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The Manager
Company Announcements Office
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Electronic Lodgement

UPCOMING DRILL PROGRAM EXPANDED TO INCLUDE HIGH PRIORITY Ni-Cu SULPHIDE GEOPHYSICAL ANOMALY

Highlights

- **Planned follow-up RC drilling program now expanded to include drill testing of a high priority magmatic nickel-copper (Ni-Cu) sulphide geophysical anomaly at Redstone's 100% owned West Musgrave Project**
- **The anomaly, recently identified by an airborne electromagnetic (EM) survey completed over the Tollu tenement, has a strike length of approximately 500 metres and coincides with other favourable geophysical features.**
- **Planning and permitting for follow-up drilling of the high priority EM anomaly has commenced and is expected to be completed in July.**

Redstone Resources Limited (**ASX: RDS**) ("**Redstone**" or "**the Company**") is pleased to announce that it has expanded its planned follow-up RC drill program to include a high priority magmatic nickel-copper (Ni-Cu) sulphide target conductor identified by a recently completed airborne EM (**VTEM_{max}**) survey at its 100% owned Tollu tenement in the West Musgrave region, Western Australia.

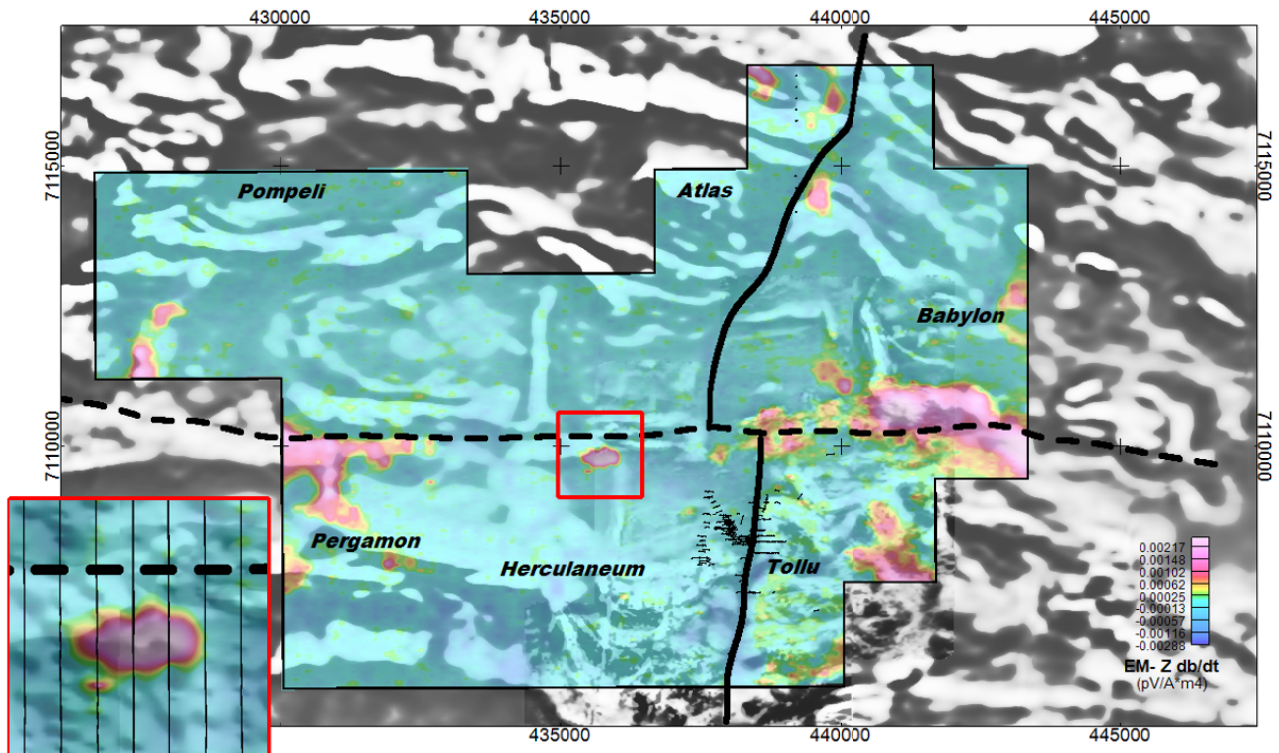


Figure 1 – Tenement E69/2450 airborne magnetic image (grey) with preliminary late time Z component channel 48 (10.667 msec after turn off) as the colour image. Historical drilling and prospects are shown in black. Conductive feature of interest within red square, inset on left showing conductor with flight lines (200m apart).

The initial follow-up RC program of 3,000m for drilling of the Forio prospect and other priority targets will now be expanded to 4,000m to include the EM conductor identified by the recent VTEM survey.

Assessment of the final data from the VTEM survey, which is ongoing, has confirmed the preliminary interpretation; the anomaly remains conductive in the 'late time' and is a definitive isolated feature with at least 500m of strike length. Importantly, the EM anomaly occurs in an embayment in an ultramafic rock body interpreted from magnetic geophysical data. This is consistent with magmatic nickel sulphide deposits which are usually highly conductive, and are hosted by mafic and ultramafic rocks.

Further analysis of the data has confirmed that the EM anomaly should be prioritised as a significant target for Redstone's Tollu Project, and as such, Redstone management has brought forward testing the EM anomaly of the target into the upcoming drill program.

Requisite DMP and normal heritage clearances for drilling of the area over the target have already commenced and are expected to be received in July 2017. Accordingly, mobilisation for the revised RC drill program of 4,000m will now be re-scheduled to co-incide with the receipt of all pending regulatory approvals for the new target area.

ENDS



Competent Persons Statement

The information in this report that relates to Geophysical Exploration Results is based on information compiled by Mr Barry Bourne, who is 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 has sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and activities undertaken, 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. Mr Bourne consents 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 copper exploration properties in the West Musgrave region of Western Australia.

Redstone's 100% owned Tollu 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 Tollu tenement (E 69/2450) in addition to the Tollu Project.

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