

# REDSTONE RESOURCES LIMITED INVESTOR PRESENTATION

August 2017



# Board of Directors and Company Overview



## Mr Richard Homsany

### ■ Chairman

- ▶ Corporate and commercial lawyer for over 20 years advising and managing public listed resource and energy companies.
- ▶ Mr Homsany has extensive experience in corporate law, including finance, capital raisings, mergers, acquisitions, joint ventures and corporate governance. He is also a CPA, Executive Vice President Australia of TSX listed Mega Uranium Ltd, Executive Chairman of Toro Energy Ltd, holds various ASX and TSX public company board positions, and is the Chairman of the Health Insurance Fund of Australia Ltd.

## Mr Brett Hodgins

### ■ Non Executive Director

- ▶ Geologist with over 20 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.

## Mr Edward van Heemst

### ■ Non Executive Director

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

## Dr Greg Shirtliff

### ■ Geological Consultant

- ▶ Geologist with over 16 years' experience in the minerals industry including a PhD in geology/geochemistry from the Australian National University.
- ▶ Dr Shirtliff has held various roles in mineral exploration, mine and resource geology, environmental and project management.
- ▶ Dr Shirtliff has managed project portfolios in Australia, and involved in exploration research activities in Canada and USA, and has an understanding of a broad range of mineralisation systems.

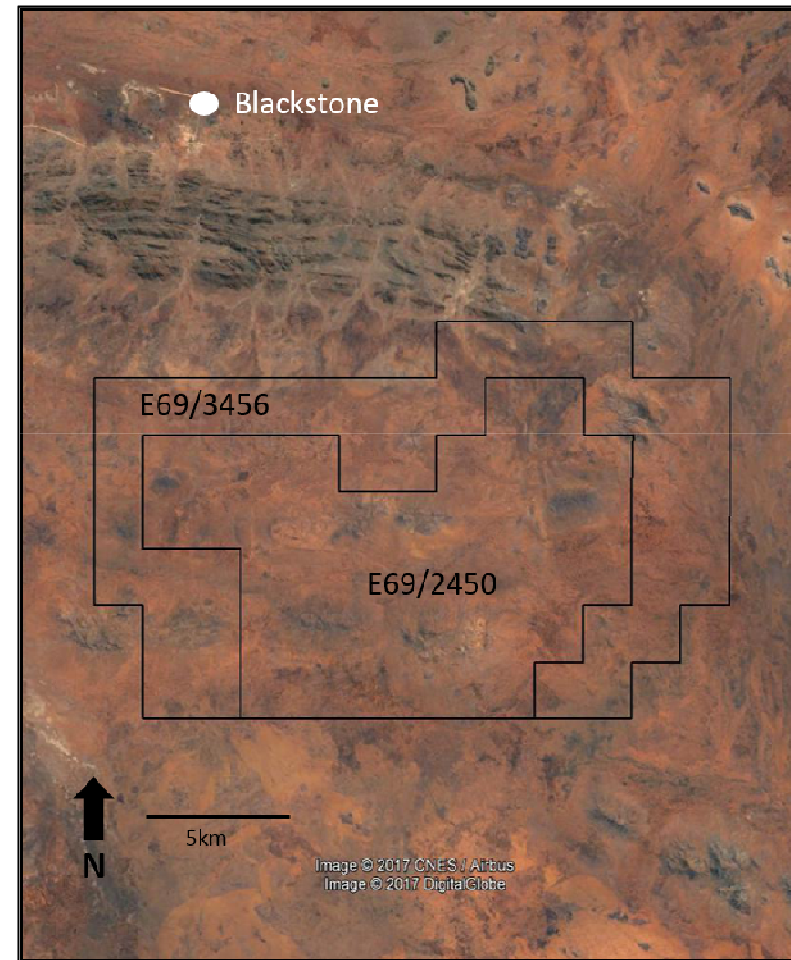
## Capital Structure – 17 August 2017

- ▶ Issued Shares (ASX:RDS)
  - 379,934,261
- ▶ Unlisted Options
  - 22,000,000
- ▶ Share Price
  - \$0.012
- ▶ Market Capitalisation
  - \$4.6m
- ▶ Cash (30 June 2017)
  - \$0.6m
- ▶ Top 20 Holders
  - 53.5%





# West Musgrave – Project Location

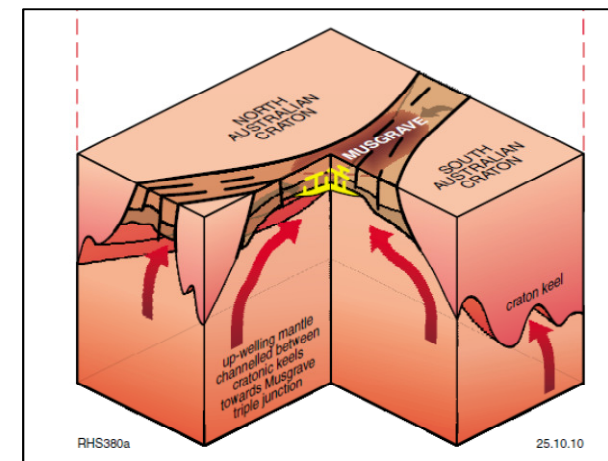
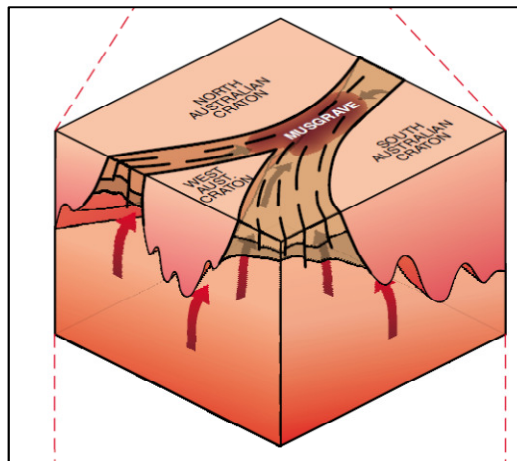
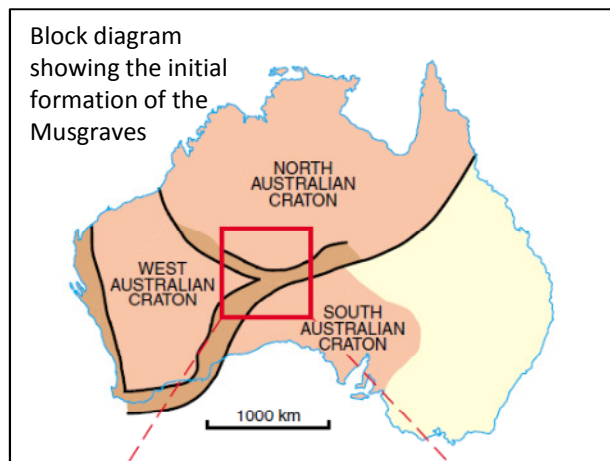


# Geological Setting and West Musgrave Prospectivity



The West Musgrave is an area experiencing active exploration by a number of companies.

The main targets are Ni-Cu  $\pm$  PGE and PGE in layered mafic-ultramafic intrusions and hydrothermal Au  $\pm$  Cu and other metals related to felsic volcanics and associated rocks.



The key to understanding the economic prospectivity of the West Musgrave is that it was first created as a suture zone of three converging continental plates (1.22 - 1.15 billion years ago).

This produced an inherent crustal weakness that allowed later far field derived stresses and/or a mantle plume to begin to pull apart the newly formed continent at this point, in a so called intra-cratonic rift, and with it deliver a prolonged 45 million year period of igneous activity both above and below the surface known as the Giles Event (1.085 - 1.040 billion years ago).

The rift eventually failed, but by that time, much of the economic prospectivity of the West Musgrave had been established.

# Key Geological Criteria for Priority Exploration Targets



1.

Masses of mantle derived, multiple pulse, **large layered mafic-ultramafic intrusions and massive gabbros** were emplaced in the existing crust – prospective for Ni-Cu ± PGE or PGE deposits.

2.

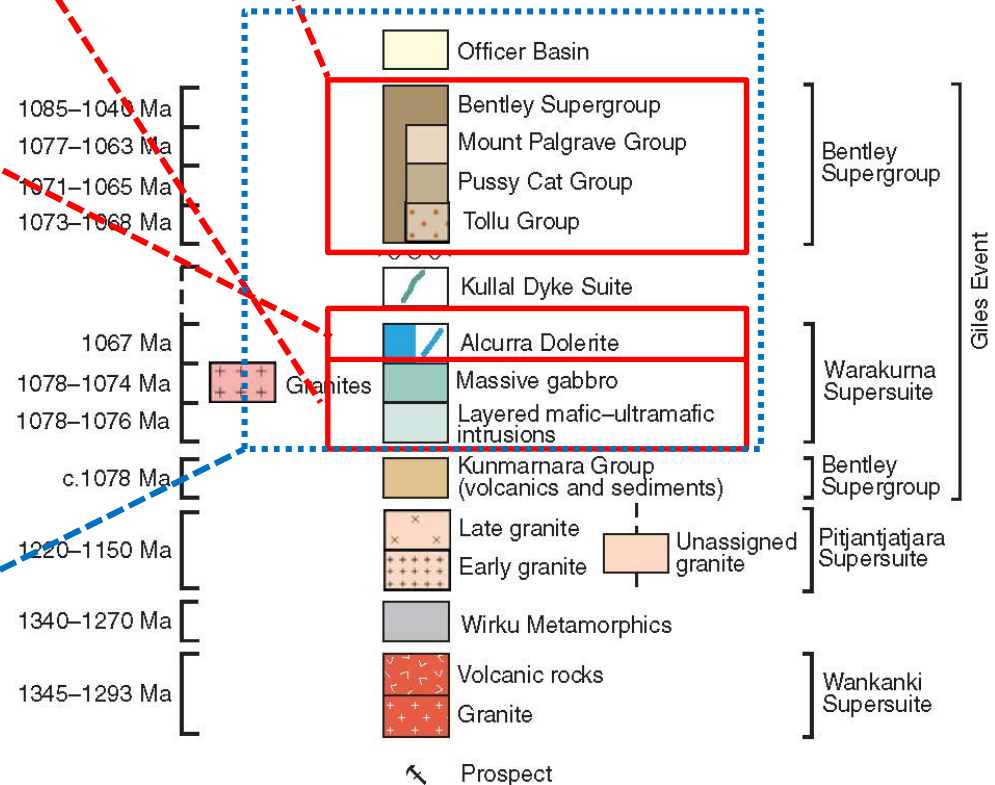
Layers of **felsic volcanics and associated intrusions and sediments** were piled at a similar time, ideal sources/hosts for hydrothermal metal deposits such as Au ± Cu Lode deposits.

3.

Late magmatism continued, intruding into the earlier sequences, including an extensive array of **dolerite intrusions** of the same age and of similar composition to the intrusion hosting the world class Nebo Babel Ni-Cu-PGE deposit.

4.

**Heat from the intrusions and movement of existing and late major structures** from post-Giles Event deformation created the hydrothermal conditions and conduits of fluid flow and deposition suitable to create hydrothermal metal deposits wherever these settings exist.



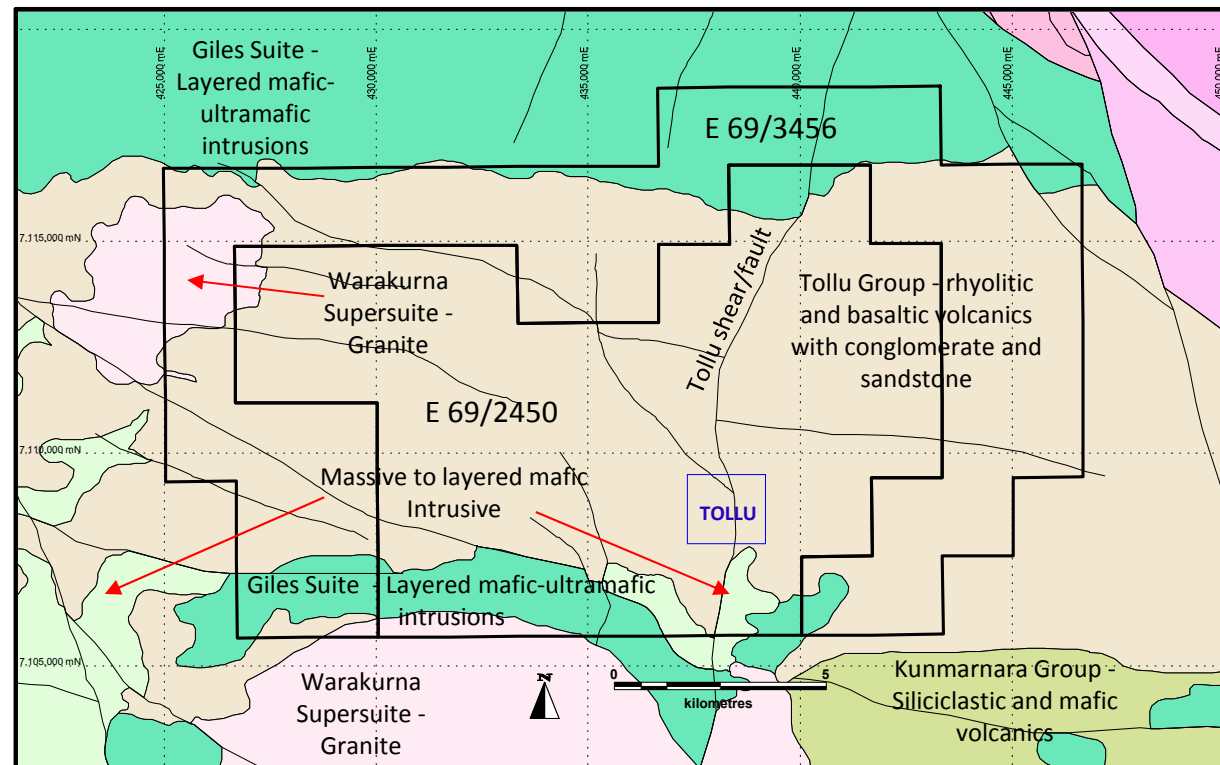


# Redstone's West Musgrave Project Contains Key Geological Criteria



Redstone's 100% owned West Musgrave Project contains all of the key geological criteria for West Musgrave prospectivity:

1. Large layered mafic-ultramafic intrusions in the north and south of the property.
2. A large package of felsic volcanics running through the centre of the ground.
3. An expression of the Late Giles Event dolerite dyke intrusions in the south and just to the west of the property boundary.
4. Large major structures that cross-cut all geology within the area and show definitive displacement of geological boundaries.

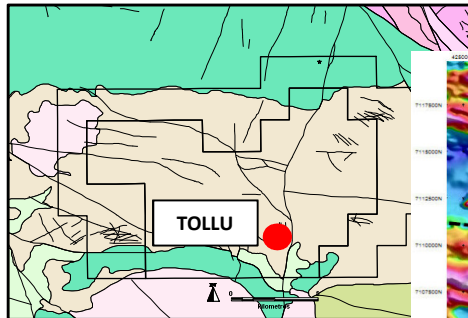


Local Geology Map – Redstone's West Musgrave Project

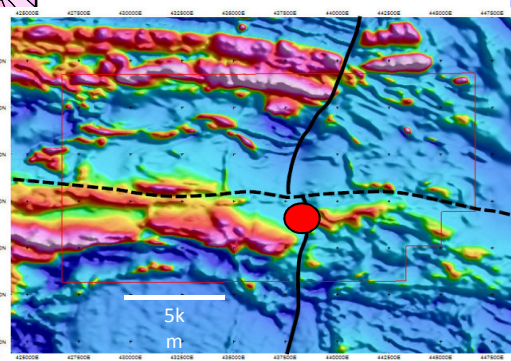
# Potential For Large Hydrothermal Ore Forming Systems Already Proven at Tollu



Local Geology - Musgrave Project

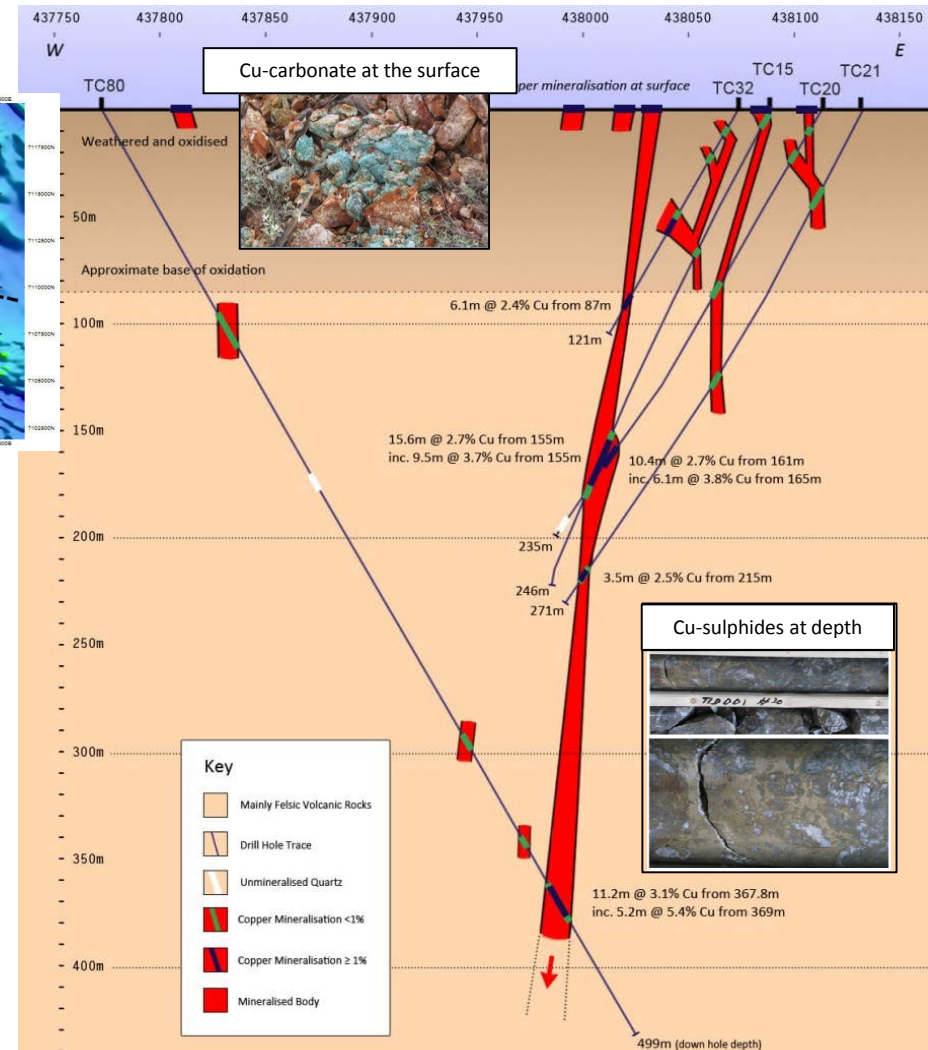


Reduction to Pole Airborne Magnetics – Musgrave Project



## Tollu is a very significant hydrothermal system

- The prospectivity for large hydrothermal mineralising systems on Redstone's West Musgrave Project has already been proven – the Tollu Cu mineralisation.
- A large north-south structure running through the tenement, expressed at Tollu as a swarm of large quartz veins outcropping at surface, has been proven by drilling to be a conduit for significant amounts of hydrothermal fluids with lode bearing capacity for Cu.
- Even in veins running oblique to the main structure at Tollu, the veins and mineralisation continue from the surface (Cu-carbonate) to the maximum vein intersection depth (Cu-sulphides) at over 360m (true depth), where grades of 3.1% Cu over 11.2m still continue and are not closed out.



E-W Section through main oblique outcropping quartz vein at Tollu

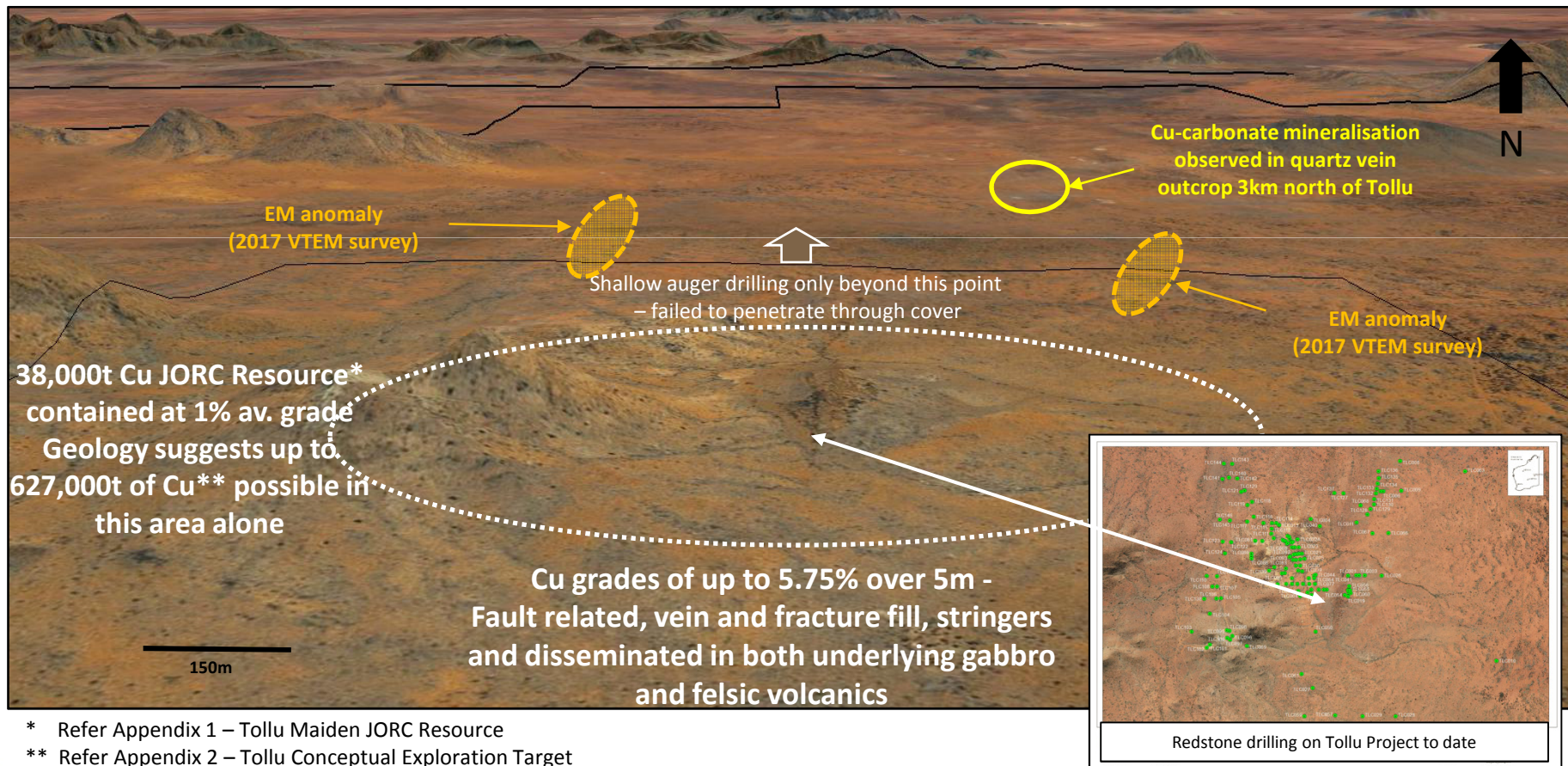


# Extent of Hydrothermal Mineralisation on West Musgrave Project Yet to be Tested



The extent of hydrothermal mineralisation on Redstone's 100% owned West Musgrave Project has not been tested beyond the Tollu Project.

Even at the Tollu Project the major through-structure has not yet been adequately assessed along strike or at depth. The current conceptual exploration target of up to 627,000t Cu (refer Appendix 2) is limited to the current extent of the Tollu Project – this volume could be much larger. Given the geology, there is no reason why hydrothermal lode gold mineralisation should not be a primary exploration consideration for Redstone.



\* Refer Appendix 1 – Tollu Maiden JORC Resource

\*\* Refer Appendix 2 – Tollu Conceptual Exploration Target



# Large Magmatic Ni-Cu ( $\pm$ Co $\pm$ PGE) Exploration Model for Tollu is Still 'Live'



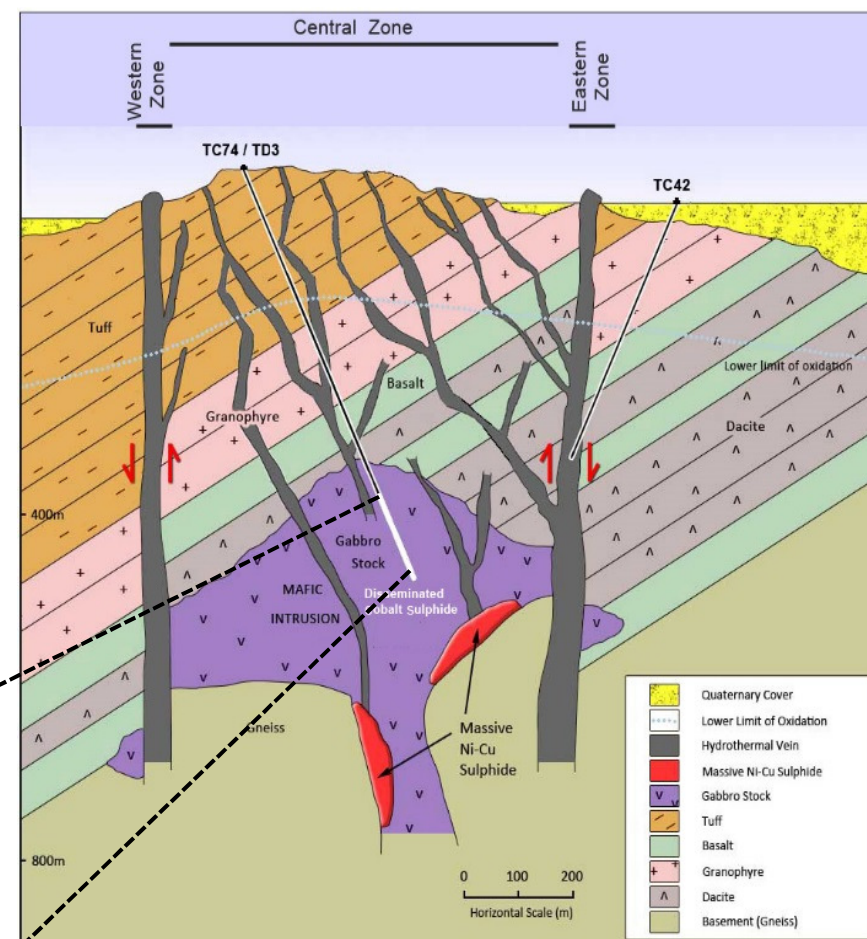
A diamond tailed RC drill hole intersected Gabbro beneath the Tollu Group felsic volcanics at 400m downhole, where disseminated sulphides and sulphide veinlets were observed and which continued for 150m until the end of hole.

pXRF assays of the sulphide concentrations revealed high cobalt (Co) content, and this Co content generally increased at depth.

If this is the case, then it is possible that the overlying 360+m of hydrothermal Cu mineralisation, is a secondary remobilisation from a deeper magmatic Ni-Cu mineralised system. If the gabbro has intruded the overlying lower units of the Tollu Group volcanics, it would approximate the timing of the Nebo-Babel orebody to the west.



Conceptual model of Ni-Cu-Co mineralisation beneath Tollu based on theoretical models and current drilling data



# Stepping Outside Tollu – 11 VTEM Targets Requiring Follow-up Exploration

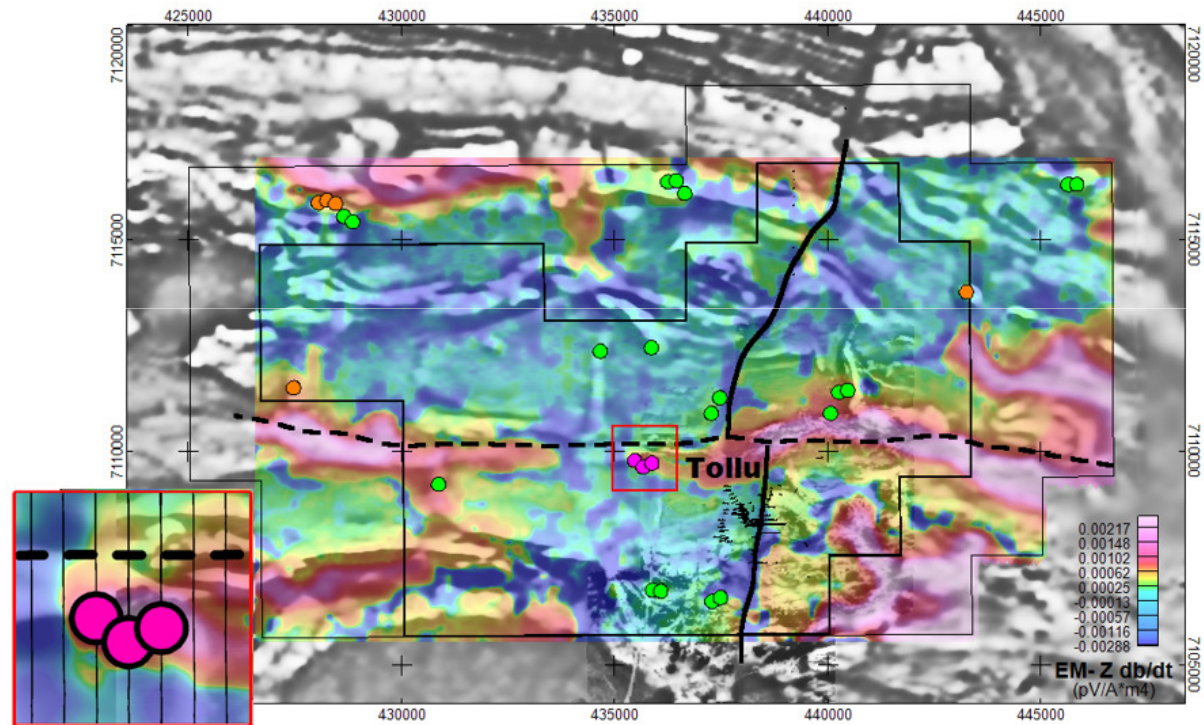


An airborne electromagnetic (VTEM<sub>max</sub>) survey was conducted over the Redstone West Musgrave Project in April 2017.

- Detailed analysis of the data has led geophysicists to conclude that eleven anomalies should be considered targets and require follow-up exploration activity.
- All of the EM targets have geological and/or structural relevance.
- Three of these EM targets have been elevated to a high priority.

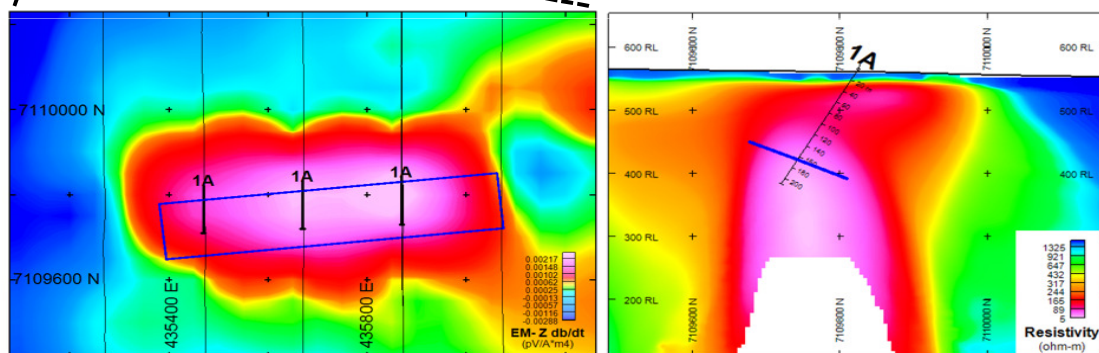
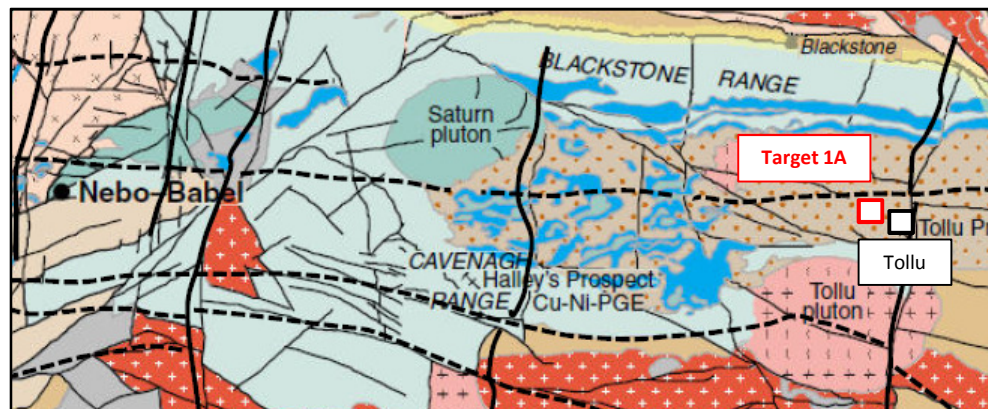
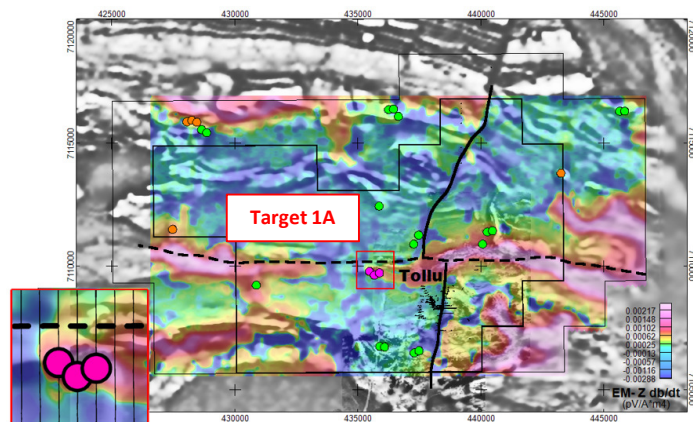
## Target 1A

- One of these targets (Target 1A) has been elevated to an immediate walk-up drill target and will be drilled in August 2017.





# EM Target 1A - A Genuine Magmatic Ni-Cu Sulphide Target



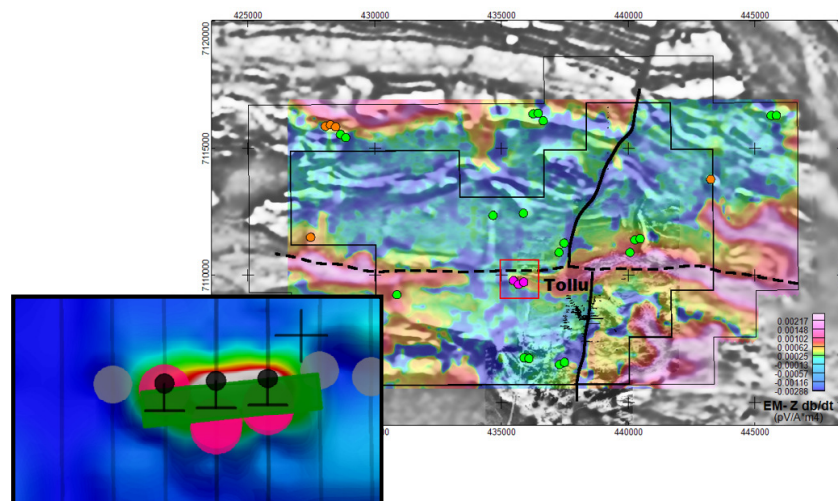
Left is a plan view of target 1A showing north south oriented VTEM lines (200m apart) with drilling proposed (black) to test the conductive plate model (blue). The image is channel 40 Z component. On the right is cross section 435670mE looking west through the plate model 1A (blue). The image is resistivity derived from a conductivity depth transform of the Z component data.

- Target 1A has been prioritised for immediate drilling as a genuine magmatic Ni-Cu sulphide target.
- Target 1A is positioned in an embayment on the SE margin of a magnetic feature, interpreted to be ultramafic rocks, features consistent with magmatic Ni-sulphide deposits.
- A re-interpretation of all geophysics in the area resulted in geophysicists extending a major E-W fault from an obvious offset in the N-S Tollu through-fault, to the west all the way to Nebo-Babel. If correct, it places the Tollu Project, Target 1A and the world class Nebo Babel Ni-Cu deposit in a similar regional structural position and only 40km apart.

# Next Steps

## ■ August 2017 4,000m RC Drilling Program:

- ◆ Drill test EM Target 1A for magmatic Ni-Cu sulphide mineralisation.
  - ◆ Drill test Induced Polarisation (**IP**) anomalies for extension of Cu sulphide mineralisation on the Tollu Project, as identified in a recently completed strategic geological review.
  - ◆ Specifically evaluate potential for sulphide mineralisation below the oxide mineralisation discovered at the Forio vein. Previous drilling of the Forio vein, identified a Cu mineralisation over a 250m strike length, despite limited surface expression. The vein remains to be effectively drilled out below 50m and is open in all directions.
  - ◆ Test veins with limited surface expression further to the east of the Forio vein.
  - ◆ Confirm and expand oxide resource at the Tollu Project.
- Geologically assess other 10 EM targets for exploration prioritisation.
  - Develop strategy to test Tollu style hydrothermal mineralisation north and south of Tollu.
  - Develop strategy to definitively test magmatic Ni-Cu sulphide model beneath Tollu.





# Oxide Pathway to Self-funded Exploration

- Exploration strategy includes increasing the oxide resource.
- Metallurgical testwork planned for oxide ores.
- Evaluation of low cost processing options for oxide ores including cementation, precipitation by sodium hydrosulphide or glycine leach.
- Cementation precipitates copper from leach solutions in the presence of scrap iron. Iron dissolves into solution and precipitated copper metal recovered as flakes or powder on steel surface.
- Scrap iron sources appear readily available, abundant and inexpensive for Tollu.
- Benefits are:
  - ◆ simple process.
  - ◆ low capital and operating costs, specifically in power consumption.
  - ◆ low pregnant leach solutions (PLS) requirements.
  - ◆ early cashflow to self-fund further exploration in the Musgraves.



- Cementation process has, and is still, being used commercially in Australia e.g. Mt Gunson (SA), Tritton (NSW).
- Ready made market for Tollu copper oxide product in South Australia – Adchem Australia (160km NNE of Adelaide).
- Evaluate use of tank leaching (cf heap leaching) to reduce lead time and expedite first production of copper.
- Evaluation and study of low cost processing options to be undertaken.
- Back of envelope calculations suggest this could produce enough capital to allow Redstone to self-fund future Musgrave exploration and development.

# Why Invest in Redstone's West Musgrave Project



Redstone in the West Musgrave

The right rocks, the right structural setting

Indisputable evidence of fertile hydrothermal fluid activity

Numerous conductive bodies revealed by VTEM<sub>max</sub> sitting up to 200m beneath the surface

Exceptional upside potential, an exceptional base to build an exploration portfolio in the West Musgrave.

- 237 square kilometres of highly prospective, underexplored ground just 40km east of the world-class Nebo-Babel Ni-Cu deposit.
- The right geological and structural setting for large magmatic Ni-Cu sulphide deposits and hydrothermal Cu ± Au lode mineralising systems in the West Musgrave.
- The Tollu Project is proof that a large hydrothermal system capable of carrying metal has been active in the project area – at Tollu, a 5km<sup>2</sup> square exposure of quartz veins has already been shown to contain 38,000t of Cu (**Appendix 1**), but a conceptual exploration target suggests up to 627,000t of Cu (**Appendix 2**) may be present - grades intersected by drilling are as high as 5.75% over 5m. Follow-up drilling planned for August 2017.
- Geophysical and field evidence suggests the Tollu hydrothermal system may continue north and south along the hosting regional structure.
- From a recent VTEM<sub>max</sub> survey (April 2017) over the Project area, geophysicists have identified eleven genuine EM targets requiring follow-up exploration.
- EM Target 1A prioritised for immediate drill testing in August 2017 RC drill program – a genuine magmatic Ni-Cu sulphide target, 2.5 km to the north-west of the Tollu Project.
- Potential opportunity to expand and develop existing Cu oxide resource to self-fund future exploration.



# Appendix 1 – Tollu Maiden JORC Resource



## ■ Redstone has defined an JORC 2012 Resource Estimate

- ▶ Initial JORC 2012 resource of 3.8 million tonnes at 1% Cu, containing 38,000 tonnes of copper and 0.01% of cobalt, which equates to 535 tonnes of contained cobalt at the Tollu Project.
- ▶ Includes 8,000 tonnes of copper oxide, which provides scope for the evaluation of a low cost expedited development path as part of the broader development of higher grade sulphide prospects.

Resource Classification	Prospect	Tollu Mineral Resource Estimate				
		Tonnes ('000)	Cu %	Contained Copper Tonnes ('000)	Co %	Contained Cobalt Tonnes ('000)
Indicated	Chatsworth	395	1.6	6	0.02	72
	Forio	69	1.1	1	0.01	7
	<b>Sub-Total</b>	<b>464</b>	<b>1.5</b>	<b>7</b>	<b>0.02</b>	<b>79</b>
Inferred	Chatsworth	403	1.6	7	0.01	42
	Forio	603	1.1	6	0.01	51
	Main Reef	850	0.7	6	0.01	100
	Hamptons	267	0.9	2	0.02	45
	Eastern Reef	1,309	0.8	10	0.02	218
	<b>Sub-Total</b>	<b>3,432</b>	<b>0.9</b>	<b>31</b>	<b>0.01</b>	<b>456</b>
Total Indicated + Inferred	Chatsworth	798	1.6	13	0.01	114
	Forio	672	1.1	7	0.01	58
	Main Reef	850	0.7	6	0.01	100
	Hamptons	267	0.9	2	0.02	45
	Eastern Reef	1,309	0.8	10	0.02	218
<b>Total Indicated and Inferred</b>		<b>3,896</b>	<b>1.0</b>	<b>38</b>	<b>0.01</b>	<b>535</b>

## Appendix 2 - Tollu Conceptual Exploration Target



### ■ Redstone has estimated a Conceptual Exploration Target for the Tollu Project

- ▶ 31 to 47 million tonnes of mineralisation at a conceptual grade range of 0.8 to 1.3% Cu, containing 259,000 to 627,000 tonnes of copper

Prospect	Tonnes Lower (‘000)	Tonnes Upper (‘000)	Grade Lower Cu %	Grade Upper Cu %	Contained Copper Tonnes Lower (‘000)	Contained Copper Tonnes Upper (‘000)
Huntington	1,872	2,808	0.9%	1.5%	17	42
Drummond	1,248	1,872	0.9%	1.5%	11	28
Stourhead	2,028	3,042	0.9%	1.5%	18	46
Exbury	520	780	0.9%	1.5%	5	12
Butchart	1,664	2,496	0.9%	1.5%	15	37
Main Reef South	4,784	7,176	0.8%	1.2%	38	86
Isola	936	1,404	0.9%	1.5%	8	21
Kilruddery	780	1,170	0.9%	1.5%	7	17
Bodnant	520	780	0.9%	1.5%	5	12
Sanssouci	1,456	2,184	0.9%	1.5%	13	33
Forio	1,976	2,964	1.2%	1.8%	24	53
Forio Deepes	1,393	2,090	1.2%	1.8%	17	38
Forio South	416	624	1.2%	1.8%	5	11
Eastern Reef	11,667	17,500	0.6%	1.0%	70	175
Dawyck	204	306	2.0%	3.0%	4	9
Hampton	175	262	0.8%	1.2%	1	3
Boboli	94	140	1.2%	1.8%	1	3
Tiergarten	42	62	1.2%	1.8%	0	1
<b>TOTAL</b>	<b>31,775</b>	<b>47,660</b>	<b>0.8%</b>	<b>1.3%</b>	<b>259</b>	<b>627</b>

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.



# Important Information



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## COMPETENT PERSON'S STATEMENT

The information in this presentation that relates to exploration results, Exploration Targets and Mineral Resources 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.

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.

Information included in this document is dated 18 August 2017.