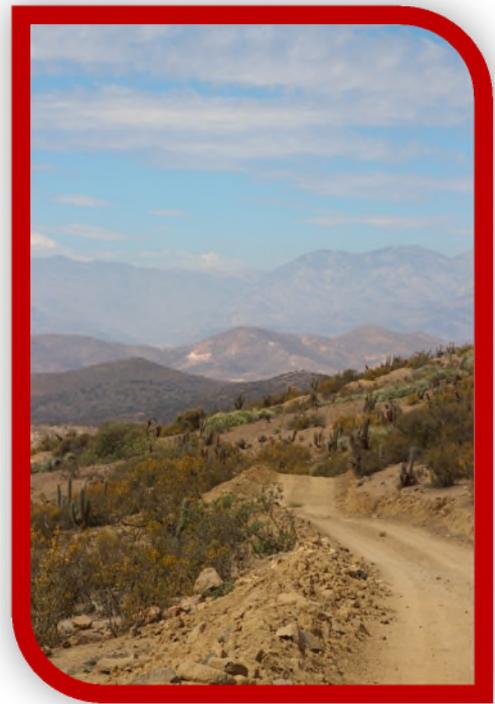




# Activities Report & Cash Flow Statement

*For the 3 months ending 30 June 2015*



## **Quarterly Activities and Cash Flow Statement**

*For the 3 months ending 30 June 2015 (Period)*

Red Gum Resources Limited (**Red Gum**) (**Company**) (ASX: **RGX**) is pleased to present its activities statement and cash flow for the Period.

### **CORPORATE UPDATE**

On the 28<sup>th</sup> of May 2015 Red Gum announced changes to the Board composition of the Company with the appointments of Mr Josh Puckridge and Mr Tom Pickett in favour of the two announced outgoing Directors.

Mr Puckridge and Mr Pickett both have considerable corporate finance experience and are both experienced directors of companies listed on the Australian Securities Exchange (**ASX**) and bring new networks of acquisition opportunities for the Company.

The new directors have begun reviewing the Company's corporate arrangements and strategic objectives to facilitate the growth of Red Gum for the best interests of shareholders.

### **CHILEAN OPERATION**

The new directors have begun a strategic review of the Company's Chilean interests and will meet all minimum commitments on the project until a decision has been made as to the strategic direction of the Company.

The new directors believe this minimal expenditure commitment to the Chilean operation is consistent with direction of the Company put to the market by the previous board and management.

### **SALE OF PERUVIAN SUBSIDIARY**

During the Period the Company successfully disposed of its Peruvian subsidiary for the sale price of USD\$50,000. The Company has deemed the sale immaterial and believes the sale value received by Red Gum is significant given the depressed state of early stage natural resources exploration markets and investor interest.

## **CASH AT THE END OF THE PERIOD**

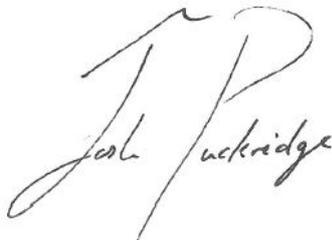
Cash at 30 June 2015 amounted to \$1,216,564.

Attached is the Appendix 5B Consolidated Statement of Cash Flows for the period from 1 April 2015 to 30 June 2015.

## **NEW ACQUISITION OPPORTUNITIES**

The Company spent time incubating potential new opportunities for the Company that it believes will deliver positive shareholder value current shareholders of the Company.

*For, and on behalf of, the Board of Directors of the Company,*

A handwritten signature in black ink that reads "Josh Puckridge". The signature is written in a cursive style with a large, stylized "J" and "P".

**Josh Puckridge**

**Non-Executive Director**

**Red Gum Resources Limited**

**Contact: +61 (0) 452 440 100**

## ASX Listing Rule 5.3.3 tenement details

Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
Cerro Huancash Peru	See below a)	100%	-
Chongos A Peru	See below a)	100%	100%
Chongos B Peru	See below a)	100%	100%
Chongos C Peru	See below a)	100%	100%
La Negra Chile	See below b)	100%	100%
Majada Chile	See below c)	See c)	See c)

### Nature of Interest - Notes

- a) The Company through its wholly owned subsidiary, Red Gum Resources (Peru) Pty Ltd holds 100% beneficial interest in the shares in Central Peru Resources ("CPR"), which in turn holds 100% of the three remaining Peruvian Projects. During the period CPR sold Cerro Huancash interest for \$64,739 (USD \$50,000).
- b) In 2012 Red Gum exercised its option to acquire the 100% interest in the La Negra Project which was registered on a 100% basis on 19 July 2012.
- c) In March 2014 the Company notified each of the individual nine concession holders that it intended to give notice of its intention to withdraw from the Option Agreements entered into in March 2013. That agreement provided that by making staged, six monthly, optional payments totalling 679.5 million Chilean pesos (A\$ 1.44 million at the then exchange rate) to the owners over a 3 year period from the date of signature, the Company could earn a 100% interest. After withdrawing from those agreements the Company no longer has any financial obligations concerning the Project and in view of the announced anticipate change in fundamental business activities no longer seeks to pursue this project.

Rule 5.5

## Appendix 5B

# Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

RED GUM RESOURCES LIMITED

Quarter ended ("current quarter")

ABN

66 119 641 986

30 JUNE 2015

### Consolidated statement of cash flows

<b>Cash flows related to operating activities</b>		Current quarter \$A'000	Year to date (12 months) \$A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(30)	(73)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(165)	(714)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	2	19
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material) Transaction costs	(86)	(1,285)
	<b>Net Operating Cash Flows</b>	<b>(279)</b>	<b>(2,053)</b>
<b>Cash flows related to investing activities</b>			
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of:		
	(a) prospects	64	64
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
	<b>Net investing cash flows</b>	<b>64</b>	<b>64</b>

+ See chapter 19 for defined terms.

	Current quarter \$A'000	Year to date (12 months) \$A'000
1.13 Total operating and investing cash flows (carried forward)	(215)	(1,989)
<b>Cash flows related to financing activities</b>		
1.14 Proceeds from issues of shares, options, etc.	795	795
1.15 Proceeds from sale of forfeited shares	-	-
1.16 Proceeds from borrowings - convertible loan	490	490
1.17 Repayment of borrowings	-	-
1.18 Dividends paid	-	-
1.19 Other -share issue costs	(154)	(154)
<b>Net financing cash flows</b>	<b>1,131</b>	<b>1,131</b>
<b>Net increase (decrease) in cash held</b>	<b>916</b>	<b>(858)</b>
1.20 Cash at beginning of quarter/year to date	301	2,075
1.21 Exchange rate adjustments to item 1.20	-	-
1.22 <b>Cash at end of quarter</b>	<b>1,217</b>	<b>1,217</b>

Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

	Current quarter \$A'000
1.23 Aggregate amount of payments to the parties included in item 1.2	170
1.24 Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Cash payment in respect of directors' gross remuneration and fees, including consulting fees.

### Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A
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- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A
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### Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	Nil	Nil
3.2 Credit standby arrangements	Nil	Nil

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	18
4.2 Development	-
4.3 Production	-
4.4 Administration	125
<b>Total Company ongoing outflows</b>	<b>143</b>
Transaction costs deposit to be refunded	(125)
<b>Total</b>	<b>18</b>

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+ See chapter 19 for defined terms.

**Reconciliation of cash**

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter \$A'000	Previous quarter \$A'000
5.1	Cash on hand and at bank	1,217	301
5.2	Deposits at call	-	-
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>		1,217	301

**Changes in interests in mining tenements and petroleum tenements**

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	Cerro Huancash Peru	(a) 100%	Nil
6.2	Interests in mining tenements and petroleum tenements acquired or increased	n/a	n/a	n/a

(a) The Company through its wholly owned subsidiary, Red Gum Resources (Peru) Pty Ltd held 100% beneficial interest in the shares in Central Peru Resources ("CPR"), which in turn holds 100% of the Cerro Huancash Peruvian Projects. During the period CPR sold Cerro Huancash interest for \$64,739 (USD \$50,000).

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference + securities</b> (description)	Nil	Nil		
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	Nil	Nil		

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.3 <b>+Ordinary securities</b>	55,610,212	55,610,212		
7.4 Changes during quarter (a) Increases through issues 8 April 2015 11 May 2015 21 May 2015 (b) Decreases through returns of capital, buy-backs	2,800,000 19,900,699 14,000,007	2,800,000 19,900,699 14,000,007	\$0.035 \$0.035 \$0.035	\$0.035 \$0.035 \$0.035
7.5 <b>+Convertible debt securities</b> Convertible loan	Nil	Nil		
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	Nil	Nil		

+ See chapter 19 for defined terms.

## Appendix 5B

## Mining exploration entity and oil and gas exploration entity quarterly report

7.7	<b>Options</b> <i>(description and conversion factor)</i>	1,391,730	1,391,730	<i>Exercise price</i>	<i>Expiry date</i>
	RGXO	4,000,047	4,000,047	\$4.40	01/03/2016
	RGXAOA	113,634	113,634	\$0.44	15/11/2017
	RGXAK	<u>5,505,411</u>	<u>5,505,411</u>	\$6.60	30/06/2016
7.8	Issued during quarter	Nil	Nil		
7.9	Exercised during quarter	Nil	Nil		
7.10	Expired during quarter	Nil	Nil		
7.11	<b>Debentures</b> <i>(totals only)</i>	Nil	Nil		
7.12	<b>Unsecured notes</b> <i>(totals only)</i>	Nil	Nil		

+ See chapter 19 for defined terms.

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does /does not\* (*delete one*) give a true and fair view of the matters disclosed.



29 July 2015

Sign here: ..... Date: .....  
(Company secretary)

Mr Malcolm Lucas Smith

Print name: .....

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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