

## **ASX ANNOUNCEMENT**

### **Drilling at the Tollu Copper Nickel Project: Third Phase**

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1 September 2011

*The Board of Redstone Resources Limited (ASX:RDS) ("the Company" or "Redstone") is pleased to advise that the third phase of drilling has commenced at its wholly owned Tollu Copper Nickel Project.*

*The 5,000m RC programme is currently expected to be completed within 4 to 5 weeks.*

*The primary focus of the programme is the two copper sulphide mineralisation zones identified at the Central Zone and the Eastern Zone. The Central Zone mineralisation has been extended to over 200m strike length and to a depth of 253m (the mineralisation remains open along strike and at depth). The Eastern Zone hosts a 20m thick vein exposed over 2.5km where previous drill hole TLC 42 encountered 3m@5% copper sulphide together with nickel and cobalt sulphides (mineralisation open at bottom of hole). Apart from TLC 42, the Eastern Zone is untested and has the potential to host a large volume of mineralisation.*

*The drilling programme is designed to:*

- *Investigate the extension at depth, to the southeast and northwest, of the Central Zone mineralisation;*
- *Confirm the significance of the discovery of high grade hydrothermal copper sulphide mineralisation (5% Cu) at the Eastern Zone;*
- *Identify the presence of gabbro stock (mafic) at depth which is interpreted to be the magmatic primary source of the mineralisation at Tollu; and*
- *Test part of the 1km of surface copper mineralisation which has recently been identified at the Western Zone (north-south vein structure approximately 400m west of the Central Zone).*

*Redstone strategic adviser Tony Howland-Rose comments as follows:*

*"While the vein copper results to date are highly significant, the intersection of nickel and cobalt at the bottom of drill hole TLC 42 was, for us, the highlight, as it vindicated Redstone Project Geologist Dr Orestes Santos' interpretation of the surface geology.*

*The work to date has demonstrated three distinct but related economic targets, namely:*

- (1) oxidised copper veins (malachite and tenorite) within the weathered zones (+/-)80m;*
- (2) copper sulphides (chalcopyrite and bornite) beneath the zone of oxidation;*
- (3) AND the nickel - copper - cobalt mafic related target at depth.*

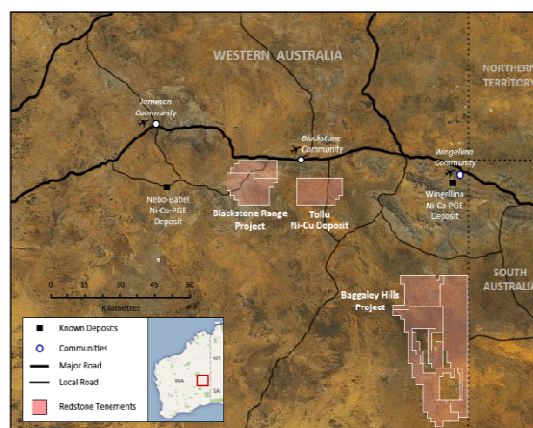
*While the drilling programme is essentially RC, should equipment and conditions permit, diamond drill hole(s) will be drilled to acquire samples for detailed mineralogical study and for metallurgical testing.*

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*The present programme will advance the project materially, allowing the first tentative economic evaluation”.*

### **TOLLU COPPER NICKEL PROJECT (E69/2450)**

The Tollu Project is located in the southeast portion of the West Musgrave region of WA approximately 20km south east of the Blackstone Community (Figures 1 and 2). The project plays host to a giant swarm of hydrothermal copper rich veins in a mineralised system covering an area of at least 6km<sup>2</sup> forming part of a dilation system between two major shears. Copper mineralisation exposed at the surface comprises malachite, tenorite and azurite.



**Figures 1 and 2: Location of the Tollu Copper Nickel Project**

The swarm of mineralised hydrothermal veins has been interpreted as a distal part of a giant Voisey's Bay style magmatic Cu-Ni-(Co) system. Key indicators present at Tollu indicating a Voisey's Bay style mafic primary source for mineralisation are:

- the extent and volume of remobilised copper sulphides
- hydrothermal (not magmatic) copper sulphide mineralisation
- significant association with Co

At the Tollu Copper Nickel Project Redstone is targeting a large deposit in the hydrothermal zones with an average Cu grade >2%. The previous two drilling programmes have encountered numerous copper strikes (>3%) within the Central Zone.

A second magmatic Cu-Ni (Co) sulphide target has been identified at the Eastern Zone, where drillhole TLC-042 has established sulphide mineralisation at depth (3m @ 5 % Cu from 248m, open EOH) and is the first to contain nickel and cobalt sulphides. Typically magmatic Cu-Ni-(Co) sulphide deposits are large to giant sized deposits often in excess of 100M tonnes of ore.

## **About Redstone**

Redstone Resources Ltd is a Perth Based exploration company with a portfolio of highly prospective mineral exploration properties in the West Musgrave region of WA and Brazil.

Redstone is a diversified explorer focused on nickel and copper in Western Australia. Further information on Redstone can be found on the company's website at [www.redstone.com.au](http://www.redstone.com.au)

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### **ATTRIBUTION**

The information in this report relates to exploration results is based on information compiled by Dr Joao Orestes Santos, a part-time employee of Redstone Resources Limited. Dr Santos is a member of the Australian Institution of Geoscientists and 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 matter based on his information in the form and context in which it appears.