



4 September 2018

Dear Option holder

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

This letter is to notify you that on 3 September 2018 Redstone Resources Ltd (**ASX: RDS**) (**Redstone or the Company**) announced a pro rata non renounceable entitlement issue of fully paid ordinary shares on the basis of one (1) fully paid ordinary share (**New Shares**) for every three (3) fully paid ordinary shares in the Company (**Shares**) to eligible holders of Shares (**Shareholders**) registered at 5:00pm (WST) on 7 September 2018 (**Record Date**) at an issue price of \$0.017 per New Share (**Offer Price**) together with one (1) free attaching option exercisable at \$0.035 on or before 30 April 2021 (**New Listed Options**) for every two (2) New Shares issued under the Prospectus, to raise up to approximately \$2,152,960 (before costs) based on the number of Shares on issue at the date of this letter (**Entitlement Offer**).

### **Eligibility to participate in the Entitlement Issue**

The Entitlement Offer 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 Offer, 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, 31 August 2018 (**Prospectus**). The Prospectus is currently available from the Company's website, [www.redstone.com.au](http://www.redstone.com.au), or the ASX website, [www.asx.com.au](http://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 Offer 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 Friday, 7 September 2018.

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

A handwritten signature in cursive script, appearing to read 'M. Conti'.

Miranda Conti  
Company Secretary  
REDSTONE RESOURCES LIMITED