REDSTONE RESOURCES

7 November 2012

Dear Shareholder

PRO-RATA NON-RENOUNCEABLE ENTITLEMENT ISSUE

This letter is to notify you that on 22 October 2012, Redstone Resources Limited (**ASX Code: RDS**) (**Redstone** or **the Company**) announced a non-renounceable entitlement issue of approximately 14,356,939 options (**Listed Options**) to acquire fully paid ordinary shares (**Shares**) in the Company (**Entitlement Issue** or **Offer**) at an issue price of $0.01 per Listed Option to raise $143,569 (before costs) on the basis of one (1) Listed Option for every ten (10) Shares held by eligible shareholders at 5:00pm (WST) on Wednesday, 14 November 2012 (**Record Date**). Each Listed Option will be listed on the market operated by ASX Limited (**ASX**) (subject to ASX granting quotation of the Listing Options), will have an exercise price of $0.20 and will expire at 5.00pm (WST) on 28 February 2016.

On the basis that no option holders of the Company exercise their options before the Record Date, a maximum of 14,356,939 Listed Options will be offered under the Entitlement Issue.

Underwriting of the Entitlement Issue

The Entitlement Issue will be conditionally underwritten by Argonaut Capital Limited (**Argonaut**). Argonaut will receive an underwriting fee equal to 2.5% of the amount raised under the Entitlement Issue.

Eligibility to the Entitlement Issue

The Entitlement Issue is only open to shareholders of the Company (**Shareholders**) who are registered as Shareholders at 5.00pm (WST) on the Record Date and who have registered addresses in Australia or New Zealand (**Eligible Shareholders**).

Shareholders with registered addresses outside Australia and New Zealand are considered ineligible shareholders (**Ineligible Foreign Shareholders**) and cannot participate in the Entitlement Issue.

Redstone Resources Limited ABN 42 090 169 154 www.redstone.com.au
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The Company has determined that it is not practicable for Ineligible Foreign Shareholders to participate in the Entitlement Issue having regard to the number of Ineligible Foreign Shareholders, the number and value of Listed Options they would be offered and the costs of complying with regulatory requirements of those jurisdictions.

Purpose of the Entitlement Issue

The net proceeds from the Entitlement Issue, together with the Company's existing cash reserves, will primarily be used to advance exploration on the Company's flagship Tollu Copper-Nickel Project in the West Musgrave, Australia and for working capital.

Prospectus and Entitlement Issue Details

Details of the Entitlement Issue, together with all other relevant information, are set out in the Company's prospectus which was lodged with the ASX and the Australian Securities and Investments Commission on Friday, 2 November 2012 (**Prospectus**). The Prospectus is currently available from the Company's website, www.redstone.com.au, or the ASX website, www.asx.com.au, by searching under the Company's ASX code "RDS".

A copy of the Prospectus together with the Entitlement and Acceptance Form will be sent to Shareholders on or about Thursday, 15 November 2012. The Prospectus will be sent to Ineligible Foreign Shareholders for information purposes only.

The Entitlement Issue is non-renounceable which means that entitlement to take up Listed Options is non-transferrable and will not be tradeable on ASX. Shareholders who do not take up all or any part of their Entitlement will not receive any payment or value in respect of the Entitlement not taken up and their equity interest in the Company will be diluted if the Listed Options are subsequently exercised.

Key Dates

The proposed timetable for the Entitlement Issue is set out below.

Event	Date
Lodgement of Prospectus with ASIC	Friday, 2 November 2012
Lodgement of Prospectus and Appendix 3B with ASX (includes application for Quotation of Listed Options)	Friday, 2 November 2012
Notice sent to Shareholders and Option holders	Wednesday, 7 November 2012
'Ex' Date (Date from which Shares commence trading without the entitlement to participate in the Offer)	Thursday, 8 November 2012
Record Date for determining Entitlements (Date for determining entitlements to participate in the Offer)	Wednesday, 14 November 2012
Prospectus sent to Shareholders and Opening Date of Offer	Thursday, 15 November 2012
Closing Date of Offer* (5:00pm WST)	Thursday, 29 November 2012
Listed Options quoted on a deferred settlement basis	Friday, 30 November 2012
ASX and Underwriter notified of under-subscriptions	Tuesday, 4 December 2012
Despatch of holding statements	Friday, 7 December 2012
Quotation of Listed Options issued under the Offer*	Monday, 10 December 2012

*Subject to the Listing Rules, the Company reserves the right to extend the Closing Date. As such the date the Listed Options are expected to commence trading on ASX may vary.

Effect on Capital Structure

The effect of the Offer on the capital structure of the Company, assuming all Listed Options offered under the Offer are issued, is set out below.

Capital Structure on Completion of the Offer

	Balance at date of Prospectus	To be issued under the Offer	Balance after the Offer
Shares	143,569,390(1)	Nil	143,569,390
Unquoted Options	26,616,681(2)	Nil	26,616,681
Listed Options	Nil	14,356,939(3)	14,356,939

(1) Assuming no unquoted Options are exercised prior to the Record Date.

(2) The number, terms and expiry dates of the unquoted Options are set out below.

(3) Assumes all Listed Options under the Offer are issued and an application for Quotation of the Listed Options will be made.

	Number
Details of all unquoted Options on issue at the date of this Prospectus	
Unquoted Options exercisable at $0.95 on or before 28 November 2012	1,000,000
Unquoted Options exercisable at $1.20 on or before 28 November 2012	500,000
Unquoted Options exercisable at $0.75 12 months from 20 February 2013 until on or before 20 February 2013	300,000
Unquoted Options exercisable at $0.25 on or before 30 November 2012	6,716,668
Unquoted Options exercisable at $0.25 on or before 30 November 2014	1,500,000
Unquoted Options exercisable at $0.30 on or before 30 November 2014	500,000
Unquoted Options exercisable at $0.35 on or before 30 November 2014	500,000
Unquoted Options exercisable at $0.40 on or before 19 October 2013	3,750,000
Unquoted Options exercisable at $0.50 on or before 4 November 2013	650,000
Unquoted Options exercisable at $0.50 on or before 1 December 2013	500,000
Unquoted Options exercisable at $0.50 on or before 24 February 2014	1,100,000
Unquoted Options exercisable at $0.35 on or before 6 July 2015	750,000
Unquoted Options exercisable at $0.45 on or before 6 July 2015	500,000
Unquoted Options exercisable at $0.35 on or before 6 July 2015	550,000
Unquoted Options exercisable at $0.30 on or before 21 December 2014	1,000,000
Unquoted Options exercisable at $0.30 on or before 26 February 2015	1,000,000
Options exercisable at $0.20 on or before 28 February 2016, in respect of which an application for Quotation will be made	5,800,013
Total Options on issue at date of Prospectus	**26,616,681**
Listed Options offered pursuant to the Offer (quoted, exercisable at $0.20 on or before 28 February 2016)	**14,356,939**
Total Options on issue after completion of the Offer	**40,973,620**

On a fully diluted basis the Company would have 170,186,071 Shares on issue at the date of this Prospectus and 184,543,010 Shares on issue at completion of the Offer assuming all of the Listed Options under the Offer are issued and no unquoted Options are exercised prior to the Record Date.

You should consider the Prospectus carefully in deciding whether to participate in the Entitlement Issue, and if in any doubt, consult with your professional adviser.

If you have any queries concerning the Entitlement Issue please contact the Company on +61 (8) 9328 2552.

Yours sincerely

MConti

Miranda Conti
Company Secretary
REDSTONE RESOURCES LIMITED

7 November 2012

Dear Shareholder

PRO-RATA NON-RENOUNCEABLE ENTITLEMENT ISSUE
NOTICE TO INELIGIBLE FOREIGN SHAREHOLDERS

This letter is to notify you that on 22 October 2012, Redstone Resources Limited (**ASX Code: RDS**) (**Redstone** or **the Company**) announced a non-renounceable entitlement issue of approximately 14,356,939 options (**Listed Options**) to acquire fully paid ordinary shares (**Shares**) in the Company (**Entitlement Issue** or **Offer**) at an issue price of $0.01 per Listed Option to raise $143,569 (before costs) on the basis of one (1) Listed Option for every ten (10) Shares held by eligible shareholders at 5:00pm (WST) on Wednesday, 14 November 2012 (**Record Date**). Each Listed Option will be listed on the market operated by ASX Limited (**ASX**) (subject to ASX granting quotation of the Listing Options), will have an exercise price of $0.20 and will expire at 5.00pm (WST) on 28 February 2016.

On the basis that no option holders of the Company exercise their options before the Record Date, a maximum of 14,356,939 Listed Options will be offered under the Entitlement Issue.

Underwriting of the Entitlement Issue

The Entitlement Issue will be conditionally underwritten by Argonaut Capital Limited (**Argonaut**). Argonaut will receive an underwriting fee equal to 2.5% of the amount raised under the Entitlement Issue.

Ineligible Foreign Shareholders

The Entitlement Issue is only open to shareholders of the Company (**Shareholders**) who are registered as Shareholders at 5.00pm (WST) on the Record Date and who have registered addresses in Australia or New Zealand (**Eligible Shareholders**).

Shareholders with registered addresses outside Australia and New Zealand are considered ineligible shareholders (**Ineligible Foreign Shareholders**) and cannot participate in the Entitlement Issue.

The Company has determined, pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules, that it is not practicable for Ineligible Foreign Shareholders to participate in the Entitlement Issue having regard to the number of Ineligible Foreign Shareholders, the number and value of Listed Options they would be offered and the costs of complying with regulatory requirements of those jurisdictions.

Accordingly, the Company wishes to advise you that it will not be extending the Offer to you and you will not be able to subscribe for Listed Options under the Offer.

Purpose of the Entitlement Issue

The net proceeds from the Entitlement Issue, together with the Company's existing cash reserves, will primarily be used to advance exploration on the Company's flagship Tollu Copper-Nickel Project in the West Musgrave, Australia and for working capital.

Prospectus and Entitlement Issue Details

Details of the Entitlement Issue, together with all other relevant information, are set out in the Company's prospectus which was lodged with the ASX and the Australian Securities and Investments Commission on Friday, 2 November 2012 (**Prospectus**). The Prospectus is currently available from the Company's website, www.redstone.com.au, or the ASX website, www.asx.com.au, by searching under the Company's ASX code "RDS".

If you have any queries concerning the Entitlement Issue please contact the Company on +61 (8) 9328 2552.

Yours sincerely

Miranda Conti
Company Secretary
REDSTONE RESOURCES LIMITED

REDSTONE RESOURCES

7 November 2012

Dear Option holder

PRO-RATA NON-RENOUNCEABLE ENTITLEMENT ISSUE
NOTICE TO OPTION HOLDERS

This letter is to notify you that on 22 October 2012, Redstone Resources Limited (**ASX Code: RDS**) (**Redstone** or **the Company**) announced a non-renounceable entitlement issue of approximately up to 14,356,939 options (**Listed Options**) to acquire fully paid ordinary shares (**Shares**) in the Company (**Entitlement Issue**) at an issue price of $0.01 per Listed Option to raise $143,569 (before costs) on the basis of one (1) Listed Option for every ten (10) Shares held by eligible shareholders at 5:00pm (WST) on Wednesday, 14 November 2012 (**Record Date**). Each Listed Option will be listed on the market operated by ASX Limited (**ASX**) (subject to ASX granting quotation of the Listed Options), will have an exercise price of $0.20 and will expire at 5.00pm (WST) on 28 February 2016.

Eligibility to participate in the Entitlement Issue

The Entitlement Issue is only open to shareholders of the Company (**Shareholders**) who are registered as Shareholders at 5.00pm (WST) on the Record Date and who have registered addresses in Australia or New Zealand (**Eligible Shareholders**).

Prospectus and Entitlement Issue Details

Details of the Entitlement Issue, together with all other relevant information, are set out on the Company's prospectus which was lodged with the ASX and the Australian Securities and Investments Commission on Friday, 2 November 2012 (**Prospectus**). The Prospectus is currently available from the Company's website, www.redstone.com.au, or the ASX website, www.asx.com.au, by searching under the Company's ASX code "RDS".

Under the terms of the options you currently hold in the Company (**Existing Options**) you are not entitled to participate in the Entitlement Issue unless you exercise your Existing Options and are entered onto the Company's Share register as a Shareholder on or before 5.00pm (WST) on the Record Date.

To exercise your Existing Options and thereby participate in the Entitlement Issue in respect of your Existing Options you will need to deliver to the registered office of the Company the following:

1. a completed application form to exercise options specifying the number of Existing Options to be exercised (**Option Exercise Notice**);
2. your Existing Option certificate(s) covering that number of Existing Options; and
3. payment for the exercise price for those Existing Options by way of cheque made payable to the Company.

Each Share allotted as a result of the exercise of an Existing Option will rank equally with all other issued Shares.

Option Exercise Notices and cleared funds must be received no later than 5.00pm (WST) on Wednesday, 14 November 2012.

If you do not wish to participate in the Entitlement Issue in respect of your Existing Options you do not need to take any action.

If you have any queries concerning the Entitlement Issue please contact the Company on +61 (8) 9328 2552.

Yours sincerely

Miranda Conti
Company Secretary
REDSTONE RESOURCES LIMITED