



ASX ANNOUNCEMENT
30 July 2021

QUARTERLY REPORT

For the Period Ending 30 June 2021

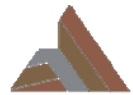
HIGHLIGHTS

- Continued planning and preparation for a targeted reverse circulation (**RC**) drilling and exploration programme (the **Programme**) at Redstone's 100% owned West Musgrave Copper Project.
- The Programme is anticipated to comprise at least 6,000m of follow up RC drilling at the EM5 Target and lookalike magnetic anomalies, the Tollu Copper Vein project, the historical 1957 SWM drillhole prospective for Nickel and other identified prospective Target Areas related to the Tollu fault.
- Approvals and permits required for the Programme were completed early during the Quarter and the Programme is ready for commencement of drilling pending availability of a staffed RC drill rig.
- Significant delays to commencement of Programme drilling have been encountered due to the current high demand for, and unavailability of, RC drill rigs. However the Company continues to be in discussions with a number of drilling companies as to their potential availability for possible commencement of drilling this quarter.
- Assay results for the follow up sonic drilling completed in April at the HanTails Gold Tailings Project (**HanTails**), to assess sample integrity from aircore and auger drilling previously completed, are still pending. These results are anticipated to be available for analysis in the coming weeks.
- Continued review and assessment of various project opportunities.

Redstone Resources Limited (**ASX: RDS**) (**Redstone** or the **Company**) presents its quarterly report for the period ending 30 June 2021 (the **Quarter**).

WEST MUSGRAVE PROJECT

Redstone's 100% owned West Musgrave Project (the **West Musgrave Project**) which includes the Tollu Copper Vein project (**Tollu**), is located in the southeast portion of the West Musgrave region of Western Australia. The West Musgrave Project has the right geological and structural setting for large magmatic Ni-Cu sulphide deposits just 40km east of the world-class Nebo-Babel Ni-Cu deposit.



Tollu 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 within and between two major shears.

Redstone expects the initial JORC 2012 resource at Tollu of **3.8 million tonnes at 1% Cu, containing 38,000 tonnes of copper, and 0.01% cobalt, which equates to 535 tonnes of contained cobalt** (ASX release 15 June 2016 and 1 May 2017), the mineralised area, and the volume of hydrothermal mineralisation, to increase with further drilling.

Geological interpretation suggests that the West Musgrave Project may also be prospective for Volcanic Hosted Massive Sulphide (VHMS) deposits, large continental type Molybdenum (Mo)-porphyry deposits, strata-bound Gold (Au)- Silver (Ag) deposits, Tin (Sn) – Tungsten (W) mineralisation related to granites, granite stockworks or greissens, intrusion related polymetallic veining and Intrusion Related Gold deposits (IRG).

WEST MUSGRAVE PROJECT – JUNE 2021 QUARTER ACTIVITIES

During the Quarter, the Company continued planning for its upcoming drilling and exploration programme (the **Programme**) on the Company's 100% owned West Musgrave Project.

The Programme is planned to comprise approximately 6,000m of follow up RC drilling at the:

- EM5 electromagnetic (EM) Target and two look alike magnetic anomalies;
- Tollu Copper Vein deposit - to drill deeper and north of the Chatsworth Prospect and deeper and wider at the Forio Prospect;
- Opaline Quartz Target Area within a very long E-W oriented vein system with a Cu anomaly coinciding with the potential extension of the Tollu fault to the north of Tollu;
- Hiding Maggie Target – an E-W oriented magnetic rock unit coinciding near the contact of the southern gabbro at the Tollu sub-basin volcanics;
- Location of the Southwestern Mining Ltd (**SWM**) 1957 Ni diamond drillhole A-101 prospective for nickel, which yielded a maximum value of 0.16% Ni over 1.6m from 99m downhole (Laine, 1957)¹. The historical SWM drillhole targeted a N-S oriented fault that is part of the fault system responsible for the Tollu copper mineralisation but situated to the west of the main body of mineralisation so far delineated by Redstone drilling.

Programmes of Works approvals, clearing permits and required heritage clearances with the traditional owners necessary to undertake the Programme have been completed and the Company is ready to proceed with the Programme pending drill rig availability.

Commencement of the Programme has been significantly delayed due to the current high demand for and unavailability of RC drill rigs, however the Company remains in continued contact with a number of drilling companies as to their potential availability for drilling this quarter.

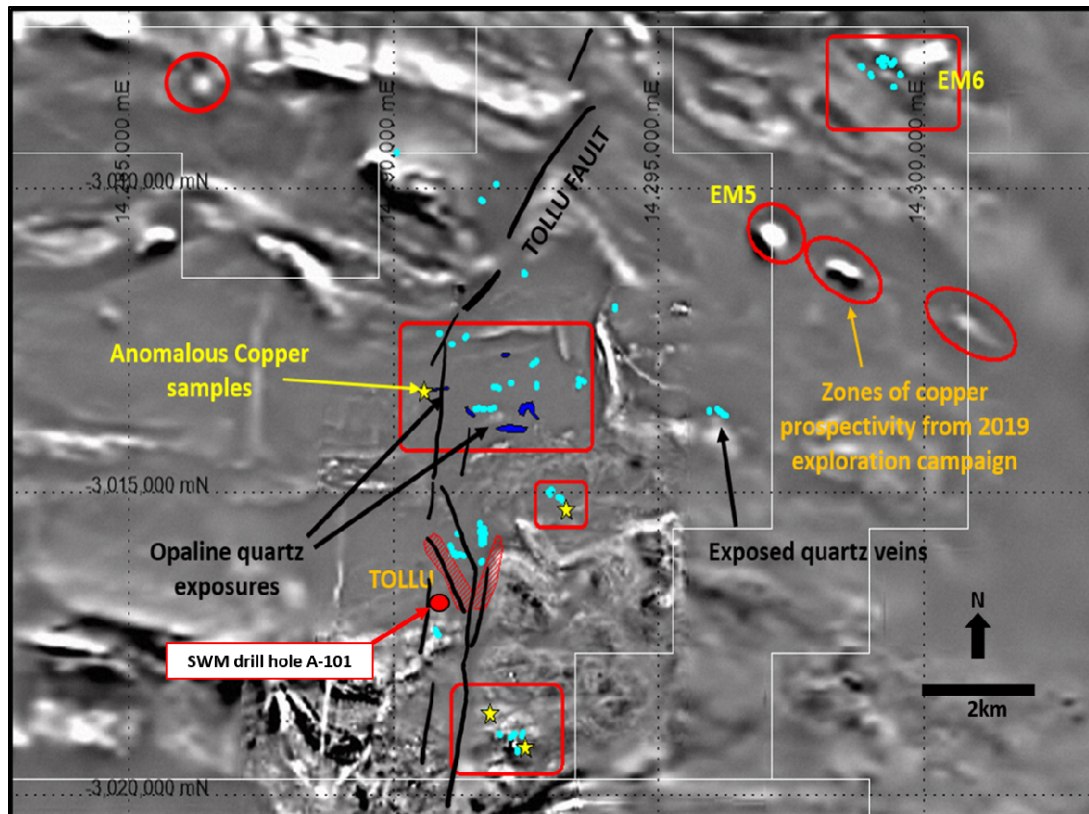
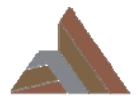


Figure 1 - Locations of proposed 2021 RC drilling programme, including the EM5 Target and two look alike magnetic anomalies, the 1957 SWM drillhole A-101. The location of anomalous copper samples (yellow stars) are also shown. Opaline quartz is mapped in dark blue and quartz vein outcrops are mapped in light blue.

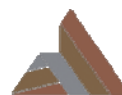
HANTAILS GOLD PROJECT – FARMIN AND JOINT VENTURE AGREEMENT (RDS: 80%)

In July 2020 Redstone entered into an agreement to farm-in to an 80% interest in the HanTails Project (**HanTails** or the **Project**). HanTails is a historic large scale gold mine Tailings Storage Facility (**TSF**) located on the historic Hannans South Gold Mill site, just 15kms south of Kalgoorlie-Boulder, Western Australia.

HanTails contains many years of gold tailings deposition material from its original operations during 1986 to 2006, primarily undertaken by then owners Croesus Mining Limited. The specific gravity and the average TSF gold grade have not yet been determined.

An aircore and auger drilling programme was undertaken last year to establish the overall grade of the material in the TSF and to provide bulk samples for metallurgical testing and recoveries with the aim of establishing the average gold grade and approximate gold endowment of the TSF to JORC 2012 status.

However due to issues with sample return and preparation arising from the aircore and auger drilling and the inherent uncertainty associated with properly evaluating the assay results the Company undertook follow up sonic drilling to validate the results. The sonic drilling was completed in April 2021 comprising 6 holes each to a maximum depth of 15m with 3 holes drilled in each of the two cells of the TSF. Assay results for the sonic drilling are pending and anticipated to be available soon.



A variation to the HanTails Farm in and JV was executed in April 2021 which has the effect of extending each of the farmin Stages 1 and 2 by a further 6 months and to add another proximal tenement to the Joint Venture.

CORPORATE

At the end of the Quarter the Company had available cash of \$2,646,000. Cash requirements are considered sufficient for the short to medium term.

Payments to related parties of \$47,000 includes remuneration of directors and \$26,000 legal consulting fees for the acquisition of the HanTails Project (refer section 6 of Appendix 5B).

PROJECT OPPORTUNITIES

During the Quarter, the Company continued investigating and reviewing potential new project opportunities to add to the Company's project tenure.

TENEMENT INFORMATION AS REQUIRED BY LISTING RULE 5.3.3

The Company holds the following tenements at the end of the Quarter.

TENEMENT SUMMARY AS AT 30 JUNE 2021

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	18/09/2022	41	126.4
Milyuga	E 69/3456	Redstone Resources Limited	100%	100%	14/08/2017	13/08/2022	28	86.4
Milyuga	ELA 69/3568	Redstone Resources Limited	0%	100%	(10/05/2018)	N/A	27	83.2
Milyuga	ELA 69/3750	Westmin Exploration Pty Limited	0%	100%	(17/09/2019)	N/A	109	336.0

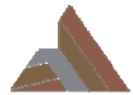
During the Quarter, the Company entered into a variation to the HanTails farm in and JV agreement to also farm in to an 80% interest in prospecting licence P26/4465.

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

This Announcement has been approved for release by the Board of Redstone Resources Limited.

For further information please contact:

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- ^{1.} Laine HA (1957) Southwestern Mining Limited, Annual Report 1957, unpublished.

REDSTONE RESOURCES

Redstone Resources Limited (**ASX: RDS**) is a base and precious metals developer exploring the 100% owned prospective West Musgrave Project, which includes the Tollu Copper deposit, in Western Australia. The West Musgrave Project is located between Cassini Resources' Nebo Babel prospect and Metals-X Wingellina Ni-Co project. Redstone is also actively evaluating the HanTails Gold Project at Kalgoorlie, Western Australia for potential development in future.

Competent Persons Statements

The information in this document that relates to exploration results for the West Musgrave Project was authorised by Dr Greg Shirtliff, who is employed as a Consultant to the company through Zephyr Professional Pty Ltd. Dr Shirtliff is a Member of the Australian Institute of Mining and Metallurgy and has sufficient experience of relevance to the tasks with which he is employed to qualify as a Competent Person as defined in the 2012 Edition of the *'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'*. Dr Shirtliff 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 report that relates to Mineral Resource for the West Musgrave Project was authorised by Mr Darryl Mapleson, a Principal Geologist and full time employee of BM Geological Services, 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.

ASX Listing Rule Information

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements, and in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the original market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the competent persons findings have not been materially modified from the original announcement referred to in the release.

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.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Redstone Resources Limited

ABN

42 090 169 154

Quarter ended ("current quarter")

30 June 2021

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	24	69
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(51)	(206)
	(e) administration and corporate costs	(9)	(142)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	3	63
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(33)	(216)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	(26)	(26)
	(c) property, plant and equipment	-	(8)
	(d) exploration & evaluation	(84)	(299)
	(e) investments	-	-
	(f) 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) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) 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	(110)	(333)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	2,995
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(1)	(183)
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	(1)	2,812

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,790	383
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(33)	(216)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(110)	(333)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(1)	2,812

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	2,646	2,646

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	2,636	2,780
5.2	Call deposits	10	10
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)	2,646	2,790

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	47
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	N/A		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(33)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(110)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(143)
8.4	Cash and cash equivalents at quarter end (item 4.6)	2,646
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	2,646
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	18.5
	<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: N/A	
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: N/A	

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

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.

Date: 30/07/2021.....

Authorised by: By the board.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.