

# AUSTRALIAN COPPER CONFERENCE 2014 CORPORATE PRESENTATION

Brisbane, 17-18 June 2014





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## COMPETENT PERSON'S STATEMENT

The information in this presentation that relates to Exploration Targets and Exploration Results 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.

Information included in this presentation is dated 16 June 2014.



# Investment Highlights



- Redstone's **focus** is copper in the **West Musgrave** region
- Potential large scale, near surface copper project
- Large swarm of hydrothermal copper rich quartz veins in a mineralised system covering an area at least 5km<sup>2</sup>
- Copper from surface to 379m
- Significantly increased Exploration Target estimated for Tollu Project
- Untested regional exploration potential
- Aeromagnetic surveys have multiple large scale anomalous targets
- Huge **exploration upside** with < 5% of property explored
- Five additional projects identified
- **Low cost entry** to a high leverage opportunity
- Excellent relationship with Traditional Owners
- Extensive management and exploration experience

## West Musgrave





# Company Overview



## Capital Structure (16 June 2014)

- ◆ Issued Shares (ASX:RDS)
  - ◆ 186,969,390
- ◆ Listed Options (ASX:RDSO)
  - ◆ 31,356,966
- ◆ Unlisted Options
  - ◆ 8,000,000
- ◆ Share Price
  - ◆ \$0.061
- ◆ Market Capitalisation
  - ◆ \$11.4m
- ◆ Cash (31 March 2014)
  - ◆ \$1.4m





# Board of Directors and Key Management



## **Richard Homsany**

### ■ **Chairman**

- ▶ Corporate and commercial lawyer with considerable experience advising public listed resource and energy companies.
- ▶ Mr Homsany has extensive experience in corporate law, including advising public resources and energy companies on corporate governance, finance, capital raisings, takeovers, mergers, acquisitions, joint ventures and divestments. He is also a CPA, Executive Vice President Australia of TSX listed Mega Uranium Ltd and holds various public company board positions.

## **Brett Hodgins**

### ■ **Technical Director**

- ▶ Corporate geologist with over 15 years of professional experience in the resources sector primarily focused on exploration and mining operations.
- ▶ Mr Hodgins has extensive experience in exploration, feasibility studies and operations, and has a broad knowledge of the resource sector.

## **Edward van Heemst**

### ■ **Non Executive Director**

- ▶ Prominent Perth businessman with 40 years experience in the management of a diverse range of activities with large private companies.
- ▶ Mr van Heemst is currently the Managing Director of Vanguard Press and Chairman of Perth Racing. Mr van Heemst has an extensive knowledge of capital markets and established mining industry networks.

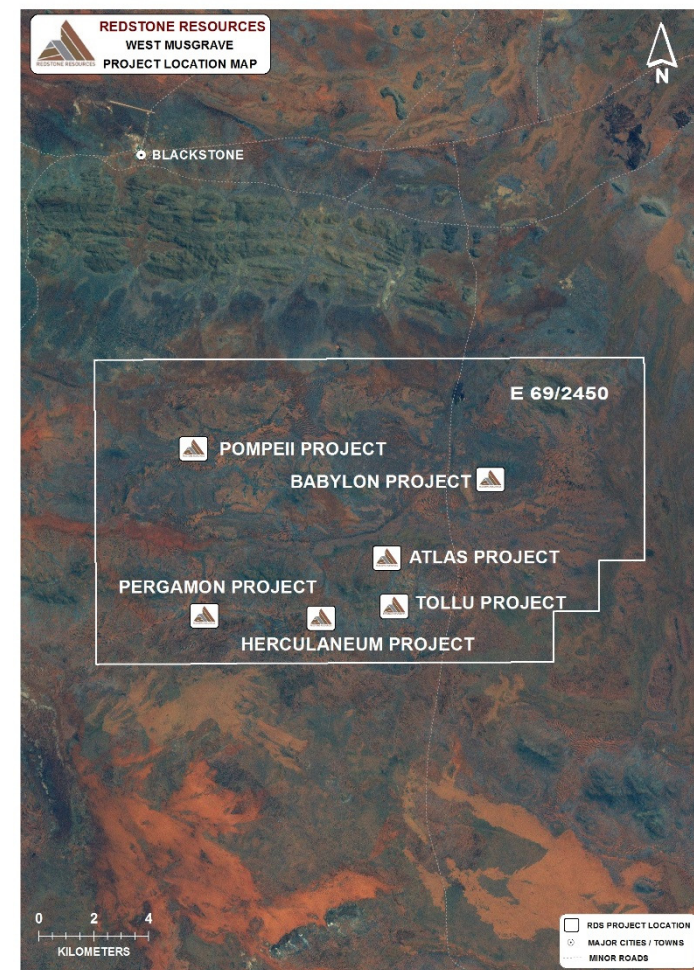
## **Clinton Wolf**

### ■ **Non Executive Director**

- ▶ Highly regarded Australian Indigenous leader with over 20 years of professional experience in the mining industry.
- ▶ Mr Wolf is an investment banker and currently the Chairman of Indigenous Construction Resource Group (ICRG) and the Western Australian Aboriginal Lands Trust. Mr Wolf has completed a Bachelor of Laws and Bachelor of Arts degrees.



# Redstone Resources – Location of Projects

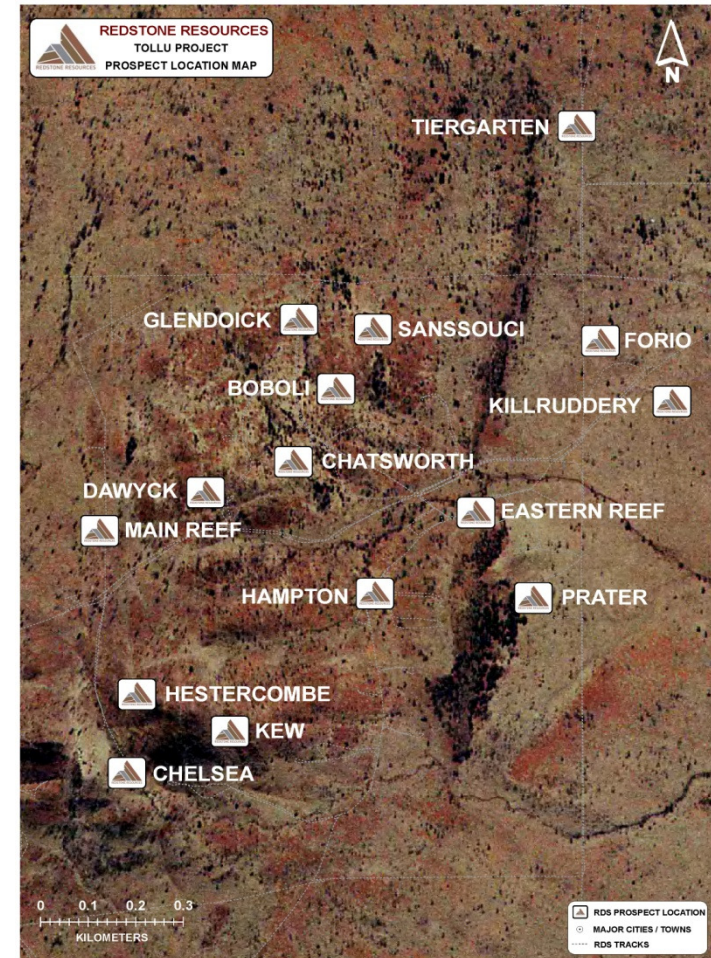




# Tollu Project – 16 Prospects



- Redstone's 100% owned Tollu Project is located in the southeast portion of the West Musgrave region of Western Australia
- The Tollu Project is approximately 20km south east of the Blackstone Community on the Company's 100% owned tenement E69/2450
- The Tollu Project consists of a large swarm of hydrothermal copper rich quartz veins in a mineralised system covering an area at least 5km<sup>2</sup>. Malachite rich gossans associated with quartz veins are exposed at surface and form part of a dilatational system between two major structures within the Tollu Fault Zone
- The Tollu Project currently comprises 16 prospects. The initial focus is on:
  - ▶ Chatsworth Prospect (former Central Zone Subzone 1)
  - ▶ Eastern Reef Prospect (former Eastern Zone)
  - ▶ Main Reef Prospect (former Western Zone) and
  - ▶ Dawyck Prospect (former Central Zone Subzone 4)





# Tollu Project – Exploration Target



## ■ Redstone has estimated an Exploration Target to be:

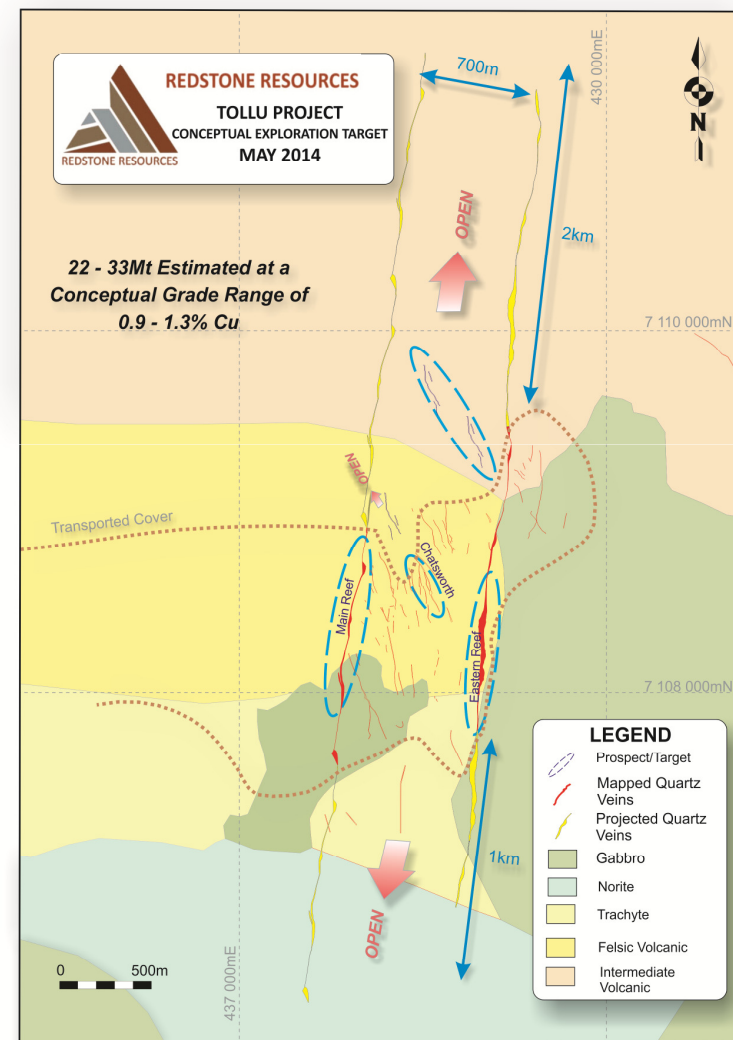
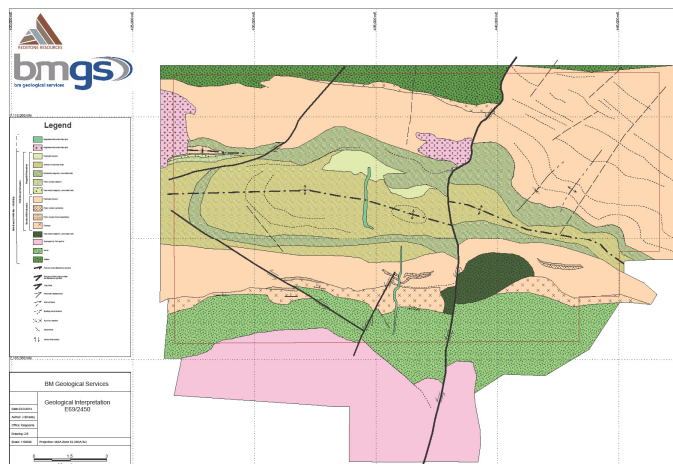
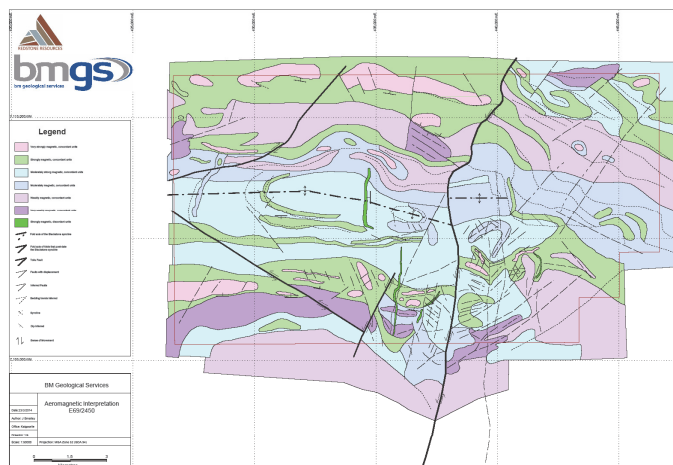
- ▶ 22 to 33 million tonnes of mineralisation at a conceptual grade range of 0.9 - 1.3% Cu, containing 198,000 to 445,000 tonnes of copper
- ▶ This includes an estimate of 4.3 to 6.4 million tonnes of mineralisation at a conceptual grade range of 1.6 - 2.4%, containing 69,000 to 154,000 tonnes of copper on the Chatsworth Prospect

| Prospect     | Tonnes<br>Lower | Tonnes<br>Upper | Grade<br>Lower<br>Cu% | Grade<br>Upper<br>Cu% | Contained<br>Copper<br>Lower | Contained Copper<br>Upper |
|--------------|-----------------|-----------------|-----------------------|-----------------------|------------------------------|---------------------------|
| Eastern Reef | 11,67,0000      | 17,500,000      | 0.6%                  | 1.0%                  | 75,000                       | 168,000                   |
| Chatsworth   | 4,300,000       | 6,400,000       | 1.6%                  | 2.4%                  | 69,000                       | 154,000                   |
| Main Reef    | 5,500,000       | 8,300,000       | 0.8%                  | 1.2%                  | 44,000                       | 100,000                   |
| Dawyck       | 200,000         | 310,000         | 2.0%                  | 3.0%                  | 4,000                        | 9,000                     |
| Forio        | 240,000         | 360,000         | 1.2%                  | 1.8%                  | 3,000                        | 6,000                     |
| Hampton      | 180,000         | 260,000         | 0.8%                  | 1.2%                  | 1,000                        | 3,000                     |
| Boboli       | 90,000          | 140,000         | 1.2%                  | 1.8%                  | 1,000                        | 3,000                     |
| Killruddery  | 50,000          | 80,000          | 1.2%                  | 1.8%                  | 1,000                        | 1,000                     |
| Tiergarten   | 40,000          | 60,000          | 1.2%                  | 1.8%                  | 500                          | 1,000                     |
|              | 22,270,000      | 33,410,000      | 0.9%                  | 1.3%                  | 198,500                      | 445,000                   |

The potential quantity and grade of the Target is conceptual in nature. It is important to note that there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.



# Tollu Project – Exploration Target

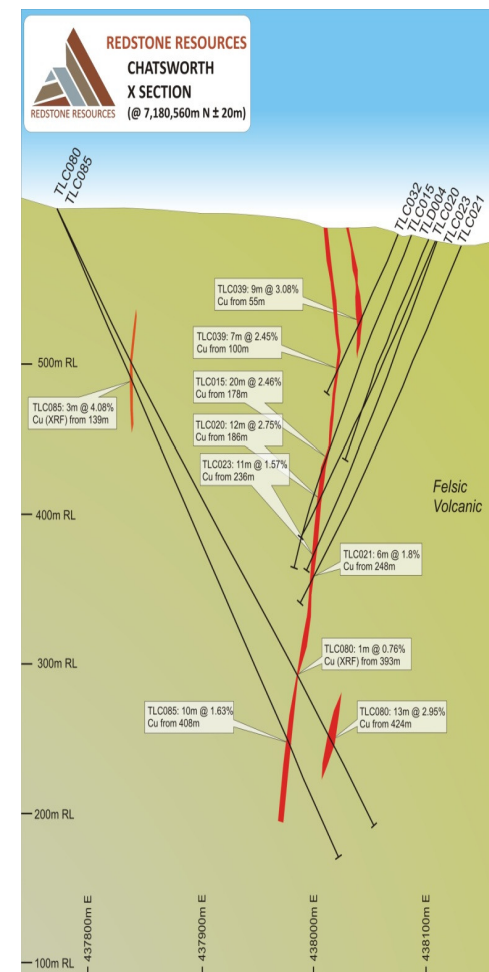




# Tollu Project – Chatsworth Prospect – High Grade

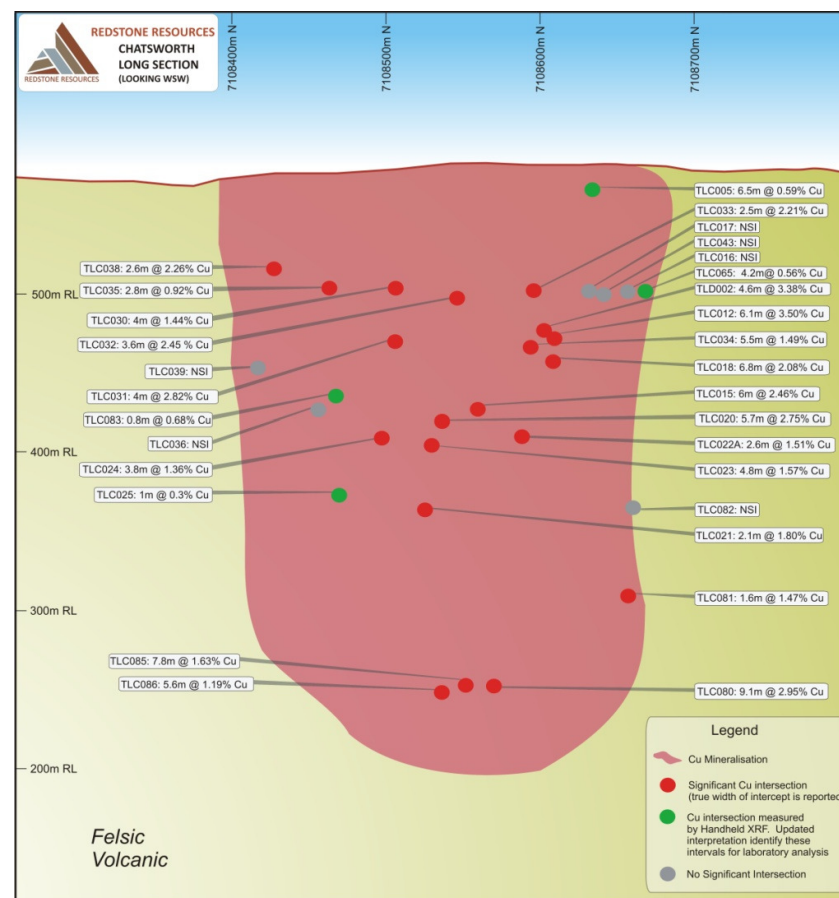
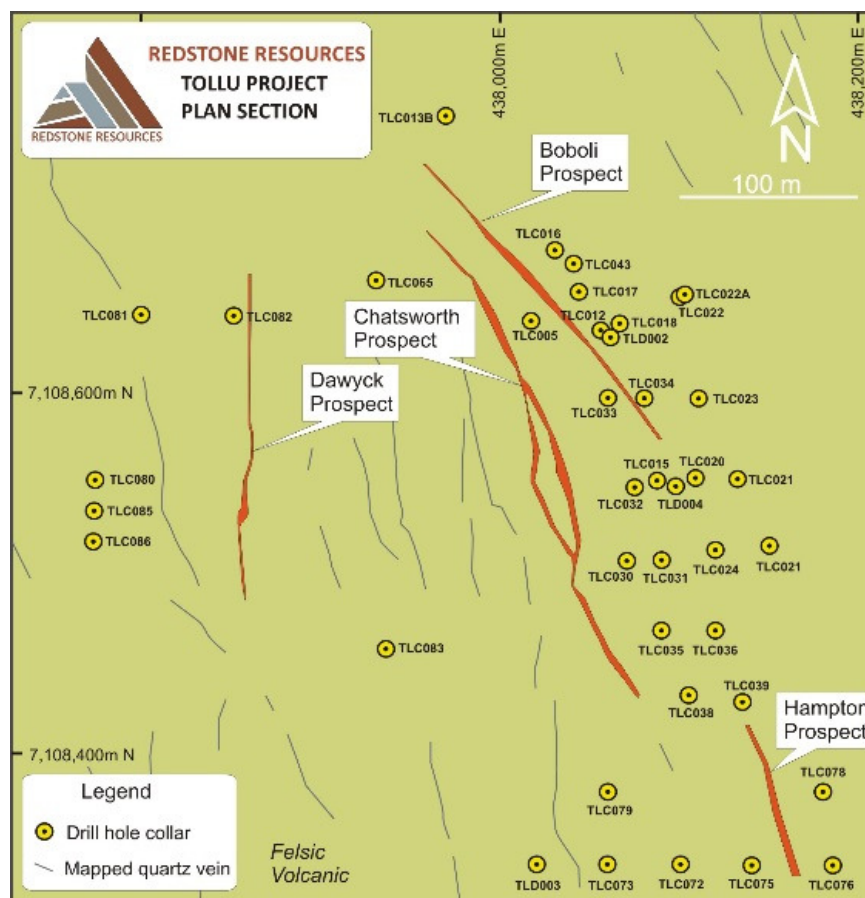


| Hole   | Prospect   | Easting (m) | Northing (m) | RL (m) | Dip (degree) | Azim (degree) | Depth (m) | From (m) | Interval (m) | True Width (m) | Cu (%) |
|--------|------------|-------------|--------------|--------|--------------|---------------|-----------|----------|--------------|----------------|--------|
| TLC015 | Chatsworth | 438087      | 7108554      | 585    | -60          | 266           | 246       | 178      | 20           | 6              | 2.46   |
| TLC020 |            | 438109      | 7108556      | 583    | -60          | 266           | 235       | 187      | 12           | 5.7            | 2.75   |
| TLC021 | Chatsworth | 438132      | 7108555      | 580    | -60          | 266           | 271       | 249      | 4            | 2.1            | 1.80   |
| TLC023 |            | 438110      | 7108600      | 586    | -60          | 236           | 259       | 209      | 11           | 4.8            | 1.57   |
| TLC024 | Chatsworth | 438120      | 7108515      | 582    | -60          | 260           | 247       | 194      | 4            | 3.8            | 1.36   |
| TLC030 |            | 438070      | 7108510      | 584    | -60          | 266           | 127       | 87       | 8            | 4.0            | 1.44   |
| TLC031 | Chatsworth | 438090      | 7108510      | 583    | -60          | 266           | 157       | 126      | 9            | 4.0            | 2.82   |
| TLC032 |            | 438075      | 7108550      | 586    | -60          | 260           | 121       | 55       | 9            | 4.2            | 3.08   |
| TLC032 | Chatsworth | 438075      | 7108550      | 586    | -60          | 260           | 121       | 100      | 7            | 3.6            | 2.45   |
| TLC033 |            | 438060      | 7108600      | 592    | -60          | 266           | 139       | 100      | 5            | 3.1            | 2.21   |
| TLC034 | Chatsworth | 438080      | 7108600      | 590    | -60          | 266           | 175       | 137      | 13           | 5.5            | 1.49   |
| TLC038 |            | 438105      | 7108435      | 580    | -60          | 260           | 200       | 71       | 5            | 2.6            | 2.26   |
| TLC080 | Chatsworth | 437773      | 7108555      | 604    | -60          | 86            | 499       | 424      | 13           | 9.1            | 2.95   |
| TLD002 | Chatsworth | 438061      | 7108635      | 591    | -60          | 240           | 147.4     | 126.9    | 9.62         | 4.6            | 3.38   |





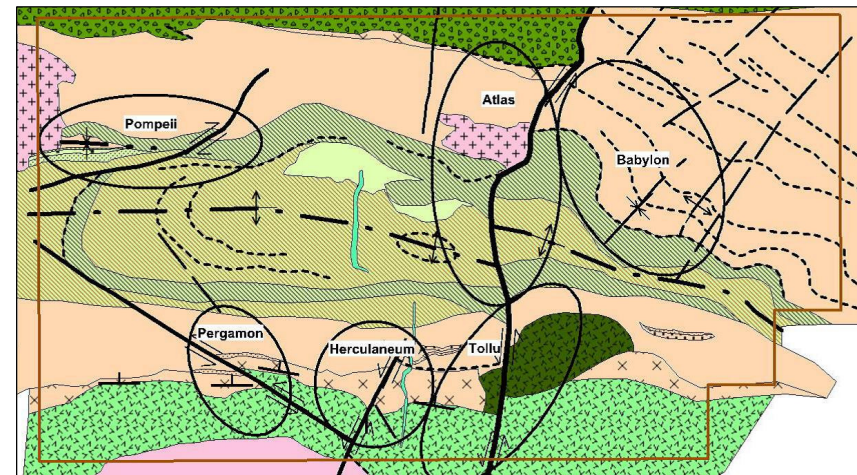
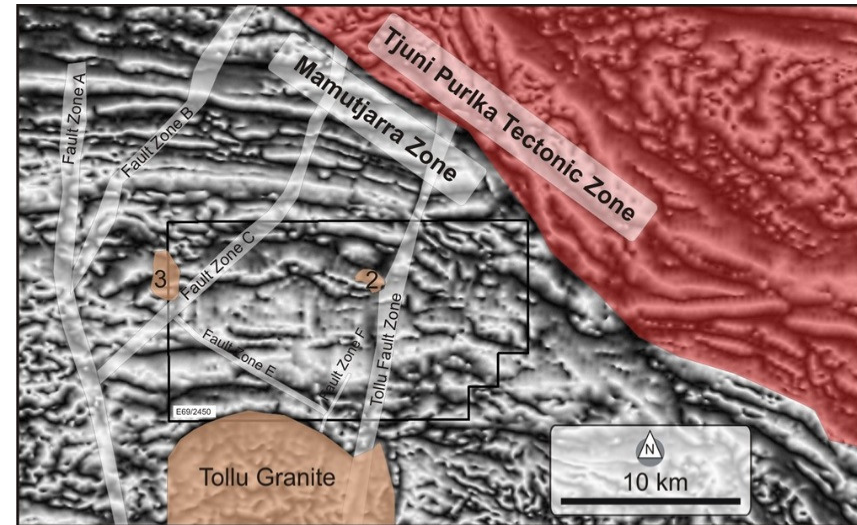
# Tollu Project – Chatsworth Prospect - Geology





# Five Additional Projects – Building Scale

- Atlas Project
  - ▶ North of Tollu Project
  - ▶ Prospective for IOCG & Mt Isa style deposits
- Babylon Project
  - ▶ Prospective for IOCG & Mt Isa style deposits
- Pompeii Project
  - ▶ Prospective for Mt Isa style deposits
- Pergamon Project
  - ▶ Prospective for Mt Isa style deposits
- Herculaneum Project
  - ▶ Prospective for Mt Isa style deposits





# Exploration Strategy

## ■ Tollu Project

- ◆ Further analysis and interpretation of existing geophysical and geological data
- ◆ Drilling program (to depths of less than 150m) focused in the oxidised zone
- ◆ Delivery of a maiden JORC resource

## ■ Atlas / Babylon Projects

- ◆ Drilling program
- ◆ Further analysis and interpretation of existing geophysical and geological data
- ◆ Increase mapped area of the new projects
- ◆ Geochemical and rock sampling of new projects
- ◆ Significantly grow Exploration Targets

## ■ Pompeii / Pergamon / Herculaneum Projects

- ◆ Further analysis and interpretation of existing geophysical and geological data
- ◆ Increase mapped area of the new projects





# Tollu Project - Development

## ■ Conceptual Study

- ▶ Engineering
- ▶ Marketing
- ▶ Metallurgy
- ▶ Geology
- ▶ Infrastructure
- ▶ Ore Transport
- ▶ Financial Evaluation
- ▶ Exploration
  - Regional Geology
  - Stratigraphy
  - Prospect Geology
  - Mineralisation

## ■ Conceptual Study – Approvals

- ▶ Environment
- ▶ Government approvals

## ■ Commence negotiations with traditional owners for mining agreement





# Next Steps



## ■ West Musgrave Copper Focus

- ▶ By using low cost, near surface exploration techniques, the objective is to aggressively step-out and extend the region of known shallower mineralisation
- ▶ Build and leverage on existing dataset

## ■ Key next steps

- ▶ Funding for Stage 2 Exploration Program
- ▶ Recommence exploration work on site
- ▶ Repositioning process for Redstone
- ▶ Market the Redstone story

## ■ Newsflow from Stage 2 Exploration Program over the next 6 months

- ▶ Drilling results
- ▶ Further technical team appointments
- ▶ Metallurgical results
- ▶ Conceptual Study results
- ▶ Commence long lead items for approvals process
- ▶ Commence Mining Agreement process
- ▶ Maiden JORC Resource



# Copper – A Favoured Commodity

- Demand drivers are real: a key ingredient for the economic development of nations such as China
- China currently accounts for about 40 per cent of global copper consumption. Although growth is slowing, it is now off a much larger base
- Corporate activity suggests Chinese companies are still confident enough in their own economy e.g. GRAM bid for PanAust (ASX:PNA), Baosteel bid for Aquila (ASX:AQA)
- US demand improving as economy rebounds and Europe recovering off a low base



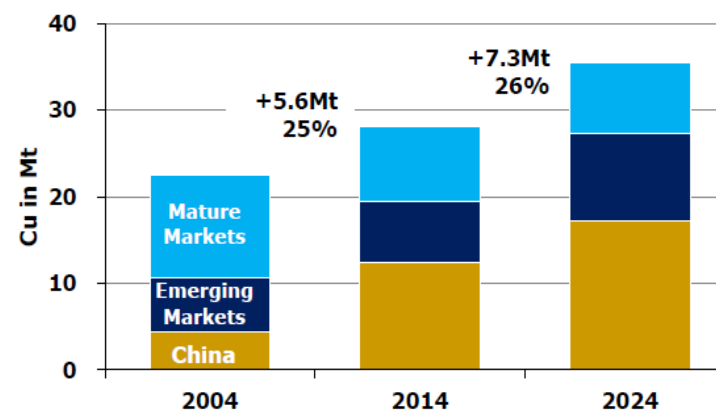


# Copper Market Fundamentals

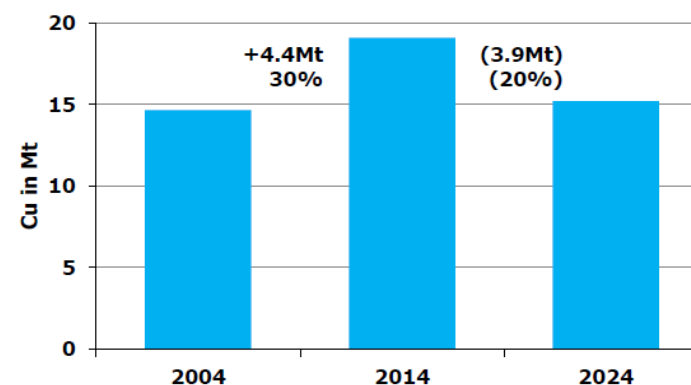


- Long-term copper market fundamentals bode well for timing of Redstone mine development in the West Musgrave
- Assuming 2.3 per cent global growth over next 10 years, annual copper consumption is expected to grow by more than 7.3 million tonnes (26 per cent)\*
- Over the same period, annual production from existing mines is expected to decline by 3.9 million tonnes (20 per cent)\*
- 11.2 million tonne shortfall will need to be made up by expansions and new projects\*

## Total Copper Consumption



## Base Mine Production (excl. expansions)



\*Sources: WoodMackenzie, Freeport-McMoran



# Why Invest ?

## ■ World class exploration asset

- ▶ Extensive exploration activities completed to date
- ▶ Extremely encouraging recent assay results
- ▶ Outstanding Exploration Target – grade and tonnes
- ▶ Clear strategy to maximize shareholder value
- ▶ Low cost entry
- ▶ ‘1<sup>st</sup> mover advantage’ in the West Musgrave region
- ▶ Excellent relationship with Traditional Owners
- ▶ Extensive management and exploration experience

