27 November 2017

The Manager
Company Announcements Office
Australian Stock Exchange Limited
Level 4, Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Electronic Lodgement

All EM Targets Upgraded following Confirmation of Sulphides at EM1A

Redstone Resources Limited (**ASX: RDS**) ("**Redstone**" or "**the Company**") is pleased to announce that the geochemical analysis of composited RC drill samples from the drilling of EM1A electromagnetic anomaly (**EM1A**) has confirmed the intersection of a large body of sulphide mineralisation (predominantly pyrite), on Redstone's 100% owned West Musgrave Project (the "**Project**") in the West Musgrave region of Western Australia.

The confirmation of sulphides intersected from drilling at EM1A (Figure 1), combined with the continued expansion of high grade copper mineralisation at the Tollu Copper Project ("**Tollu**"), has upgraded all 10 other EM anomalies identified on the Project as immediate drill targets pending further geological interpretation (Figure 2). Further examination and analytical work is required to ascertain the significance of the trace element geochemistry for the next phase of exploration. Redstone expects this work to be completed by the first quarter of 2018. Planning for the next phase of exploration is now underway.

Highlights:

- Geochemical analysis of composited RC drill samples from recent drilling has confirmed the intersection of a large body of sulphide mineralisation (predominantly pyrite) at EM1A, one of 11 electromagnetic ($VTEM_{max}$) anomalies identified by a recent airborne EM survey;

- The body of sulphides is at least 100m thick and 400m in strike length (ASX release 9 October 2017), with concentrations of sulphur (S) as high as 4.0% over 5m, and it remains open to the north, east and west;

- The geological setting revealed by the drilling introduces additional base metal and/or gold targets not previously considered by Redstone on their Project.

- In combination with the high grade Tollu Copper Project, with Cu grades **as high as 11.9%** (over 1m) (ASX release 31 October 2017) and an exploration target of up to 626,000 tonnes of contained copper (ASX release 15 June 2016), the large body of sulphides intersected at EM1A confirms the potential for Redstone's Project to contain large mineralising systems. A conceptual exploration target has been estimated for the Tollu Project of 31m to 47m tonnes of mineralisation at a conceptual grade range of 0.8% to 1.3% Cu, containing 259,000 to 626,000 tonnes of Copper. 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 for the target and it is uncertain if further exploration will result in the estimation a Mineral Resource for the target;

- The confirmation of sulphide mineralisation at EM1A has upgraded all 10 other EM anomalies identified on the Project as immediate drill targets pending further geological interpretation; and

- More detailed geochemical and mineralogical analysis is underway to further assess the significance of the EM1A sulphide body in terms of its spatial relevance to a potential economic mineral system.

The geochemical assay results from the 5m composite sampling of Redstone's recent drilling of EM1A have been returned. The results confirm that the 5 hole reverse circulation drilling program (Figure 1) has intersected an extensive occurrence of disseminated sulphide mineralisation (predominantly pyrite) of at least 100m thick and over 400m in strike length and remains open to the north, east and west (Figure 2). The geochemistry also confirms the geological interpretation of a pile of alternating mafic and felsic volcanic rock with occasional feldspar porphyry intercalated with layers of volcaniclastic breccia of mixed mafic and felsic clasts (Figure 1). The sulphides occur as disseminations in breccia matrix, as stringer veinlets and as minor stockwork in the zones of highest sulphide concentration (ASX release 9 October 2017).

Given the geology identified by the recent drilling of EM1A can be extended across most of Redstone's Project area, the intersection of sulphides at EM1A combined with the high-grade copper vein mineralisation that continues at Tollu (ASX release 31 October 2017) opens up the potential for Redstone's entire Project to host large economic mineralisation systems.

The Tollu Copper Project, located just 3km to the south east of EM1A, is a high-grade copper vein system associated with a deep-seated north-south oriented regional structure that crosses the entirety of Redstone's Project. The copper mineralisation is focused within large quartz veins associated with the main structure and has been intersected from the surface to over 360m deep (true depth), and remains open at depth (TC80 ASX release 4 April 2012 and JORC Table 1 15 June 2016). Grades as high as 14m at 3.25% Cu from 27m downhole (including 1m at 11.9% Cu at 31m) have been intersected and only recently the mineralisation has been significantly extended (ASX release 31 October 2017). This demonstrates the potential to define additional copper lodes at Tollu; the exploration target at Tollu is up to 626,000 tonnes of contained Cu.

Anomalous Pb-Zn-Ag-Au values intersected at Tollu in the most recent drilling highlights the potential for the copper veins at Tollu to have a regional significance for exploration on Redstone's Project. Given Tollu is proof that mineralising fluids have been associated with the regional structures within the Project, combined with the successful identification of sulphides by the recent EM survey, all 10 other EM anomalies have been upgraded to immediate drill targets pending further geological assessment.

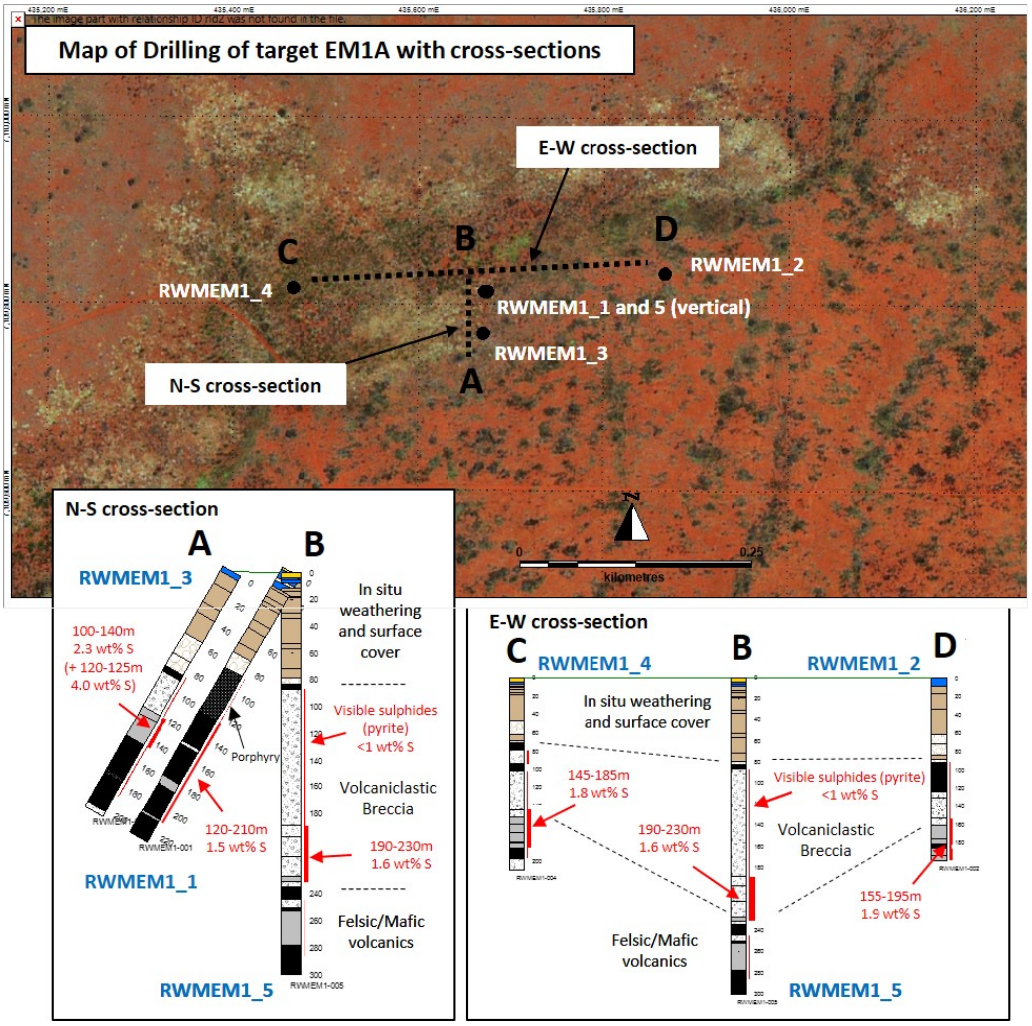

Figure 1 – EM1A Drill Hole Locations and Cross-sections

Five RC holes were drilled into the EM1A anomaly for 1,143m. The EM1A anomaly was defined by an isolated late time electromagnetic anomaly and was modelled as a 25° north dipping plate with a depth extent of 145m and strike extent of 685m (refer to ASX release of 2 August 2017 for further information and Table 1).

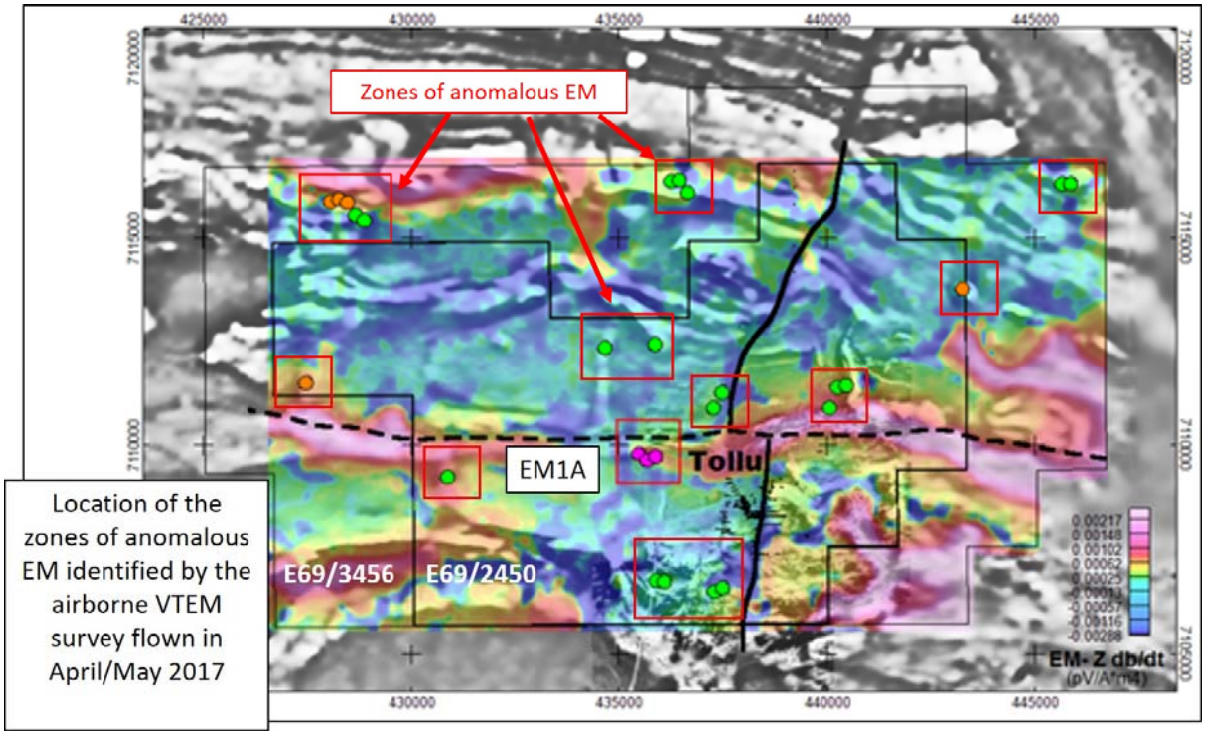

Figure 2 - – Location of EM anomalies in relation to the Tollu structural corridor. Tenement E69/2450 airborne magnetic image (grey) with late time Z component channel 48 (10.667 msec after turn off) as the colour image.

Competent Persons Statement

The information in this document that relates to exploration results was authorised by Dr Greg Shirtliff, who is employed as a Consultant to the company through Zephyr Professional Pty Ltd. The information in this report that relates to Geophysical Exploration Results is based on information compiled by Mr Barry Bourne, who is also 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 Dr Shirtliff is a Member of the Australian Institute of Mining and Metallurgy. Both Mr Bourne and Dr Shirtliff have sufficient experience of relevance to the tasks with which they were employed 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. Both Mr Bourne and Dr Shirtliff consent to the inclusion in the report of matters based on information in the form and context in which it appears.

JORC Code, 2012 Edition – Table 1 report Tollu Project

Section 1 Sampling Techniques & Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature & quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity & the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.*	• Geochemical samples were taken from drill chips produced by a reverse circulation (RC) drill rig. Samples were split from the sample stream every metre as governed by metre marks on the drill string, by a cone splitter approximating between 7-13% of the full metre of sample. The dust box was used to control the flow of chips to the cone splitter. • Duplicates were taken every metre from the alternate sample opening on the cone splitter. This gave flexibility to where field duplicates were introduced into the geochemical sampling stream to the lab and allowed for compositing at any depth or interval. • On a regular basis both sample and duplicate were weighed with a simple hook based hand held scale to check for representivity of both the metre sampled and the duplicate. This weight was not recorded, rather used as an in-filed measure to alert drillers of issues with the cone splitter and drilling. • Samples were collected in calico bags – each bag weighed approximately 1-3kg. • In areas of targeted copper veins 1m RC chip samples were selected for laboratory analysis using a calibrated (using calibration discs and standardised compressed powders) hand-held XRF to discriminate high copper (Cu) values. HHXRF Cu value cut-offs used to select samples for laboratory based geochemical analysis was 0.1% and in most cases, the 1m sample either side of that value was also selected. In some drill holes the entire holes was sampled; where so outside the mineralised zones were composited into 5m composites. • At the EM1 drilling site the entire drill hole was sampled for geochemical analysis; samples were sent to the lab in 5m composites or less where 5m was not possible (eg. At end of hole). • A small (1-2 teaspoon sized) representative sample was kept of each

Criteria	JORC Code explanation	Commentary
		metre for record purposes.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) & details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented & if so, by what method, etc.).*	• Reverse Circulation drilling was used to obtain 1m samples for the purpose of geological logging and geochemistry. Compositing was performed for some geochemical samples (see elsewhere in this table) • RC sampling completed using a 5.5" diameter drill bit with a face sampling hammer. RC drilling rigs were equipped with a booster compressor.
Drill sample recovery	• *Method of recording & assessing core & chip sample recoveries & results assessed.* • *Measures taken to maximise sample recovery & ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery & grade & whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• RC Drillers were advised by geologists of the ground conditions expected for each hole and instructed to adopt an RC drilling strategy to maximize sample recovery, minimize contamination and maintain required spatial position. • Sample recovery is approximated by assuming volume and rock densities for each metre of the drill hole and back referencing to this for individual metres coming from the cone splitter. • Actual metal grades are not detailed in the ASX release. No correlation was observed between the amount of sample passing through the cone splitter and the geology or amount of sulphides observed.
Logging	• *Whether core & chip samples have been geologically & geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies & metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.* • *The total length & percentage of the relevant intersections logged.*	• All drilling in this ASX release is by reverse circulation (RC). RC holes are geologically logged on a 1m interval basis. Where no sample is returned due to voids or lost sample, it is logged and recorded as such. The weathering profile is logged with no washing/sieving as well as washed/sieving to identify the transition into fresh rock and to identify unweathered quartz veins. In fresh rock all RC chips are logged by washing/sieving. • Geological logging is qualitative and quantitative in nature. • Visual estimations of sulphides and geological interpretations are based on examination of drill chips from a reverse circulation (RC) drill rig using a hand lens during drilling operations. Chips are washed and sieved prior to logging.

Criteria	JORC Code explanation	Commentary
		• It should be noted that whilst % mineral proportions are based on standards as set out by JORC, they are estimation only and can be subjective to individual geologists to some degree. • Details of the sulphides, type, nature of occurrence and general % proportion estimation are found within the text of the release.
Sub-sampling techniques & sample preparation	• *If core, whether cut or sawn & whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc.& whether sampled wet or dry.* • *For all sample types, the nature, quality & appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Geochemical samples were taken from drill chips produced by a reverse circulation (RC) drill rig. All sampling techniques are described above. The nature and quality of the sampling technique was considered appropriate for the drilling technique applied and for the geochemical analysis sought. • As described above a cone splitter was used to split samples from the RC sample stream. The cone splitter was levelled prior to drilling and this level was checked at regular intervals throughout the drilling of each drill hole to ensure representivity of sample. • A field duplicate was taken for every metre sampled and both duplicate and original sample were weighed in the field using a hook based hand held scale to check for sample representivity. • Filed duplicates were introduced into the geochemical sample submission at approximately 1 in 20 samples or 5% of the sample stream. • Quartz sand blanks were introduced into the sample stream at 1 in 20 or 5%. • The laboratory introduced copper standards for samples from the area of copper veins (TLC holes) at the rate of 1 in 20 or 5% or at smaller intervals. • At the lab, samples were crushed to a nominal 2mm using a jaw crusher before being split using a rotary splitter into 400-700g samples for pulverising. • Samples were pulverised to a nominal >90% passing 75 micron for which a 100g sample was then selected for analysis. A spatula was used to sample from the pulverised sample for digestion. • The ALS geochemical laboratories in Adelaide use their own internal standards and blanks as well as flushing and cleaning methods

Criteria	JORC Code explanation	Commentary
		accredited by international standards. • Sample sizes and splits are considered appropriate to the grain size of the material being sampled as according to the Gi standard formulas.
Quality of assay data & laboratory tests	• *The nature, quality & appropriateness of the assaying & laboratory procedures used & whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make & model, reading times, calibrations factors applied & their derivation, etc.* • *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) & whether acceptable levels of accuracy (i.e. lack of bias) & precision have been established.*	• Geochemical analyses performed consisted of a four acid digestion and/or peroxide fusion before Inductively Coupled Plasma Mass Spectrometer (ICPMS) or Inductively Coupled Plasma Atomic Emission Spectrometer (ICPAES). This technique is considered a total analysis. • As described above the HHXRF used to determine which samples were selected for analysis in the area of the copper veins was calibrated using calibration discs and standardised compressed powders at the start of every day and approximately every hour when analysing. • All standards, blanks and filed duplicates are described above. • The total error for copper (Cu) concentrations as measured by field duplicates for the samples represented by this ASX release was +19.5% -15.9% (mean difference). This is considered within expectations for geochemical sampling of RC drilling and shows no significant bias towards the positive or negative.
Verification of sampling & assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical & electronic) protocols.* • *Discuss any adjustment to assay data.*	• Verification of significant intersections as shown by the results of geochemical analyses has been made via Redstone employees internally. • There has been no dedicated twinned holes in this drilling program. • All geological and geochemical data has been checked by both Redstone employees and Zephyr directors. All geological and drilling data has been entered into a Redstone Access database. The geochemistry is currently being analysed but will also eventually be included in the Access database.

Criteria	JORC Code explanation	Commentary
Location of data points	• *Accuracy & quality of surveys used to locate drill holes (collar & down-hole surveys), trenches, mine workings & other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality & adequacy of topographic control.*	• All drill hole collars referenced in this ASX release have been surveyed for easting, northing & elevation using an RTK GPS system which was left to calibrate for 1.5 hours prior to recording survey data for each project location. The accuracy according to the GPS unit averaged approximately 10cm for all recordings (north, south and elevations). Data was collected in MGA94 Zone 52 & AHD.
Data spacing & distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing & distribution is sufficient to establish the degree of geological & grade continuity appropriate for the Mineral Resource & Ore Reserve estimation procedure(s)&classifications applied.* • *Whether sample compositing has been applied.*	• Drilling has been for exploration only, spacing varies between targets. AT EM1A the spacing varies between 200m (E-W), 50m (N-S) and the final hole was drilled directly over the first, but vertical (refer to the table in the ASX release for actual locations)
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures & the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation & the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed & reported if material.*	• Drill angle details are given in the text of the release and in the table in the release. Orientation is according to the exploration target (see text of release for further details).
Sample security	• *The measures taken to ensure sample security.*	• All geochemical samples were selected by geologists in the field and sent directly to the laboratory from the field in a single vehicle, packaged in bulker bags. Results of geochemical analysis were sent directly to the designated Redstone geologist for entering into the Access database and for analysis.
Audits or reviews	• *The results of any audits or reviews of sampling techniques & data.*	• Not applicable

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement&land tenure status	• *Type, reference name/number, location & ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park & environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The EM1A target and Tollu project are located within E69/2450 (Western Australia). This exploration license is held by Redstone Resources. • The tenements are in good standing & no known impediments exist.
Exploration done by other parties	• *Acknowledgment & appraisal of exploration by other parties.*	• There has been limited recent exploration undertaken by other parties at Tollu and no previous exploration at EM1A.
Geology	• *Deposit type, geological setting & style of mineralisation.*	• The genetic origin is currently under review and part of a research project.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* o *Easting & northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip & azimuth of the hole* o *down hole length & interception depth* o *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material & this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• See the table in the release.
Data aggregation	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high*	• Compositing has been described above. The technique for compositing used entailed the lab crushing every metre to a nominal

Criteria	JORC Code explanation	Commentary
methods	*grades)&cut-off grades are usually Material & should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results & longer lengths of low grade results, the procedure used for such aggregation should be stated & some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	2mm crushed grain size before splitting off a 400-700g, sample using a rotary splitter, of each metre for compositing. The lab then proceeded to composite the 400-700g samples.
Relationship between mineralisation widths & intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known & only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	• No true widths have been stated in this ASX release, just downhole intercept lengths. However, for EM1A only, the angle of the modelled plate from the EM anomaly and the angle of the drill hole targeting the plate has meant that most drill holes intercept the target at a near perpendicular angle.
Diagrams	• *Appropriate maps & sections (with scales)&tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations & appropriate sectional views.*	• See ASX release
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low & high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Only observations are reported, see data details above for further information
Other substantive exploration data	• *Other exploration data, if meaningful & material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size&method of treatment; metallurgical test results; bulk density, groundwater, geotechnical & rock characteristics; potential deleterious or contaminating substances.*	• No other exploration data collected is considered material to this announcement.
Further work	• *The nature & scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations & future drilling areas, provided this information is not commercially sensitive.*	• The details of the nature of future work at Tollu and EM1A are currently being assessed.

Section 3 Estimation & Reporting of Mineral Resources

NOT APPLICABLE