



30 April 2014

QUARTERLY REPORT

For the Period Ending 31 March 2014

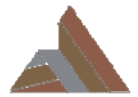
The Board of Redstone Resources Limited (ASX Code: RDS) (“Redstone” or “the Company”) is pleased to present its quarterly report for the period ending 31 March 2014 (“the Quarter”).

Redstone’s primary focus is the Tollu Project which is located in the southeast portion of the West Musgrave region of Western Australia (“Tollu Project” or “the Tollu Project”). The Project hosts a giant swarm of hydrothermal copper rich veins in a mineralised system covering an area at least 5km². Copper mineralisation is exposed at the surface and forms part of a dilation system between two major shears. Redstone expects the Project’s mineralised area and the volume of hydrothermal mineralisation to increase significantly with further drilling.

SUMMARY

Activities undertaken by the Company during the Quarter included:

- The completion of capital raising initiatives by a heavily oversubscribed placement to sophisticated and professional investors, raising \$1.75 million (before costs).
- Delivery of a staged exploration process.
- Appointment of key technical consultants.
- Stage 1 Exploration Program:
 - Completed re branding process for the Tollu Project.
 - Completion of key work programs including:
 - Field mapping and sampling.
 - Batch 1 Assay Results.
 - Batch 2 assay results.
 - Geophysical and geological review of data.



Redstone’s Staged Exploration Approach

The key outcome from the Company’s strategic and operational review is that Redstone will devote all its energies into ensuring that it remains a copper focused exploration company with a medium term target of becoming a copper producer in the West Musgrave region of Western Australia. Redstone will be focused on a staged exploration approach. **Figure 1** below describes the approach that the Company will now employ. This new exploration path is designed to maximise shareholder value by identifying key activities and deliverables for each exploration stage. Activities are planned to be progressed by completing all deliverables for that exploration stage and by establishing a positive business case. This process will also allow for more productive communication with the Company’s shareholders and key stakeholders by establishing a set of common terms and expectations.

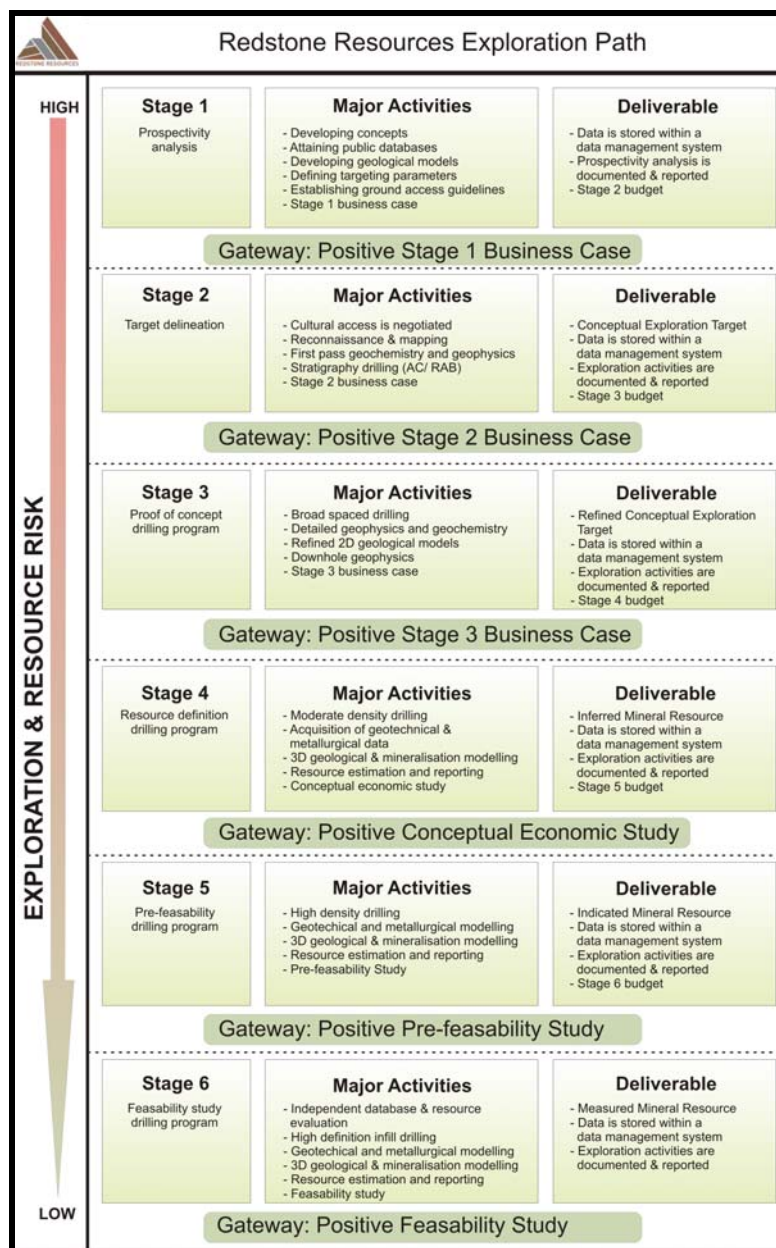
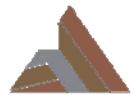


Figure 1 – Redstone Resources Exploration Path



Tollu Project (Redstone 100%)

Redstone's 100% owned Tollu Project is located in the southeast portion of the West Musgrave region of Western Australia (**Figure 2**). The Project is located approximately 20km southeast of the Blackstone Community, on the Company's 100% owned tenement E69/2450 (**Figure 3**).

The Tollu Project consists of a large swarm of hydrothermal copper rich quartz veins in a mineralised system covering an area at least 5km². Malachite rich gossans associated with quartz veins are exposed at surface and form part of a dilatational system between two major structures within the Tollu Fault Zone.



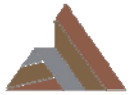
Figure 2 – West Musgrave - Location Map



Figure 3 – Tollu Project – Location Map

The Company has renamed its existing prospects within the Tollu Project and has identified further prospects within the Tollu Project. There are now 16 prospects in total within the Tollu Project. The Company has also identified the potential for a number of other projects on the Tollu tenement (E69/2450) in addition to the Tollu Project, which will be reported on as they are defined.

The initial focus is on the Chatsworth Prospect (former Central Zone Subzone 1), the Eastern Reef Prospect (former Eastern Zone), the Main Reef Prospect (former Western Zone) and the Dawyck Prospects (former Central Zone Subzone 4).



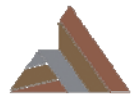
Appointment of key technical consultants

The Company has engaged BM Geological Services (“**BMGS**”) to manage Stage 1 of the Company’s geological evaluation and exploration activities on the Tollu Project. BMGS are experienced geoscientists with an extensive technical support network which the board believes will enable the Company to unlock the economic potential which exists on Redstone’s highly prospective tenure.

Stage 1 Work Programs

During the Quarter the Company commenced the key activities to achieve the Stage 1 exploration program deliverables as follows:

- BMGS completed a geological review of Redstone’s technical data comprising of:
 - Drilling data:
 - 3 Diamond Holes.
 - 86 RC Holes.
 - 54 RAB holes.
 - Surface geochemistry:
 - Rockchip samples.
 - Soil Samples (100m x 25m).
 - D-Lag Samples (400mx100m).
- Core Geophysics completed a first pass review of Redstone’s geophysical data comprising of:
 - Aeromagnetics.
 - Radiometrics.
 - Helimagnetics.
 - MLEM.
 - IP Survey.
 - Ground Magnetics.
- BMGS completed field mapping and sampling programs.
- Assay program of existing samples for metallurgical composites and extending geological continuity;
 - Batch 1 of samples, which focused on the Chatsworth Prospect.
 - Batch 2 of samples, which focused on the Dawyck Prospect, the Prater Prospect, the Hampton Prospect and the Boboli Prospects.
 - Results for the Batch 3 of samples, which focus on the Eastern Reef Prospect, are expected by early May 2014.



Batch 1 Assay Results – Chatsworth Prospect

The Chatsworth Prospect is a single sub vertical hydrothermal body exposed at the surface. This prospect forms part of the dilation system between two north south trending shears. The Chatsworth Prospect has received the majority of the technical and drilling activity to date. The Chatsworth Prospect was the primary focus of the Batch 1 assaying program, the results of which are included in **Table 1** below. The objectives of the Company’s assay program of existing samples are to obtain metallurgical composites and to extend geological continuity;

Hole	Prospect	Easting (m)	Northing (m)	RL (m)	Dip (degree)	Azim (degree)	Depth (m)	From (m)	Interval (m)	True Width (m)	Cu (%)
TLC022a	Chatsworth	438102	7108657	575	-60	240	235	201	5	2.6	1.51
TLC035	Chatsworth	438090	7108470	581	-60	266	139	90	4	2.8	0.92
TLC039	Chatsworth	438135	7108430	580	-60	260	250				NSI
TLC051	Hampton	438105	7108290	576	-60	86	235	72	4	N/C	1.69
TLC072	Hampton	438100	7108340	573	-60	90	247	162	3	N/C	2.66
TLC073	Hampton	438060	7108340	574	-60	90	295	191	2	N/C	2.90
TLC081	Chatsworth	437799	7108646	605	-60	86	499	340	2	1.6	1.47
TLC082	Dawyck	437850	7108645	603	-60	86	325				NSI
TLC083	Chatsworth	437935	7108460	589	-60	86	301	136	1	0.8	1.14
TLC083	Chatsworth	437935	7108460	589	-60	86	301	146	1	0.8	0.94
TLC083	Chatsworth	437935	7108460	589	-60	86	301	175	1	0.8	0.68
TLC085	Chatsworth	437773	7108537	603	-60	86	499	408	10	7.8	1.63
TLC086	Chatsworth	437772	7108520	602	-60	86	500	400	6	5.6	1.19

Table 1 - Batch 1 Assay Results

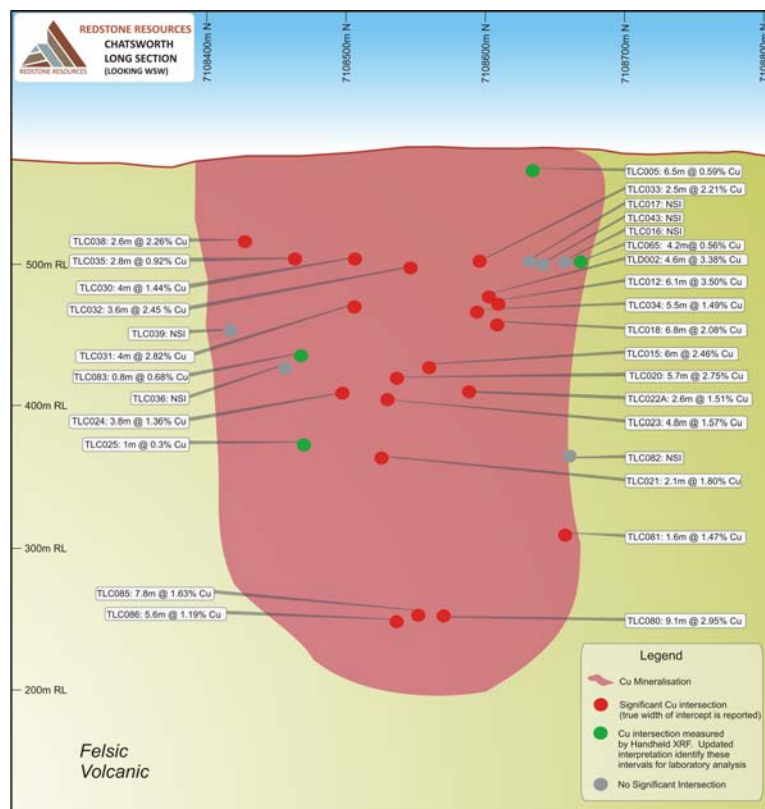
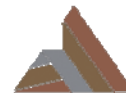


Figure 4– Chatsworth Long Section



Chatsworth Prospect Previous Significant Results

The Chatsworth Prospect has received the majority of the technical and drilling activity to date. The Chatsworth Prospect has intersected numerous significant copper intersections from previous drilling and assaying programs conducted by the Company. **Table 2** below summarises these results.

Hole	Prospect	Easting (m)	Northing (m)	RL (m)	Dip (degree)	Azim (degree)	Depth (m)	From (m)	Interval (m)	True Width (m)	Cu (%)
TLC015	Chatsworth	438087	7108554	585	-60	266	246	178	20	6.0	2.46
TLC020	Chatsworth	438109	7108556	583	-60	266	235	187	12	5.7	2.75
TLC021	Chatsworth	438132	7108555	580	-60	266	271	249	4	2.1	1.80
TLC023	Chatsworth	438110	7108600	586	-60	236	259	209	11	4.8	1.57
TLC024	Chatsworth	438120	7108515	582	-60	260	247	194	4	3.8	1.36
TLC030	Chatsworth	438070	7108510	584	-60	266	127	87	8	4.0	1.44
TLC031	Chatsworth	438090	7108510	583	-60	266	157	126	9	4.0	2.82
TLC032	Chatsworth	438075	7108550	586	-60	260	121	55	9	4.2	3.08
TLC032	Chatsworth	438075	7108550	586	-60	260	121	100	7	3.6	2.45
TLC033	Chatsworth	438060	7108600	592	-60	266	139	100	5	3.1	2.21
TLC034	Chatsworth	438080	7108600	590	-60	266	175	136	14	5.5	1.49
TLC038	Chatsworth	438105	7108435	580	-60	260	200	70	6	2.6	2.26
TLC080	Chatsworth	437773	7108555	604	-60	86	499	424	13	9.1	2.95
TLD002	Chatsworth	438061	7108635	591	-60	240	147.4	126.9	9.62	4.6	3.38

Table 2 – Chatsworth Historical Copper Intersections

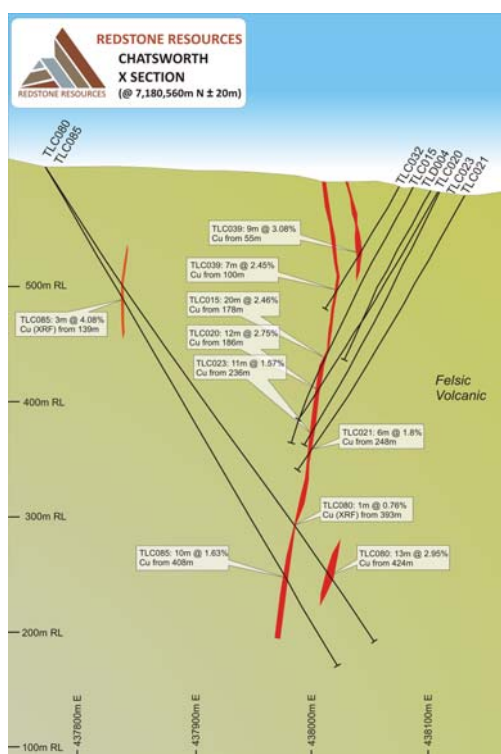
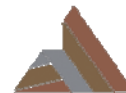


Figure 5- Chatsworth Cross Section



Batch 2 Assay Results

The Dawyck, Prater, Boboli and Hampton Prospects were the primary focus of the Batch 2 assaying program, the results of which are included in **Table 3** below. The objectives of the Company's assay program of existing samples are to obtain metallurgical composites and to extend geological continuity.

Hole	Prospect	Easting (m)	Northing (m)	RL (m)	Dip (degree)	Azim (degree)	Depth (m)	From (m)	Interval (m)	True Width (m)	Cu (%)
TLC019	Prater	438461	7108250	578	-60	240	240	99	6	N/C	0.94
TLC039	Prater	438135	7108430	580	-60	260	250	43	4	N/C	1.73
TLC044	Boboli	438230	7108405	570	-60	86	250	92	2	N/C	0.51
TLC052	Prater	438465	7108280	577	-60	270	319	192	3	N/C	1.23
TLC054	Prater	438438	7108260	577	-60	269	325	199	3	N/C	0.90
TLC055	Prater	438475	7108295	573	-60	266	355	158	3	N/C	0.76
TLC065	Chatsworth	437930	7108665	582	-60	86	223	89	6	N/C	0.82
TLC072	Hampton	438100	7108340	573	-60	90	247	47	5	N/C	1.17
TLC072	Hampton	438100	7108340	573	-60	90	247	186	1	N/C	0.86
TLC072	Hampton	438100	7108340	573	-60	90	247	204	6	N/C	0.63
TLC073	Hampton	438060	7108340	574	-60	90	295	254	4	N/C	0.78
TLC081	Dawyck	437799	7108646	605	-60	86	499	81	1	N/C	0.33
TLC082	Dawyck	437850	7108645	603	-60	86	325	31	2	N/C	0.81
TLC083	Hampton	437935	7108460	589	-60	86	301	28	1	N/C	0.59
TLC085	Dawyck	437773	7108537	603	-60	86	499	139	10	N/C	1.38
TLC086	Dawyck	437772	7108520	602	-60	86	500	179	1	N/C	0.55

Table 3 - Batch 2 Assay Results

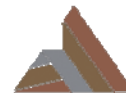
N/C – Not calculated

Prater Prospect

The Prater Prospect is a single sub vertical hydrothermal body exposed at the surface. This prospect forms part of the dilation system between two north south trending shears. The Prater Prospect was one of the primary focuses of the Batch 2 assaying program, the results of which are included in **Table 4** below. The objectives of the Company's assay program of existing samples are to obtain metallurgical composites and to extend geological continuity.

Hole	Prospect	Easting (m)	Northing (m)	RL (m)	Dip (degree)	Azim (degree)	Depth (m)	From (m)	Interval (m)	True Width (m)	Cu (%)
TLC039	Prater	438135	7108430	580	-60	260	250	43	4	N/C	1.73
TLC052	Prater	438465	7108280	577	-60	270	319	192	3	N/C	1.23
TLC019	Prater	438461	7108250	578	-60	240	240	99	6	N/C	0.94
TLC054	Prater	438438	7108260	577	-60	269	325	199	3	N/C	0.90
TLC055	Prater	438475	7108295	573	-60	266	355	158	3	N/C	0.76

Table 4– Prater Prospect - Batch 2 Assay Results



Hampton Prospect

The Hampton Prospect is a series of sub vertical hydrothermal bodies exposed at the surface. This prospect forms part of the dilation system between two north south trending shears. The Hampton Prospect was one of the primary focuses of the Batch 2 assaying program, the results of which are included in **Table 5** below. The objectives of the Company's assay program of existing samples are to obtain metallurgical composites and to extend geological continuity.

Hole	Prospect	Easting (m)	Northing (m)	RL (m)	Dip (degree)	Azim (degree)	Depth (m)	From (m)	Interval (m)	True Width (m)	Cu (%)
TLC072	Hampton	438100	7108340	573	-60	90	247	47	5	N/C	1.17
TLC072	Hampton	438100	7108340	573	-60	90	247	186	1	N/C	0.86
TLC072	Hampton	438100	7108340	573	-60	90	247	204	6	N/C	0.63
TLC073	Hampton	438060	7108340	574	-60	90	295	254	4	N/C	0.78
TLC083	Hampton	437935	7108460	589	-60	86	301	28	1	N/C	0.59

Table 5 - Hampton Prospect - Batch 2 Assay Results

Hampton Prospect Previous Significant Results

The Hampton Prospect has received a limited amount of the technical and drilling activity to date. Numerous significant copper intersections from previous drilling and assaying programs conducted by the Company have been intersected at the Hampton Prospect. **Table 6** below summarises these results.

Hole	Prospect	Easting (m)	Northing (m)	RL (m)	Dip (degree)	Azim (degree)	Depth (m)	From (m)	Interval (m)	True Width (m)	Cu (%)
TLC051	Hampton	438105	7108290	576	-60	86	235	72	4	N/C	1.69
TLC072	Hampton	438100	7108340	573	-60	90	247	162	3	N/C	2.66
TLC073	Hampton	438060	7108340	574	-60	90	295	191	2	N/C	2.90

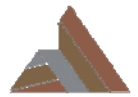
Table 6 - Hampton Prospect – Previous Significant Assay Results

Boboli Prospect

The Boboli Prospect is a series of sub vertical hydrothermal bodies exposed at the surface. This prospect forms part of the dilation system between two north south trending shears. The Boboli Prospect was one of the primary focuses of the Batch 2 assaying program, the results of which are included in **Table 7** below. The objectives of the Company's assay program of existing samples are to obtain metallurgical composites and to extend geological continuity.

Hole	Prospect	Easting (m)	Northing (m)	RL (m)	Dip (degree)	Azim (degree)	Depth (m)	From (m)	Interval (m)	True Width (m)	Cu (%)
TLC044	Boboli	438230	7108405	570	-60	86	250	92	94	N/C	0.51

Table 7- Boboli Prospect - Batch 2 Assay Results



Boboli Prospect Previous Significant Results

The Boboli Prospect has received a limited amount of the technical and drilling activity to date. Numerous significant copper intersections from previous drilling and assaying programs conducted by the Company have been intersected at the Boboli Prospect. **Table 8** below summarises these results.

Hole	Prospect	Easting (m)	Northing (m)	RL (m)	Dip (degree)	Azim (degree)	Depth (m)	From (m)	Interval (m)	True Width(m)	Cu (%)
TLC022a	Boboli	438102	7108657	575	-60	240	235	201	5	2.6	1.51
TLC083	Boboli	437935	7108460	589	-60	86	301	136	1	0.8	1.14
TLC083	Boboli	437935	7108460	589	-60	86	301	146	1	0.8	0.94
TLC083	Boboli	437935	7108460	589	-60	86	301	175	1	0.8	0.68

Table 8 - Boboli Prospect – Previous Significant Assay Results

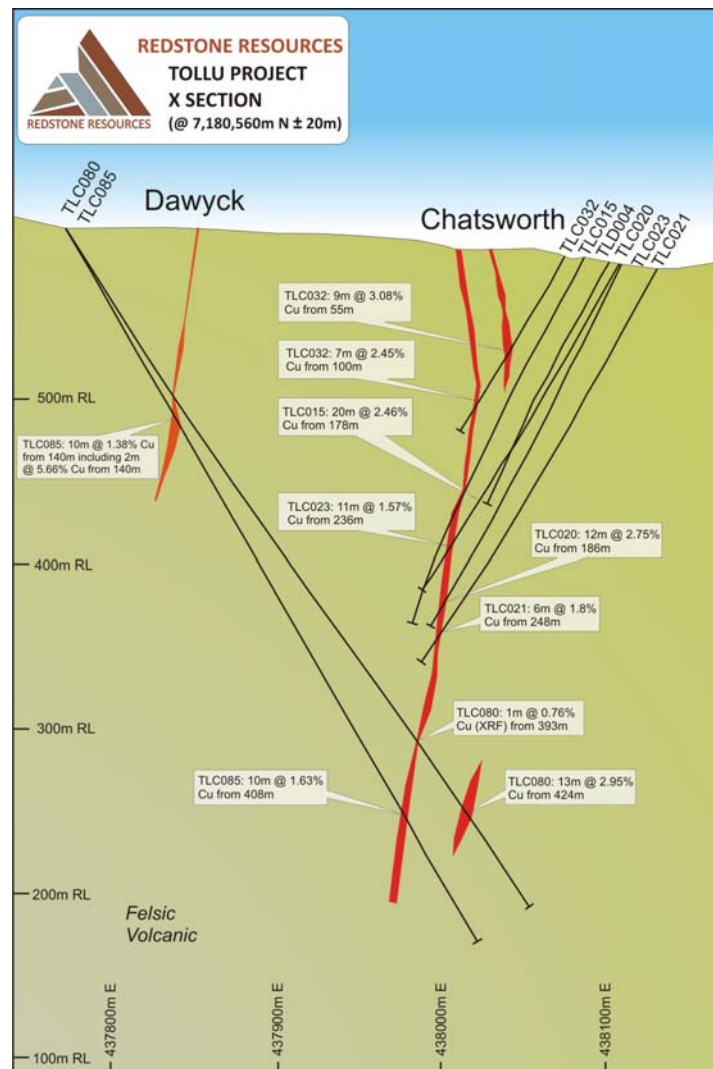


Figure 6 - Dawyck Prospect – Cross Section



Dawyck Prospect

The Dawyck Prospect is a single sub vertical hydrothermal body exposed at the surface. This prospect forms part of the dilation system between two north south trending shears and runs sub parallel to the Chatsworth Prospect. The Dawyck Prospect was one of the primary focuses of the Batch 2 assaying program, the results of which are included in **Table 9** below. The objectives of the Company's assay program of existing samples are to obtain metallurgical composites and to extend geological continuity.

Hole	Prospect	Easting (m)	Northing (m)	RL (m)	Dip (degree)	Azim (degree)	Depth (m)	From (m)	Interval (m)	True Width (m)	Cu (%)
TLC085	Dawyck	437773	7108537	603	-60	86	499	139	10	N/C	1.38
TLC081	Dawyck	437799	7108646	605	-60	86	499	81	1	N/C	0.33
TLC082	Dawyck	437850	7108645	603	-60	86	325	31	2	N/C	0.81
TLC086	Dawyck	437772	7108520	602	-60	86	500	179	1	N/C	0.55

Table 9 -Dawyck Prospect - Batch 2 Assay Results

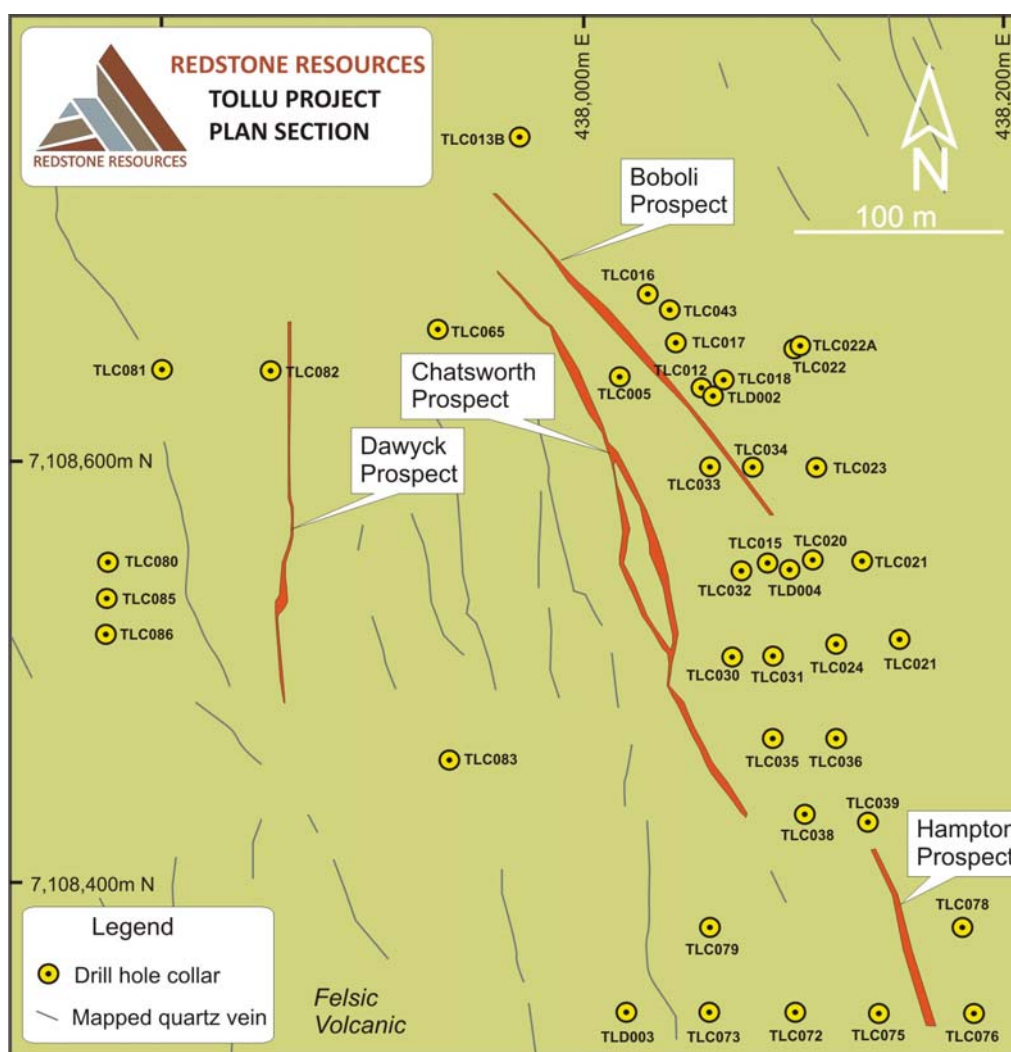
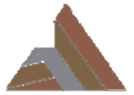


Figure 7 – Tollu Project – Plan Section



Corporate

Capital Raising

In February 2014 the Company completed a heavily oversubscribed placement of 35,000,000 fully paid ordinary shares to sophisticated and professional investors at a price of \$0.05 per share to raise \$1.75 million (before costs) ("**Placement**").

In addition, Redstone issued a total of 1,000,000 listed options at an issue price of \$0.001 per option to a consultant and an employee of Redstone. The options are exercisable at \$0.20 on or before 28 February 2016.

On 24 February 2014 1,100,000 unlisted options exercisable at \$0.50 expired.

ATTRIBUTION

The information in this presentation that relates to exploration results was authorised by Mr Darryl Mapleson, a Principal Geologist and a full time employee of BM Geological Services, who are engaged as consultant geologists to Redstone Resources Limited. Mr Mapleson is a Fellow of the Australian Institute of Mining and Metallurgy. Mr Mapleson has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration to act as a competent person as defined in the 2012 edition of the "Australasian Code for reporting of Exploration results, Mineral Resources and Ore Reserves". Mr Mapleson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.



TENEMENT INFORMATION AS REQUIRED BY LISTING RULE 5.3.3

The Company holds the following tenements at the end of the 31 March 2014 quarter.

During the Quarter, the Company did not acquire or dispose of any tenements.

The Company has a beneficial interest of 75% in its Blackstone Range joint venture at the end of the Quarter. The Company did not acquire or dispose of any beneficial interests in any joint ventures, farm-in or farm out arrangements during the Quarter.

West Musgrave, Australia

Project Name	Tenement Number	State	Registered Holder/ Applicant	Holder Interest	Consolidated Entity Interest	Grant Date (Application Date)	Expiry	Blocks	Area km ²
Tollu	E 69/2450	Western Australia	Redstone Resources Limited	100%	100%	19/09/2008	18/09/2018	69	214.0
Blackstone Range	E 69/2108	Western Australia	River Gold Exploration Pty Ltd	100%	75%	28/04/2006	27/04/2015	39	121.0
Blackstone Range	E 69/2109	Western Australia	River Gold Exploration Pty Ltd	100%	75%	28/04/2006	27/04/2015	70	217.0
								178	552.0

Brazil, South America

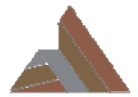
Project	Tenement	State	Registered Holder Applicant	Holder Interest	Consolidated Entity Interest	Grant Date (Application Date)	Expiry	Area (ha)
Arinos	866.280/2007	Mata Grosso	Redstone Mineração Do Brasil Ltda	100%	100%	15/02/2008	15/02/2011*	6,953.43
Bala and Pontal	850.738/2011	Xingu	HJH Mineração do Brasil Ltda.	90%	10%	3/10/2011	3/10/2014	9,203.78
Bala and Pontal	850.739/2011	Xingu	HJH Mineração do Brasil Ltda.	90%	10%	3/10/2011	3/10/2014	9,727.25
Aneba	880.657/2008	Amazonas	Redstone Mineração Do Brasil Ltda	100%	100%	13/07/2011	13/07/2014	1,999.00
Apui	880.167/2008	Amazonas	Redstone Mineração Do Brasil Ltda	100%	100%	13/07/2011	13/07/2014	9,458.70
Apui	880.168/2008	Amazonas	Redstone Mineração Do Brasil Ltda	100%	100%	12/09/2011	12/09/2014	10,000.00
Apui	880.169/2008	Amazonas	Redstone Mineração Do Brasil Ltda	100%	100%	13/07/2011	13/07/2014	9,673.96
Apui	880.170/2008	Amazonas	Redstone Mineração Do Brasil Ltda	100%	100%	13/07/2011	13/07/2014	9,497.22
Apui	880.171/2008	Amazonas	Redstone Mineração Do Brasil Ltda	100%	100%	13/07/2011	13/07/2014	9,879.46
Apui	880.172/2008	Amazonas	Redstone Mineração Do Brasil Ltda	100%	100%	13/07/2011	13/07/2014	10,000.00
Apui	880.173/2008	Amazonas	Redstone Mineração Do Brasil Ltda	100%	100%	13/07/2011	13/07/2014	8,018.98
Apui	880.174/2008	Amazonas	Redstone Mineração Do Brasil Ltda	100%	100%	13/07/2011	13/07/2014	9,995.62

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Brazil, South America (continued)

Project	Tenement	State	Registered Holder Applicant	Holder Interest	Consolidated Entity Interest	Grant Date (Application Date)	Expiry	Area (ha)	
Apui	880.175/2008	Amazonas	Redstone Mineração Brasil Ltda	Do	100%	100%	13/07/2011	13/07/2014	9,996.36
Apui	880.176/2008	Amazonas	Redstone Mineração Brasil Ltda	Do	100%	100%	13/07/2011	13/07/2014	8,157.49
Apui	880.177/2008	Amazonas	Redstone Mineração Brasil Ltda	Do	100%	100%	13/07/2011	13/07/2014	10,000.00
Apui	880.178/2008	Amazonas	Redstone Mineração Brasil Ltda	Do	100%	100%	13/07/2011	13/07/2014	10,000.00
Apui	880.179/2008	Amazonas	Redstone Mineração Brasil Ltda	Do	100%	100%	13/07/2011	13/07/2014	9,996.61
Apui	880.180/2008	Amazonas	Redstone Mineração Brasil Ltda	Do	100%	100%	13/07/2011	13/07/2014	9,993.28
Apui	880.181/2008	Amazonas	Redstone Mineração Brasil Ltda	Do	100%	100%	13/07/2011	13/07/2014	2,940.94
Apui	880.182/2008	Amazonas	Redstone Mineração Brasil Ltda	Do	100%	100%	13/07/2011	13/07/2014	9,886.78
Apui	880.245/2008	Amazonas	Redstone Mineração Brasil Ltda	Do	100%	100%	13/07/2011	13/07/2014	9,998.90
Apui	880.246/2008	Amazonas	Redstone Mineração Brasil Ltda	Do	100%	100%	13/07/2011	13/07/2014	9,440.21
Amazonas	880.173/2012	Amazonas	Redstone Mineração Brasil Ltda	Do	0%	0%	(12/09/2012)	N/A	8,528.24
Amazonas	880.174/2012	Amazonas	Redstone Mineração Brasil Ltda	Do	0%	0%	(12/09/2012)	N/A	9,134.13
Amazonas	880.175/2012	Amazonas	Redstone Mineração Brasil Ltda	Do	0%	0%	(12/09/2012)	N/A	9,051.69
Amazonas	880.176/2012	Amazonas	Redstone Mineração Brasil Ltda	Do	0%	0%	(12/09/2012)	N/A	9,911.47
Amazonas	880.177/2012	Amazonas	Redstone Mineração Brasil Ltda	Do	0%	0%	(12/09/2012)	N/A	9,049.50
Arapixuna	851.153/2012	Para	Redstone Mineração Brasil Ltda	Do	0%	0%	(29/10/2012)	N/A	9,357.65
Arapixuna	851.154/2012	Para	Redstone Mineração Brasil Ltda	Do	0%	0%	(29/10/2012)	N/A	7,901.40
Arapixuna	851.155/2012	Para	Redstone Mineração Brasil Ltda	Do	0%	0%	(29/10/2012)	N/A	7,187.98
									264,940.03

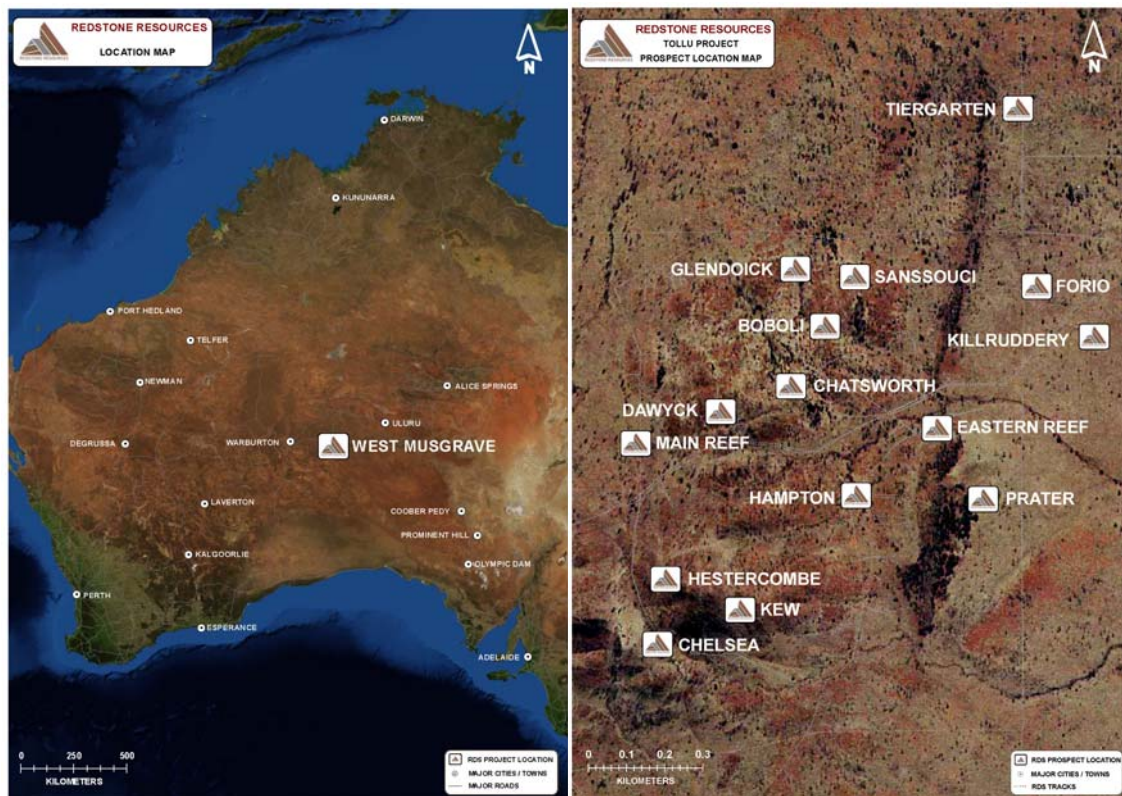


ABOUT REDSTONE RESOURCES

Redstone Resources Ltd (ASX: RDS) is a Perth-based company focused on highly prospective copper exploration properties in the West Musgrave region of Western Australia.

Redstone's 100% owned Tollu Project is located in the southeast portion of the West Musgrave region of Western Australia. The Tollu Project consists of a large swarm of hydrothermal copper rich quartz veins in a mineralised system covering an area at least 5km². Malachite rich gossans associated with quartz veins are exposed at surface and form part of a dilatational system between two major structures within the Tollu Fault Zone.

The Tollu Project currently comprises 16 prospects. The initial focus is on the Chatsworth (former Central Zone Subzone 1), Eastern Reef (former Eastern Zone), Main Reef (former Western Zone) and Dawyck Prospects (former Central Zone Subzone 4).



For further information please contact:

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Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

Redstone Resources Limited

ABN

42 090 169 154

Quarter ended ("current quarter")

31 March 2014

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(372)	(742)
(b) development	-	-
(c) production	-	-
(d) administration	(239)	(496)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	4	8
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	12
R&D Rebate (net)	252	252
Net Operating Cash Flows	(355)	(966)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	(8)
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	-	(8)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity and oil and gas exploration entity quarterly report

1.13	Total operating and investing cash flows (carried forward)	(355)	(974)
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+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(355)	(974)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	1,751	1,751
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	(75)	(75)
	Net financing cash flows	1,676	1,676
	Net increase (decrease) in cash held	1,321	702
1.20	Cash at beginning of quarter/year to date	122	741
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	1,443	1,443

Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	101
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Director and Director Consulting Fees

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	550
4.2 Development	-
4.3 Production	-
4.4 Administration	160
Total	710

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	1,413	92
5.2 Deposits at call	30	30
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	1,443	122

+ See chapter 19 for defined terms.

Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	Nil		
6.2	Interests in mining tenements and petroleum tenements acquired or increased	Nil		

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference securities <i>(description)</i>			
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions			
7.3	+Ordinary securities	186,969,390	186,969,390	Fully Paid
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	35,000,000	35,000,000	\$0.05
7.5	+Convertible debt securities <i>(description)</i>			

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options (description and conversion factor)	Quoted Options (ASX: RDSO) 31,356,966		Exercise price 20 cents	Expiry date 28/02/16
		Unquoted Options 1,500,000		25 cents	30/11/14
		500,000		30 cents	30/11/14
		500,000		35 cents	30/11/14
		750,000		35 cents	06/07/15
		750,000		45 cents	06/07/15
		1,000,000		30 cents	21/12/14
		1,000,000		30 cents	26/02/15
		2,000,000		20 cents	04/12/17
7.8	Issued during quarter	Quoted Options (ASX: RDSO) 1,000,000		Exercise Price 20 cents	Expiry Date 28/02/16
7.9	Exercised during quarter	-			
7.10	Expired during quarter	Unquoted Options 1,100,000		Exercise Price 50 cents	Expiry Date 24/02/14
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

Compliance statement

- This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- This statement does give a true and fair view of the matters disclosed.



30 April 2014

Sign here: Date:
(Company secretary)

Print name: Miranda Conti
.....

Notes

+ See chapter 19 for defined terms.

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.

- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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