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Electronic Lodgement

Geochemistry Leads Redstone to Phase 2 Exploration for EM1

- Identified Sulphur bearing hydrothermal alteration system could be related to a magmatic intrusion; the Ni-Cu Nebo Babel magmatic intrusion is situated only 40km to the west
- Greater prospectivity of West Musgrave Project confirmed
- Redstone Resources encourages all investors to update their contact details to stay informed on Company news here: http://www.ozfinancial.com.au/LP/RedstoneResources-Details.aspx

Redstone Resources Limited (**ASX: RDS**) ("**Redstone**" or the **"Company**") is pleased to advise that further analysis of the geochemistry from the 2017 RC drilling of the EM1 Prospect (**Figure 1**), has determined that further exploration is required to further test EM1. The geochemistry has also highlighted the greater prospectivity of Redstone's 100% owned West Musgrave Project (the "**Project"**) and the significance of the other 10 airborne electromagnetic (**VTEM$_{max}$**) targets also identified for further testing (ASX announcement 2 August 2017).

The geochemistry shows the pyrite mineralisation intersected in all drillholes of the 2017 EM1 drilling (ASX announcement 9 October 2017) is probably related to a Sulphur (S) bearing hydrothermal alteration system. The zones of pyrite mineralisation/alteration are also associated with a number of trace elements that are known to be associated with ore forming systems elsewhere and in similar rock types to those identified at EM1 (see below). This suggests it is possible that EM1 could be distally related to an ore body and will therefore need to be investigated further in Redstone's upcoming exploration program. Importantly, the geology hosting EM1 is found throughout the West Musgrave Project area, giving further significance to the other 10 EM targets identified.

- The 2017 drilling of EM1 intersected a zone of high grade hydrothermal disseminated pyrite mineralisation at least 100m thick, 200m wide (N-S) and 700m long (E-W) (approximately 0.5 to 4.0wt% S);
- Association of clay alteration with S concentrations indicate the pyrite mineralisation is part of a S bearing hydrothermal alteration system that could be related to magmatic intrusions; the magmatic intrusion hosting the Nebo Babel Ni-Cu sulphide resource is situated just 40km to the west (**Figure 2**);

- Zinc (Zn), Molybdenum (Mo), Tungsten (W) and Selenium (Se) are all associated with sulphide alteration zones, being metals often associated with ore forming systems such as Volcanogenic Hosted Massive Sulphide (**VHMS**) and/or Copper (Cu) – Mo Porphyry style ore systems (**Figure 2**).

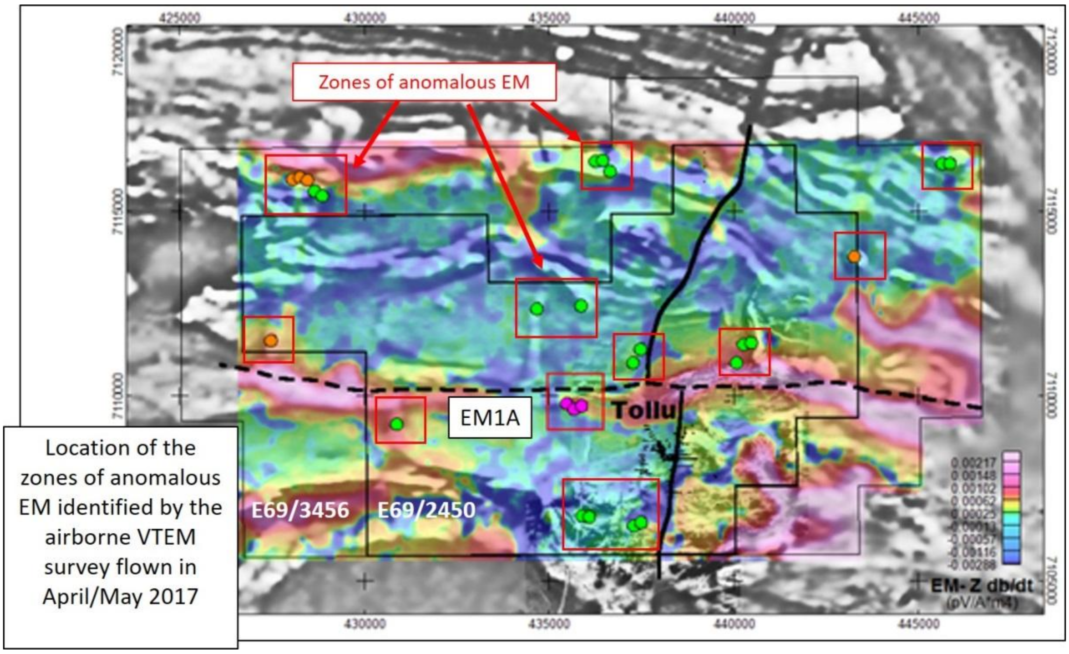

Figure 1 - – Location of EM anomalies. Prioritised EM targets identified in orange. Project tenements E69/2450 and E69/3456 airborne magnetic image (grey) with late time Z component channel 48 (10.667 msec after turn off) as the colour image.

Whilst these EM1 geochemical results, together with the 10 other identified VTEM$_{max}$ targets, confirm the potential for magmatic Ni-Cu massive sulphides on the Project, they also suggest that other mineralising systems now need to be considered. The GSWA has previously considered that large epithermal (Au-Ag [Zn, Pb, Cu]), IOCG and intra-continental-type Cu -Mo-Porphyry deposits are possible exploration targets for the region based around hydrothermal vein showings in felsic volcanics, both at the Project and elsewhere[1]. It can now be maintained that Cu-Mo Porphyry and VHMS deposits should be considered as well as other stratabound mineralisation related to rifting. Given how extensive the favourable geology is on the Project, Redstone has committed to further exploration at EM1 and all 10 other EM targets on the Project.

[1] *Howard, H. M., Smithies, R. H., Evins, P. M., Kirkland, C. L., Werner, M, Wingate, M. T. D. and Pirajno, F. (2011) Explanatory notes for the West Musgrave Province: Geological Survey of Western Australia*

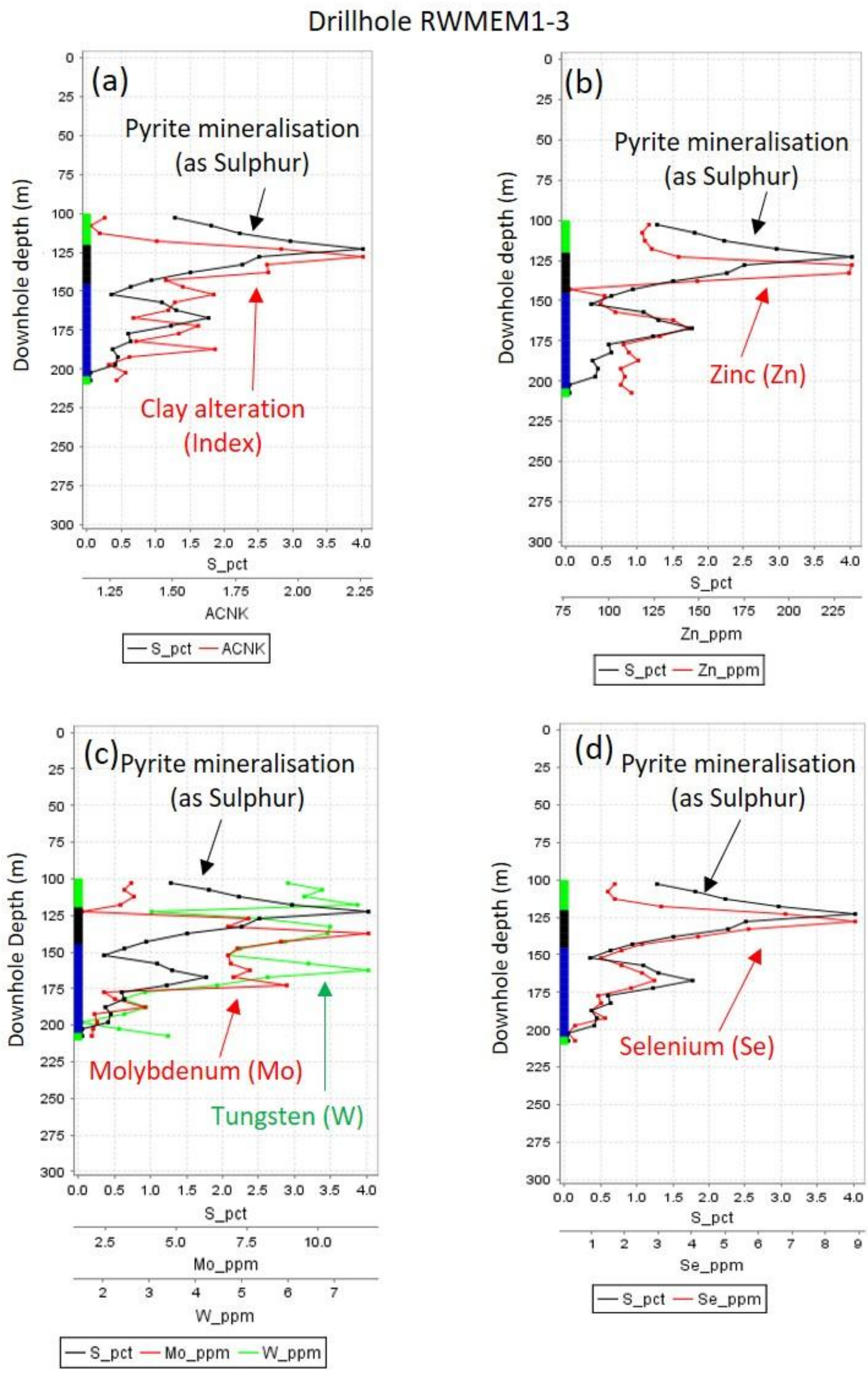

Figure 2 -- Downhole comparison within drillhole RWMEM1-3 of pyrite mineralisation (as wt%S) with (a) clay alteration/destruction of feldspars (as ACNK Index = Al2O3/CaO + Na2O + K2O all wt%), (b) Zn concentration (ppm), (c) Mo and W concentrations (ppm), (d) Se concentration (ppm). Showing data from drillhole RWMEM1_3 only (see JORC Table 1 for location) as an example; the same geochemical relationships were found in all drill holes. All geochemistry represents 5m composites of 1m RC drill samples (see JORC Table 1 attached for all procedures). Note that the first 100m of the drill hole was not analysed due to the effect of weathering.

Redstone Resources has engaged OzFinancial to assist with Investor Communication. The Company encourages all investors to update their contact details to stay informed on Company news here: http://www.ozfinancial.com.au/LP/RedstoneResources-Details.aspx.

Competent Person Statement

The information in this document that relates to drilling and exploration results was authorised by Dr Greg Shirtliff, who is employed 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 employed 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 Shirtliff is a Member of the Australian Institute of Mining and Metallurgy. Both Mr Bourne and Dr Shirtliff 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 Shirtliff 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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JORC Code, 2012 Edition – Table 1 report Tollu Project

Section 1 Sampling Techniques & Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature & quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity & the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.*	• Geochemical samples were taken from drill chips produced by a reverse circulation (RC) drill rig. Samples were split from the sample stream every metre as governed by metre marks on the drill string, by a cone splitter approximating between 7-13% of the full metre of sample. The dust box was used to control the flow of chips to the cone splitter. • Duplicates were taken every metre from the alternate sample opening on the cone splitter. This gave flexibility to where field duplicates were introduced into the geochemical sampling stream to the lab and allowed for compositing at any depth or interval. • On a regular basis both sample and duplicate were weighed with a simple hook based hand held scale to check for representivity of both the metre sampled and the duplicate. This weight was not recorded, rather used as an in-filed measure to alert drillers of issues with the cone splitter and drilling. • Samples were collected in calico bags – each bag weighed approximately 1-3kg. • In areas of targeted copper veins 1m RC chip samples were selected for laboratory analysis using a calibrated (using calibration discs and standardised compressed powders) hand-held XRF to discriminate high copper (Cu) values. HHXRF Cu value cut-offs used to select samples for laboratory based geochemical analysis was 0.1% and in most cases, the 1m sample either side of that value was also selected. In some drill holes the entire holes was sampled; where so outside the mineralised zones were composited into 5m composites. • At the EM1 drilling site the entire drill hole was sampled for geochemical analysis; samples were sent to the lab in 5m composites or less where 5m was not possible (eg. At end of hole). HHXRF was still used to give an approximate idea of the concentration of all transition elements.

Criteria	JORC Code explanation	Commentary
		• A small (1-2 teaspoon sized) representative sample was kept of each metre for record purposes.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) & details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented & if so, by what method, etc.).*	• Reverse Circulation drilling was used to obtain 1m samples for the purpose of geological logging and geochemistry. Compositing was performed for some geochemical samples (see elsewhere in this table) • RC sampling completed using a 5.5" diameter drill bit with a face sampling hammer. RC drilling rigs were equipped with a booster compressor.
Drill sample recovery	• *Method of recording & assessing core & chip sample recoveries & results assessed.* • *Measures taken to maximise sample recovery & ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery & grade & whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• RC Drillers were advised by geologists of the ground conditions expected for each hole and instructed to adopt an RC drilling strategy to maximize sample recovery, minimize contamination and maintain required spatial position. • Sample recovery is approximated by assuming volume and rock densities for each metre of the drill hole and back referencing to this for individual metres coming from the cone splitter. • Actual metal grades are not detailed in the ASX release. No correlation was observed between the amount of sample passing through the cone splitter and the geology or amount of sulphides observed.
Logging	• *Whether core & chip samples have been geologically & geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies & metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.* • *The total length & percentage of the relevant intersections logged.*	• All drilling in this ASX release is by reverse circulation (RC). RC holes are geologically logged on a 1m interval basis. Where no sample is returned due to voids or lost sample, it is logged and recorded as such. The weathering profile is logged with no washing/sieving as well as washed/sieving to identify the transition into fresh rock and to identify unweathered quartz veins. In fresh rock all RC chips are logged by washing/sieving. • Geological logging is qualitative and quantitative in nature. • Visual estimations of sulphides and geological interpretations are based on examination of drill chips from a reverse circulation (RC) drill rig using a hand lens during drilling operations. Chips are washed and sieved prior to logging. • It should be noted that whilst % mineral proportions are based on standards as set out by JORC, they are estimation only and can be

Criteria	JORC Code explanation	Commentary
		subjective to individual geologists to some degree. • Details of the sulphides, type, nature of occurrence and general % proportion estimation are found within the text of the release.
Sub-sampling techniques & sample preparation	• *If core, whether cut or sawn & whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc.& whether sampled wet or dry.* • *For all sample types, the nature, quality & appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Geochemical samples were taken from drill chips produced by a reverse circulation (RC) drill rig. All sampling techniques are described above. The nature and quality of the sampling technique was considered appropriate for the drilling technique applied and for the geochemical analysis sought. • As described above a cone splitter was used to split samples from the RC sample stream. The cone splitter was levelled prior to drilling and this level was checked at regular intervals throughout the drilling of each drill hole to ensure representivity of sample. • A field duplicate was taken for every metre sampled and both duplicate and original sample were weighed in the field using a hook based hand held scale to check for sample representivity. • Filed duplicates were introduced into the geochemical sample submission at approximately 1 in 20 samples or 5% of the sample stream. • Quartz sand blanks were introduced into the sample stream at 1 in 20 or 5%. • The laboratory introduced copper standards for samples from the area of copper veins (TLC holes) at the rate of 1 in 20 or 5% or at smaller intervals. • At the lab, samples were crushed to a nominal 2mm using a jaw crusher before being split using a rotary splitter into 400-700g samples for pulverising. • Samples were pulverised to a nominal >90% passing 75 micron for which a 100g sample was then selected for analysis. A spatula was used to sample from the pulverised sample for digestion. • The ALS geochemical laboratories in Adelaide use their own internal standards and blanks as well as flushing and cleaning methods accredited by international standards.

Criteria	JORC Code explanation	Commentary
		• Sample sizes and splits are considered appropriate to the grain size of the material being sampled as according to the Gi standard formulas.
Quality of assay data & laboratory tests	• *The nature, quality & appropriateness of the assaying & laboratory procedures used & whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make & model, reading times, calibrations factors applied & their derivation, etc.* • *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) & whether acceptable levels of accuracy (i.e. lack of bias) & precision have been established.*	• Geochemical analyses performed consisted of a four acid digestion and/or peroxide fusion before Inductively Coupled Plasma Mass Spectrometer (ICPMS) or Inductively Coupled Plasma Atomic Emission Spectrometer (ICPAES). This technique is considered a total analysis. • As described above the HHXRF used to determine which samples were selected for analysis in the area of the copper veins was calibrated using calibration discs and standardised compressed powders at the start of every day and approximately every hour when analysing. • All standards, blanks and field duplicate procedures are described above. • Acceptable levels of accuracy for the data have been achieved. For instance, the total error for copper (Cu) concentrations was +19.5% - 15.9% (mean difference). This is considered within expectations for geochemical sampling of RC drilling and shows no significant bias towards the positive or negative.
Verification of sampling & assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical & electronic) protocols.* • *Discuss any adjustment to assay data.*	• Verification of significant intersections as shown by the results of geochemical analyses has been made via Redstone employees internally. • There were no dedicated twinned holes in this drilling program. • All geological and geochemical data has been checked by both Redstone employees and Zephyr Professional Pty Ltd consultants. All geological and drilling data has been entered into a Redstone Access database. The geochemistry is currently being analysed but will also eventually be included in the Access database.

Criteria	JORC Code explanation	Commentary
Location of data points	• *Accuracy & quality of surveys used to locate drill holes (collar & down-hole surveys), trenches, mine workings & other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality & adequacy of topographic control.*	• All drill hole collars referenced in this ASX release have been surveyed for easting, northing & elevation using an RTK GPS system which was left to calibrate for 1.5 hours prior to recording survey data for each project location. The accuracy according to the GPS unit averaged approximately 10cm for all recordings (north, south and elevations). Data was collected in MGA94 Zone 52 & AHD.
Data spacing & distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing & distribution is sufficient to establish the degree of geological & grade continuity appropriate for the Mineral Resource & Ore Reserve estimation procedure(s)&classifications applied.* • *Whether sample compositing has been applied.*	• Drilling has been for exploration only, spacing varies between targets. AT EM1 the spacing varies between 200m (E-W), 50m (N-S) and the final hole was drilled directly over the first, but vertical (refer to the map in Appendix 1 for actual locations)
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures & the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation & the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed & reported if material.*	• Drill angle details are given in the text and tables of the ASX announcement of 9 October 2017. Orientation is according to the exploration target also described in the same release.
Sample security	• *The measures taken to ensure sample security.*	• All geochemical samples were selected by geologists in the field and sent directly to the laboratory from the field in a single vehicle, packaged in bulker bags. Results of geochemical analysis were sent directly to the designated Redstone geologist for entering into the Access database and for analysis.
Audits or reviews	• *The results of any audits or reviews of sampling techniques & data.*	• Not applicable

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement&land tenure status	• *Type, reference name/number, location & ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park & environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The EM1 target and Tollu project are located within E69/2450 (Western Australia). This exploration license is held by Redstone Resources. • The tenements are in good standing & no known impediments exist.
Exploration done by other parties	• *Acknowledgment & appraisal of exploration by other parties.*	• There has been limited recent exploration undertaken by other parties at Tollu and no previous exploration at EM1.
Geology	• *Deposit type, geological setting & style of mineralisation.*	• The genetic origin is currently under review and part of a research project.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* o *Easting & northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip & azimuth of the hole* o *down hole length & interception depth* o *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material & this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• All information contained in the table within ASX announcement of 9 October 2017.

Criteria	JORC Code explanation	Commentary
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades)&cut-off grades are usually Material & should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results & longer lengths of low grade results, the procedure used for such aggregation should be stated & some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Compositing has been described above. The technique for compositing used entailed the lab crushing every metre to a nominal 2mm crushed grain size before splitting off a 400-700g, sample using a rotary splitter, of each metre for compositing. The lab then proceeded to composite the 400-700g samples.
Relationship between mineralisation widths & intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known & only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	• No true widths have been stated in this ASX release, all relate to downhole intercept lengths. However, for EM1 only, the angle of the modelled plate from the EM anomaly and the angle of the drill hole targeting the plate has meant that most drill holes intercept the target at a near perpendicular angle.
Diagrams	• *Appropriate maps & sections (with scales)&tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations & appropriate sectional views.*	• See drill hole location map accompanying this Table 1 in Appendix 1.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low & high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Only observations are reported, see data details above for further information
Other substantive exploration data	• *Other exploration data, if meaningful & material, should be repported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size&method of treatment; metallurgical test results; bulk density, groundwater, geotechnical & rock characteristics; potential deleterious or contaminating substances.*	• No other exploration data collected is considered material to this announcement.
Further work	• *The nature & scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).*	• The details of the nature of future work at Tollu and EM1 are currently being assessed. • Not applicable at this stage of exploration.

Criteria	JORC Code explanation	Commentary
	• *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations & future drilling areas, provided this information is not commercially sensitive.*	

Section 3 Estimation & Reporting of Mineral Resources

NOT APPLICABLE

Appendix 1 - EM1 Target Drill Hole Location Map