



Prospectus

Red Gum Resources Limited ABN 66 119 641 986
(registered in Australia under the Corporations Act 2001)

An offer of 1 Share at an issue price of \$0.008

This Prospectus has been prepared for the purposes of Section 708A(11)(b)(i) of the Corporations Act 2001 (Cth) to remove any secondary trading restrictions on the sale of securities issued by Red Gum Resources Limited. This document is important and it should be read in its entirety

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IMPORTANT NOTICE

This Prospectus is dated 10 June 2014 and was lodged with ASIC on that date. Neither ASIC, ASX nor any of their respective officers take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No securities will be allotted or issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

This Offer is not available to anyone outside of Australia and no securities will be allotted or issued on the basis of this Prospectus outside of Australia.

Application will be made to ASX within 7 days after the date of this Prospectus for the quotation of the Share the subject of this Prospectus.

The Company is an ASX listed company whose securities are granted official quotation by ASX.

In preparing this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and that certain matters may reasonably be expected to be known to investors and professional advisers who investors may consult.

No person is authorised to give any information or to make any representations in connection with this Offer that is not contained in this Prospectus. Any information or representation that is not contained in this Prospectus may not be relied upon as having been authorised by the Company or its Directors.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it is not lawful to make such an offer.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. An investment in the security the subject of this Prospectus should be considered speculative.

Certain terms and abbreviations used in this Prospectus have defined meanings which are explained in the Glossary.

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1. KEY INFORMATION AND DATES

Question	Response	Where to find more information
What is the Offer?	The Company is offering to issue 1 New Share for \$0.008.	Section 2.1
Who should apply?	The Company will invite an investor to apply. You should not apply for the New Share unless you are invited to do so.	Section 2.1
What is the purpose of the Offer?	<p>Immediately prior to the period in which this Offer is open, the Company issued 132,000,000 Shares and 26,000,000 quoted options to investors to raise \$1,056,000 (Placement Securities). The Placement Securities were issued without a prospectus to institutional, sophisticated and professional investors who are not related parties of the Company.</p> <p>The Corporations Act restricts the trading of securities that are issued without a prospectus. The purpose of the Offer is to allow Shareholders holding the Placement Securities to be able to sell them without trading restrictions.</p>	Section 2.1
What is the effect of the Offer?	The effect of the Offer is to remove the secondary trading sale restrictions on the Placement Securities.	Section 2.2
	The Offer will further increase the number of Shares on issue by 1 Share and decrease the cash reserves of the Company by approximately \$5,000 (being the estimated expenses of the Offer).	Section 2.3
What are the risks of an investment in the Company?	The risks of an investment in the Company are set out in Section 2.5 of this Prospectus.	Section 2.5
What are the key dates of the Offer?	<p>Prospectus lodged with ASIC and ASX</p> <p>Opening Date of Offer</p> <p>Closing Date</p> <p>Despatch of holding statement</p> <p>Please note that these dates are subject to change. The Company reserves the right, subject to the Corporations Act and the Listing Rules to amend the timetable at any time, and in particular, to extend the Closing Date.</p>	<p>10 June 2014</p> <p>10 June 2014</p> <p>11 June 2014</p> <p>11 June 2014</p>

2. PURPOSE AND EFFECT OF THE OFFER

2.1 Purpose of Offer

Immediately prior to the period in which this Offer is open, the Company issued 132,000,000 Shares at an issue price of \$0.008 plus 26,000,000 attaching quoted options to raise \$1,056,000 (**Placement Securities**).

The Placement Securities were issued to institutional, sophisticated and professional investors who are not related parties of the Company. The Placement Securities were issued without a prospectus. The Corporations Act restricts the trading of securities that are issued without a prospectus. The purpose of the Offer is to allow Shareholders holding the Placement Securities to be able to sell them without trading restrictions. This Prospectus has been prepared for the purpose of section 708A(11)(b)(i) of the Corporations Act to remove any secondary sales restrictions on the sale of the Placement Securities. Section 708A(11)(b)(i) of the Corporations Act removes secondary sale restrictions where this Prospectus is lodged with ASIC on or after the day on which the Placement Securities were issued but before the day on which the Placement Securities are offered for sale.

Under the Offer, the Company will invite an investor to subscribe for 1 New Share for \$0.008 which is the same price per share at which the Placement Shares were issued. The Company will only receive a nominal amount of \$0.008 under this Prospectus and therefore raising funds is not the purpose of the Offer.

As announced on 4 June 2014, the Company has entered into an Heads of Agreement with the shareholders of Holiday Planet Pty Ltd ABN 96 095 933 869 (**Holiday Planet**) to acquire all the shares in Holiday Planet, subject to various conditions. Subject to obtaining all the necessary Shareholder and other approvals and meeting the relevant conditions, the Company plans to acquire Holiday Planet and shift its focus from resources to the internet travel and leisure industry (**Proposed Transaction**). One of the conditions to be satisfied is that the Company must prepare a prospectus to complete an equity raising of at least \$3,000,000 (**Re-compliance Equity Raising**), and re-comply with Chapters 1 and 2 of the Listing Rules.

This Offer is not dependent on either the Re-compliance Equity Raising or the Proposed Transaction proceeding. If however the Proposed Transaction is completed, this is expected to impact on the operating and financial performance of the Company, and therefore on the value of the New Share offered under this Prospectus. If the Proposed Transaction is not completed and no suitable alternative is implemented, this also is expected to impact on the operating and financial performance of the Company, and therefore on the value of the New Share offered under this Prospectus.

2.2 Effect of the Offer

The effect of the Offer will be to remove the secondary trading sale restrictions on the Placement Securities issued prior to the date this Prospectus was lodged with ASIC.

The Offer will further:

- (a) increase the number of Shares on issue by 1 Share; and
- (b) decrease the cash reserves of the Company by approximately \$5,000 being the estimated costs of the Offer.

2.3 Capital Structure

The capital structure of the Company after the issue of 1 Share under this Prospectus is set out below.

Shares	Number
Existing Shares	700,000,000
Placement Shares	132,000,000
Shares to be issued under this Prospectus	1
Total	832,000,001
OPTIONS	
Quoted options	211,234,053 ¹
Unquoted options	5,000,000 ²
Placement Options	26,000,000 ³
Options to be issued under this Prospectus	Nil
Total	242,234,053

¹ This consists of 61,234,053 quoted options exercisable at \$0.10 each expiring on or before 1 March 2016 and 150,000,000 quoted options exercisable at \$0.01 each expiring on or before 15/11/2017.

² This consists of 5,000,000 unquoted options exercisable at \$0.15 each expiring on or before 30 April 2016.

³ These options will be quoted and exercisable at \$0.01 each expiring on or before 15 November 2017.

Note: This table assumes that no additional Shares are issued by the Company before the Closing Date and that no options are exercised before the Closing Date.

Full details of the proposed capital structure of the Company as a result of the Proposed Transaction is set out in the Company's ASX announcement dated 4 June 2014. A prospectus for the Re-compliance Equity Raising is intended to be issued towards the end of July 2014.

2.4 Effect on Financial Position

The issue of 1 New Share under this Prospectus will not have a material impact on the Company's financial position. For this reason a pro-forma statement of financial position of the Company showing the financial effect of the Offer has not been included in this Prospectus.

2.5 Risk factors

2.5.1 Introduction

There are risks which may impact on the operating and financial performance of the Company and, therefore, on the value of the New Share offered under this Prospectus. Some of these risks can be mitigated by the Company's systems and internal controls, but many are outside of the control of the Company and of the Board. There can be no guarantee that the Company will achieve its stated objectives or that any forward-looking statements will eventuate, or that the Company will complete the Proposed Transaction. An investment in a business with limited operating history, such as the Company, is considered speculative and an investor could lose most or all of any investment. There are also general risks associated with any investment in shares.

More specifically, the risks are that:

- the price at which the Applicant is able to sell the New Share is less than the price paid due to changes in market circumstances;
- the Applicant is unable to sell the New Share;
- the Company is placed in receivership or liquidation making it reasonably foreseeable that Shareholders could receive none, or only some of their initial investment; and
- the Company fails to generate sufficient profit in order to pay dividends.

In the event of insolvency, the holders of fully paid ordinary Shares would not normally be liable to pay money to any person. Potential investors should therefore carefully consider all associated risks before applying for the New Share under this Prospectus and should consider their personal circumstances (including financial and taxation issues) and seek advice from their stockbroker, accountant, solicitor or other professional advisers before deciding whether to invest.

A number of material risk factors which may adversely affect the Company and the value of the New Share offered under this Prospectus are set out in this Section. This is not an exhaustive list and there may be other factors which have an adverse effect on the Company and the value of the New Share offered under this Prospectus.

2.5.2 Key risks specific to an investment in the Company

Completion of Proposed Transaction

The ability of the Company to complete the Proposed Transaction is dependent upon the completion of the Re-compliance Equity Raising. The Re-compliance Equity Raising is conditional on the ASX approving the Company's re-compliance with the admission requirements under Chapters 1 and 2 of the Listing Rules and the applicable minimum subscription being achieved, as well as other conditions precedent being satisfied or waived.

Achievement of Objectives/Funding Risk

The ultimate success and financial viability of the Company depends on the successful completion of the Proposed Transaction (or any alternative transaction) and on the continuing management of the new business, plus to a lesser extent, on realising sufficient value for its existing projects if divested. Pending the completion of the Proposed Transaction and completion of the related Re-compliance Equity Raising which will be the subject of a prospectus, the Company's operations and financial position will continue to depend on securing and/or maintaining title to its mineral tenures. The Company cannot guarantee that the Company's current projects or any new opportunities, following completion of the Proposed Transaction, can be profitably exploited and/or divested, where appropriate.

The Company may not be successful in either realising sufficient value for its existing projects if divested, or in satisfactorily completing the Proposed Transaction. Full details of the Proposed Transaction and related equity raising will be provided to investors in a prospectus to be released at a future date. Investors must therefore make their decisions to invest on the basis of the information provided in this Prospectus and should not assume that the Company will be able to complete the Proposed Transaction.

The raising of additional funds, particularly via the Re-compliance Equity Raising to enable completion of the Proposed Transaction, may not be possible or not on sufficiently attractive terms. This may be due to reasons such as general market conditions and investor sentiment and confidence.

No assurance can be given that future funding will be available to the Company on favourable terms, or at all.

Timing

The proposed timing for the completion of the Proposed Transaction was released to the market on 4 June 2014 but may be subject to change. Accordingly the timing remains uncertain and the Directors can give no assurance as to the ultimate timing, or as to the completion, of the Proposed Transaction.

Limited History

The Company has a limited performance history and related financial information. 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 Proposed Transaction does not complete or is not successful.

Operating Risks (including technological challenges)

Proposed Transaction

As announced to the ASX on 4 June 2014 the Company has entered into a Heads of Agreement to acquire all of the shares of Holiday Planet. Completion of the Proposed Transaction is subject to a number of conditions, including the approval of Shareholders. If the Proposed Transaction does complete, the Company's prospects must be considered in light of the future demand for tourism services, which 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 home currency, and the cost of international travel. Domestic customer demand for Australian domestic travel, can be affected by many factors, including the level of disposable income of Australian consumers, issues related to the strength of the Australian economy, taxation and cost of living expenses, the price of motor fuel and the cost and availability of alternate travel experiences.

Holiday Planet provides and maintains an internet travel platform. Such operations are the subject of a number of specific risks and hazards typically associated with such operations, including operational and technical difficulties encountered in booking travel and holidays; hardware malfunction, an overloading of the system, a deliberate and unauthorised attack on the system, difficulties in commissioning and operating information technology and equipment; mechanical failure or technological problems; failure of the computer and communications network, violation or infringement of trademarks and intellectual property rights, industrial and environmental accidents; industrial disputes; and unexpected shortages or increases in the costs of information technology, hotels, air fares and cruises. Should the Company complete the Proposed Transaction then the occurrence of any of these risks could have an adverse effect on the Company's financial position and performance, or result in legal proceedings being instituted against the Company and substantial losses to the Company due to damage to or destruction of property, regulatory investigation, and penalties or suspension of operations. (Refer to 2.5.3 below).

Damages occurring to third parties as a result of such risks may also give rise to claims against the Company. Internet based operations are generally considered a high-risk undertaking (refer to 2.5.3 below).

The Company's current Directors and management team have significant experience in the resources industry and specialist management, financial services and legal expertise, however they have no direct experience in the internet travel and leisure industry. It is proposed that on completion of the Proposed Transaction at least two of the principals of Holiday Planet, with extensive experience in the internet travel and leisure industry, will join the Board of the Company. Currently the Company has no operating history in the internet travel and leisure industry and accordingly no meaningful historical financial information or track record in that field. On completion of the Proposed Transaction, the Company's business plan will be radically changed, and this is likely to require significant expenditure, particularly capital expenditure on information technology, during the transition phase. Any future profitability from the Company's proposed internet travel and leisure business will be dependent upon the successful generation of profits from the Company's relevant projects, following completion of the Proposed Transaction.

Changes in Government Policy and Laws

Changes in government laws, regulations, policies and administrative regimes, including those affecting ownership of tenure, taxation, royalties, land access, labour relations, environmental pollution and mining and exploration activities, 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 Company.

Existing Resources Based Activities

The existing operations of the Company may be affected by various factors including operational and technical difficulties, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated geotechnical and

metallurgical problems which may affect extraction costs, adverse site conditions, weather conditions, unexpected maintenance, unplanned capital expenditure, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment. The occurrence of any of these factors could result in substantial liability being incurred by the Company. Resources exploration operations are generally considered a high-risk undertaking.

Mitigation

To mitigate the impact of the factors mentioned above which may affect the operations of the Company, it intends to ensure that appropriate insurance is maintained within ranges of coverage that the Company believes to be consistent with industry practice and having regard to the nature of activities being conducted. No assurance, however, can be given that the Company will be able to obtain such insurance coverage at reasonable rates or that any coverage it arranges will be adequate and available to cover any potential claims. Insurance cover may not be available for every risk faced by the Company. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

Tenure Risk

The Company:

- is the registered holder of mineral concessions in Peru and Chile; and
- 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, and opportunity to discover and/or develop the Company's Mineral Interests, which would have an adverse impact on the Company.

Licenses and permits for Mineral Interests are for a specified term and carry annual expenditure and reporting commitments and, if not met, the holder could lose title to its Mineral Interests. In the case of the underlying 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 is a risk that these permits could be terminated or reduced if the holder is unable to show cause for the delay in payment.

Peru and Chile

The Company's mining concessions are located in Chile and Peru. Peru has been a stable democracy for a number of years with a democratically elected government that is supportive of foreign investment and mining which forms a significant portion of the country's foreign revenue. However, there are always risks for companies operating in countries such as Peru and the Company cannot guarantee access, surety of title and tenure of its Peruvian-based assets and cannot guarantee that government policy in Peru will remain supportive of the mining and resources sector as it currently is.

Whilst Chile is considered to be one of South America's most politically stable and prosperous nations, it may nevertheless be subject to social and economic uncertainty. Civil and political unrest and outbreaks of hostilities in Chile could affect the Company's access to the Majada Project and subsequent exploration and development. Adverse changes in government policies or legislation in Chile affecting foreign ownership of mineral interests, taxation, profit repatriation, royalties, land access, labour relations, and mining and exploration activities may affect the operations of the Company.

Commodity and Market Risk

The Company's possible future revenues (if any) may include those derived from the sale of commodities such as copper, gold zinc, lead, and silver (**Commodities**) and/or from royalties gained from potential joint ventures or from mineral projects sold. Consequently, the Company's potential future earnings could be closely related to the price of the Commodities.

The prices of the Commodities fluctuate and are affected by numerous industry factors including demand for the Commodities, forward selling by producers, production cost levels in major producing regions and macroeconomic factors, e.g. inflation, interest rates, currency exchange rates and global and regional demand for, and supply of, the Commodities. If the market price of the Commodities potentially to be sold by the Company were to fall below the costs of production and remain at such a level for any sustained period, the Company would experience losses and could have to curtail or suspend some or all of its proposed exploration and mining activities. In such circumstances, the Company would also have to assess the economic impact of any sustained lower commodity prices on recoverability.

The ability of the Company to successfully enter the commercialisation phase of its current commodity related activities (where applicable) may depend upon its ability to acquire relevant interests in projects it does not already hold, develop its projects and sell its mineral products and/or projects on commercial terms and at commercial prices. Due to competition from established mineral producers, there can be no assurance that the Company will ultimately be able to sell its mineral products and/or projects on commercial terms.

The Company's ability to benefit from any future operations will depend on market factors, some of which may be beyond its control. The market for mineral products is subject to competition and many variables, and as such may fluctuate markedly.

Emerging markets such as Chile and Peru are potentially subject to more volatility and greater risk than more mature markets. It should be noted that the emerging markets are frequently subject to change and therefore some of the information set out in this Prospectus may become outdated.

The political climates in Chile and Peru are currently stable and generally held to offer a favourable outlook for foreign investments. There is no guarantee that they will remain so in the future. Changes in government, regulatory and legislative regimes, potentially leading to expropriation of mining rights, cannot be ruled out.

Environmental Regulation and Risk

The commodity related interests of the Company are or may be subject to various laws and regulations regarding environmental matters and the discharge of hazardous waste and materials. These include standards and obligations to remediate current and former facilities and locations where operations are or were conducted. The Company may be required to comply from time to time with environmental management issues that arise from factors beyond its control.

As appropriate, and to mitigate environmental risk, the Company intends to ensure that it has insurance cover to mitigate any environmental risk, however, in certain circumstances the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered by insurance could have a material adverse effect on the Company.

Reliance on Key Management

The Company is dependent on its Directors', managers' and consultants' abilities to implement the Company's strategy in respect of securing title to the projects in which the Company holds interests and the exploration and possible development of the Company's interests. A number of factors, including the departure of senior management of the Company, could adversely affect the Company's ability to implement its strategy, including implementation of its new internet travel and leisure industry, if the Proposed Transaction is completed.

The success of the Company's operations may also depend on continued access to competent management and technical expertise, prudent financial administrators and the availability of appropriately skilled and experienced employees, contractors and consultants operating in relevant sectors. In the event that the Company is unable to source such personnel, the Company could be adversely affected.

Competition Risk

Activities in which the Company is, or may be, involved are typically subject to country and global competition. Although the Company will undertake all reasonable due diligence in its business direction and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.

The Company will also be subject to competition risk should it proceed with the Proposed Transaction. In particular the Company may face increased competition from

- Existing competitors who may, for example, undertake aggressive marketing campaigns, product innovation or price discounting;
- New competitors who may enter the market, and
- Existing competitors who may consolidate and be able to offer stronger competition.

Additional Capital Requirements

The Company is engaged in growing its business opportunities and as such it may continue to require funding through its cash reserves, equity capital or debt. In part the viability of the Company is therefore dependent upon the Company's access to further capital through debt or equity, including the Re-compliance Equity Raising. There can be no guarantee that the Company will not seek to grow its business and exploit new opportunities of a kind that will require further capital. There can be no assurance that such funding if required will be available, or if available, will be on favourable terms to the Company via either debt or equity financing.

Furthermore, for the Company's current project base its ability to continue to pay its debts as and when they fall due is dependent upon the Company successfully raising additional working capital. As outlined in the announcement of the Proposed Transaction, the Company may, upon successful completion of that Proposed Transaction, including the Re-compliance Equity Raising, be seeking to raise further funding via a further capital raising, in order to meet new working capital costs of the Company.

Any additional equity financing will dilute shareholdings, and debt financing may involve restrictions on financing and operating activities.

Contractual Risk

The Company's ability to efficiently conduct its operations in a number of respects depends upon a number of contracts. 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. To the extent that such 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 Proposed Transaction will depend on the contractual relationship between the Company and the shareholders of Holiday Planet, and is also subject to these risks, as well as the risk that the relevant approvals are not obtained the relevant conditions are not satisfied or waived.

Sovereign Risk and Foreign Country Risk

Future government actions in jurisdictions in which the Company currently has or may have interests and concerning the economy, ownership or business or operations, repatriation of profits, corporate policies, taxation policies, environmental policies, changes in political conditions or the operation and regulation of commercial enterprises generally, could affect the Company and its financial performance. In addition the Company may be exposed to other risks

pertaining to such foreign countries in which it has interests including labour disputes, corruption, uncertain political and economic environments, civil disturbances and crime and arbitrary changes in laws or policies.

In addition, the Company must conform to the taxation regimes in the foreign countries in which it has interests. These regimes may be subject to change. The foreign investment policies in the foreign countries in which the Company holds interests may affect the Company's ability to conduct business in these countries, successfully repatriate funds to Australia and retain its foreign assets.

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 specific projects or investments by the Company as a whole.

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.

Taxation

In all places where the Company has operations or interests in projects, in addition to the normal level of income tax imposed on all industries, the Company may be required to pay government royalties, indirect taxes, goods and services tax and other imposts which generally relate to revenue or cash flows. Industry profitability can be affected by changes in government taxation policies.

Economic Risks

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's current exploration, development and production activities, as well as the Company's proposed activities if the Proposed Transaction is completed, as well as on its ability to fund those activities and potential future revenues.

Insurance Risk

The Company intends to adequately insure its operations in accordance with industry practices and applicable laws in the jurisdictions it operates. However, in certain circumstances the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered by insurance could have a material adverse effect on the Company. Insurance of all risks associated with the mining industry is not always available and where available the costs can be prohibitive.

Indigenous Land Rights Risk

Where the jurisdictions in which the Company holds interests have laws governing the rights of indigenous peoples to land, the Company may be subject to such laws and any restrictions imposed by such laws on the Company. Such restrictions may impact on the ability of the Company to carry out operations and manage projects in these countries.

Evaluation of Projects Risk

The current assets of the Company include mineral concessions that may be affected by a range of factors, including (but not limited to):

- limitations on activities due to seasonal weather patterns;
- alterations to exploration programs and budgets;
- unanticipated operational and technical difficulties encountered in drilling, development, and production activities;
- mechanical failure of operating plant and equipment or late supply thereof;
- adverse weather conditions, industrial and environmental accidents, industrial disputes and an event of force majeure;
- unavailability of drilling, production and surface plant and other equipment;

- unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment and labour;
- prevention of access by reason of inability to obtain regulatory or landowner consents or approvals, or indigenous and cultural issues;
- terms imposed by government on project development including conditions such as environmental rehabilitation, royalty rates and taxes;
- delays in completing feasibility studies and obtaining necessary development approvals; and
- risks of default or non-performance by third parties providing essential services.

No assurance can be given that tenure can be secured, or that any future exploration and development will be successful.

Additionally, should the Company successfully complete the Proposed Transaction it will be affected by additional risks associated with the tourism industry (refer 2.5.3 below).

2.5.3 General risks

General Economic Conditions

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:

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

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

Industrial Risk

The Company has not yet completed the Proposed Transaction or any alternative to the Proposed Transaction and therefore cannot state with certainty what industry and project it may ultimately invest in. Each industry in which the Company elects to invest or currently invests in carries with it individual risks associated with that industry. The Company's existing mineral exploration operations in Latin America have inherent risks, which may have a material effect on the Company's future performance and those operations are considered speculative. Any new asset or project identified by the Company in a different industry will have specific risks as well as the broader risks which affect that industry, and those more general risks associated with investing in the share market,

Should the Company complete the Proposed Transaction then it will be subject to risks associated with the tourism industry which include (but are not limited to):

- Destination and environmental risks – in extreme cases major environmental disasters may impact on tourism patterns and adversely impact on the ability to provide certain products, such as in the case of tsunamis and volcanic eruptions.
- Increased competition risk may result in adverse impacts on growth and profitability.
- Acquisition risks – the Company may engage in acquisition strategies as part of its overall growth. To the extent that these are not successfully integrated into the existing business the Company's financial performance and position could be adversely affected.
- Adverse changes in demand may impact on the Company's current financial position and growth potential
- Changes in Government Policy may adversely impact on certain Company products, tourism movement, and on revenue.
- IT System and communications – The Company is reliant for its day to day operations on

access to IT and communications systems, the failure of which could severely interrupt business activities.

- Intellectual Property –the Company’s ability to protect its intellectual property is important to compete successfully and achieve future growth in sales.
- External shocks – all tourism is subject to external shocks such as the SARS virus, avian influenza,
- Brand and reputational risk – branding is an important factor to tourism success. Anything that impacts on the brand may be detrimentally adverse to profitability and growth.
- Terrorism – all major transportation systems worldwide are potentially terrorism targets, an attack on which could have an adverse impact on future demand as well as consequential losses.
- Economic factors such as inflation, general economic conditions, interest rates, inflation, supply and demand,

Management Actions

The Directors will, to the best of their knowledge, experience and ability (in conjunction with management) endeavour to anticipate, identify and manage the risks inherent in the activities of the Company, but without assuming any personal liability for same, with the aim of eliminating, avoiding and mitigating the impact of risks on the performance of the Company and its securities.

Interest Rate Risk

Financial prospects could be affected by changes in the level of interest rates. The magnitude of this effect will depend on the degree of gearing and the interest rate management strategies implemented by the Board.

Share Market Investments

The New Share is to be quoted on the ASX, where its price may rise or fall in relation to the Offer Price. The Company's securities including the New Share carry no guarantee in respect of profitability, dividends or return of capital, or the price at which they may trade on the ASX.

The value of the New Share will be subject to the ASX market and hence there are a range of risk factors outside of the control of the Company and the Directors and officers of the Company. Such factors include the demand for and availability of the Company's securities, movements in domestic and international interest rates and inflation rates, economic conditions and general economic outlook, exchange rates, fluctuations in the Australian and international share markets, taxation, government and monetary policies and demand and supply for capital. Returns from an investment in the New Share offered under this Prospectus may also depend on general share market conditions, as well as the performance of the Company. Investors who decide to sell their New Share may not receive the entire amount of their original investment. There can be no guarantee that an active market in the Company's securities will develop or that the price of the New Share will increase.

2.5.4 Speculative nature of investment

The above list of risk factors is not to be taken as exhaustive of the risks faced by the Company or by Shareholders 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 New Share offered under this Prospectus.

3. DETAILS OF THE OFFER

3.1 The Offer

By this Prospectus the Company offers for subscription 1 New Share at \$0.008. The New Share offered under this Prospectus will rank equally with Shares on issue at the date of this Prospectus. Applicants should only apply at the invitation of the Directors. The successful Applicant will be issued with the one New Share offered under this Prospectus. The

Offer is not underwritten. The details of how to apply for the New Share are set out below. There is no sponsoring broker. No broker or financial services licensee will be paid any fee in relation to this Offer.

3.2 Application for Share

An application for the New Share may only be made by an investor at the direction of the Company and must be made using an Application Form. A completed Application Form and accompanying cheque must be mailed or delivered to the Company as follows:

Post or Delivery

79 Angas Street,
Adelaide SA 5000

A cheque should be made payable to "Red Gum Resources Limited" and crossed "Not Negotiable". A completed Application Form must reach the Company by no later than the Closing Date.

3.3 Minimum Subscription

The minimum subscription under the Offer is \$0.008. The Company will not issue the New Share pursuant to this Prospectus until the minimum subscription is satisfied.

3.4 Allocation and Allotment

Allotment of the New Share will take place as soon as practicable after the Closing Date. The Directors will determine the allottee of the New Share and reserve the right to reject any Application.

3.5 Opening Date and Closing Date of the Offer

The Opening Date is 10 June 2014 and the Closing Date is estimated to be 5.00pm on 11 June 2014. The Directors reserve the right to extend the Closing Date and the Offer or close the Offer early without notice.

3.6 Official Quotation by ASX

Application for official quotation by ASX of the New Share to be issued by this Prospectus will be made within 7 days after the date of this Prospectus. If the New Share to be issued by this Prospectus is not admitted to official quotation by ASX before the expiration of 3 months after the date of the Prospectus, or such period as is varied by ASIC, the Company will not issue the New Share and will repay all application money within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant official quotation to the New Share to be issued pursuant to this Prospectus is not to be taken in any way as an indication of the merits of the Company or the New Share offered for subscription.

3.7 ASX Listed Company

The Company is included in the official list of ASX and the Listing Rules apply to securities issued by the Company.

3.8 Applicants Outside Australia

This Offer is not available to anyone outside of Australia and no securities will be allotted or issued on the basis of this Prospectus in any foreign jurisdiction.

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 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 such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities law. No action has been taken to register or qualify the Share or otherwise permit a public offering of the New Share the subject of this Prospectus in any jurisdiction outside Australia.

3.9 CHESS

The Company participates in the Clearing House Electronic Sub-register System (CHESS). CHESS is operated by ASX Settlement Pty Ltd (ASPL), a wholly owned subsidiary of ASX.

Under CHESS, the Company does not issue certificates to investors. Instead, Shareholders receive a statement of their holdings in the Company. If an investor is broker sponsored, ASPL will send a CHESS statement.

3.10 Rights Attaching to Shares

A summary of the rights attaching to the New Share is set out in Section 4.

4.0 Rights and liabilities attaching to New Shares

There is only one class of shares on issue in the Company being fully paid common shares. The rights attaching to Shares in the Company are:

1. set out in the constitution of the Company; and
2. regulated by the Listing Rules, ASX Settlement Operating Rules and the general law.

The principal rights attaching to the New Shares are summarised below.

Meetings and Notice

Each Shareholder is entitled to receive notice of and to attend general meetings of the Company and to receive all notices, accounts and other documents required to be sent to Shareholders under the Company's constitution.

Voting

A Shareholder present in person or by proxy, attorney or representative at a meeting of shareholders has one vote on a vote taken by a show of hands and on a poll Shareholders who are present in person or by proxy, attorney or representative have one vote for every Share held by the Shareholder. A poll may be demanded by the chairman of the meeting, by any five Shareholders present in person or by proxy, attorney or representative, or by one or more Shareholders who are together entitled to not less than 5% of the total voting rights of the Shares of all those Shareholders having the right to vote at that meeting.

Dividends

Dividends are payable out of the Company's profits and are declared by the Directors. There is no current proposal to pay a dividend.

Transfer of Shares

Shareholders may transfer Shares in accordance with any system applicable in the place where the relevant share register is maintained, including in Australia any computerised or electronic system established by the Listing Rules, including a transfer that may be affected pursuant to the ASX Settlement Operating Rules, or in a form approved by the Board.

Issue of new Shares and options

The Directors may (subject to any restrictions under the relevant law in Australia and the Listing Rules) allot Shares and grant options in respect of Shares on such terms and conditions as they see fit.

Variation of rights

The rights, privileges and restrictions attaching to Shares can be altered with the approval of a resolution passed at a general meeting by a two thirds majority of Shareholders being entitled to vote at the general meeting.

Winding up

Subject to any future special or preferential rights attaching to any class or classes of shares, members will be entitled, in the event of the winding up of the Company, to share in any surplus assets of the Company in proportion to the Shares held by them.

For more particular details of the rights attaching to ordinary Shares in the Company, investors should refer to the constitution of the Company.

5. Additional Information

5.1 Board and management

The Board consists of:

- Dr Raymond D Shaw (Executive Chairman)
- Jennifer F Tobin (Non-executive Director)
- Edwin E Bulseco (Non-executive Director)

For further information about the Board and management arrangements, please refer to the Company's 2013 Annual Report and ASX announcements.

5.2 Interests of Directors

Other than as set out below or elsewhere in this Prospectus, no director holds at the date of this Prospectus, or held at any time during the last two years before the date of lodgement of this Prospectus with ASIC, any interest in:

- 5.2.1** the formation or promotion of the Company; or
- 5.2.2** any property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Company or the Offer; or
- 5.2.3** the Offer;

and no amounts have been paid or agreed to be paid by any person and no benefits have been given or agreed to be given by any person:

- 5.2.4** to a Director to induce him or her to become, or to qualify as, a Director; or
- 5.2.5** for services provided by a Director in connection with the formation or promotion of the Company or the Offer.

5.3 Holdings of Directors

As at the date of this Prospectus, the Directors (and their respective associates) have a relevant interest in securities of the Company as set out in the table below. The relevant interest includes those held directly and indirectly.

Director	Number of Shares		Number of Options
	Direct	Indirect*	
Dr Raymond Shaw	10,250	10,527,604	750,013
Ms Jennifer Tobin	1,454,170	Nil	318,126
Mr Edwin Bulseco	Nil	5,010,000	1,250,000

* Indirect holdings held by associates of the Directors

5.4 ASX Information and Share Information

The ASX Announcements that the Company has made during the 12 month period up to the date of this Prospectus are set out below:

10/06/2014 Appendix 3B
10/06/2014 Cancellation of unquoted options
4/6/2014 Red Gum to shift focus to internet travel and leisure industry
2/06/2014 Request for Trading Halt
23/05/2014 Appendix 3B
22/05/2014 Completion of Placement
20/05/2014 Request for Trading Halt
1/05/2014 Change of address
1/05/2014 Operations Report and Appendix 5B
30/04/2014 Cleansing Prospectus
29/04/2014 Appendix 3B
28/04/2014 Corporate Update
28/04/2014 Results of meeting
23/04/2014 Change of director's interest notice by three
17/04/2014 Appendix 3B for RRI shortfall allotment
14/04/2014 Entitlement offer allotment and quotation
9/04/2014 Closure of entitlement offer
31/03/2014 Company Update
28/03/2014 Notice of extraordinary general meeting
14/03/2014 Half yearly report and accounts
12/03/2014 Letter to ineligible shareholders
12/03/2014 Letter to eligible shareholders re renounceable rights issue
10/03/2014 Letter to option holders re renounceable rights issue
10/03/2014 Renounceable rights issue and appendix 3B
10/03/2014 Prospectus for a renounceable rights issue
3/03/2014 Initial director's interest notice
3/03/2014 Renounceable rights issue, unsecured loan, new director
3/03/2014 Appendix 3B
24/02/2014 Renounceable entitlement issue and converting loan agreement
12/02/2014 Activities Report clarification
10/02/2014 Corporate Update
3/02/2014 Corporate Update
3/02/2014 Activities report and appendix 5B
28/01/2014 Corporate Update
20/01/2014 Extension of voluntary suspension
17/01/2014 Appendix 3B
9/01/2014 Final director's interest notice
6/01/2014 Corporate Update
3/01/2014 Expiry of restriction period
27/12/2013 Request for Voluntary Suspension
23/12/2013 Request for Trading Halt
19/11/2013 Notice under s708a(6)
19/11/2013 Appendix 3B
18/11/2013 Cancellation of Unquoted Options
7/11/2013 Results of Meeting
7/11/2013 Chairman's address to Shareholders
5/11/2013 Corporate Update
5/11/2013 Placement completed at nil premium
31/10/2013 Operations report and appendix 5B
30/10/2013 Gateway Proposal for significant Chilean IOCG Expansion
7/10/2013 Notice of Annual General Meeting/Proxy Form
30/09/2013 Annual Report to Shareholders
17/09/2013 Strong Mineral Grades Confirmed by Majada Drilling Program
27/08/2013 Company presentation

13/08/2013 Drill results Consolidate Red Gum's Majada Strategy
 6/08/2013 Cancellation of Unquoted Options
 5/08/2013 Appendix 3B for balance of sub underwriter's options
 5/08/2013 Strong Copper grades Extended to Depth at Majada
 2/08/2013 Appendix 3B amended to correct option exercise price error
 1/08/2013 Quarterly Activities Report and Appendix 5B
 30/07/2013 Corporate update presentation
 29/07/2013 Boardroom Radio Broadcast 25 July 2013 Transcript
 25/07/2013 Boardroom Radio Broadcast with Dr Raymond Shaw
 25/07 2013 Results of Meeting
 25/07/2013 Chairman's Address to Shareholders
 23/07/2013 High Grade Copper Intersections at Majada
 22/07/2013 Appendix 3B to replace 3B of 19 June 2013
 26/06/2013 Change in Substantial Holding
 26/06/2013 Drilling progress Majada copper gold update
 24/06/2013 Notice of extraordinary general Meeting/Proxy Form
 24/06/2013 Change in Substantial Holding F604
 24/06/2013 Change in Substantial Holding F604
 21/06/2013 Becoming a Substantial Holder F603
 19/06/2013 Appendix 3B
 17/06/2013 Initial Director's Interest Notice
 17/06/2013 Appointment of new Director
 13/06/2013 Entitlement Offer Allotment and Quotation

5.5 Highest and Lowest Prices of Shares

The highest and lowest prices of shares in the Company on the ASX in the 6 month period before the date of this Prospectus and the respective dates of those sales are set out below.

	High	Low	Volume weighted average
	\$	\$	\$
One month	0.011 4/06/14	0.005 19/05/14	0.0076
Three months	0.011 4/06/14	0.002 7/03/14	0.0069
Six months	0.011 4/06/14	0.002 7/03/14	0.0069

The last market sale price of Shares as at 6 June 2014 was \$0.008.

The Offer Price represents a nil discount per share to the last market price of Shares on 6 June 2014, being the last trading date before lodgement of this Prospectus.

5.6 Corporate Governance

The Company has adopted various corporate governance policies and charters that can be obtained, at no cost, from the Company's registered office and are also available on the Company's website, www.redgumresources.com.

The Company reports on its compliance with the recommendations made by the Corporate Governance Principles and Recommendations in its various annual reports. Where the Company's corporate governance practices do not comply with the practices recommended by the ASX Corporate Governance Council, the Company is working towards compliance, although it does not necessarily consider that all practices are appropriate for the Company due to the size and scale of its operations.

5.7 Related Party Transactions

From time to time the Company may be party to transactions with related parties including:

- employment and service arrangements; and
- payment of directors' fees.

The Company believes that it has made appropriate disclosure of past related party transactions. Other than any further disclosure specifically set out below or made elsewhere in this Prospectus, the Company does not intend to make any further disclosure of such transactions which will have proceeded either on an "arms-length" basis, reasonable remuneration basis or been approved by Shareholders in general meeting.

5.8 Payment of Non-Executive Directors' fees

The Non-Executive Directors of the Company are entitled to be paid director's fees. The aggregate amount that may be paid to Non-Executive Directors in directors' fees is \$240,000 per annum. The actual amount currently paid is \$72,000 per annum. The Board considers that these fees are reasonable remuneration pursuant to Section 211 of the Corporations Act and accordingly, Shareholder approval is not required.

5.9 Interests of experts and advisers

This section applies to persons 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, promoters of the Company and stockbrokers or arrangers to the Offer (collectively Prescribed Persons).

Other than as set out below or elsewhere in this Prospectus, no Prescribed Person has, or has had in the last 2 years, any interest in:

- the formation or promotion of the Company;
- any property acquired or proposed to be acquired in connection with the formation or promotion of the Company or the Offer; or
- the Offer of a New Share under this Prospectus.

Other than that as set out below or elsewhere in this Prospectus, no benefit has been given or agreed to be given to any Prescribed Person for services provided by a Prescribed Person in connection with the:

- formation or promotion of the Company; or
- offer of a New Share under this Prospectus.

Director Edwin Bulseco is employed by DJ Carmichael Pty Ltd who have mandates for the placements referred to in this Prospectus, however Mr. Bulseco will not derive any benefit from those mandates.

5.10 Subsequent events

Apart from the following there has not arisen, at the date of this Prospectus, any item, transaction or event of a material or unusual nature not already disclosed in this Prospectus which is likely, in the opinion of the Directors of the Company to affect substantially:

- the operations of the Company;
- the results of those operations; or
- the state of affairs of the Company.

5.11 Litigation

The Company is not engaged in any litigation which has or would be likely to have a material adverse effect on either the Company or its business.

5.12 Privacy

By submitting an Application Form for the share you are providing to the Company personal information about yourself. If you do not provide complete and accurate personal information, your application may not be able to be processed.

The Company maintains the register of members of the Company through Computershare Investor Services Pty Limited, an external service provider.

The Company requires Computershare Investor Services Pty Limited to comply with the National Privacy Principles when performing these services.

The Company's register is required under the Corporations Act to contain certain personal information about you such as your name and address and number of shares and options held. In addition the Company collects personal information from members such as, but not limited to, contact details, bank accounts and membership details and tax file numbers.

This information is used to carry out registry functions such as payment of dividends, sending annual and half yearly reports, notices of meetings, newsletters and notifications to the Australian Taxation Office. In addition, contact information will be used from time to time to inform members of new initiatives concerning the Company.

The Company understands how important it is to keep your personal information private. The Company will only disclose personal information we have about you:

- when you agree to the disclosure;
- when used for the purposes for which it was collected;
- when disclosure is required or authorised by law;
- to other members in the Red Gum group of companies;
- to your broker;
- to external service suppliers who supply services in connection with the administration of the Company's register such as mailing houses and printers, Australia Post and financial institutions.

You have the right to access, update and correct your personal information held by the Company and Computershare Investor Services Pty Limited, except in limited circumstances. If you wish to access, update or correct your personal information held by Computershare Investor Services Pty Limited or by the Company please contact our respective offices. If you have any questions concerning how the Company handles your personal information, please contact the Company.

5.13 Expenses of the Offer

All expenses connected with the Offer are being borne by the Company. Total expenses of the Offer are estimated to be in the order of \$5,000.

5.14 Consents and disclaimers

No third party consents are required for the purposes of this Prospectus.

6 Transaction specific prospectus

Red Gum Resources Limited is a disclosing entity and therefore subject to regular reporting and disclosure obligations under the Corporations Act. Under those obligations, Red Gum Resources Limited is obliged to comply with all applicable continuous disclosure and reporting requirements in the ASX Listing Rules.

This Prospectus is issued under Section 713 of the Corporations Act. This section enables disclosing entities to issue a prospectus in relation to securities in a class of securities which has been quoted by ASX at all times during the 3 months before the date of the Prospectus or options to acquire such securities. Apart from formal matters this Prospectus need only contain information relating to the terms and conditions of the Offer, the effect of the Offer on the Company and the rights and liabilities attaching to the New Share.

Copies of the documents lodged by Red Gum Resources Limited with ASIC may be obtained from, or inspected at an office of ASIC.

The Company will provide a copy of any of the following documents, free of charge, to any person who asks for a copy of the document before the Closing Date in relation to this Prospectus:

- audited financial statements for the Company for the year ended 30 June 2013;

- reviewed half-yearly financial statements for the Company for the period ending 31 December 2013; and
- any other financial statements lodged in relation to Red Gum Resources Limited with ASIC and any continuous disclosure notices given by Red Gum Resources Limited to ASX, in the period starting immediately after lodgment of the audited financial statements for the Company for the year ended 30 June 2013 and ending on the date of lodgment of this Prospectus with ASIC.

7.0 Directors' statement

This Prospectus is issued by Red Gum Resources Limited. Each Director has consented to the lodgment of the Prospectus with ASIC.

Signed on the date of this Prospectus on behalf of Red Gum Resources Limited by:

A handwritten signature in black ink, appearing to read 'R. D. Shaw', written over a horizontal line.

Dr Raymond D Shaw
Executive Chairman

9. GLOSSARY

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

Applicant	a person(s) who submits a valid Application Form pursuant to this Prospectus.
Application	a valid application made on an Application Form to subscribe for 1 New Share pursuant to this Prospectus.
Application Form	the application form attached to this Prospectus.
ASIC	the Australian Securities & Investments Commission.
ASX	the ASX Limited ACN 008 624 691.
Board	the Board of Directors.
Closing Date	the closing date for receipt of Application Forms under this Prospectus, which is 11 June 2014 or such other date as the Directors in their absolute discretion may determine.
Company or Red Gum	Red Gum Resources Limited ACN 119 641 986 (Incorporated in Australia under the Corporations Act) 2001).
Corporations Act	the Corporations Act 2001 (Cth).
Director	a director of the Company.
Holiday Planet	Holiday Planet Pty Ltd ABN 96 095 933 869
Listing Rules	the official listing rules of the ASX.
New Share	One (1) Share offered under this Prospectus.
Offer	an invitation made in this Prospectus to subscribe for 1 New Share.
Official List	the official list of ASX.
Offer Price	\$0.008
Opening Date	10 June 2014.
Placement Securities	the 132,000,000 Shares and 26,000,000 options issued to investors to raise \$1,056,000 before costs.
Proposed Transaction	The proposed acquisition of all of the shares in Holiday Planet Pty Ltd by the Company.
Prospectus	this Prospectus.
Recompliance Equity Raising	The proposed equity raising of at least \$3,000,000 by the Company via a prospectus to satisfy one of the conditions to completion of the Proposed Transaction.
Security	has the same meaning as in Section 92 of the Corporations Act.
Share	a fully paid ordinary share in the Company.
Shareholder	the registered holder of Shares in the Company.
\$, A\$ or Dollars	Australian dollars unless otherwise stated.

10. Corporate Directory

Corporate Directory

Directors and Company Secretary		Share Registry	
Dr Ray Shaw (Executive Chairman) Ms Jennifer Tobin (Non-Exec. Director) Mr Edwin Bulseco (Non-Exec. Director)		Computershare Investor Services Pty Limited Level 5, 115 Grenfell Street Adelaide SA 5000 Tel: +61 8 8236 2300 Fax: +61 8 9473 2102 www.computershare.com.au	
Administration and Registered Office			
Red Gum Resources Limited 79 Angas Street Adelaide SA 5000 Tel: +61 8 8223 1680 Fax: +61 8 8223 1685 www.redgumresources.com			

APPLICATION FORM

Only complete this Application Form if you are directed to do so by the Company.

This Application Form relates to the offer of 1 New Share in Red Gum Resources Limited at an issue price of \$0.008 made under a Prospectus dated 10 June 2014. The expiry date of the Prospectus is the date which is 13 months after the date of the Prospectus. The Prospectus contains information about investing in the Shares of the Company and it is advisable to read this document before applying for the New Share. A person who gives another person access to this Application Form must at the same time and by the same means give the other person access to the Prospectus, and any supplementary prospectus (if applicable).

We the undersigned (the "Applicant") hereby apply to the Company for:

Number of Shares applied for:

Broker Stamp

Application moneys at \$0.008 per Share: \$.....

Title	Given Names/Company Name	Surname/ACN
.....
Joint applicants or account designation		
.....

Postal Address

City/Town State Postcode.....

Contact Name Daytime Contact No.

Email contact

CHESS Details: PID..... HIN

Tax File No/Exemption Category

Applicant 1

Applicant 2

Applicant 3

.....

Payment Details

Drawer

Bank

Branch

Amount

..... \$

..... \$

DECLARATION

By lodging this Application Form and a cheque for the Application money the Applicant hereby:

- a) applies for the number of Shares specified in the Application Form or such lesser number as may be allocated by the Directors;
- b) agrees to be bound by the constitution of the Company; and
- c) authorises the Directors to complete or amend this Application Form where necessary to correct any errors or omissions.

INSTRUCTIONS

1. Enter the number of Shares you wish to apply for (which cannot be more than one).
2. Enter the total amount of application moneys payable. To calculate this amount, multiply the number of Shares you are applying for by the issue price for each Share (that is \$0.008).
3. Enter the full name(s) of all legal entities that are to be recorded as the registered holders.
4. Enter the postal address for all communications from the Company.
5. Enter the name and telephone number of the person who should be contacted if there are any questions with respect to this application.
6. If you are CHESS sponsored, enter your Participant Identification Number (PID) and Holder Identification Number (HIN), otherwise leave this box blank and a Shareholder Reference Number (SRN) will be allocated to you on issue.
7. Enter the tax file number(s) of the Applicant(s) - this is not mandatory.
8. Unless otherwise agreed by the Company, payment must be made to **“Red Gum Resources Limited”** by cheque drawn or payable on a bank within Australia, crossed **“Not Negotiable”** and be in Australian dollars. Receipt of payment will not be acknowledged.
9. This Application Form does not need to be signed. Return of this Application Form with the required application moneys will constitute acceptance of that number of Shares stated on this form.

If you have received an Application Form without a complete and unaltered copy of this prospectus, please contact the Company who will send you, free of charge, either a printed or electronic version of this Prospectus (or both).

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 name and the surname are required for each natural person. Application Forms cannot be completed by persons less than 18 years of age. Examples of the correct form of registrable title are set out below:

Type of Investor	Correct Form of Registrable Title	Incorrect Form of Registrable Title
Trusts	Mr John David Brown <John David Brown A/C>	John Brown Family Trust
Deceased Estates	Mr John David Brown <Est John David Brown A/C>	John Brown <Deceased>
Partnerships	Mr John David Brown and Mr Michael James Brown	John Brown & Son
Clubs/ Unincorporated Bodies	Mr John David Brown <ABC Tennis Association A/C>	Brown Investment Club or ABC Tennis Association
Super Funds	John Brown Pty Ltd <Super Fund A/C>	John Brown Superannuation Fund

PAYMENT DETAILS

Please note that if an Application Form is not completed correctly, or if the accompanying payment is for the wrong amount, it may still be accepted. Any decision of the Directors as to whether to accept an Application Form, and how to construe, amend or complete it shall be final. An Application Form will not be treated as having offered to subscribe for more Shares than is indicated by the amount of the accompanying cheque. Please return the completed Application Form (accompanied by a cheque for the application moneys) at any time prior to the Closing Date to Red Gum Resources Limited:

Post:	<u>Delivery:</u>
79 Angas Street, Adelaide SA 5000	79 Angas Street, Adelaide SA 5000

The Application must be received by the Closing Date.

Please telephone the Company on (08) 8223 1680 if you have any questions with respect to this application form.

The Application is for one New Share as detailed in the Prospectus dated 10 June 2014.