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The Manager
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Electronic Lodgement

MODELLING OF HIGH PRIORITY VTEM TARGETS COMPLETED FOR WEST MUSGRAVE PROJECT, PROGRESSION TO GROUND EM AND DRILLING PLANNED

HIGHLIGHTS

- Detailed review and modelling of four priority airborne electromagnetic (VTEM_{max}) targets has been completed for Redstone's 100% owned West Musgrave Project in WA.
- The modelled VTEM_{max} targets confirm the potential for conductors indicative of Ni-Cu sulphide mineralisation on the Project.
- Ground electromagnetic (EM) surveys have been planned over Target EM1 and all 10 other targets in preparation for the 2018 exploration program and drill planning.
- The Company encourages all investors to update their contact details to stay informed on Company news here: <http://www.ozfinancial.com.au/LP/RedstoneResources-Details.aspx>

Redstone Resources Limited (ASX: RDS) ("Redstone" or the "Company") is pleased to announce it has completed a review of four priority airborne EM (VTEM_{max}) targets at its 100% owned West Musgrave Project in the West Musgrave region, Western Australia (the "Project") (Figure 1). Follow up ground EM is now being planned over high priority Target EM1 and over all 10 other airborne EM (VTEM_{max}) targets at the Project.

The intersection of disseminated sulphides over significant thicknesses in the 2017 drilling of Target EM1 upgraded the prospectivity of all other 10 airborne EM (VTEM_{max}) targets at the Project (ASX announcement 27 April 2018).

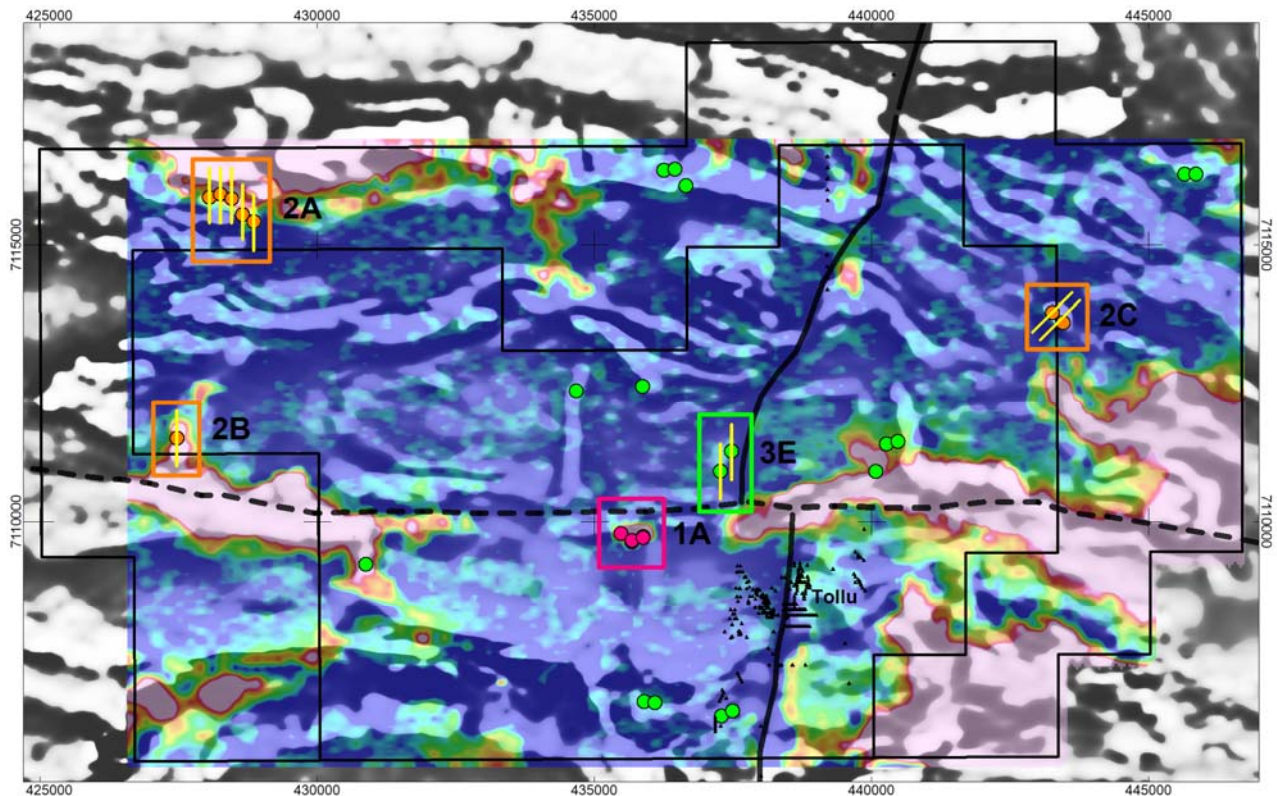


Figure 1 – Tenements E69/2450 and E69/3456 airborne magnetic image (grey) with late time Z component channel 45 (7.036 msec after turn off) as the colour image. Historical drilling and Tolu prospect shown in black. High priority conductive targets shown in pink and orange. Lower priority targets shown in green. Planned ground EM lines are shown in yellow.

MODELLING RESULTS OF HIGH PRIORITY EM ($VTEM_{max}$) TARGETS

Target 2A occurs on five airborne EM ($VTEM_{max}$) lines (200m spacing). The Target 2A has been modelled on a single line (L1080) as a 30° north dipping plate with a depth extent of 180m and conductance of 250S (Figure 2). The depth to the top of the plate is ~ 190 m.

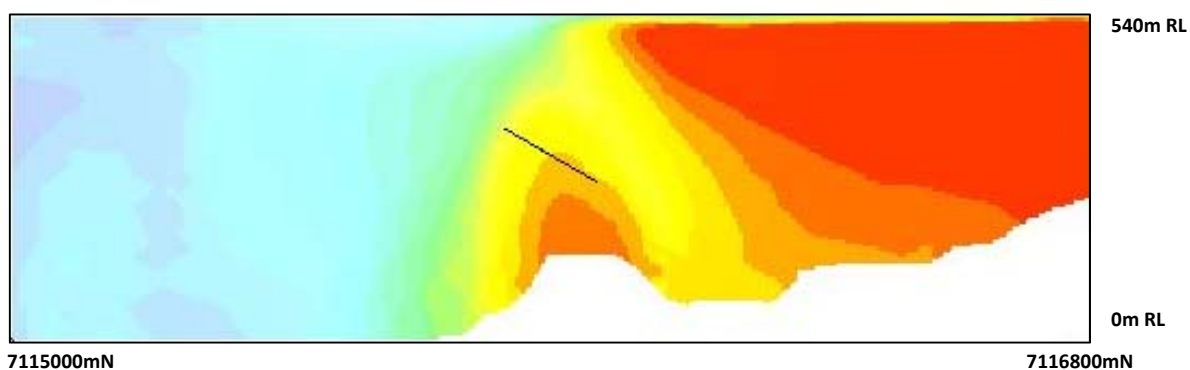


Figure 2 – Target 2A $VTEM_{max}$ L1080 resistivity depth inversion (RDI) with modelled plate (black). Red – high conductivity, blue – low conductivity.

Target 2B occurs on a single airborne EM ($VTEM_{max}$) line and data indicates that the conductor is subvertical at a maximum depth of 330m below surface. One line of ground EM is planned to confirm the target and provide a drill target.



Target 2C occurs on two airborne EM (**VTEM_{max}**) lines and is associated with a strong and discrete magnetic high. Airborne EM (**VTEM_{max}**) data indicates the presence of a conductor with a depth to top between 190 and 300m. Magnetic modelling shows the magnetic body is ~130m below surface. Two lines of ground EM are planned to confirm the target and provide a drill target.

Target 3E is in a highly prospective location, along the same north-south structure as Tollu. Airborne EM (**VTEM_{max}**) data indicates the presence of a deep conductor. Two lines of ground EM are planned to confirm the target and provide a drill target.

Commenting on the results of the review, Redstone Resources Chairman Richard Homsany said

“Redstone continues to be excited about the potential for a large Ni-Cu sulphide deposit such as the nearby Nebo-Babel deposit.”

“Upcoming ground EM surveying and drill targeting is the next step forward in assessing the potential of the West Musgrave Project for large-scale Ni-Cu sulphide deposits.”

Ground EM is expected to commence in the June 2018 quarter.

Redstone Resources has engaged OzFinancial to assist with investor communications and encourages all Shareholders to update their contact details to stay informed on Company news here:

<http://www.ozfinancial.com.au/LP/RedstoneResources-Details.aspx>

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**) 100% owned Tollu Copper Project ("**Tollu**"), part of the Company's broader West Musgrave Project (the "**Project**"), is located in the southeast portion of the prospective West Musgrave region of Western Australia. The Project is located central to the Cassini Resources Nebo Babel prospect to the West and the Metals X Ltd Wingellina Ni-Co project to the East.

The Company has identified copper prospects at the Chatsworth, Eastern Reef and more recently Forio at Tollu, highlighting the potential for multiple high grade hydrothermal copper lodes proximal to the main Tollu fault.

The Company recently completed a detailed ground-up review of the project geology incorporating the historic geological, geochemical and geophysical dataset. This review identified the suitability of the electromagnetic (EM) geophysical method for identifying potential targets and the company subsequently completed an airborne EM (**VTEM_{max}**) survey in April 2017.

This survey identified 11 priority targets, with the recently drilled high priority EM1A target, located 3.5km east of Tollu, identifying sulphide rich volcanoclastics.

For further information please contact:

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