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The Manager
Company Announcements Office
Australian Stock Exchange Limited
Level 4, Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Electronic Lodgement

Redstone Advances EM Targets on West Musgrave Project

Highlights:

- **Planning commenced for June quarter drilling program on prioritised EM anomalies.**
- **Commencement of plate modelling of three priority EM targets for the purpose of aiding drill hole planning in preparation for the 2018 exploration program.**
- **Planning underway for a ground based EM survey to further delineate and penetrate deeper around all 11 EM anomalies.**
- **Sulphides were intersected in all drill holes at EM anomaly EM1A.**
- **All 10 other EM anomalies identified by the VTEM survey have been upgraded to drill targets pending further geological assessment.**
- **The existing Tollu prospect, which contains a JORC compliant copper and cobalt resource, demonstrates that mineralising fluids have been associated with the regional structures within the Project.**
- **Potential for entire Project area to host large economic mineralisation.**

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Redstone Resources Limited (ASX: RDS) (“Redstone” or “the Company”) is pleased to announce that further geophysical assessment of the 11 EM anomalies identified by the 2017 electromagnetic (EM) survey (VTEM_{max}) has commenced on Redstone’s 100% owned West Musgrave Project (the “Project”).

The geophysical assessment includes plate modelling of a further three priority EM targets for the purpose of aiding drill hole planning in preparation for upcoming exploration this year. These three priority EM targets are located in the northwest, west and northeast of Tollu on the Project area (Figure 1).

Planning is also underway for a ground based EM survey to further delineate and penetrate deeper around all 11 EM anomalies. This will aid in further prioritisation of the 11 anomalies and, in particular, it will provide further understanding of the nature of the sulphide mineralisation intersected at depth at the priority EM1A target.

The geology identified at EM1A can be extended across the Project area. The intersection of disseminated sulphides combined with the high grade copper vein mineralisation that continues at Tollu (ASX release 31 October 2017) opens up the potential for the entire Project area to host large economic mineralisation.

Results from the plate modelling of the EM targets are expected in the coming weeks.

Planning for drilling certain of the 11 EM anomalies in the June quarter is underway.

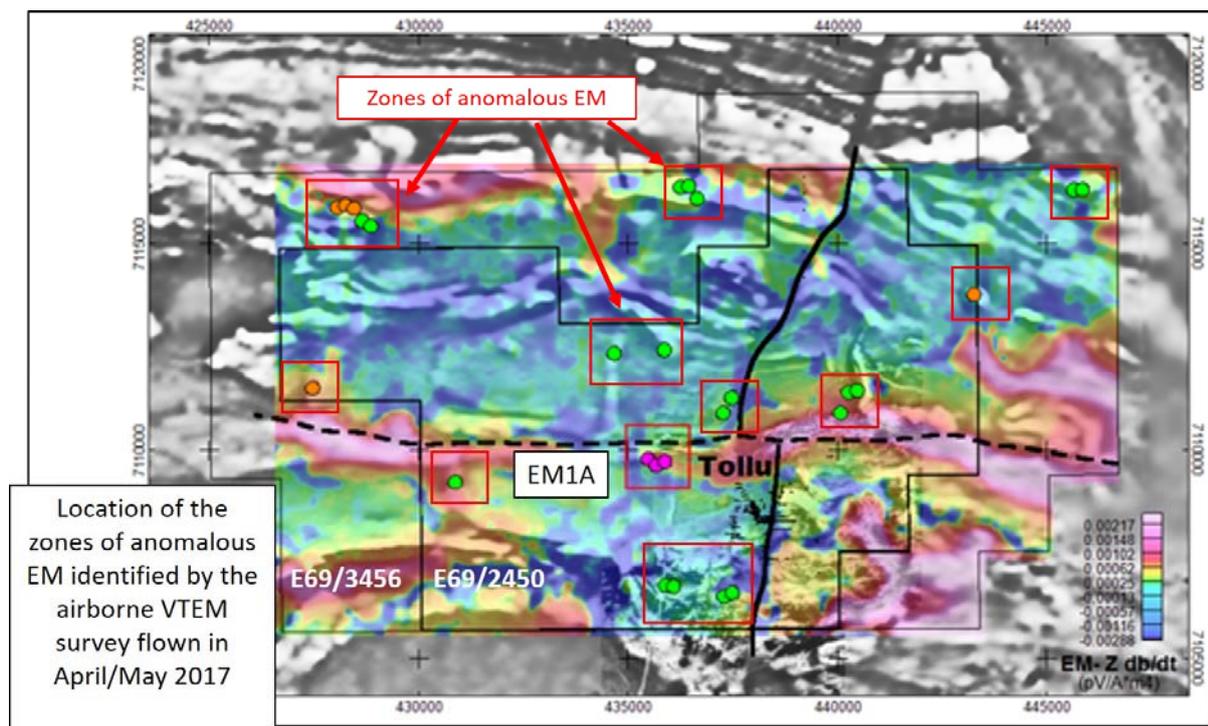


Figure 1 -- Location of EM anomalies. Prioritised EM targets identified in orange. Project tenements E69/2450 and E69/3456 airborne magnetic image (grey) with late time Z component channel 48 (10.667 msec after turn off) as the colour image.



Competent Persons Statement

The information in this document that relates to exploration results was authorised by Dr Greg Shirliff, who is engaged as a Consultant to the company through Zephyr Professional Pty Ltd. The information in this report that relates to Geophysical Exploration Results is based on information compiled by Mr Barry Bourne, who is also engaged as a Consultant to the Company through geophysical consultancy Terra Resources Pty Ltd. Mr Bourne is a fellow of the Australian Institute of Geoscientists and a member of the Australian Society of Exploration Geophysicists and Dr Shirliff is a Member of the Australian Institute of Mining and Metallurgy. Both Mr Bourne and Dr Shirliff have sufficient experience of relevance to the tasks with which they were employed to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Both Mr Bourne and Dr Shirliff consent to the inclusion in the report of matters based on information in the form and context in which it appears.

ABOUT REDSTONE RESOURCES

Redstone Resources Limited (**ASX: RDS**) 100% owned Tollu Copper Project (“**Tollu**”), part of the Company’s broader West Musgrave Project (the “**Project**”), is located in the southeast portion of the prospective West Musgrave region of Western Australia. The Project is located central to the Cassini Resources Nebo Babel prospect to the West and the Metals X Ltd Wingellina Ni-Co project to the East.

The Company has identified copper prospects at the Chatsworth, Eastern Reef and more recently Forio at Tollu, highlighting the potential for multiple high grade hydrothermal copper lodes proximal to the main Tollu fault.

The Company recently completed a detailed ground-up review of the project geology incorporating the historic geological, geochemical and geophysical dataset. This review identified the suitability of the electromagnetic (EM) geophysical method for identifying potential targets and the company subsequently completed an airborne EM (**VTEM_{max}**) survey in April 2017.

This survey identified 11 priority targets, with the recently drilled high priority EM1A target, located 3.5km east of Tollu, identifying sulphide rich volcanoclastics.

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