favourable to ATG. There can be no certainty third party contractual relationships existing with Red Gum, Holiday Planet, Asia Escape or Motive Travel will continue following Settlement. To the extent third parties default in their obligations it may be necessary for the Company to enforce its rights under any of the contracts and pursue legal action. Such legal action may be costly and no guarantee can be given by the Company that a legal remedy will ultimately be granted on appropriate terms. The Acquisitions will depend on the contractual relationship between the Company and the shareholders of Holiday Planet, Motive Travel and Asia Escape who are also subject to these risks. The Company is also subject to the risk relevant approvals are not obtained and the relevant conditions are not satisfied or waived.

(g) Force Majeure

The Company's facilities may be vulnerable to, amongst other factors, interruptions caused by natural disasters, civil unrest, declared and undeclared wars, system failures, power losses, fire, malicious damage and other events beyond the Company's control. Any interruption may have an adverse impact on current and future operations and the financial condition of the Company.

(h) Currency risk

Adverse movements in the exchange rate may materially impact on the Company's competitiveness, cost base, revenue streams and on the commercial viability of key aspects of the Company's proposed leisure and tourism business plans.

The products, revenues, earnings, assets and liabilities of the Company may be exposed adversely to exchange rate fluctuations. Any shift in foreign exchanges particularly of major trading partners against the Australian dollar could affect the financial performance and results generally of the Company.

In order to mitigate such risks ATG will adopt foreign exchange hedge policies similar to those currently used by Asia Escape for its post acquisition operations. Asia Escape is well versed in this due to the wholesale nature

of its core business activities and as the only travel entity exposed to foreign exchange (FX) fluctuations on a daily basis.

It may also have a material impact on the Company's current resource specific assets as a whole.

(i) Catastrophic events

Events having a significant and material adverse impact on the travel and tourism industry include catastrophic weather events, significant climatic occurrences, and outbreak of wars, terrorism and outbreaks of dangerous and deadly infectious diseases. Catastrophic events include tsunamis, earthquakes, floods, fire, hurricanes, cyclones and typhoons. It also includes outbreak of epidemics and global pandemics such as SARs, Bird Flu, Swine Flu and Ebola. Travel service companies focused on organising international travel for Australians including travel to and in foreign countries may be significantly adversely affected by any of these events occurring. Given the nature of ATG's business, including servicing travel arrangements to international destinations, ATG is highly exposed to such risk.

7.4 Mining Specific risks

Whilst it is the Company's intention to divest or dispose of its mining interests following completion of the Acquisitions and not to conduct any active exploration, risks associated with the Company's mining interests in Peru and Chile will continue until that time. Accordingly it is appropriate that those key associated risks specifically associated with those mining interests be outlined:

(a) Tenure risk

The Company:

- (i) is the registered holder of mineral concessions in Peru and Chile; and
- (ii) is the applicant for mineral concessions in Chile (together the Mineral Interests).

The Mineral Interests held by the Company and in which the Company has an interest are subject to applicable laws regarding exploration, expenditure and renewal of such interests in the jurisdictions in which the Company holds those interests.

If a Mineral Interest is not granted or renewed (as the case may be) or access cannot be secured to carry out operations the Company could suffer a consequential loss of assets. This would have an adverse impact on the Company.

Licenses and permits for Mineral Interests are for a specified term and carry annual rental and reporting commitments. If not met the holder could lose title to its Mineral Interests. In the case of the underlying

7. Risk Factors *continued*

concession periodic payments are made which equates to 'good financial standing' under the terms of grant of those Mineral Interests. Equally, activities are in some instances required (work program commitments) to keep the concession in good administrative standing. There's a risk these permits could be terminated or reduced if the holder is unable to show cause for the delay in payment.

(b) Environmental regulation risk

The commodity related mining concession interests of the Company are subject to various laws and regulations regarding environmental matters including the discharge of hazardous waste and materials. Such matters cover the various standards and mining concession holder's obligation to remediate current and former facilities and locations where operations are, or were, conducted.

From time to time the Company may be required to comply with environmental management issues arising from factors beyond its control. The occurrence of an event not covered by insurance may have a material adverse effect on the Company.

(c) Sovereign risk factors

The holding of mining concession interests in Peru and Chile create additional sovereign risk factors beyond those of the domestic jurisdiction. This is particularly in relation to ownership of tenure, taxation, royalties, land access, labour relations, environmental pollution and mining and exploration activities.

Changes to these risk factors may adversely affect the financial performance or the financial condition of the Company by affecting the value of the Company's concessions.

7.5 General Risks

(a) Economic

Factors such as inflation, currency fluctuations, interest rates, supply and demand, industrial disruption, government policy and legislation have an impact on operating costs, commodity prices, and the parameters in which the Company operates. Factors that may be beyond the control of the Company include:

- (i) general economic conditions in Australia and its trading partners and, in particular, inflation rates, interest rates, exchange rates, commodity supply and demand factors;
- (ii) financial failure or default by a participant in any of the joint ventures, suppliers, travel operators or other contractual relationship to which the Company is, or may become, a party;
- (iii) insolvency or other managerial failure by any of the contractors used by the Company in its activities; and
- (iv) industrial disputes.

These as well as other conditions can affect the Company's future revenues and profitability and the price of its Shares and Options.

(b) Changes in Government Policy and Laws

Changes in government laws, regulations, policies and administrative regimes, including those affecting travel and tourism licences, tourist movements domestically and internationally, taxes etc. Domestic and foreign sovereign risk may adversely affect the financial performance or the current and proposed operations generally of the Company. These changes may increase operating costs and have a material adverse effect on the financial condition of the Company.

(c) Share Market Conditions

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- general economic outlook;
- introduction of tax reform or other new legislation;
- interest rates and inflation rates;
- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital; and
- terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and industrial stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

7.6 Investment speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Securities offered under this Prospectus.

Therefore, the Securities to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Securities.

Potential investors should consider that the investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for Shares and Options pursuant to this Prospectus.



8.

Investigating Accountant's Report

8. Investigating Accountant's Report



RSM Bird Cameron Corporate Pty Ltd
8 St Georges Terrace Perth WA 6000
GPO Box R1253 Perth WA 6844
T +61 8 9261 9100 F +61 8 9261 9102
www.rsmi.com.au

Email: andy.gilmour@rsmi.com.au
Direct Line: 08 9261 9447

AJG/JUMO
10 November 2014

The Directors
Red Gum Resources Limited
(to be renamed "Australian Travel Group Limited")
79 Angas Street
ADELAIDE SA 5000

Dear Directors

Investigating Accountants Report

Independent Limited Assurance Report ("Report") on Historical, Pro-forma Historical and Pro-forma Forecast Financial Information and Financial Services Guide

1. Introduction

- 1.1. We have prepared this Report on certain historical financial information of Red Gum Resources Limited ("Red Gum" or "the Company") and the entities comprising the Australian travel services aggregated group of companies being Holiday Planet Pty Ltd ("Holiday Planet"), Key Gate Holdings Pty Ltd (trading as Asia Escape Holidays) ("Asia Escape") and Jaecer Holdings Pty Ltd (trading as Motive Travel) ("Motive Travel") (together, the "Travel Service Entities") and certain pro-forma historical and pro-forma forecast financial information of the Australian Travel Group Limited comprising Red Gum and the Travel Services Entities. This Report has been prepared for inclusion in a Prospectus to be dated on or about 10 November 2014 relating to the issue of securities in the Company.
- 1.2. RSM Bird Cameron Corporate Pty Ltd is wholly owned by RSM Bird Cameron and holds the appropriate Australian Financial Services Licence under the Corporations Act 2001 for the issue of this Report.
- 1.3. Expressions and terms defined in the Prospectus have the same meaning in this Report.

2. Scope of Examination

- 2.1. The Directors have requested RSM Bird Cameron Corporate Pty Ltd to prepare the Report for inclusion in the Prospectus, covering the following information:

RSM Bird Cameron
Corporate Pty Ltd
ABN 82 050 508 024
AFS Licence No 255847

Major Offices in:
Perth, Sydney,
Melbourne, Adelaide,
Canberra and Brisbane.

RSM Bird Cameron Corporate Pty Ltd is beneficially owned by the Directors of RSM Bird Cameron. RSM Bird Cameron is a member of the RSM network. Each member of the RSM network is an independent accounting and advisory firm which practises in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

8. Investigating Accountant's Report *continued*



AFS Licence No 255847

Review of Historical Financial Information:

- 2.2. The Historical Financial Information being the:
- Audited historical information for Red Gum being the:
 - Audited statement of profit and loss for FY2011, FY2012 and FY2013;
 - Audited balance sheet as at 30 June 2011, 30 June 2012, 30 June 2013 and 30 June 2014; and
 - Pro-forma cash flow statements for FY2011, FY2012 and FY2013.
 - Audited historical information on a aggregated basis of the Travel Services Entities being the:
 - Audited statements of profit and loss for FY2011, FY2012 and FY2013;
 - Audited balance sheets as at 30 June 2011, 30 June 2012 and 30 June 2013; and
 - Pro-forma cash flow statements for FY2011, FY2012 and FY2013.
- 2.3. The Historical Financial Information for Red Gum has been extracted from the financial report of the Company for the three years ended 30 June 2013 which were audited in accordance with Australian Auditing Standards. In each year unmodified audit opinions were issued on the financial reports.
- 2.4. The Historical Financial Information for the Travel Service Entities of Holiday Planet, Asia Escape and Motive Travel has been prepared on an aggregated basis with the financial information extracted from the financial reports for each of the entities for the three years ended 30 June 2013. Each of the Travel Service Entities were audited for each of the three years ended 30 June 2013. All audits were completed in accordance with Australian Auditing Standards and all audit reports issued on the financial reports were unmodified.
- 2.5. The Historical Financial Information for Red Gum and the Travel Service Entities has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and Red Gum's and the Travel Service Entities adopted accounting policies.
- 2.6. The Historical Financial Information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentations and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001.

Review of the Pro-Forma Historical Financial Information :

- 2.7. The Pro-forma historical financial information for the Australian Travel Group being the:
- Pro-forma historical statement of profit and loss for FY2014;
 - Pro-forma historical balance sheet as at 30 June 2014; and
 - Pro-forma historical cash flow statement for FY2014.
- 2.8. The Pro-Forma Historical Financial Information for the Australian Travel Group Limited for FY2014 has been prepared on the basis that Red Gum is the legal acquirer of the Travel Service Entities and the accounting policies are those of Australian Travel Group Limited as outlined in the "Significant Accounting Policies" in Section 12 of this Prospectus.

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- 2.9. The Pro-Forma Historical Financial Information has been derived from the audited historical financial information for Red Gum and Motive Travel and the unaudited historical financial information of Holiday Planet and Asia Escape after adjusting for the effects of the pro-forma adjustments described in Section 6 of the Prospectus. The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the historical financial information and the events or transactions to which the pro-forma adjustments relate, as described in Section 6 of the Prospectus, as if those events or transactions had occurred as at the date of the historical financial information. Due to its nature, the pro-forma historical financial information does not represent the Company's actual or prospective financial position, financial performance and/or cash flows. The Directors' best estimate assumptions underlying the pro-forma financial forecasts are described in Section 6.

Review of the Pro-Forma Forecast Financial Information

- 2.10. The Pro-forma Forecast Financial Information for the Australian Travel Group being the:
- Pro-forma forecast statement of profit and loss for FY2015 and CY2015; and
 - Pro-forma forecast cash flow statement for FY2015 and CY2015.
- 2.11. The Pro-forma Forecast Financial Information has been derived after adjusting for the effects of the pro-forma adjustments described in Section 6 of the Prospectus.
- 2.12. The stated basis of preparation used in the preparation of the Pro-Forma Forecast Financial Information is the recognition and measurement principles contained in Australian Accounting Standards. Due to its nature the Pro-forma Forecast Financial Information does not represent the Company's actual prospective financial performance, and cash flows for FY2015.
- 2.13. The Pro-forma Forecast Financial Information has been prepared by management and adopted by the Directors in order to provide prospective investors with a guide to the potential financial performance of the Australian Travel Group for the year ending 30 June 2015. There is a considerable degree of subjective judgement involved in preparing forecasts since they relate to events and transactions that have not yet occurred and may not occur. Actual results are likely to be different from the Pro-forma Forecast Financial Information since anticipated events or transactions frequently do not occur as expected and the variation may be material.
- 2.14. The Directors' best estimate assumptions on which the Pro-forma Forecast Financial Information is based relate to future events and/or transactions that management expect to occur and actions that management expect to take and are also subject to uncertainties and contingencies, which are often outside the control of the Company. Evidence may be available to support the assumptions on which the Pro-forma Forecast Financial Information is based, however such evidence is generally future orientated and therefore speculative in nature. We are therefore not in a position to express a reasonable assurance conclusion on those best estimate assumptions, and accordingly, provide a lesser level of assurance on the reasonableness of the Directors' best estimate assumptions. We do not express any opinion on the achievability of the results. The limited assurance conclusion expressed in this report has been formed on the above basis.
- 2.15. Prospective investors should be aware of the material risks and uncertainties relating to an investment in the Company, which are detailed in the Prospectus, and the inherent uncertainty relating to the prospective financial information. Accordingly prospective investors should have regard to the investment risks and sensitivities set out in Section 7 and Section 6 of the Prospectus respectively. The sensitivity analysis set out in Section 6 of the Prospectus demonstrates the impacts on the Forecast Financial Information of

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changes in key assumptions. The Pro-forma Forecast Financial Information is therefore only indicative of the financial performance which may be achievable. We express no opinion as to whether the Forecasts will be achieved.

3. Directors' Responsibility

3.1. The Directors are responsible for:

- The preparation and presentation of the Historical Financial Information and the Pro forma Historical Financial Information, including the selection and determination of pro-forma adjustments made to the Historical Financial Information and included in the Pro-forma Historical Financial Information.
- The preparation of the Pro-forma Forecast Financial Information, including the best estimate assumptions underlying the Pro-forma Forecast Financial Information and the selection and determination of the pro-forma adjustments; and;
- The information contained within the Prospectus.

3.2. This includes responsibility for the operation of such internal controls as the Directors determine are necessary to enable the preparation of the Historical Financial Information, Pro-forma Historical Financial Information and the Pro-forma Forecast Financial Information that are free from material misstatement, whether due to fraud or error.

4. Our Responsibility

4.1. Our responsibility is to express a limited assurance conclusion on the financial information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

4.2. A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly we will not express an audit opinion.

4.3. We have performed the following procedures as we, in our professional judgement, considered reasonable in the circumstances:



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Historical Financial Information

- A consistency check of the application of the stated basis of preparation, to the historical financial information;
- A review of work papers, accounting records and other documents of Red Gum and the Travel Service Entities and their auditors;
- Enquiry of directors, management personnel and advisors; and
- Performance of analytical procedures applied to the historical financial information.

Pro-forma Historical Financial Information

- A consistency check of the application of the stated basis of preparation, to the pro-forma historical financial information;
- A review of the work papers, accounting records and other documents;
- Enquiry of directors, management personnel and advisors;
- Consideration of the pro-forma adjustments described in Section 6 of the Prospectus; and
- The performance of analytical procedures applied to the pro-forma historical financial information.

Pro-forma Forecast Financial Information

- Enquiries, including discussions with management and Directors of the factors considered in determining the assumptions;
- Analytical and other review procedures we considered necessary including examination, on a test basis, of evidence supporting the assumptions, amounts and other disclosures in the Pro-forma Forecast Financial Information;
- Review of the accounting policies adopted and used in the preparation of the Pro-forma Forecast Financial Information; and
- Consideration of the Pro-forma Adjustments applied in preparing the Pro-forma Forecast Financial Information.

5. Conclusions

Historical Financial Information

- 5.1. Based on our review which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information is not presented fairly in all material respects, in accordance with the stated basis of preparation as described in Section 6.

Pro-forma Historical Financial Information

- 5.2. Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Pro-forma Historical Financial Information is not presented fairly in all material respects, in accordance with the stated basis of preparation as described in Section 6 of the Prospectus.



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Pro-forma Forecast Financial Information

- 5.3. Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that:
- (i) The Directors' best estimate assumptions used in the preparation of the Pro-forma Forecast Financial Information do not provide reasonable grounds for the Pro-forma Forecast Financial Information;
 - (ii) In all material respects, the Pro-forma Forecast Financial Information:
 - (a) Is not prepared on the basis of the Directors' best estimate assumptions as described in Section 6 of the Prospectus;
 - (b) Is not presented fairly in accordance with the stated basis of preparation, being the accounting policies adopted and used by the Company and the recognition and measurement principles contained in Australian Accounting Standards; and
 - (iii) The Pro-forma Forecast Financial Information itself is unreasonable.

6. Restriction on Use

- 6.1. Without modifying our conclusions, we draw attention to the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose.

7. Responsibility

- 7.1. RSM Bird Cameron Corporate Pty Ltd has consented to the inclusion of this assurance report in the Prospectus in the form and context in which it is included. RSM Bird Cameron Corporate Pty Ltd has not authorised the issue of the Prospectus. Accordingly, RSM Bird Cameron Corporate Pty Ltd makes no representation regarding, and takes no responsibility for, any other documents or material in, or omissions from, the Prospectus.

8. Disclosure of Interest

- 8.1. RSM Bird Cameron Corporate Pty Ltd does not have any interest in the outcome of the Capital Raising or Acquisition other than the preparation of this Report for which normal professional fees will be received.

8. Investigating Accountant's Report *continued*



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9. Financial Services Guide

- 9.1. We have included our Financial Services Guide as Appendix A to our Report. The Financial Services Guide is designed to assist retail clients in their use of any general financial product advice in our Report.

Yours faithfully

A handwritten signature in black ink that reads "Andrew Gilmour".

A J GILMOUR
Director



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APPENDIX A

Financial Services Guide

RSM Bird Cameron Corporate Pty Ltd ABN 82 050 508 024 ("RSM Bird Cameron Corporate Pty Ltd" or "we" or "us" or "ours" as appropriate) has been engaged to issue general financial product advice in the form of a report to be provided to you.

In the above circumstances we are required to issue to you, as a retail client, a Financial Services Guide ("FSG"). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensees.

This FSG includes information about:

- who we are and how we can be contacted;
- the services we are authorised to provide under our Australian Financial Services Licence, Licence No 255847;
- remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
- any relevant associations or relationships we have; and
- our complaints handling procedures and how you may access them.

Financial services we are licensed to provide

We hold an Australian Financial Services Licence, which authorises us to provide financial product advice in relation to:

- deposit and payment products limited to:
 - (a) basic deposit products;
 - (b) deposit products other than basic deposit products.
- interests in managed investments schemes (excluding investor directed portfolio services); and
- securities (such as shares and debentures).

We provide financial product advice by virtue of an engagement to issue a report in connection with a financial product of another person. Our report will include a description of the circumstances of our engagement and identify the person who has engaged us. You will not have engaged us directly but will be provided with a copy of the report as a retail client because of your connection to the matters in respect of which we have been engaged to report.

Any report we provide is provided on our own behalf as a financial services licensee authorised to provide the financial product advice contained in the report.

General Financial Product Advice

In our report we provide general financial product advice, not personal financial product advice, because it has been prepared without taking into account your personal objectives, financial situation or needs.

You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain a product disclosure statement relating to the product and consider that statement before making any decision about whether to acquire the product.

8. Investigating Accountant's Report *continued*



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Benefits that we may receive

We charge fees for providing reports. These fees will be agreed with, and paid by, the person who engages us to provide the report. Fees will be agreed on either a fixed fee or time cost basis and as at the date of this Report amount to \$55,000.

1.1. Except for the fees referred to above, neither RSM Bird Cameron Corporate Pty Ltd, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report.

Remuneration or other benefits received by our employees

All our employees receive a salary.

Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

Associations and relationships

RSM Bird Cameron Corporate Pty Ltd is beneficially owned by the partners of RSM Bird Cameron, a large national firm of chartered accountants and business advisers. Our directors are partners of RSM Bird Cameron Partners.

1.2. From time to time, RSM Bird Cameron Corporate Pty Ltd, RSM Bird Cameron Partners, RSM Bird Cameron and / or RSM Bird Cameron related entities may provide professional services, including audit, tax and financial advisory services, to financial product issuers in the ordinary course of its business.

Complaints Resolution

Internal complaints resolution process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing, addressed to The Complaints Officer, RSM Bird Cameron Corporate Pty Ltd, P O Box R1253, Perth, WA, 6844.

1.3. When we receive a written complaint we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical, and not more than 45 days after receiving the written complaint, we will advise the complainant in writing of our determination.

Referral to External Dispute Resolution Scheme

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Financial Ombudsman Service ("FOS"). FOS is an independent company that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial services industry.

1.4. Further details about FOS are available at the FOS website or by contacting them directly via the details set out below.

Financial Ombudsman Service
GPO Box 3
Melbourne VIC 3001
Toll Free: 1300 78 08 08
Facsimile: (03) 9613 6399
Email: info@fos.org.au

Contact Details

You may contact us using the details set out at the top of our letterhead on page 1 of this report.



9.
Corporate
Governance

9. Corporate Governance

9.1 Directors

Disclosure of the Directors (and Proposed Directors) and their background is contained at the beginning of this Prospectus in the Investment Overview section.

9.2 Legal or Disciplinary action

Other than as set out above, no Director or Proposed Director (or Company that the Director or Proposed Director was a director of at the relevant time) has, in the ten (10) year period ending on the date of this Prospectus, had any legal or disciplinary action against the Director that is relevant to the Director's role in the Company and a potential investor's decision to apply for Shares and Options.

9.3 The ASX Corporate Governance Council Principles and Recommendations

The Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

To the extent applicable, the Company has adopted The Corporate Governance Principles and Recommendations (3rd Edition) as published by the ASX Corporate Governance Council (Recommendations).

In light of the Company's size and nature, the Board considers that the current board is a cost effective and practical method of directing and managing the Company. As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

The Company's main corporate governance policies and practices as at the date of this Prospectus are outlined below. All of the Company's corporate governance policies, together with a copy of the Company's Constitution, are available on the Company's website (www.redgumresources.com.au).

Board Charter

The Board has adopted a board charter which prescribes certain principles for the operation and structure of the Board. The charter also establishes certain principles and procedures in accordance with which the Board is required to act and allocates the functions of the Company between the Board and management of the Company.

Code of Conduct

The Board has adopted a code of conduct which sets basic principles of business conduct to which the directors, officers and employees of the Company must adhere.

Board of Directors

The Board is responsible for corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. The goals of the corporate governance processes are to:

- (a) maintain and increase Shareholder value;
- (b) ensure a prudential and ethical basis for the Company's conduct and activities; and
- (c) ensure compliance with the Company's legal and regulatory objectives.

Consistent with these goals, the Board assumes the following responsibilities:

- (a) developing initiatives for profit and asset growth;
- (b) reviewing the corporate, commercial and financial performance of the Company on a regular basis;
- (c) acting on behalf of, and being accountable to, the Shareholders; and
- (d) identifying business risks and implementing actions to manage those risks and corporate systems to assure quality.

9. Corporate Governance *continued*

The Company is committed to the circulation of relevant materials to Directors in a timely manner to facilitate Directors' participation in the Board's discussions on a fully-informed basis.

Composition of the Board

Election of Board members is substantially the province of the Shareholders in general meetings.

However, subject thereto, the Company is committed to the following principles:

- (a) the Board is to comprise persons with a blend of skills, experience and attributes appropriate for the Company and its business; and
- (b) the principal criterion for the appointment of new directors is their ability to add value to the Company and its business.

No formal nomination committee or procedures have been adopted for the identification, appointment and review of the Board's membership but an informal assessment process, facilitated in consultation with the Company's professional advisors, has been committed to by the Board.

Identification and management of risk

The Board's collective experience will enable accurate identification of the principal risks that may affect the Company's business. Key operational risks and their management will be recurring items for deliberation at Board meetings.

Continuous Disclosure Policy

The Board has adopted a continuous disclosure policy to ensure the Company will be in a position to comply with its disclosure obligations following admission to the Official List.

Under the policy, the Company Secretary will have primary responsibility for ensuring the Company complies with its continuous disclosure obligations.

Ethical standards

The Board is committed to the establishment and maintenance of appropriate ethical standards.

Independent professional advice

Subject to the Chairman's approval (not to be unreasonably withheld), the Directors, at the Company's expense, may obtain independent professional advice on issues arising in the course of their duties.

Remuneration arrangements

The Board will decide the remuneration of an executive Director without the affected executive Director participating in that decision-making process.

The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The fees paid to Directors for the year ending 30 June 2014 and the Company's intentions regarding remuneration for the financial year ending 30 June 2015 are set out in Section 1.6.

In addition, a Director may be paid fees or other amounts (i.e. subject to any necessary Shareholder approval, non-cash performance incentives such as options) as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director.

9. Corporate Governance *continued*

Directors are also entitled to be paid reasonable travelling, accommodation and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The Board reviews and approves the remuneration policy to enable the Company to attract and retain executives and Directors who will create value for Shareholders having consideration to the amount considered to be commensurate for a company of its size and level of activity as well as the relevant Directors' time, commitment and responsibility. The Board is also responsible for reviewing any employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.

Trading policy

The Board has adopted a policy that sets out the guidelines on the sale and purchase of securities in the Company by its key management personnel (i.e. Directors and, if applicable, any employees reporting directly to the managing director). Broadly, the policy prohibits trading during designated "blackout periods" and recommends trading only during certain "trading windows". The policy generally provides that the written acknowledgement of the Chair (or the Board in the case of the Chair) must be obtained prior to trading.

External audit

The Company in general meetings is responsible for the appointment of the external auditors of the Company, and the Board from time to time will review the scope, performance and fees of those external auditors.

Audit committee

The Company will not have a separate audit committee until such time as the Board is of a sufficient size and structure, and the Company's operations are of a sufficient magnitude for a separate committee to be of benefit to the Company. In the meantime, the full Board will carry out the duties that would ordinarily be assigned to that committee under the written terms of reference for that committee, including but not limited to, monitoring and reviewing any matters of significance affecting financial reporting and compliance, the integrity of the financial reporting of the Company, the Company's internal financial control system and risk management systems and the external audit function.

Diversity policy

The Board values diversity and recognises the benefits it can bring to the organisation's ability to achieve its goals. The Company has therefore adopted a diversity policy, outlining the Company's diversity objectives. In particular, under the policy the Board will establish measurable objectives for achieving gender diversity when it has grown to a point where it is appropriate to do so.

9.4 Departures from Recommendations

Following admission to the Official List of the ASX, the Company will be required to report any departures from the Recommendations in its annual financial report.

The Corporate governance practices of the Company are compliant with the ASX Corporate Governance Council's best practice recommendations with the exception of departures in relation to the following:

- (a) Recommendation 2.1: Formation of a Nomination Committee;
- (b) Recommendation 2.4: Independence of a majority of the Board;
- (c) Recommendation 2.5: Independent Chairperson;
- (d) Recommendation 4.1 and 6.1: Formation of an Audit and Risk Committee;
- (e) Recommendation 7.3: Internal Audit function; and
- (f) Recommendation 8.1: Formation of a Remuneration Committee.



10.
Material
Contracts

10. Material Contracts

10.1 Material terms of the Agreements

The Company has entered into share sale agreements with each of the shareholders of Holiday Planet, Asia Escape and Motive Travel to acquire 100% of the issued share capital of Holiday Planet, Asia Escape and Motive Travel, subject to the satisfaction (or waiver) of certain conditions in accordance with each agreement.

The terms of the Holiday Planet Acquisition Agreement, Asia Escape Acquisition Agreement and Motive Travel Acquisition Agreement (together the **Agreements**) are predominantly the same with any material differences noted below. The key terms of the Agreements are as follows:

Conditions Precedent

In accordance with the terms of the Agreements, the Acquisitions are subject to the satisfaction (or waiver) by the parties of the following outstanding conditions precedent:

- (a) the Asia Escape Acquisition and Motive Travel Acquisition are conditional upon final settlement of the Holiday Planet Acquisition;
- (b) Shareholders approving the Acquisitions at the Extraordinary General Meeting;
- (c) Red Gum complying with any requirements of ASX including, if necessary, receiving conditional approval to have its shares re-admitted to trading on the Official List of ASX and those conditions being satisfied to the reasonable satisfaction of the parties (as required by ASX Listing Rule 11.1.3);
- (d) Red Gum preparing and lodging a prospectus for the Public Offer with the ASIC and receiving applications to meet the Minimum Subscription under the Public Offer of not less than \$3,000,000;
- (e) Red Gum not issuing, or agreeing to issue, additional Options in excess of those contemplated pursuant to the Acquisitions; and
- (f) the Asia Escape Acquisition is conditional upon Asia Escape having not less than \$125,000 in immediately available funds at Settlement, and both the AE Acquisition and Motive Travel Acquisition are conditional upon Asia Escape and Motive Travel having no material outstanding indebtedness or other liabilities.

Consideration

In exchange for the Company acquiring 100% of the issued share capital in Holiday Planet, Asia Escape and Motive Travel, the Company will, subject to Shareholder approval at the Extraordinary General Meeting, provide the following consideration:

- (a) 18,750,000 Shares, 250,000 Convertible Notes and \$750,000 in cash to be provided to the Holiday Planet Shareholders (or their nominees) at Settlement in proportion to their respective share holdings in Holiday Planet;
- (b) 10,000,000 Shares, 750,000 Convertible Notes and \$750,000 in cash to be provided to the Asia Escape Shareholder (or its nominee) at Settlement; and
- (c) 5,000,000 Shares, 500,000 Convertible Notes and \$500,000 in cash to be provided to the Motive Travel Shareholder (or its nominee) at Settlement.

Consolidation of Capital

The Company will, subject to Shareholder approval, undertake a consolidation of its issued capital (Consolidation) on the basis of:

- (a) one (1) Share for every twenty-five (25) Shares held; and
- (b) one (1) Option for every twenty-five (25) Options held.

Capital Raising

In order to fund the Acquisitions, to re-comply with Chapters 1 and 2 of the ASX Listing Rules and meet the conditions of the Agreements, the Company will conduct the Public Offer to raise at least \$3,000,000 (before costs) at an issue price of \$0.20 (following the Consolidation as defined above), with Over Subscriptions of up to a further \$2,000,000 (before costs) for a maximum raising of \$5,000,000.

10. Material Contracts *continued*

10.2 Lead Manager Mandate

The Company has entered into a mandate with DJ. Carmichael Pty Ltd (DJ Carmichael) to act as lead manager (Lead Manager) to the Public Offer (Mandate).

In consideration, the Company will pay DJ Carmichael the following:

- (a) A lead manager fee of \$150,000 plus GST (Management Fee);
- (b) a selling fee of 6.5% plus GST of the amount placed under the Public Offer; and
- (c) 5,000,000 Broker Options on the terms and conditions set out in Section 11.6.

In addition, the Company agrees to reimburse DJ Carmichael for all reasonable out of pocket expenses incurred directly relating to their role.

In the event the Company terminates the Mandate, or DJ Carmichael terminates the Mandate for cause, DJ Carmichael will be entitled to retain the Management Fee.

The Mandate also contains other standard clauses customary of an agreement of this kind.

10.3 Executive Services Agreements

In conformity with the respective Share Sale Agreements each of Messrs Dodson, Croy and Adams have entered into Executive Service Agreements (ESA's) with the Company, the appointments of which will take effect on Completion. The general form of each of these agreements is identical and is typical of a commercial contract of this nature. Key terms are:

- (a) Each shall be appointed as a full time Executive and agree to act as a Director. Mr Dodson will assume the role of Executive Chairman, Mr Adams will assume the role as Wholesale Director and Mr Croy will assume the role as Operations Director.
- (b) The Company shall provide fixed Remuneration comprising salary and superannuation in addition to a Director's Fee (excluding superannuation) each of which shall be reviewed annually.
- (c) Mr Dodson will assume the role of Executive Chairman with a fixed remuneration of \$215,000 per annum and director's fees of \$50,000 p.a. Mr Adams will assume the role as Wholesale Director with a fixed remuneration of \$190,000 per annum and Director's fees of \$25,000 per annum. Mr Croy will assume the role as Operations Director with a fixed remuneration of \$120,000 per annum and Director's fees of \$25,000 p.a. Each ESA shall be of a term of 3 years.
- (d) The Company shall provide each Executive with phone, personal laptop, internet costs and pay reasonable motor vehicle expenses as well as other expenses incurred in the performance of their duties on behalf of the Company. Mr Dodson will be given a motor vehicle allowance of \$2,000 per month to cover fuel, registration, vehicle maintenance and insurance costs.
- (e) In addition to their existing leave entitlements accruing from the Travel Service Entities, each Executive will be entitled to 20 days annual leave, 10 days annual personal leave, long service leave and other leave in accordance with applicable legislation.
- (f) The Company shall provide and maintain appropriate Directors and Officers liability insurance.
- (g) The Company may pay each Executive a performance-based bonus taking into account the performance indicators of the Executive and Company. However, Mr Dodson's performance-based bonus will be based on the Company achieving certain percentage increases over and above budgeted EBITDA in any given financial year, as approved and to be set by the Board (and may include any other factors the Board deems appropriate).
- (h) The Executive is subject to restraint of trade provisions relating to any competing activity for a period of up to 2 years after termination of employment.
- (i) Either party may terminate without cause by giving 6 months' notice. The Executive may also terminate within 6 months of what may be deemed a material adverse change to the Executive's position (Fundamental Change) by giving 1 months' notice.
- (j) The Executive may, within 6 months of a "Fundamental Change" (as defined in the ESA's), terminate the Employment

10. Material Contracts *continued*

by giving the Company 1 months' notice in writing.

- (k) The Company may terminate the Employment of the Executive by giving at least one month's written notice where
 - a) incapacitation prevents performance of duties in any 2 months out of 12 months
 - b) the Executive becomes of unsound mind or subject to any laws relating to mental health.
- (l) The Company can by giving 1 months' notice terminate the Executive where they
 - a) commit any serious or persistent breach not remedied within 14 days,
 - b) is neglectful, absent in, incompetent in, or is unsatisfactory in the performance of their duties
 - c) are guilty of an gross misconduct
 - d) refuse or neglect to comply with lawful reasonable directions of the Company and
 - e) summarily, without any period of notice or payment in lieu of notice, if the Executive engages in serious and wilful misconduct such as certain criminal offences, is declared bankrupt; fails to observe or perform any of the material duties or obligations under their ESA.
- (m) Upon termination the Executive must resign as a Director of the Company.

10.4 Agreements with Senior Managers

George Michalczyk has entered into a services agreement with the Company to act as Executive Manager, Motive Travel, with his appointment to take effect on Completion (**Senior Executive Agreement**). Mr Michalczyk will report directly to the Board in this capacity. The terms of Mr Michalczyk's Senior Executive Agreement are not materially different to the terms of the ESA's as summarised in Section 10.3. Mr Michalczyk will however receive fixed remuneration of \$120,000 per annum for his services. The Company will also pay for Mr Michalczyk's membership to a number of organisations.

Each relevant Travel Services Entity has entered into various service agreements with its other senior management personnel, the terms of each is typical for agreements of this type.

10.5 Deeds of Indemnity, Insurance and Access

The Company will enter into deeds of indemnity, insurance and access with each of the proposed new Directors. Under these deeds the Company will indemnify each proposed new Director to the extent permitted by the Corporations Act against any liability arising as a result of the officer acting as an officer of the Company. The Company will also be required to maintain insurance policies for the benefit of the proposed new, as well as existing Directors and must also allow the proposed new Directors to inspect Board papers in certain circumstances.

10.6 Supplier agreements

Each of Holiday Planet, Motive Travel and Asia Escape has entered into preferred supplier agreements with other travel industry businesses, which represent a substantial portion of annual revenue. These agreements specify the terms upon which each entity will sell to their customers specified products supplied by those businesses, which terms are customary for agreements of this nature in respect of duration, performance and termination. In consideration for these services, a percentage of commission in relation to the number of products sold is paid to the relevant entity in accordance with the terms of the agreement

10.7 Software agreements

Holiday Planet, Asia Escape and Motive Travel are parties to various software supply agreements, pursuant to which certain IT software is provided to each entity. The IT software is used by each entity to conduct their business operations, including financial and administrative tasks.



11.

Additional
Information

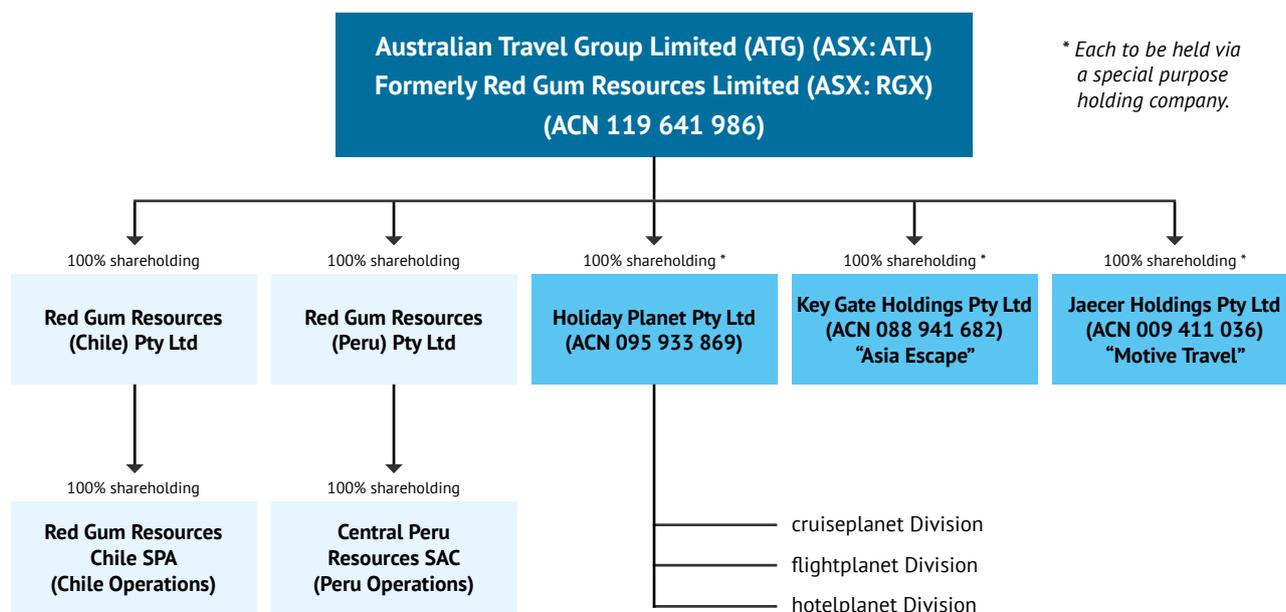
11. Additional Information

11.1 Incorporation

The Company was incorporated in 11 May 2006 in New South Wales as a private company as Michaelmass37 Pty Ltd ACN 119 641 986. The name was changed to Red Gum Resources Pty Ltd in October 2007 and the Company changed to a public company on 22 August 2008 as Red Gum Resources Limited. The Company was listed on the ASX as a public company on 17 January 2012.

11.2 Company tax status

The Company will be taxed in Australia as a public company.



11.3 Corporate Structure on completion of Acquisitions (simplified)

11.4 Litigation

As at the date of this Prospectus, none of the Company, Holiday Planet, Asia Escape or Motive Travel are involved in any material legal proceedings and the Directors are not aware of any material legal proceedings pending or threatened against the Company.

11.5 Rights attaching to Shares

The following is a summary of the more significant rights attaching to Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) General meetings

Shareholders are entitled to be present in person, or by proxy or attorney to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with Section 249D of the Corporations Act.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or classes of Shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy or attorney;
- (ii) on a show of hands, every person present who is a Shareholder or a representative of a Shareholder has one vote in

11. Additional Information *continued*

respect of each Share carrying the right to vote; and

- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by them, or in respect of which they are appointed a proxy, attorney or representative, have one vote for the Share, but in respect of partly paid Shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) Dividend rights

The Directors alone may declare a dividend to be paid to shareholders. The dividend is payable at a time determined in the directors' discretion. No dividend may be declared or paid except as allowed by the Corporations Act. No interest is payable in respect of unpaid dividends. The Directors may set aside of the Company's profit any amount that they consider appropriate. This amount may be used in any way that profits can be used, and can be invested or used in the Company's business in the interim.

(d) Winding-up

If the Company is wound up, the liquidator may, with the authority of a special resolution of the Company, divide among the shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution of the Company, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any Shares or other securities in respect of which there is any liability.

(e) Shareholder liability

As the Shares under the Public Offer contained in this Prospectus are fully paid shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) Transfer of Shares

Generally, Shares are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the ASX Listing Rules.

(g) Variation of rights

Pursuant to Section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three-quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(h) Alteration of Constitution

The Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

11. Additional Information *continued*

11.6 Options

The terms and conditions of the Options are set out below:

- (a) The exercise price of each Option is \$0.25 per Share;
- (b) each Option shall entitle the holder the right to subscribe (in cash) for one Share in the capital of the Company;
- (c) the Options will expire at 5.00pm AEDT on 15 November 2017. Subject to clause (g), Options may be exercised at any time prior to the expiry date and Options not so exercised shall automatically expire on the expiry date;
- (d) each Share issued as a result of the exercise of any Option will, subject to the Constitution of the Company, rank in all respects *pari passu* with the existing Shares in the capital of the Company on issue at the date of issue;
- (e) a registered owner of an Option will not be entitled to attend or vote at any meeting of the members of the Company unless they are, in addition to being an Option holder, a member of the Company;
- (f) Options are transferable at any time prior to the expiry date. This right is subject to any restrictions on the transfer of Options that may be imposed by the ASX in circumstances where the Company is listed on the ASX;
- (g) the method of exercise of an Option:
 - (i) the Company will provide to each Option holder a notice that is to be completed when exercising the Options (Notice of Exercise of Options). Options may be exercised by the Option holder by completing the Notice of Exercise of Options and forwarding the same to the Company Secretary to be received prior to the expiry date. The Notice of Exercise of Options must state the number of Options exercised and the consequent number of ordinary Shares in the capital of the Company to be issued; which number of Options must be a multiple of 2,500 if only part of the Option holder's total Options are exercised, or if the total number of Options held by an Option holder is less than 2,500 then the total of all Options held by that Option holder must be exercised;
 - (ii) the Notice of Exercise of Options by an Option holder must be accompanied by payment in full for the relevant number of shares being subscribed, being an amount of 25 cents (\$0.25) per Share;
 - (iii) Subject to this clause (g), the exercise of less than all of an Option holder's Options will not prevent the Option holder from exercising the whole or any part of the balance of the Option holder's entitlement under the Option holder's remaining Options;
 - (iv) within 14 days from the date the Option holder properly exercises Options held by the Option holder, the Company shall issue to the Option holder that number of Shares in the capital of the Company so subscribed for by the Option holder;
 - (v) the Company will within 3 business days from the date of issue of Shares pursuant to the exercise of an Option, apply to the ASX for, and use its best endeavours to obtain, Official Quotation of all such Shares, in accordance with the Corporations Act and the Listing Rules of the ASX; and
 - (vi) the Company will generally comply with the requirements of the Listing Rules in relation to the timetables imposed when quoted Options are due to expire. Where there shall be any inconsistency between the timetables outlined herein regarding the expiry of the Options and the timetable outlined in the Listing Rules, the timetable outlined in the Listing Rules shall apply;
- (h) application for quotation of the Options on the ASX will be made;
- (i) in the event of a reconstruction (including a consolidation, sub-division, reduction or return) of the issued capital of the Company, all rights of the Option holder will be changed to the extent necessary to comply with the Listing Rules applying to the reconstruction of capital, at the time of the reconstruction;
- (j) there are no participating rights or entitlements inherent in the Options to participate in any new issues of capital which may be made or offered by the Company to its shareholders from time to time prior to the expiry date unless and until the Options are exercised. The Company will ensure that during the exercise period, the record date for the purposes of determining entitlements to any new such issue, will be at least nine (9) business days after such new issues are announced (or such other date if required under the Listing Rules) in order to afford the Option holder an opportunity to exercise the Options held by the Option holder;
- (k) there are no rights to change the exercise price of the Options or the number of underlying Shares.

11. Additional Information *continued*

11.7 Terms of Convertible Notes

(a) Face Value

The Convertible Notes will be deemed to have a face value of \$1.00 each. The Convertible Notes to be issued to the Vendors will be as follows:

- (i) 750,000 (\$750,000) to be issued to the AE Shareholder;
- (ii) 500,000 (\$500,000) to be issued to the MT Shareholder; and
- (iii) 250,000 (\$250,000) to be issued to the HP Shareholders
(together the **Subscription Amount**).

(b) Conversion Price

\$0.20 per Share.

(c) Subscription Date

The Vendors will, subject to Settlement occurring in accordance with the Agreements, subscribe for the Convertible Notes at Settlement (**Subscription Date**).

(d) Term and Maturity Date

The convertible notes will be redeemed on that date which is twenty four (24) months after the Subscription Date (**Maturity Date**) and, at the Vendors election, the Company must pay to the Vendors the outstanding Subscription Amount (plus any interest due) in either cash, Shares (or a combination of both).

(e) Early Redemption

- (i) The Vendors may elect to redeem the Convertible Notes (in whole or in part) into cash at any time within 45 days after the following to occur:
 - (A) the thirteen (13) month anniversary following the Subscription Date; or
 - (B) that date upon which the Company receives cleared funds following completion of a minimum equity raising of \$2,500,000 (which, for the avoidance of doubt, cannot occur prior to the Subscription Date and must be for a single capital raising only (not in aggregate)) (together the **Milestone Date**).
- (ii) Any election to redeem the Convertible Notes into cash (**Cash Election**) must be made in writing to the Company (**Cash Election Notice**) and will only be accepted by the Company on the following basis:
 - (A) the Company having a minimum of A\$1.5m net cash at bank on a post-Cash Election basis on the date of receipt of a Cash Election Notice;
 - (B) for any Cash Election made between the Milestone Date and that day immediately prior to the 16 month anniversary following the Subscription Date, a maximum of 30% of the Subscription Amount (together with the equivalent percentage of outstanding Interest) (**First Election Limit**) as calculated on the date of receipt of the Cash Election Notice given to the Company may be redeemed into cash;
 - (C) for any Cash Election made between that day being the 16 month anniversary following the Subscription Date and that day immediately prior to the 19 month anniversary following the Subscription Date, a maximum of:
 - (I) 30% of the Subscription Amount, together with the equivalent percentage of outstanding Interest, as calculated on the date of receipt of the Cash Election Notice given to the Company; and
 - (II) if less than the total of the First Election Limit is redeemed into cash, then any surplus remaining (together, in aggregate, the **Second Election Limit**), may be redeemed into cash; and
 - (D) for any Cash Election made between the 19 month anniversary following the Subscription Date and that day immediately prior to the 24 month anniversary following the Subscription Date, a maximum of:
 - (I) 40% of the Subscription Amount together with the equivalent percentage of outstanding Interest as calculated on the date of receipt of the Cash Election Notice given to the Company; and
 - (II) if less than the total of the First Election Limit or Second Election Limit is redeemed into cash, then any surplus remaining, (together, in aggregate, the **Third Election Limit**), may be redeemed into cash.

11. Additional Information *continued*

(iii) The Company will only be required to make a cash payment on that date which is the last day of the relevant election period (**Payment Date**). If on the Payment Date any number of Cash Elections received by the Company for that relevant election period would result in the Company having less than A\$1.5m net cash at bank (**Net Cash Minimum**), then the Company will only pay to the Vendors their cash entitlement on a pro-rata basis to ensure the Company does not breach this Net Cash Minimum. Any outstanding Subscription Amount (plus accrued Interest) not then redeemed into cash will then be carried over into the following election period for the Vendors (and Interest will then accrue on this surplus amount).

(iv) Any Convertible Note must not be redeemed for less than its deemed face value (plus any accrued Interest).

(f) Redemption at the election of the Company

The Company may elect by providing written notice to the Vendors at any time prior to the Maturity Date, to fully and finally repay the outstanding Subscription Amount (plus accrued Interest) in one cash payment (Cash Payment). Such Cash Payment must be made within seven (7) days of receipt of such notice by the Vendors.

(g) Security

Unsecured.

(h) Interest

Interest shall accrue on a daily basis at the rate of 10% per annum on the outstanding Subscription Amount, be capitalized at six (6) monthly intervals and be payable in cash at the time of redemption or Conversion of the Subscription Amount, whichever is the earliest (Interest).

(i) Conversion

The Vendors may elect to convert the Convertible Notes on and from that date which is the earlier of the following to occur:

- (i) that date which is thirteen (13) months following the Subscription Date; or
- (ii) that date upon which the Company receives cleared funds following completion of a minimum equity raising of \$2,500,000 (which, for the avoidance of doubt, cannot occur prior to the Subscription Date and must be for a single capital raising only (not in aggregate)).

(j) Ordinary Shares Ranking

Shares issued on Conversion will be fully paid, will be unencumbered and will rank *pari passu* in all respects with the fully paid ordinary Shares in the Company on issue on Conversion.

(k) Voting Rights

None prior to Conversion.

(l) Transfer

None transferable, except in the case of death or permanent incapacity whereby the Convertible Notes will be transferred to the executor of the estate of the Vendors.

11.8 Interests of Directors

Other than as set out in this Prospectus, no Director or Proposed Director holds, or has held within the 2 years preceding lodgment of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Public Offer; or

(c) the Public Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or Proposed Director:

- (d) as an inducement to become, or to qualify as, a Director; or

11. Additional Information *continued*

(b) for services provided in connection with:

- (i) the formation or promotion of the Company; or
- (ii) the Public Offer.

11.9 Interests of Experts and Advisers

Other than as set out below or elsewhere in this Prospectus, no:

(a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;

(b) promoter of the Company; or

(c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

(a) the formation or promotion of the Company;

(b) any property acquired or proposed to be acquired by the Company in connection with:

- (i) its formation or promotion; or
- (ii) the Public Offer; or

(c) the Public Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (i) the formation or promotion of the Company; or
- (ii) the Public Offer.

RSM Bird Cameron Corporate Pty Ltd has acted as Investigating Accountant and has prepared the Financial Information which is included in Section 6 of this Prospectus and the Investigating Accountant's Report, which is included in Section 8 of this Prospectus. The Company estimates it will pay RSM Bird Cameron Corporate Pty Ltd a total of \$55,000 (excluding GST) for these services. Further amounts may be paid to RSM Bird Cameron Corporate Pty Ltd in accordance with its normal time-based charge out rates.

DJ Carmichael has acted as Lead Manager to the Public Offer. The Company estimates it will pay DJ Carmichael those fees as set out in Section 1.7.

Steinepreis Paganin has acted as the Company's solicitor in the preparation of this Prospectus. The Company estimates it will pay Steinepreis Paganin a total of \$250,000 (excluding GST) for these services. Further amounts may be paid to Steinepreis Paganin in accordance with its normal time-based charge out rates.

11.10 Consents

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and
- (b) to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

RSM Bird Cameron Corporate Pty Ltd has given its written consent to being named as the Investigating Accountant in this Prospectus and to the inclusion of the Investigating Accountant's Report and Financial Information in Sections 6 and 8 of this Prospectus in the form and context in which the information and report is included. RSM Bird Cameron Corporate Pty Ltd has as not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

Faizal Ajmat has given its written consent to being named as the current auditor in this Prospectus and to the inclusion of Red Gum's FY2011, FY2012, FY2013 and FY2014 audited accounts. Faizal Ajmat has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

11. Additional Information *continued*

Stantons International has given its written consent to being named as the proposed auditor in this Prospectus. Stantons International has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

DJ Carmichael has given its written consent to being named as the Lead Manager to the Public Offer. DJ Carmichael has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus and has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

11.11 Continuous disclosure obligations

As the Company is admitted to the Official List, the Company is a “disclosing entity” (as defined in Section 111AC of the Corporations Act) and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company will be required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities.

Price sensitive information will be publicly released through the ASX before it is disclosed to shareholders and market participants. Distribution of other information to shareholders and market participants will also be managed through disclosure to the ASX. In addition, the Company will post this information on its website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

11.12 Electronic Prospectus

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please contact the Company and the Company will send you, for free, either a hard copy or a further electronic copy of this Prospectus or both. Alternatively, you may obtain a copy of this Prospectus from the ASX company announcements platform.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

11.13 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company currently participates in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company.

Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of Securities allotted to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper documentation. Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.



12.

Significant Accounting Policies

12. Significant Accounting Policies

The principal accounting policies adopted in the Financial Information preparation are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial report is for the consolidated entity consisting of Australian Travel Group Limited (ATG) and its subsidiaries.

(a) Corporate information

At the proposed Extraordinary Meeting to be held on 27 November 2014, it is proposed that the company name is to change from Red Gum Resources Limited to the Australian Travel Group Limited ("ATG").

(b) Basis of preparation

Financial Information has been prepared in accordance with Australian Accounting Standards and interpretations issued by the Australian Accounting Standard Board and the Corporations Act 2001. ATG is a for-profit entity for the purpose of preparing the financial statements.

(i) Compliance with IFRS

The Company's consolidated financial statements also comply with Australian equivalents of International Financial Reporting Standards (IFRS), as issued by the Australian Accounting Standards Board (AASB).

(ii) Historical cost convention

Financial Information have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets and financial assets and liabilities (including derivative financial instruments) at fair value through profit or loss.

(iii) Rounding of amounts

Amounts in the financial statements have been rounded off to the nearest thousand dollars, or in certain cases, the nearest dollar, in accordance with the Australian Securities and Investments Commission's Class Order 98/100.

(d) Principles of consolidation

(i) Subsidiaries

The consolidated pro-forma financial statements incorporate the assets and liabilities of all ATG subsidiaries at 30 June 2014 and the subsidiaries' results for the year then ended. ATG and its subsidiaries together are referred to in this financial report as the group or the consolidated entity.

Subsidiaries are all entities (including structured entities) over which the Company has control. ATG controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the entity's activities. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date control ceases.

The acquisition method of accounting is used to account for business combinations by the group.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the transferred asset's impairment. Subsidiaries' accounting policies have been changed, where necessary, to ensure consistency with the group's policies.

Investments in subsidiaries are accounted for at cost in ATG's individual financial statements.

(d) Foreign currency translation

(i) Functional and presentation currency

Items included in each of the group entities' financial statements are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in Australian dollars, which is ATG's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency at the prevailing exchange rates at the transaction dates. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. Exceptions arise if the gains and losses are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

12. Significant Accounting Policies *continued*

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss and other comprehensive income within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss and other comprehensive income on a net basis within other income or other expenses.

(e) Revenue

The group recognises revenue when:

- The amount of revenue can be reliably measured
- It is probable that future economic benefits will flow to the entity; and
- Specific requirements have been met for each of the group's activities

Revenue is measured at the fair value of the consideration received or receivable. Revenue from the sale of travel services is recognised as set out below.

(i) Revenue from Travel Services

Revenue from the sale of travel services is recorded when travel documents are issued, consistent with an agency relationship.

Revenue relating to volume incentives is recognised at the amount receivable when annual targets are likely to be achieved.

In addition to commission payments, ATG is eligible for override payments from its suppliers as included in revenue from the provision of travel. These overrides are negotiated with individual suppliers and will typically include a combination of guaranteed payments and volume incentives.

The volume incentives are recognised at the amount receivable when annual targets are likely to be achieved.

The override revenue accrual process is inherently judgmental and is impacted by factors which are not completely under ATG's control. These factors include:

- Year-end differences – as supplier contract periods do not always correspond to ATG's financial year, judgments and estimation techniques are required to determine anticipated future flown revenues over the remaining contract year and the associated override rates applicable to these forecast levels
- Timing – where contracts have not been finalised before the start of the contract period, override and commission earnings may have to be estimated until agreement has been reached; and
- Renegotiations – periodic renegotiations of terms and contractual arrangements with suppliers may result in additional volume/incentives, rebates or other bonuses being received. These payments may not be specified in existing contracts.

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract.

Revenue from the sale of goods is recognised when the ATG consolidated group has transferred to the buyer, the significant risks and rewards of ownership of the goods.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Dividend revenue is recognised when the right to receive a dividend has been established. Dividends received from associates are accounted for in accordance with the equity method of accounting.

(f) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation but are impairment tested annually or more frequently if events or changes in circumstances indicate they might be impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value, less cost to sell or value-in-use. To assess impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are independent of the cash inflows from other assets or asset groups (cash-generating units).

Impaired non-financial assets, other than goodwill, are reviewed for the impairment's possible reversal at each reporting date.

12. Significant Accounting Policies *continued*

Financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. For equity investments classified as available-for-sale, a significant or prolonged decline in the security's fair value below its cost is considered an indicator that the assets are impaired. Impairment is recorded and losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the asset's initial recognition (a loss event) and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

(g) Exploration and evaluation

Exploration, evaluation and development expenditure incurred is accumulated in respect of each current identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made. When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Exploration and evaluation assets are assessed for impairment when fact and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Provision for restoration and rehabilitation

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis. Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

(h) Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for a subsidiary's acquisition comprises the transferred assets' fair values, the liabilities incurred and the equity interest issued by the group. The consideration transferred also includes any contingent consideration arrangement's fair value and the fair value of any pre-existing equity interest in the subsidiary.

Acquisition-related costs are expensed as incurred

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at acquisition date. On an acquisition-by-acquisition basis, the group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets. Where equity instruments are issued in an acquisition, the instruments' fair values are their published market prices at the exchange date. Transaction costs arising on equity instruments' issue are recognised directly in equity.

The excess of the consideration transferred and the amount of any non-controlling interest in the acquiree over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the acquired subsidiary's net identifiable assets and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, future amounts payable are discounted to their present value at the exchange date. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

12. Significant Accounting Policies *continued*

Contingent consideration is classified either as equity or a financial liability. Amounts classified as equity are not re-measured and subsequent settlement is accounted for within equity. Amounts classified as financial liabilities are subsequently re-measured to fair value, with changes in fair value recognised in profit or loss.

(i) Intangible assets

(i) Goodwill

Goodwill represents the excess of the acquisition's cost over the fair value of the group's interest in the fair value of the acquired subsidiary or associate's net identifiable assets at the acquisition date.

Goodwill on subsidiaries' acquisitions is included in intangible assets. Goodwill is not amortised but is impairment tested annually or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the entity's disposal include the sold entity's carrying amount of goodwill.

Goodwill is allocated to cash-generating units (CGUs) for impairment testing. The allocation is made to those CGUs or groups of CGUs that are expected to benefit from the business combination in which the goodwill arose.

(ii) Other intangible assets - website

Research costs associated with website development are expensed as incurred. Development expenditure incurred on an individual project is capitalised if the project is technically and commercially feasible and adequate resources are available to complete development. The expenditure capitalised includes all directly attributable costs, including costs of materials, services, direct labour and an appropriate proportion of overheads.

(j) Cash and cash equivalents

For statement of cash flows presentation purposes, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

(k) Investments and other financial assets

(i) Classification

The group classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, and available-for-sale-financial assets. The group does not have any held-to-maturity investments. The classification depends on the purpose for which the investments were acquired. Management classifies its investments at initial recognition and re-evaluates this designation each reporting date.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held-for-trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives are classified as held-for-trading unless they are designated as hedges. Derivatives in this category are current if they are expected to be settled within 12 months. Otherwise, they are classified as non-current.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting period's end. These are classified as non-current assets. Loans and receivables are included in trade and other receivables and other financial assets in the balance sheet.

Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable securities, are non-derivatives that are either designated in this category or not classified in any other category. These assets are predominantly client monies that are effectively repayable on demand and, therefore, classified as current assets.

(ii) Recognition and de-recognition

Regular purchases and sales of financial assets are recognised on trade-date (the date on which the group commits to purchase or sell the asset). Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the statement of profit or loss and other

12. Significant Accounting Policies *continued*

comprehensive income. Financial assets are de-recognised when the rights to receive cash flows from them have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified in the statement of profit or loss and other comprehensive income as gains and losses from investment securities.

(iii) Subsequent measurement

Loans and receivables are carried at amortised cost using the effective interest method.

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the financial assets at fair value through profit or loss category are presented in the statement of profit or loss and other comprehensive income within other income or other expenses in the period in which they arise. Income from financial assets at fair value through profit or loss is recognised in the statement of profit or loss and other comprehensive income as part of revenue from continuing operations when the group's right to receive payments is established.

Changes in the fair values of monetary securities denominated in foreign currencies and classified as available-for-sale are analysed for translation differences resulting from changes in the security's amortised cost and other changes in the security's carrying amount. The translation differences related to changes in the amortised cost are recognised in profit or loss. Other changes in carrying amounts are recognised in equity. Changes in the fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in other comprehensive income.

(l) Fair value measurement

ATG measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the group.

An asset or liability's fair value is measured using the assumptions that market participants use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy.

(m) Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Ongoing reviews are conducted to determine trade receivables' collectability. Debts known to be uncollectible are written off. An impairment provision is established when there is objective evidence that the group will not be able to collect all amounts due, according to the receivables' original terms. The debtor's significant financial difficulties, probability that the debtor will enter bankruptcy or financial re-organisation and payment default or delinquency are considered indicators that trade debtors are impaired. The impaired amount is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The impairment amount is recognised in the statement of profit or loss and other comprehensive income in other expenses. When a trade receivable for which an impairment allowance has been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of profit or loss and other comprehensive income.

12. Significant Accounting Policies *continued*

(n) Property, plant and equipment

Buildings and other property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure directly attributable to the item's acquisition.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, when it is probable that future economic benefits associated with the item will flow to the group and the item's cost can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

An asset's carrying amount is impaired immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised.

The reversal is limited so that the asset's carrying amount does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

(o) Inventories

Inventories are valued at the lower of cost and net realisable value. Cost primarily represents average costs.

(p) Trade and other payables

These amounts are liabilities for goods and services provided to the group prior to the financial year's end, but not yet paid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months of the reporting date. They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(q) Provisions

Provisions for legal claims and make good obligations are recognised when; the group has a present legal or constructive obligation as a result of past events and it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow relating to any item included in the same class of obligations is small.

To measure provisions at present value at the reporting period's end, management estimates the expenditure required to settle the present obligation. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability.

Provision increases brought about by the passage of time are recognised as interest expenses.

(r) Employee benefits

(i) Wages and salaries, annual leave and sick leave

Liabilities for employees' wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting period's end, are recognised in trade and other payables up to the reporting period's end and represent the amounts expected to be paid when the liabilities are settled. Sick leave is recognised as an expense when the leave is taken and measured at the rates paid or payable. All other short-term employee benefit obligations are presented as trade and other payables.

(ii) Long service leave

The liability for long service leave which is not expected to be settled within 12 months after the end of the period in which the employees render the related service is recognised in provisions. The liability represents the present value of expected future payments to be made for the services employees provided up to the reporting period's end. The company considers expected future wage and salary levels, experience of employee departures and periods of service.

Expected future payments at the reporting period's end are discounted using market yields on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

12. Significant Accounting Policies *continued*

(iii) Termination benefits

Termination benefits may be payable when employment is terminated before the normal retirement date or when an employee accepts voluntary redundancy in exchange for these benefits. The group recognises termination benefits when it commits to either terminating a current employee's employment according to a detailed formal plan without the possibility of withdrawal or providing termination benefits following an offer made to encourage voluntary redundancy.

(s) Financial liabilities

Debt and equity instruments

Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement.

(t) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred, and are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on loan facilities' establishment are recognised as loan transaction costs to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. If there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowing costs are recognised as expenses in the period in which they are incurred and include:

- Interest on bank overdrafts and short and long-term borrowings; and
- Unwinding of discount on deferred payables

Borrowings are classified as current liabilities unless the group has an unconditional right to defer the liability's settlement for at least 12 months after the reporting period's end.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities **assumed, is recognised in other income or other expenses.**

(u) Borrowing costs

Borrowing costs are recognised in the Consolidated Statement of Comprehensive Income in the period in which they are incurred

(v) Taxation

(i) Income tax

The income tax expense or revenue for the period is the tax payable or receivable on the current period's taxable income based on each jurisdiction's applicable income tax rate. Adjustments are made for changes in deferred tax assets and liabilities attributable to temporary differences and for unused tax losses.

The current income tax charge is based on tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns in respect of situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the assets' and liabilities' tax bases and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from an asset or liability's initial recognition in a transaction other than a business combination that at the time of the transaction does not affect accounting or taxable profit or loss. Deferred income tax is determined using rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only to the extent that it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

12. Significant Accounting Policies *continued*

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity controls the timing of the temporary differences' reversals and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same tax authority. Current tax assets and tax liabilities are offset when the entity has a legally enforceable right to offset and intends to either settle on a net basis or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity. In these cases, the tax is also recognised in other comprehensive income or directly in equity.

Companies within the group may be entitled to claim tax incentives (eg the Research and Development Tax Incentive regime in Australia). This has the effect of reducing the income tax payable and current tax expense.

(w) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the company's equity holders, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(x) Contributed equity

Ordinary shares are classified as equity. Ordinary shares entitle the holder to participate in dividends and the proceeds of the company's wind up in proportion to the number of and amount paid on the shares held.

On a show of hands, every holder of an ordinary share present at a meeting, either in person or by proxy, is entitled to one vote. Upon a poll, each share is entitled to one vote.

Ordinary shares have no par value and there are no partly paid shares currently on issue.

Incremental costs directly attributable to new share or option issues are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to shares or options issued for a business acquisition are not included in the acquisition's cost as part of the purchase consideration.

If the entity reacquires its own equity instruments, as the result of a share buyback for example, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in the profit or loss and the consideration paid, including any directly attributable incremental costs (net of income taxes), is recognised directly in equity.

(y) Dividends

Provision is made by the parent entity for any dividend declared, being appropriately authorised and no longer at the entity's discretion on or before the end of the financial year but not distributed at balance date.



13.

Directors' Authorisation

13. Directors' Authorisation

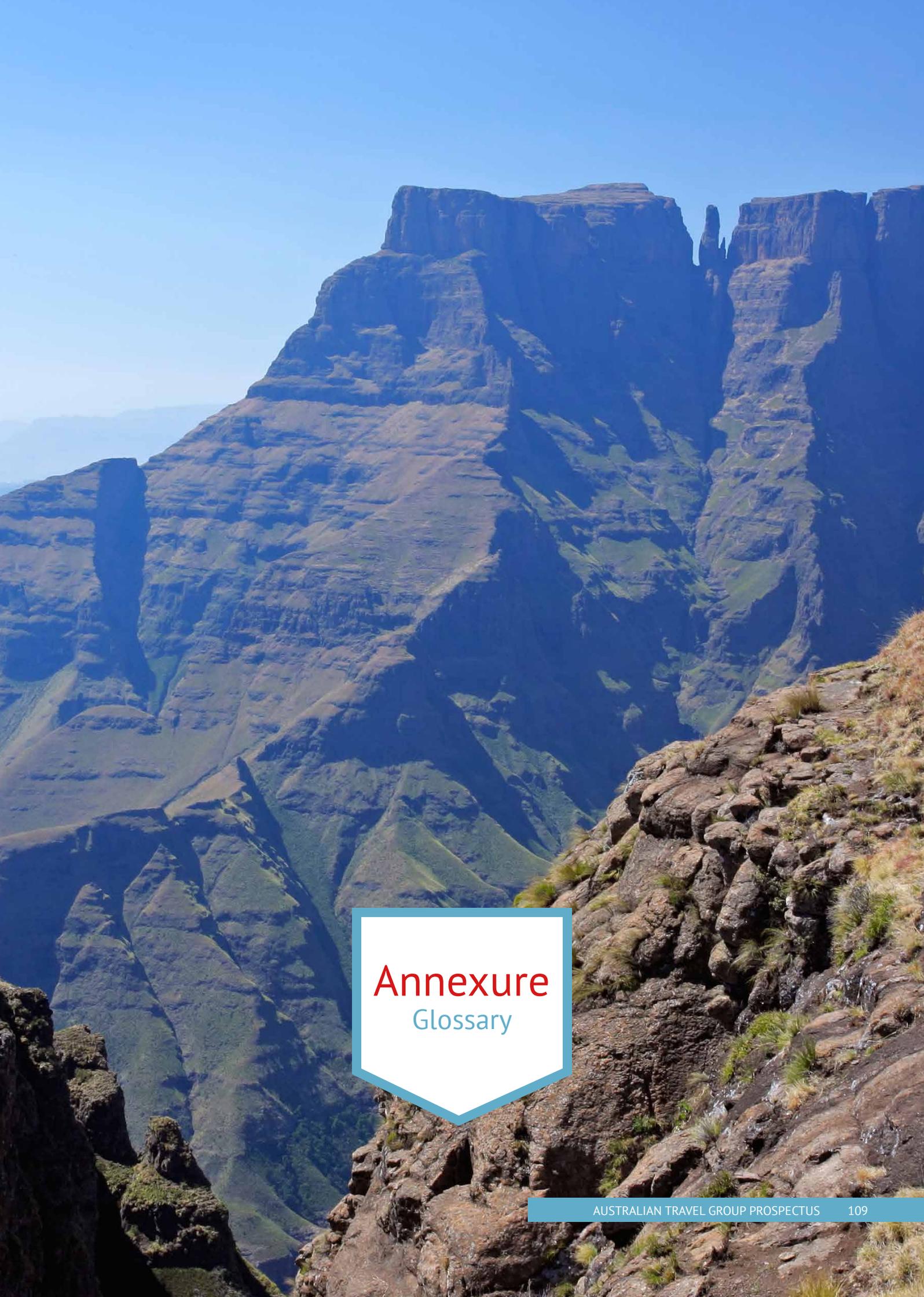
This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors and separately consented to by each of the Proposed Directors.

In accordance with Section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with ASIC.



Dr Raymond Shaw
Executive Chairman

For and on behalf of
RED GUM RESOURCES LIMITED



Annexure
Glossary

Glossary

Where the following terms are used in this Prospectus they have the following meanings:

Defined term	Definition
\$	means Australian dollars.
Acquisitions	means the AE Acquisitions, HP Acquisitions and MT Acquisitions (or any one of them as the context requires).
AE Acquisition	means the acquisition of all the issued capital of Keygate Holdings pursuant to the terms of the AE Acquisitions Agreement.
AE Acquisition Agreement	means the formal share sale agreement entered into between the Company and the AE Shareholder dated 21 August 2014 (as amended), the key terms of which are summarised in Section 10.1.
AE Shareholder	means Tilakee Nominees Pty Ltd (ACN 125 723 748), being the sole shareholder of Keygate Holdings Pty Ltd.
Agreements	means the HP Acquisition Agreement, AE Acquisition Agreement and MT Acquisition Agreement (or any one of them as the context requires) as amended on 22 September 2014.
Application Form	means the application form attached to or accompanying this Prospectus relating to the Public Offer.
Asia Escape	means Key Gate Holdings Pty Ltd (ACN 088 941 682) (trading as “Asia Escape Holidays”).
ASIC	means the Australian Securities & Investments Commission.
ASX	means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.
ASX Listing Rules	means the Listing Rules of ASX.
Australian Travel Group or ATG	means “Australian Travel Group Limited”, the name the Company proposes to change its name to upon completion of the Acquisitions and subject to Shareholder approval.
Board	means the board of Directors of the Company.
Business Day	means Monday to Friday inclusive, except New Year’s Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.
Closing Date	means the closing date of the Public Offer and Vendor Offer as set out in the indicative timetable in the Investment Overview in the Key Offer Statistics & Important Dates section of this Prospectus (subject to the Company reserving the right to extend the Closing Date or close the Public Offer and Vendor Offer early).
Company or Red Gum	means Red Gum Resources Limited (ACN 119 641 986).
Completion	means completion of the Acquisitions.
Consideration Shares	means the Shares to be issued to the Vendors in consideration for the Acquisitions.
Consolidation	means the consolidation of the issued share capital of the Company on the basis of one (1) Share for every twenty-five (25) Shares held and one (1) Option for every twenty-five (25) Options held.
Constitution	means the Company’s constitution.
Convertible Notes	means the convertible notes to be issued to each Vendor as part of the consideration under each Agreement, as set out in Section 11.7.
Corporations Act	means the Corporations Act 2001 (Cth).
Directors	means the directors of the Company at the date of this Prospectus and the Proposed Directors.

Glossary *continued*

Defined term	Definition
DJ Carmichael	means D J Carmichael Pty Ltd (ABN 26 003 058 857)) (Australian Financial Services Licence No. 232571).
Explanatory Statement	means the explanatory statement accompanying the Notice.
Extraordinary General Meeting or Meeting	means the general meeting of Shareholders to be held on November 2014.
Financial Information	means the financial information as set out in Section 6.
Forecast Financial Information	has that meaning as set out in Section 6.1.
GFC	means Global Financial Crisis.
Historical Financial Information	has that meaning as set out in Section 6.1.
Holiday Planet	means Holiday Planet Pty Ltd (ACN 095 933 869).
HP Acquisition	means the acquisition of all the issued capital of Holiday Planet pursuant to the terms of the HP Acquisition Agreement.
HP Acquisition Agreement	means the formal share sale agreement entered into between the Company and all the HP Shareholders dated on or about the 5 July 2014 (as amended), the key terms of which are summarised at section 10.1.
HP Shareholder	means a shareholder of Holiday Planet, currently being Mr Alan Dodson, Ms Yvonne Dodson, Mr Michael Croy, Ms Kerry Croy and Mr Graham Lorrigan.
Investigating Accountant's Report	means the Investigating Accountant's Report set out in Section 8 of this Prospectus.
Lead Manager	means DJ Carmichael.
Minimum Subscription	has the meaning given in section 4.2 of this Prospectus.
Motive Travel or Jaecer Holdings	means Jaecer Holdings Pty Ltd (ACN 009 411 036) trading as "Motive Travel".
MT Acquisition	means the acquisition of all the issued capital of Jaecer Holdings pursuant to the terms of the MT Acquisition Agreement.
MT Acquisition Agreement	means the formal share sale agreement entered into between the Company and the MT Shareholder dated on or about 4 August 2014 (as amended), the key terms of which are summarised in Section 10.1.
MT Shareholder	means Rita Bernice Michalczyk and George Michalczyk as trustees for The Michalczyk Management Trust, being the sole shareholder of Jaecer Holdings.
Notice or Notice of Meeting	means the notice of meeting for the General Meeting.
Offers	means the Public Offer and the Vendor Offer.
Official List	means the official list of the ASX.
Official Quotation	means official quotation by the ASX in accordance with the ASX Listing Rules.
Opening Date	means the opening date of the Offers, as set out in the indicative timetable in the Key Offer Statistics and Important Dates section of this Prospectus.
Option	means an option to acquire a Share.
Optionholder	means a holder of an Option.
Over Subscription	has the meaning given to that term in Section 4.1.

Glossary *continued*

Defined term	Definition
Promoter Share	means a Share offered to Ian Dodson as consideration in satisfaction of advisory services in relation to the Acquisitions pursuant to the Agreements.
Proposed Directors	means those persons named as such in Section 5.1 of this Prospectus.
Prospectus	means this prospectus.
Public Offer	means the offer of 15,000,000 Shares at an issue price of \$0.20 per Share, together with one (1) free attaching Option (exercisable at \$0.25 on or before on 15 November 2017 and otherwise on the terms and conditions set out in Section 11.6) for every two (2) Shares subscribed for and issued to raise \$3,000,000, with the ability of the Company to accept Over Subscriptions of up to a further \$2,000,000.
Section	means a section of this Prospectus.
Securities	means a Share, Option or Convertible Note.
Settlement	has that meaning given to it in accordance with the Agreements.
Share	means a fully paid ordinary share in the capital of the Company.
Share Registry	means Computer Share Investor Services Pty Limited.
Shareholder	means a registered holder of a Share.
Travel Service Entities	means Holiday Planet, Asia Escape and Motive Travel.
TTV	means Total Transactional Value, a common measurement used in the travel and leisure sector which refers to the value of gross bookings of travel services sold.
Vendor Acceptance Form	means the application form attached to or accompanying this Prospectus relating to the Vendor Offer.
Vendors	means the vendors of Holiday Planet, Motive Travel and Asia Escape under the Acquisitions.
Vendor Offer	means the offer of 33,750,000 Consideration Shares and 1,500,000 Convertible Notes to the Vendors under this Prospectus.
WST	means Western Standard Time as observed in Perth, Western Australia.

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Application
Instructions &
Form

GUIDE TO THE APPLICATION FORM

If an applicant has any questions on how to complete this Application Form, please telephone Mr Malcolm Lucas-Smith on + 61 8 8223 1680.

A. Application for Shares

The Application Form must only be completed in accordance with instructions included in Prospectus.

B. Name of Applicant

Write the Applicant's FULL NAME. This must be either an individual's name or the name of a company. Please refer to the bottom of this page for the correct form of registerable title. Applications using the incorrect form of registerable title may be rejected.

C. Name of Joint Applicants or Account Designation

If JOINT APPLICANTS are applying, up to three joint Applicants may register. If applicable, please provide details of the Account Designation in brackets. Please refer to the bottom of this page for instructions on the correct form of registerable title.

D. Address

Enter the Applicant's postal address for all correspondence. If the postal address is not within Australia, please specify Country after City/Town.

E. Contact Details

Please provide a contact name and daytime telephone number so that the Company can contact the Applicant if there is an irregularity regarding the Application Form.

F. CHESS HIN or existing SRN Details

The Company participates in CHESS. If the Applicant is already a participant in this system, the Applicant may complete this section with their existing CHESS HIN. If the applicant is an existing shareholder with an Issuer Sponsored account, the SRN for this existing account may be used. Otherwise leave the section blank and the Applicant will receive a new Issuer Sponsored account and statement.

G. Cheque Details

Make cheques payable to "Red Gum Resources Limited" in Australian currency and cross them "Not Negotiable". Cheques must be drawn on an Australian Bank. The amount of the cheque should agree with the amount shown on the Application Form.

H. Declaration

This Application Form does not need to be signed. By lodging this Application Form and a cheque for the application money the Applicant hereby:

- (1) applies for the number of Shares specified in the Application Form or such lesser number as may be allocated by the Directors;
- (2) agrees to be bound by the constitution of the Company;
- (3) authorises the directors of the Company to complete or amend this Application Form where necessary to correct any errors or omissions;
- (4) acknowledges that he/she has received a copy of the Prospectus attached this Application Form or a copy of the Application Form before applying for the Shares (and free attaching Options); and
- (5) acknowledges that he/she will not provide another person with this Application Form unless it is attached to or accompanied by the Prospectus.

CORRECT FORMS OF REGISTRABLE TITLE

Note that ONLY legal entities are allowed to hold securities. Application Forms must be in the name(s) of a natural person(s), companies or other legal entities acceptable to the Company. At least one full given name and the surname is required for each natural person. Application Forms cannot be completed by persons under 18 years of age. Examples of the correct form of registerable title are set out below.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
<i>Individual</i> Use given names in full, not initials	Mr John Alfred Smith	J A Smith
<i>Company</i> Use the company's full title, not abbreviations	ABC Pty Ltd	ABC P/L or ABC Co
<i>Joint Holdings</i> Use full and complete names	Mr Peter Robert Williams & Ms Louise Susan Williams	Peter Robert & Louise S Williams
<i>Trusts</i> Use the trustee(s) personal name(s).	Mrs Susan Jane Smith <Sue Smith Family A/C>	Sue Smith Family Trust
<i>Deceased Estates</i> Use the executor(s) personal name(s).	Ms Jane Mary Smith & Mr Frank William Smith <Est John Smith A/C>	Estate of late John Smith or John Smith Deceased
<i>Minor (a person under the age of 18)</i> Use the name of a responsible adult with an appropriate designation.	Mr John Alfred Smith <Peter Smith A/C>	Master Peter Smith
<i>Partnerships</i> Use the partners personal names.	Mr John Robert Smith & Mr Michael John Smith <John Smith and Son A/C>	John Smith and Son
<i>Long Names</i>	Mr John William Alexander Robertson-Smith	Mr John W A Robertson-Smith
<i>Clubs/Unincorporated Bodies/Business Names</i> Use office bearer(s) personal name(s).	Mr Michael Peter Smith <ABC Tennis Association A/C>	ABC Tennis Association
<i>Superannuation Funds</i> Use the name of the trustee of the fund.	Jane Smith Pty Ltd <Super Fund A/C>	Jane Smith Pty Ltd Superannuation Fund

Corporate Directory

Current Directors

Dr Raymond Shaw (Executive Chairman)
Mr Edwin Bulseco (Non Executive Director)
Ms Jennifer Tobin (Non Executive Director)

Registered Office

79 Angas Street
Adelaide SA 5000
Telephone: +61 8 8223 1680
Facsimile: +61 8 8223 1685
Website: www.redgumresources.com.au

Proposed Directors

Mr Alan Dodson (Executive Chairman)
Mr Michael Croy (Operations Director)
Mr Mason Adams (Wholesale Director)
Ms Jennifer Tobin (Non Executive Director)

Share Registry*

Computer Share Investor Services Pty Limited
Level 5, 115 Grenfell Street
Adelaide SA 5000
Telephone: 1300 556 161 (within Australia)
Facsimile: +61 3 9415 4000

Current Company Secretary

Mr Malcolm Lucas-Smith

Current Auditor*

Faizal Ajmat C.A.
PA Box 1283
Green Valley NSW 2168
Telephone: +61 401 965 246

Current ASX Code:

RGX

Proposed ASX Code:

ATL

Proposed Auditor**

Stantons International
Level 2, 1 Walker Avenue
West Perth WA 6005
Phone: +61 (8) 9481 3188
Fax: +61 (8) 9321 1204

Solicitors

Steinepreis Paganin
Level 4, The Read Buildings
16 Milligan Street
Perth WA 6000

Investigating Accountant

RSM Bird Cameron Corporate Pty Ltd
8 St George's Terrace
Perth, WA 6000

* This is included for information purposes only. This entity has not been involved in the preparation of this Prospectus.

Subject to Shareholder approval and completion of the Acquisitions.



ATG
The Australian Travel Group