



Redchip International Limited

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John Johansson
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ASX Compliance Pty Ltd
Level 4 North Tower Rialto 525 Collins Street Melbourne

By email: john.johansson@asx.com.au

21 March 2016

Dear John,

RedChip International Limited (the "Company")

Pre Quotation Disclosure

The Company refers to the Replacement Prospectus dated 25 January 2016 issued by the Company ("Prospectus"). Capitalised terms used but not defined in this letter have the same meaning as in the Prospectus.

The Company provides the following information as pre-quotation disclosure:

- The offer under the Prospectus has closed oversubscribed and the Company has issued and allotted 12,500,000 ordinary fully paid shares at \$0.20 per share ("Shares") pursuant to the offer described in the Prospectus. The allocation of Shares was determined by the Board of the Company, subject to the Priority Allocation.
- The Company has received cleared funds for the complete amount of the issue price for the 12,500,000 Shares issued.
- The Company has despatched:
 - In relation to all holdings on the CHESS sub register, a notice from the Company under ASX Settlement Operating Rule 8.9.1.
 - In relation to all other holdings, issuer sponsored holding statements.
 - Any refund money.
- The conditions precedent to, and completion of, the Transaction Documents as described in the Prospectus have been satisfied and the Company has issued and allotted 30,000,000 ordinary fully paid shares to RedChip Companies Inc. as described in the Prospectus. RedChip Companies Inc is entitled to the Deferred Consideration Shares subject to the financial performance of the Company as described below:

A maximum of 5,000,000 Shares to be issued by the Company to RedChip Companies Inc on the first achievement of the Company in any financial year commencing within 36 months of 23 March 2016 of:

- (i) EBITDA of \$2,000,000 or more but less than \$4,000,000- 2,500,000 Shares;
- (ii) EBITDA of \$4,000,000 or more- 2,500,000 Shares.

The Deferred Consideration Shares are to be issued within 7 days of the release to the ASX of the Company's full year statutory accounts

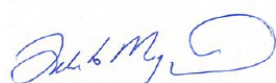
- The Company has acquired all the rights necessary to conduct the international business of RedChip Companies Inc., as described in the Prospectus.
- The Company has issued and allotted 2,000,000 ordinary fully paid shares to Petra Commodities Pte Limited in discharge of debt owed to Petra Pacific Pte Limited as described at clause 2.5 of the Prospectus.
- The total issued capital of the Company is 71,147,058 fully paid ordinary shares of which 53,292,647 fully paid ordinary shares are Restricted Securities and shall remain as Restricted Securities for 24 months until 23 March 2018. There are no other securities on issue.
- The Company's 1 for 4 share consolidation was completed on 6 January 2016 as per the announcement released to the market on 4 January 2016.
- The Company will have a free float of shares of 21.54%, being the percentage of issued capital not held by related parties of the Company.
- The Company has working capital in accordance with Listing Rule 1.3.3(b) calculated as total current assets less total current liabilities per the updated unaudited pro forma statement of financial position. There have been no material subsequent events to alter the Company's statement of financial position detailed in section 6 of the Prospectus.
- There are no legal, regulatory or contractual impediments to the Company undertaking the activities the subject of the commitments disclosed in the Prospectus.
- The Company is in compliance with the Listing Rules and, in particular, Listing Rule 3.1. All outstanding reports have been lodged with the ASX.
- The Company complies with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations Third Edition to the extent disclosed in the Company's Corporate Governance Statement.
- Commitments acceptable for Listing Rule 1.3.2(b), revised since the date of the Prospectus following an increase in the costs of the offer arising from broker fees are:

Broker Fees	\$155,700
Costs of Offer	\$153,000
Support Services Agreement Payments	\$705,000
System Design and Integration	\$40,000
Business Development and Marketing	\$100,000
Total	\$1,153,700

Documents enclosed for release to the market are:

- Updated and executed Appendix 1A clearly showing the total number of Shares for which quotation is sought.
- Distribution Schedule
- The Company's Constitution
- The Company's Securities Trading Policy
- Statement of the 20 largest holders of the Company's quoted securities.
- The Company's Corporate Governance Statement.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Alberto Migliucci', with a stylized flourish at the end.

Alberto Migliucci
Director

Annexure

Unaudited Pro Forma Statement of Financial Position

CURRENT ASSETS	
Cash and Cash Equivalents	2,073,642
Trade and Other Receivables	5,352
TOTAL CURRENT ASSETS	2,078,994
NON CURRENT ASSETS	
Intangible assets	6,000,000
TOTAL NON CURRENT ASSETS	6,000,000
TOTAL ASSETS	8,078,994
CURRENT LIABILITIES	
Trade and other payables	330,768
Borrowings	-
TOTAL CURRENT LIABILITIES	330,768
NON-CURRENT LIABILITIES	
Other payables	187,500
TOTAL NON-CURRENT LIABILITIES	187,500
TOTAL LIABILITIES	518,268
NET ASSETS	7,560,726
EQUITY	
Issued capital	61,848,284
Reserves	-
Accumulated losses	-54,287,558
TOTAL EQUITY	7,560,726