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Company Announcements Office
Australian Stock Exchange Limited
20 Bridge Street
SYDNEY NSW 2000

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REDSTONE FINALISES CAPITAL RAISING OF \$4M
PRIVATE PLACEMENT CLOSES OVERSUBSCRIBED

Redstone Resources Limited (ASX: RDS) is pleased to announce that it has today finalised a capital raising of \$4 million (before costs).

Due to overwhelming support the Company has obtained commitments for subscriptions of \$4 million by placement of securities to sophisticated and professional investors of 18,182,000 fully paid ordinary shares in Redstone at \$0.22 per share.

This exceeds the initial funds of up to \$3 million sought as announced on 26 August 2010 and reflects very strong investor support.

Of the placement securities, 15,955,000 shares for a total \$3,510,100 will be issued and allotted immediately (up to the Company's 15% threshold under ASX Listing Rule 7.1), whilst the balance of 2,227,000 shares will be issued and allotted subject to shareholder approval being obtained at the Annual General Meeting of the Company to be held in November 2010.

Funds from the placement will enable Redstone to commence a comprehensive drilling programme on its wholly owned Tollu Copper Project, progress exploration on the Company's other projects and will provide further working capital.

The Tollu Copper Project drilling programme is planned to commence this month to test:

- the extension of known copper sulphide mineralisation and associated conductor at depth and along strike;
- the conductor to the north of drill hole TLC 19;
- the large conductive anomaly coincident with thick (95+m) disseminated sulphide (chalcopyrite) drill hole intersection; and
- other copper mineralised veins within the 6 km² mineralising system.

Tollu Project Background

The Tollu project is part of a 200 km² exploration licence held by Redstone. The focus of Redstone's exploration is a giant swarm of hydrothermal copper rich veins in a system covering an area of at least 6 km² and forming part of a dilation system between two major shears. The mineralisation at surface comprises malachite, tenorite and azurite.

During the drilling programme Redstone drilled 5 angled holes into part of the central zone of the steeply dipping vein system to test at depth, mineralisation identified from its earlier drilling programme (one hole had previously been drilled into this zone and had intersected copper mineralisation of 18m at 0.62% from 21 metres depth in the oxidised zone).

The drilling was designed to intercept copper ore, below the oxidized zone. Three drill holes intercepted significant massive copper sulphide mineralisation:

- **TLC 12 returned 14m @ 3.5% Cu from 126m and 3m @ 0.14% Co from 130m including 4m @ 6.25% Cu from 127m;**
- **TLC 15 returned 18m @ 2.7% Cu from 181m including 11m @ 3.7% Cu from 181m; and**
- **TLC 18 returned 17m @ 2.2% Cu from 145m.**

The massive copper mineralisation is open at depth and along strike.

The mineralisation style, chemistry and regional setting are consistent with a Voisey's Bay style magmatic copper–nickel ore body at depth.

Additional information on Redstone Resources is available on the Company's website at www.redstone.com.au

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ATTRIBUTION

The information in this report that relates to exploration results is based on information compiled by Dr Joao Orestes Santos, a member of the Australasian Institute of Geoscientists. Dr Santos has sufficient experience relevant to the style of mineralisation 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 Exploration Results, Mineral Resources and Ore Reserves'. Dr Santos consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.