



31 July 2017

QUARTERLY REPORT

For the Period Ending 30 June 2017

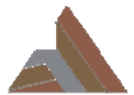
HIGHLIGHTS

- Airborne electromagnetic (VTEM_{max}) survey completed.
- Analysis of VTEM_{max} survey data shows conductive features of interest at Redstone's 100% owned West Musgrave Project.
- The size and amplitude of one of the EM anomalies defines a high priority nickel-copper (Ni-Cu) sulphide target. The EM anomaly has a strike length of approximately 500 metres.
- Upcoming follow-up RC drill program at Forio and at other prioritised targets expanded to include the high priority EM conductor identified by the VTEM_{max} survey.
- Planning and permitting for follow-up exploration completed for commencement of drilling mid-August 2017.
- Further geological assessment of the other EM targets is ongoing.

Redstone Resources Limited (ASX Code: RDS) ("Redstone" or the "Company") presents its quarterly report for the period ending 30 June 2017 ("the Quarter").

Redstone's primary focus is the advancement of the Tollu Project ("Tollu" or the "Project"), located in the southeast portion of the West Musgrave region of Western Australia. This 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. A large part of the tenement remains underexplored.

Redstone expects the Project's initial JORC 2012 resource of **3.8 million tonnes at 1% Cu, containing 38,000 tonnes of copper, including 8,000 tonnes of Cu oxide resource and 0.01% cobalt, which equates to 535 tonnes of contained cobalt**, the mineralised area and the volume of hydrothermal mineralisation to increase significantly with further drilling.



TOLLU TENEMENT

During the Quarter the Company completed an airborne EM ($VTEM_{max}$) survey at its Tollu tenement as part of its recent West Musgrave Project review.

Analysis of the $VTEM_{max}$ survey data, acquired on 200m line spacing, supports a high priority magmatic nickel-copper (Ni-Cu) sulphide exploration target. The anomaly remains conductive in the 'late time' and is a definitive isolated feature with at least 500m of strike length. Importantly, the EM anomaly occurs in an embayment in an ultramafic rock body interpreted from magnetic geophysical data. This is consistent with magmatic nickel sulphide deposits which are usually highly conductive, and are hosted by mafic and ultramafic rocks.

The location of the priority conductive geophysical target is approximately 2.5 km to the north west of the Tollu Project (**Figure 1**). It is positioned on the south east margin of a magnetic feature, interpreted to be ultramafic rocks proximal to a regional east-west oriented fault.

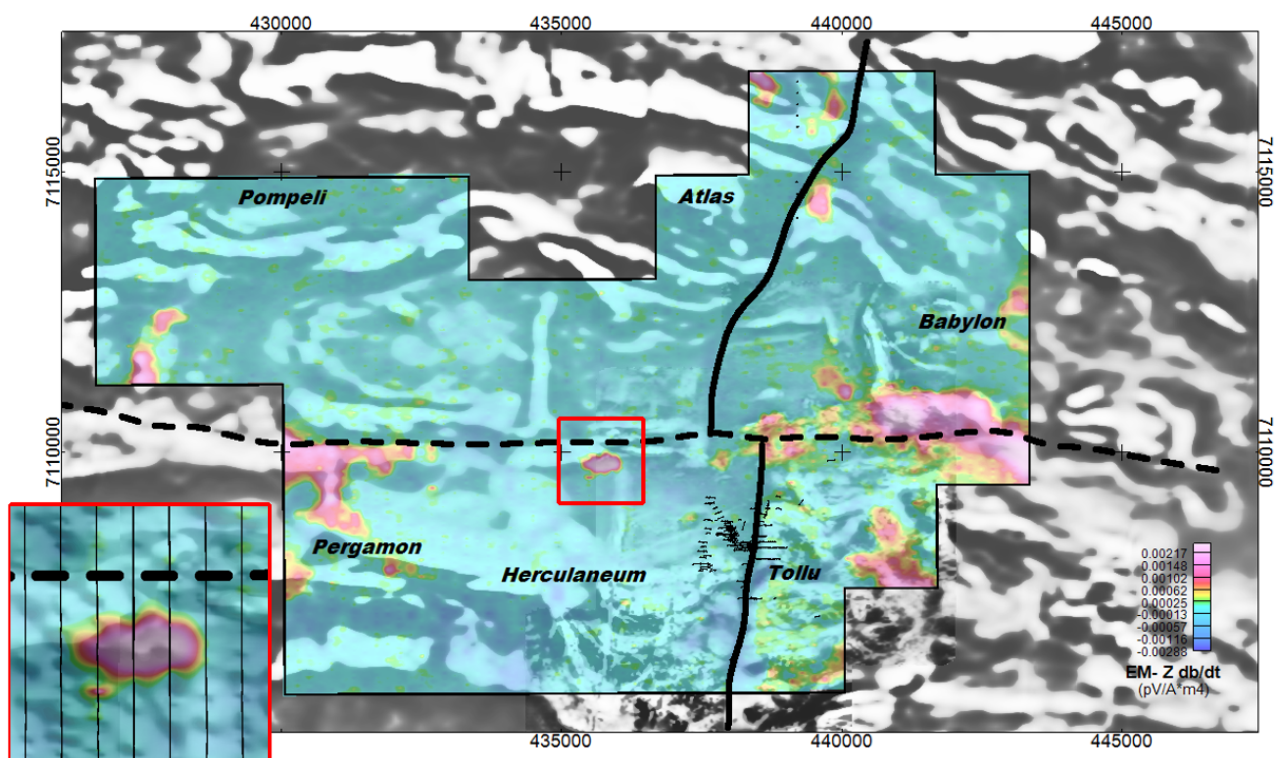
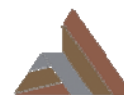


Figure 1 – Tenement E69/2450 airborne magnetic image (grey) with preliminary late time Z component channel 48 (10.667 msec after turn off) from the EM survey as the colour image. Historical drilling and prospects shown in black. Conductive feature of interest within red square, inset on left showing conductor with EM survey flight lines (200m apart).

The EM anomaly has been prioritised as a significant target, and as such, Redstone has brought forward testing the EM anomaly into its upcoming drill program. The initial follow-up RC program of 3,000m for drilling of the Forio prospect and other priority targets has now been expanded to 4,000m to include the EM conductor identified by the recent VTEM survey.



During the Quarter the Company completed heritage surveys and applied for all Program of Works and Native Vegetation Clearing permit approvals required for its upcoming drilling program, including for drilling of the area over the recently identified priority EM target. The Company has since received all requisite approvals and mobilisation for the revised RC drill program of 4,000m is expected to commence in the next two weeks.

TENEMENT INFORMATION AS REQUIRED BY LISTING RULE 5.3.3

The Company holds the following tenement at the end of the 30 June 2017 quarter.

TENEMENT SUMMARY AS AT 30 JUNE 2017

West Musgrave, Australia

Project	Tenement	Registered Holder Applicant	Holder Interest	Consolidated Entity Interest	Grant Date (Application Date)	Expiry	Blocks	Area km ²
Tollu	E 69/2450	Redstone Resources Limited	100%	100%	19/09/2008	18/09/2018	41	125.0
Milyuga	E 69/3456	Redstone Resources Limited			(18/07/2016)		36	110.0
							77	235.0

The Company did not acquire or dispose of any interests in any joint ventures, farm-in or farm out arrangements during the Quarter.

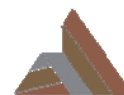
Competent Persons Statement

The information in this report that relates to Geophysical Exploration Results is based on information compiled by Mr Barry Bourne, who is 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 has sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and activities undertaken, 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. Mr Bourne consents to the inclusion in the report of matters based on information in the form and context in which it appears.

The information in this announcement that relates to exploration results, Exploration Targets and Mineral Resources 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.

Forward-Looking Statements

This document may include forward-looking statements. Forward-looking statements include, but are not limited to statements concerning Redstone Resources Limited's (**Redstone**) planned exploration program and other statements that are not historical facts. When used in this document, the words such as "could", "plan", "estimate", "expect", "intend", "may", "potential", "should", and similar expressions are forward-looking statements. Although Redstone believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements.



ABOUT REDSTONE RESOURCES

Redstone Resources Limited (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, which contains a copper and cobalt resource estimate delineated in accordance with JORC, is located in the southeast portion of the West Musgrave region of Western Australia. The Project is approximately 20km south east of the Blackstone Community on the Company's 100% owned tenement E69/2450 (**Figure 1**). The Company has now identified 24 prospects within the Tollu Project (**Figure 2**).

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 (**Figure 1**).

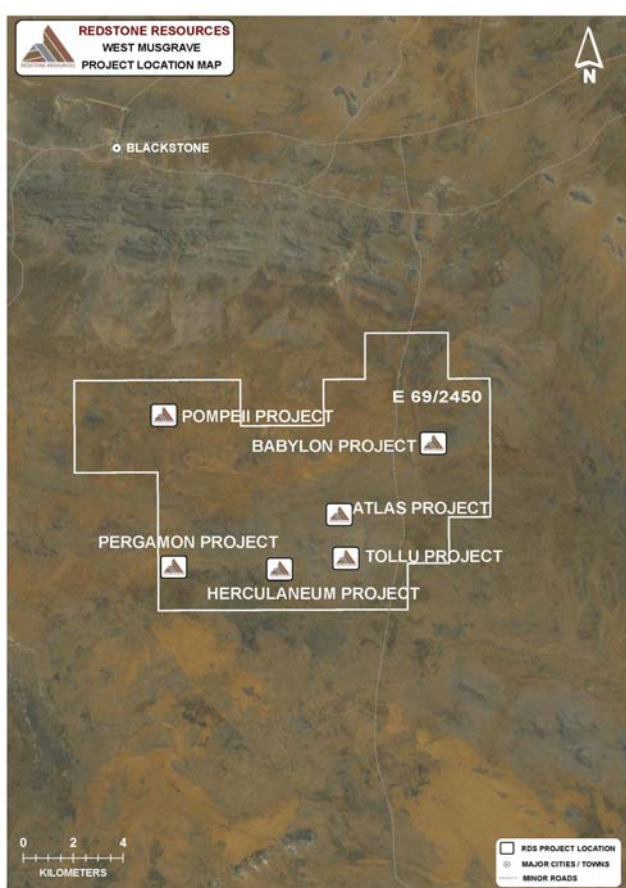


Figure 1– Tollu Project and other Projects– Location Map

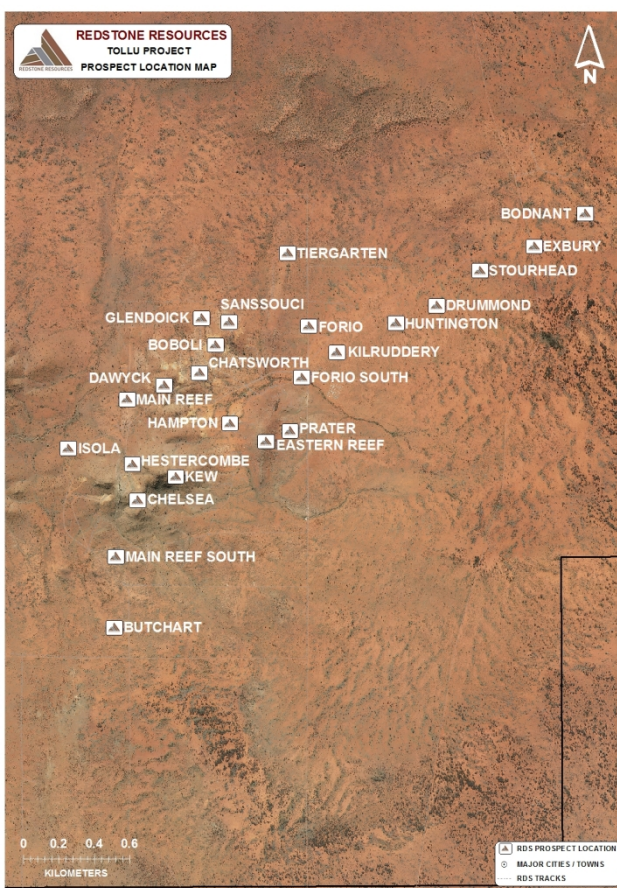


Figure 2 – Tollu Project – Prospect Location Map

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, 01/05/13, 01/09/16

Name of entity

Redstone Resources Limited

ABN

42090169154

Quarter ended ("current quarter")

30 June 2017

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(234)	(349)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(22)	(108)
	(e) administration and corporate costs	(36)	(161)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	1
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Research and development refunds*	-	647
1.8	Other (Research & Development fee)	-	(99)
1.9	Net cash from / (used in) operating activities	(292)	(69)

2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	(6)
	(c) investments	-	-
	(d) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	(6)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	430
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	(25)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	405
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	916	294
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(292)	(69)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(6)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	405
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period *	624	624

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	624	916
5.2	Call deposits	-	-
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	624	916

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
7
-

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000
-
-

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

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9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	(500)
9.2 Development	-
9.3 Production	-
9.4 Staff costs	(35)
9.5 Administration and corporate costs	(40)
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	(575)

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	Nil			
10.2 Interests in mining tenements and petroleum tenements acquired or increased	Nil			

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



31/07/2017

Sign here:
(Company secretary)

Date:

Miranda Conti

Print name:

Notes

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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, 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. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.