REDSTONE RESOURCES

13 September 2018

Company Announcements Office
Australian Stock Exchange Limited
Level 4, 20 Bridge Street
Sydney NSW 2000

PRO RATA NON RENOUNCEABLE ENTITLEMENT OFFER OPEN

Redstone Resources Limited (**ASX Code: RDS**) (**Redstone** or **the Company**) is pleased to announce that its partially underwritten pro rata non renounceable entitlement offer to raise up to $2,152,960 (before costs) (**Entitlement Offer**) based on the current capital structure of the Company is now open to eligible shareholders (**Shareholders**).

The Entitlement Offer prospectus and Entitlement and Acceptance Form have been despatched to Shareholders, however Shareholders are also able to request their personalised application form to be emailed to them directly at: http://www.redstone.com.au/app-request/.

For non-shareholders who would like to participate in the Shortfall Offer pursuant to the Entitlement Offer prospectus, they can submit an application at: http://www.redstone.com.au/shortfall-register/.

For the information of Shareholders and investors Redstone will be also be hosting a special investor briefing webcast on September 19 at 5.00pm WST. Investors are encouraged to register for this briefing at: http://redstone.com.au/webinar-register/.

Use of Funds

Funds raised under the Offer will be applied towards advancing the Company's 100% owned West Musgrave Project, located in the West Musgrave, Western Australia including a reverse circulation (RC) drilling programme (the **Programme**), for working capital and for meeting the expenses of the Offer.

The Programme includes a ground electromagnetic (**EM**) survey over 13 EM ($VTEM_{max}$) targets identified from an airborne survey completed in May 2017 and follows from the 2017 drill results of the high priority EM1 target, which proved that the $VTEM_{max}$ survey positively identified sulphides in the Project area.

The high priority EM1 target, intersected a 100m thick zone of high grade hydrothermal pyrite mineralisation with anomalous trace elements and represents another major zone of hydrothermal sulphide mineralisation just 2.5-3km to the NW of the Tollu Copper Vein Project, confirming the Project's high prospectivity. Following analysis of the ground EM survey results and further exploration and evaluation activities, the Company will then undertake RC drilling of at least approximately 7,500m (assuming Full Subscription) to test certain of the EM ($VTEM_{max}$) targets confirmed by the ground EM survey.

In addition to drill testing certain of the EM ($VTEM_{max}$) targets, a key outcome of this Programme will also be to gain better knowledge and understanding of the geology and potential mineralisation of the Project area. The geochemical analysis of the EM1 drill results suggest that the geology of the Project area may differ from previous interpretations, and therefore mineralising systems other than Ni-Cu magmatic sulphides, need to be considered, including epithermal gold, intrusion related gold, stratabound Au-Ag, IOCG, granite related Sn-W, intra-continental-type Mo-Porphyry and VHMS deposits.

Entitlement Offer and Shortfall Offer

The Entitlement Offer being made to Shareholders is on the basis of one (1) new fully paid ordinary share in the capital of the Company (**New Shares**) for every three (3) existing fully paid ordinary shares in the capital of the Company (**Share**) which were held by Shareholders on 7 September 2018 (**Record Date**) at an issue price of $0.017 (**Offer Price**) per New Share.

Shareholders will also receive one (1) free attaching option, exercisable at $0.035 on or before 30 April 2021 (**New Listed Options**) for every two (2) New Shares subscribed for and issued under the Entitlement Offer. An application will be made to the ASX for quotation of the New Shares and New Listed Options (together the **New Securities**).

Shareholders will have the opportunity to apply for additional New Shares not subscribed for under the Entitlement Offer in excess of their entitlement, together with the corresponding number of free attaching New Listed Options, under an additional new shares offer (**Additional New Shares Offer**). Any New Shares that are not taken up under the Entitlement Offer or the Additional New Shares Offer will be the subject of a shortfall offer (**Shortfall Offer**). The placement of New Shares under the Additional New Shares Offer and the Shortfall Offer will be at the discretion of the Directors. The Company may also issue New Shares under the Shortfall Offer to institutional, sophisticated or professional investors and the Directors reserve the right to accept any oversubscriptions to the Shortfall Offer pursuant to the Company's placement capacity under the Listing Rules and/or subject to any further Shareholder approvals required.

Net proceeds raised from the Entitlement Offer, the Additional New Shares Offer and the Shortfall Offer (together **the Offer**) will be used, in conjunction with existing funds, for drilling and exploration activities on the Company's 100% owned West Musgrave Project, located in the West Musgrave, Western Australia and for general working capital.

Indicative Timetable for the Offer

The proposed timetable for the Offer is set out below.

Event	Date
Lodgement of Prospectus with ASIC	Friday, 31 August 2018
Lodgement of Prospectus and Appendix 3B with ASX (includes application for Quotation of New Securities)	Monday, 3 September 2018
Notice sent to Eligible Shareholders and Option holders	Tuesday, 4 September 2018
'Ex' Date (Date from which Shares commence trading without the entitlement to participate in the Entitlement Offer)	Thursday, 6 September 2018
Record Date (for determining Entitlements) (5:00pm WST)	Friday, 7 September 2018
Prospectus with Entitlement and Acceptance Form sent to Shareholders and Entitlement Offer opens	Wednesday, 12 September 2018
Closing Date* (5:00pm WST)	Wednesday, 3 October 2018
New Securities quoted on ASX on a deferred settlement basis	Thursday, 4 October 2018
ASX notified of Shortfall	Monday, 8 October 2018
Issue of New Securities and despatch of holding statements	Tuesday, 9 October 2018
Trading in New Securities expected to commence	Wednesday, 10 October 2018

*The timetable is indicative only and the Company reserves the right to vary it at any time without prior notice, subject to the ASX Listing Rules and the *Corporations Act 2001* (Cth). As such the date the New Securities are issued may vary.

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