



ASX ANNOUNCEMENT

19th September 2012

Positive results continue at Cerro Huancash, Peru

Red Gum Resources Limited (ASX: RGX, "Red Gum" or "the "Company") is pleased to announce the completion of a comprehensive mapping, magnetic modeling and surface geochemical sampling program at the Company's 100% owned Cerro Huancash Project located in central Peru, which confirms the presence of base and precious metal mineralisation.

HIGHLIGHTS

- High grade zinc, lead, copper, silver and gold values commonly hosted in numerous outcrops mapped throughout project area
- New modelling of magnetic anomalies identifies extensive zones of high magnetism probably related to skarn and marble alteration, and potential mineralisation
- Red Gum to initiate induced polarisation ("IP") survey to investigate potential drilling targets on these trends
- Recent sampling identifies individual skarn and marble outcrops that assay:
 - Zinc up to 19%,
 - Lead up to 17.8%
 - Silver up to 2,460 g/t (with 12 samples reporting more than 100 g/t of Ag)
- Sampling confirms mineralisation is confined primarily to "Ariana Corridor" - an emerging polymetallic trend that hosts significant new mineral discoveries in adjacent ground

Red Gum is pleased to report that inverse modeling, by renowned Consultant Geophysicist Bob White of Sydney, of the Company's recently acquired ground magnetic dataset has outlined a number of irregular and cross-cutting magnetic zones that most likely relate to prospective skarn alteration around these regional faults and subsurface intrusive stocks. Encouragingly, some of these zones are closely related to strong geochemical anomalies defined by the Company's geochemical sampling.

The results of this modeling therefore lend weight to the Company's belief that Cerro Huancash demonstrates the potential to host significant volumes of high grade base and precious metal mineralisation at depth.

Red Gum Resources Ltd

Suite 9 Lester Court,
75a Angas Street,
Adelaide SA 5000

p +61 8 8212 5724
f +61 8 8212 2230

www.redgumresources.com
ACN 119 641 986



Managing Director Dr. Paul Pearson commented, “Red Gum is very excited by the results emerging from the integration of geological mapping, geochemical sampling and ground magnetics acquisition (ASX releases dated 19 and 26 July 2012) at Cerro Huancash.

“The latest rock sample results, coupled with the 42 samples reported on 19 July 2012, confirm our view on the area of maximum prospectivity within Cerro Huancash as a NNW-SSE belt of faulting that juxtaposes slices of sporadically mineralised, skarn-altered limestones in the east against intrusive rocks and volcanics to the west. These results support our belief that this belt is the extension of the Ariana Corridor, a significant district-scale, polymetallic mineralisation trend that hosts important mineral discoveries by third parties in adjacent tenements.”

Dr. Pearson continued, “We are fast tracking the advancement of an IP survey in the near future, as part of delineating a drilling campaign.

“Cerro Huancash is fast emerging as an exciting project for Red Gum, with the project having substantial exploration upside in a number of areas. We look forward to updating our shareholders as further results come to hand and our exploration activities continue throughout the coming months.”

*****ENDS*****

For Further information please contact:

Paul Pearson, Managing Director + 61 8 8223 1680
Victoria Thomas, Six Degrees Investor Relations + 61 3 9645 7567

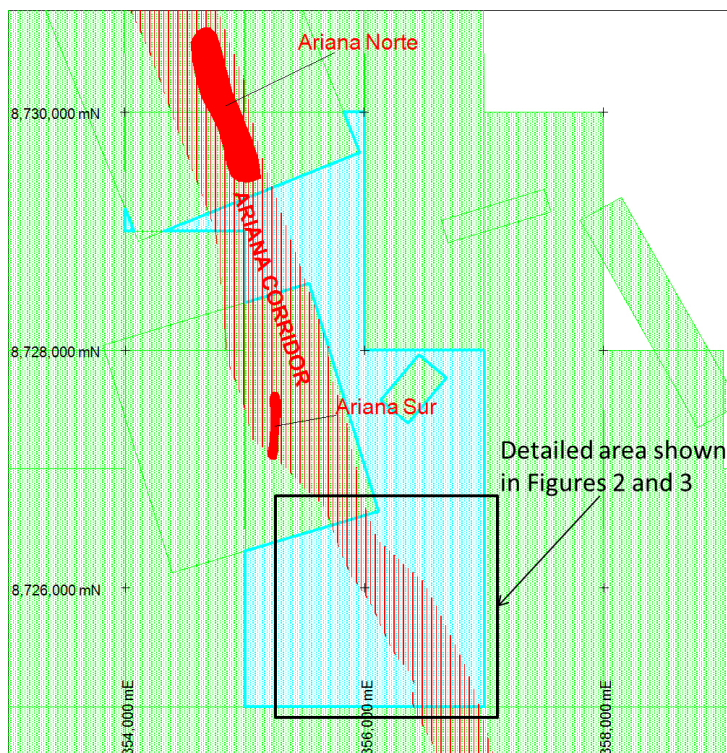


Figure 1: District scale map of the Cerro Huancash Claim (blue) and surrounding third party claims (green). The district-scale “Ariana Corridor” is an important control on base and precious metal mineralisation.

Red Gum Resources Ltd

Suite 9 Lester Court,
75a Angas Street,
Adelaide SA 5000

p +61 8 8212 5724
f +61 8 8212 2230

www.redgumresources.com
ACN 119 641 986

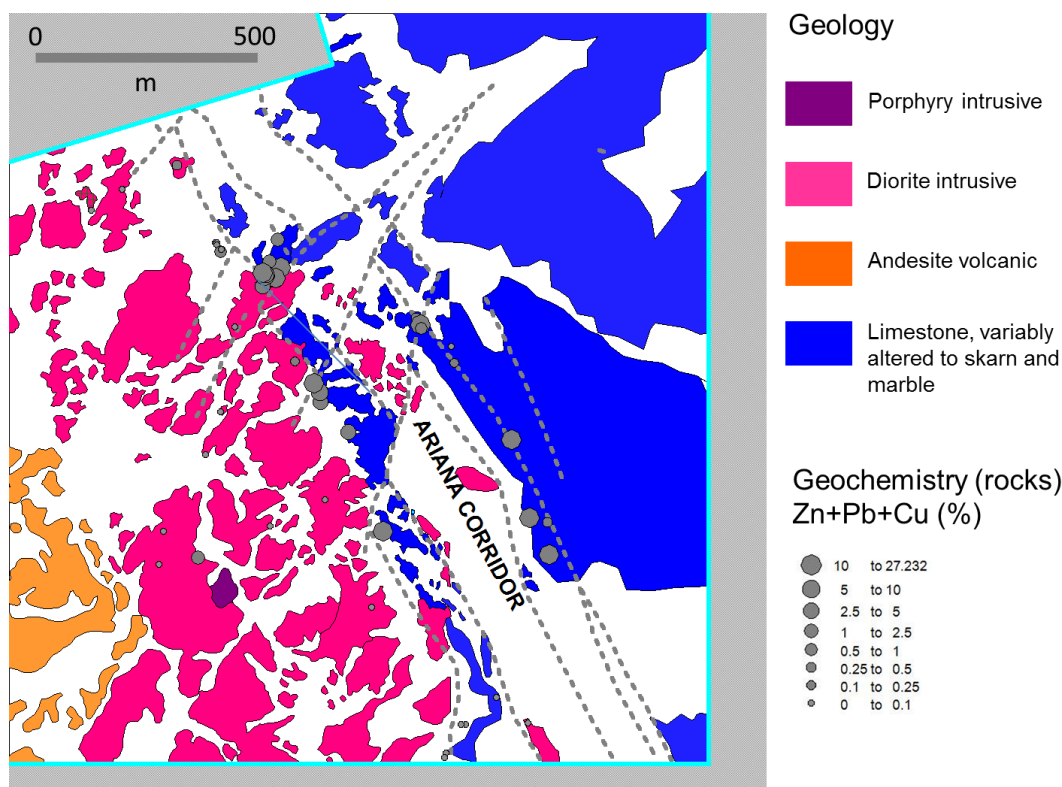


Figure 2: Detailed geological mapping of the southern sector of Cerro Huancash, showing slices of altered limestone in fault contact with intrusive rocks along the mineralised Ariana Corridor.

Geophysics (Inverse Modelling of Ground Magnetics)

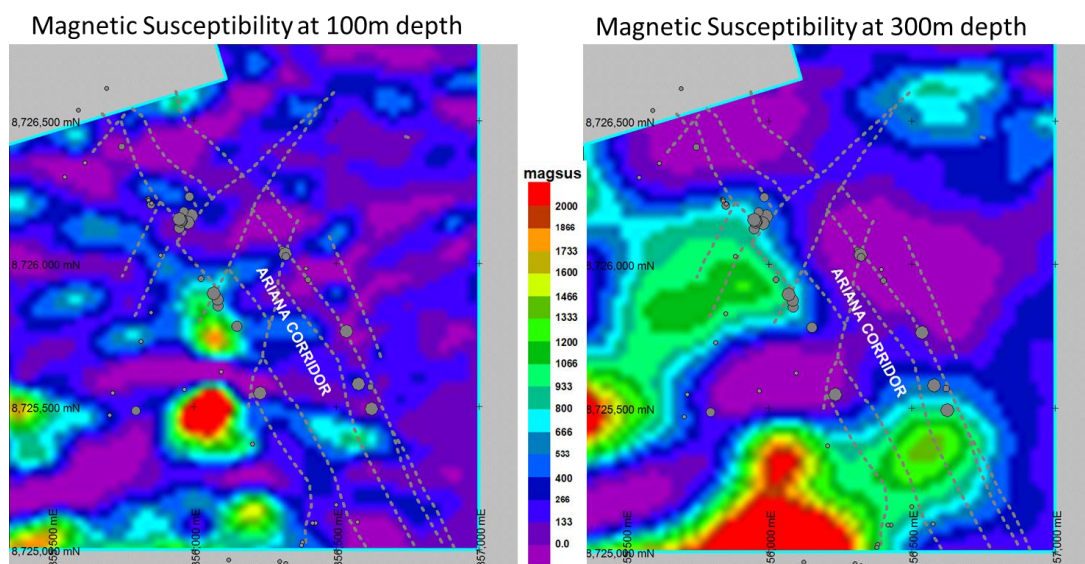


Figure 3: Map showing inverse-modelled magnetic susceptibility at 100 and 300 metres depth, for the same area shown in Figure 2. Warm colours map magnetic bodies most likely associated with skarn-altered limestones and intrusive rocks.

Red Gum Resources Ltd

Suite 9 Lester Court,
75a Angas Street,
Adelaide SA 5000

p +61 8 8212 5724
f +61 8 8212 2230

www.redgumresources.com
ACN 119 641 986



About the Cerro Huancash Project

Red Gum's 100% owned Cerro Huancash Project consists of one exploration claim covering an area of 575.6 hectares. It is located approximately 45 km west of smelting facilities at La Oroya and 20 km north-northwest of Glencore's Casapalca Zinc-Lead-Silver Mine. Cerro Huancash is readily accessible on a year round basis from the capital Lima, located 100 km to the southwest, via the Central Highway.

Previous exploration in the Cerro Huancash area revealed frequent occurrences of iron-stained gossans and mineralised float containing banded zinc sulphides over 8 km of strike length. The Cerro Huancash claim covers over 3 km of this highly prospective belt and given its close proximity to major mining operations at Morococha and Casapalca, this mineralised trend has been heavily targeted by companies.

Red Gum released in July 2012 the results of geochemical assays of surface samples from Cerro Huancash; these results included high grades of precious and base metals, confirming historical surface metal grades reported by the other companies. In addition, the Company released preliminary results of the ground magnetic survey recently completed at Cerro Huancash. The survey identified a number of strong magnetic anomalies potentially associated with economic skarn and replacement-style base/precious metal mineralisation.

In recent years, Pan American Silver has reportedly conducted drilling of the mineralised trend immediately to the north of the Cerro Huancash claim. Pan American later completed a transaction with a private company, Southern Peaks Mining, involving the 'Ariana' tenements, which lie adjacent to Red Gum's Cerro Huancash project. Given that Southern Peaks have recently made known in the public domain that significant mineralised zones exist at the Ariana Norte and Ariana Sur prospects, Red Gum has placed a high priority on further exploration at Cerro Huancash.

About Red Gum's Sampling and Analytical Procedures

Strict sample integrity is maintained throughout the geochemical sampling program. Samples are bagged, numbered and sealed, and then transported by Red Gum staff directly to ALS Minerals Laboratories in Lima. ALS is an ISO 17025 certified facility. At ALS's Lima facility, all samples are dried then crushed to 70% -10mesh (<2mm) size; then riffle split to obtain an approximately 250 gram subsample. The subsample is further crushed to 85% - 200 mesh (<75 microns) to obtain a 30 gram split ready for analysis. All samples are routinely assayed for gold by conventional fire-assay methods at ALS's Lima facility, and for 33 additional elements (including silver, copper, lead, zinc) using aqua regia acid digestion followed by Inductively Coupled Plasma-Atomic Emission Spectroscopy ("ICP-AES") analysis. Samples reporting ore grade base metal or silver values are additionally digested using a four acid mix followed by Atomic Absorption Spectroscopy (AAS).

Competent Persons Statement

The information in this document that relates to Exploration Targets is based on information compiled by Dr Paul Pearson, who is Fellow of The Australasian Institute of Mining and Metallurgy. Dr Pearson is the Managing Director of Red Gum Resources Limited.

Dr Pearson has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

Red Gum Resources Ltd

Suite 9 Lester Court,
75a Angas Street,
Adelaide SA 5000

p +61 8 8212 5724
f +61 8 8212 2230

www.redgumresources.com
ACN 119 641 986



Dr Pearson consents to the inclusion in this document of the matters based on his information in the form and context in which it appears and verifies that it is based on and fairly and accurately reflects in the form and context in which it appears, the information in my supporting documentation relating to Exploration Results, Mineral Resources and/or Ore Reserves.

Red Gum Resources Ltd

Suite 9 Lester Court,
75a Angas Street,
Adelaide SA 5000

p +61 8 8212 5724
f +61 8 8212 2230

www.redgumresources.com
ACN 119 641 986