



6 October 2017

The Manager
Company Announcements Office
Australian Stock Exchange Limited
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SYDNEY NSW 2000

Electronic Lodgement

DRILLING OF EM TARGET HIGHLIGHTS POTENTIAL FOR A LARGE MINERALISED SYSTEM AT WEST MUSGRAVE PROJECT

Highlights:

- ✓ **5 RC holes completed with all holes intersecting zones of disseminated pyrite and specular hematite, some over 200m (downhole), in a sequence of volcanic rocks.**
- ✓ **The northern-most hole, RWMEM1_5 intersected disseminated sulphide for over 210m (downhole).**
- ✓ **The presence of large volumes of sulphides may represent added exploration potential outside of the known Cu mineralisation at Tollar.**
- ✓ **The airborne EM (VTEM_{max}) identified 10 other EM anomalies within Redstone's 100% owned West Musgrave Project and this result has increased their prospectivity.**
- ✓ **Multi element geochemical assay results are pending and will be assessed to establish the next phase of exploration.**



The EM1A target is situated 3.5km to the north west of Redstone's Tollu Copper Project. The initial 5 hole drill program has defined an extensive occurrence of disseminated sulphide mineralisation (predominantly pyrite) including specular haematite of at least 100m thick and over 400m in strike length and remains open (**Figure 1**). EM1A was defined by an isolated late time electromagnetic (**EM**) anomaly and was modelled as a 25° north dipping plate with a depth extent of 145m and strike extent of 685m (refer to ASX release of 2 August 2017 for further information and Table 1).

In the recent RC drilling program five holes were drilled into the modelled plate at a 60 degree angle to the south, three central to the plate along strike 200m apart, and two targeting the plate approximately 50m to the north and south of the central drill hole. All drill holes intersected sulphides, continuously for at least 100m downhole, starting from between 79-92m downhole depth. The northern-most hole, RWMEM1_5 intersected disseminated pyrite over 210m downhole, from 87m through to the end of hole at 300m. The zone of alteration and sulphide mineralisation identified remains open in all strike directions.

Geological logging indicates a pile of alternating mafic and felsic volcanic rock with occasional feldspar porphyry intercalated with layers of volcanoclastic breccia of mixed mafic and felsic clasts (**Figure 1**). There is an increase in concentration of sulphides related to the breccia unit. The sulphides occur as disseminations in breccia matrix, as stringer veinlets and as minor stockwork in the zones of highest sulphide concentrations which were visually estimated at up to 7% pyrite.

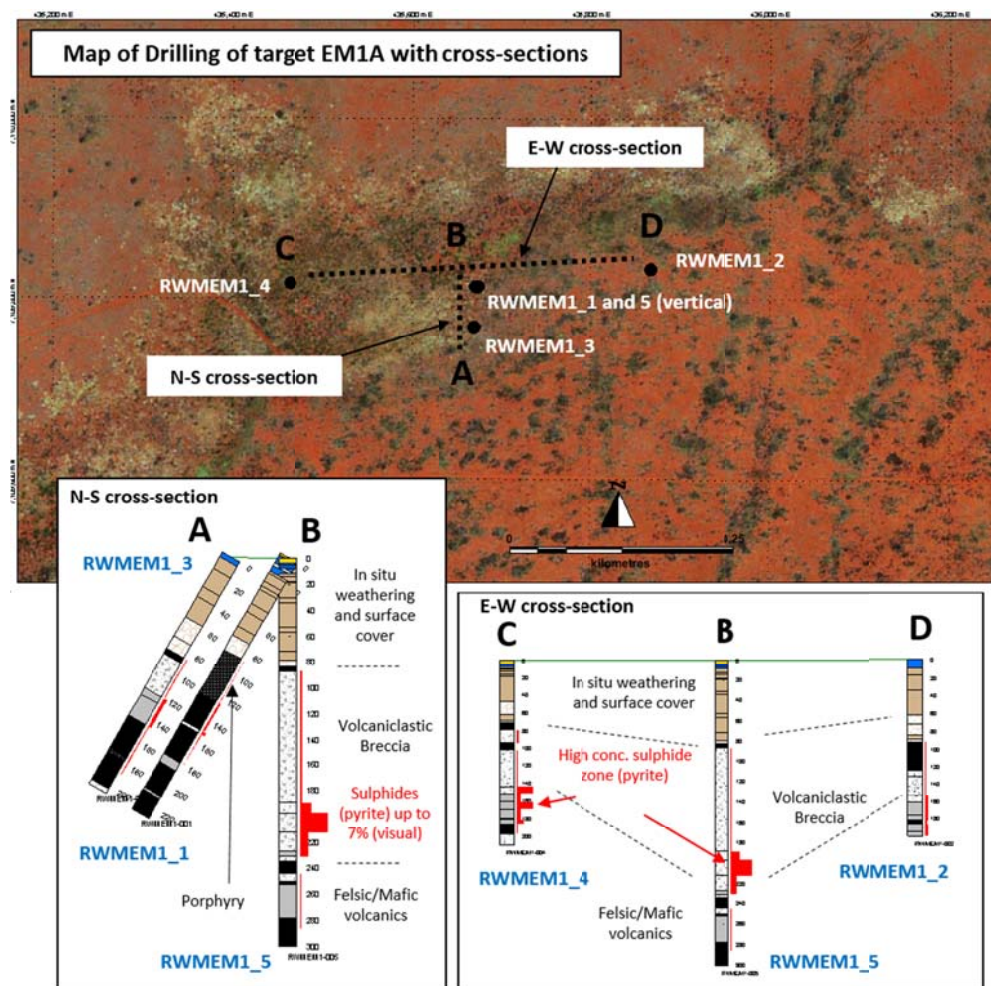


Figure 1 EM1A Cross-sections



Results of multi-element geochemical analysis of drill samples at EM1A are pending, and any defined pathfinder elements will be used to assess the potential of this newly defined target in conjunction with results of the on ground inspection.

A further 3,232m of drilling was completed at the Tollu Copper Project, which was focused on the Forio Prospect (**Forio**) and additional Induced Polarity (IP) geophysical targets identified as part of the recent project review. Geological logging has indicated the presence of chalcopyrite associated with quartz veins at Forio in a number of holes. Assay results are anticipated to be available in the next 2 weeks.

Redstone Chairman Richard Homsany said

“We are very excited by this new development in the potential of the West Musgrave Project, which has seen immediate success as a result of the Company’s recent review of the geological potential from a ground up re-assessment. This review identified the potential to not only expand the footprint of the known Tollu Copper Project but also identified the prospectivity for defining additional discoveries in the broader West Musgrave Project area. We look forward to updating investors on the potential of the EM1A target and the 10 other associated EM anomalies, as well as the follow up drilling on the Forio prospect as results become available and are interpreted.”

Competent Persons Statement

The information in this document that relates to exploration results was authorised by Dr Greg Shirliff, 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 Shirliff is a Member of the Australian Institute of Mining and Metallurgy. Both Mr Bourne and Dr Shirliff 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 Shirliff 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) is a Perth-based company focused on highly prospective exploration properties in the West Musgrave region of Western Australia.

Redstone’s 100% owned West Musgrave tenement (E69/2450), which includes the Tollu Copper Project, is located in the southeast portion of the West Musgrave region of Western Australia. The Company has also identified the potential for a number of other prospects on the West Musgrave Project in addition to the Tollu Copper Project.

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