



# REDSTONE RESOURCES LIMITED HANTAILS GOLD PROJECT PRESENTATION

**JULY 2020**



# Board of Directors and Company Overview



## Mr Richard Homsany

### ■ Chairman

- ▶ Corporate and commercial lawyer for over 25 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, Chairman of TSXV listed Central Iron Ore Ltd, 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 20 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.

## Mr Chris Banasik

### ■ HanTails Project Manager

- ▶ Mining executive with > 31 years' experience in resources across multiple disciplines.
- ▶ 15 years with Western Mining Corporation. Founding director of Silver Lake Resources Ltd which grew to an ASX 200 company with a market capitalisation over A\$1.0 billion with >650 personnel.
- ▶ Non Executive Director at Centaurus Metals

## Capital Structure – 27 July 2020

- ▶ Issued Shares (ASX:RDS) - 473,964,306
- ▶ Listed Options (ASX:RDSOB) expire 30 April 2021 - 47,015,048
- ▶ Share Price - \$0.015. 52 week High - \$0.06/Low - \$0.002
- ▶ Market Capitalisation - \$7.1M
- ▶ Cash (31 March 2020) - \$0.4M (incl \$0.2M R&D Rebate)
- ▶ Top 20 Holders – 61.0%

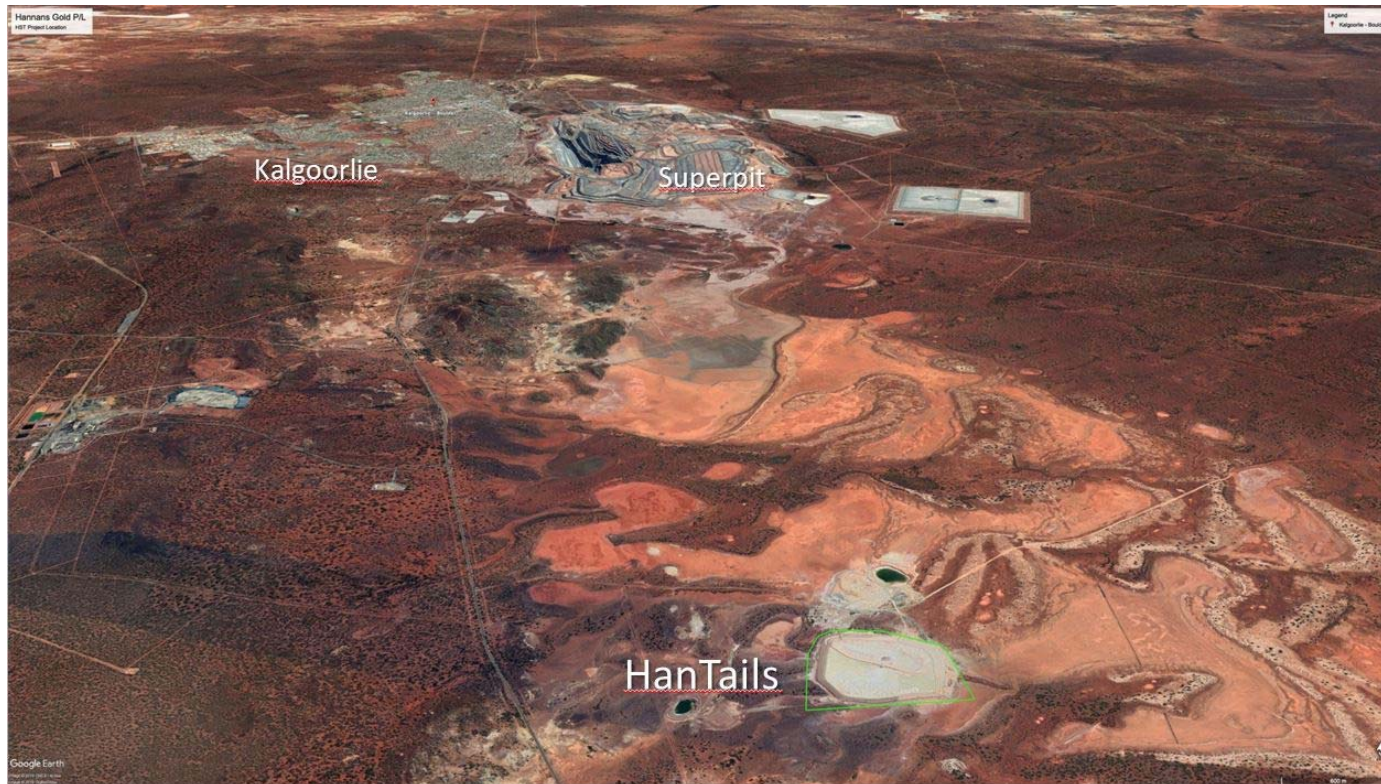


# Gold Tailings Project Investment Opportunity



Potential investment opportunity in the HanTails Project - 1980's large scale gold Tailings Storage Facility (TSF), located 15kms south of Kalgoorlie/Boulder in Western Australia.

Potential for approximately 6,300,000 cubic metres of gold tailings\*.



**Figure 1 – Aerial View of HanTails Project Location**

\*subject to more detailed survey.

# Gold Tailings Project Investment Opportunity



## HanTails TSF Project Highlights

- Development stage project
- Large scale gold mine TSF from 1980's
- Swift inexpensive path to defining resource
- Approx. 6,300,000m<sup>3</sup> of gold tailings\*
- No drill/blast, mining/crushing required
- Close to all required infrastructure
- Existing plant facilities in the vicinity
- 800m from power transmission line
- Water options adjacent to tenement

\*subject to more detailed survey



Figure 2 - Map of project proximity to Transmission line



Figure 3 - Surface of HanTails TSF



# HanTails TSF Project Background



HanTails TSF lies adjacent to the Hannans South open pit gold mine where operations commenced in May 1986.

Initial throughput rates of the Hannans treatment plant were 100,000 tonnes of gold bearing ore per year utilising Carbon in Pulp (**CIP**) process with tailings deposited in a shallow, purpose built dam, now the TSF.

Years of gold tailings deposition – 1986 to 2006

- Croesus Mining NL (Croesus) ownership of the TSF operation in 1987 - continued deposition of tailings into the TSF until 1990 when tailings deposited into the abandoned Hannan South HS1 pit.
- TSF recommissioned in 1995 and scale increased to 600,000 tpa. The TSF was expanded and commissioned at new throughput to March 1996.
- TSF operation ceased in 2006 when Croesus terminated operations.



Figure 4 – Hannans TSF



# HanTails – Gold Recovery & Cash Flow Opportunity



**The HanTails TSF Project has the potential to provide a near term cashflow and operational base for a broader goldfields exploration growth strategy.**

- Potential HanTails TSF volume of approx. 6,300,000 cubic meters of material (yet to be established - subject to verification by surveying and metallurgical density tests).
- The TSF feed consisted of a mix of primary, oxide and transitional ores from multiple gold deposits – including numerous separate deposits from Binduli and also ore from the Mt Monger and Wombola district some 35kms south of Hannans South. Therefore there is a likelihood that processing was not fully optimised and higher amounts of gold flowed out with the TSF.
- Average current TSF gold grade is not known. Plan to conduct air core drilling and metallurgical testing to verify gold recoverability rate.
- The successful 1990's KalTails tailings operation, where approximately 64 million tonnes were processed for the recovery of ~600,000oz gold<sup>1</sup>, is located just 8kms north of HanTails.



# Evaluation Plan for HanTails



Proposed next steps for the HanTails Project:

- Drill 42 vertical aircore holes on 80 metre centres.
- Evaluation to determine the need for further drilling and metallurgical recovery testing.
- If results are positive, calculate JORC compliant resource.
- Proceed to a feasibility study.



Figure 5 - Drill locations for initial program.

# HanTails Project, Western Australia - Details



<b>Project Name:</b>	HanTails
<b>Tenement Number:</b>	P 26/4308
<b>Tenement Area:</b>	56.81Ha
<b>Tenement Status:</b>	Granted
<b>Tenement Commencement:</b>	03/04/2019
<b>Tenement Expiry:</b>	02/04/2027 (subject to extension in 2023)
<b>Project Commodity:</b>	Gold
<b>Expenditure Commitment:</b>	Rent for period end 02/04/20 \$156.75 (Paid in full) Expenditure for year end 02/04/2020 \$2,280 No private Royalties No Rehab Liability (fresh lease)
<b>Location:</b>	15kms south from Kalgoorlie/Boulder
<b>Access:</b>	Airport/Rail – Kalgoorlie Kambalda Road – Adjacent to sealed Goldfields Highway, Established all weather haul roads within the tenement.



*Figure 6 - HanTails Project Proximity to Water*



# HanTails Resource Potential



Potential for a standalone resource:

- The TSF layered ‘pancake’ structure suggests that each layer will likely represent the ore processed at that period.
- Hannans South treatment plant treated gold tailings material from various sources over many years – likely that the recovery of gold may have been compromised compared to modern treatment plants.

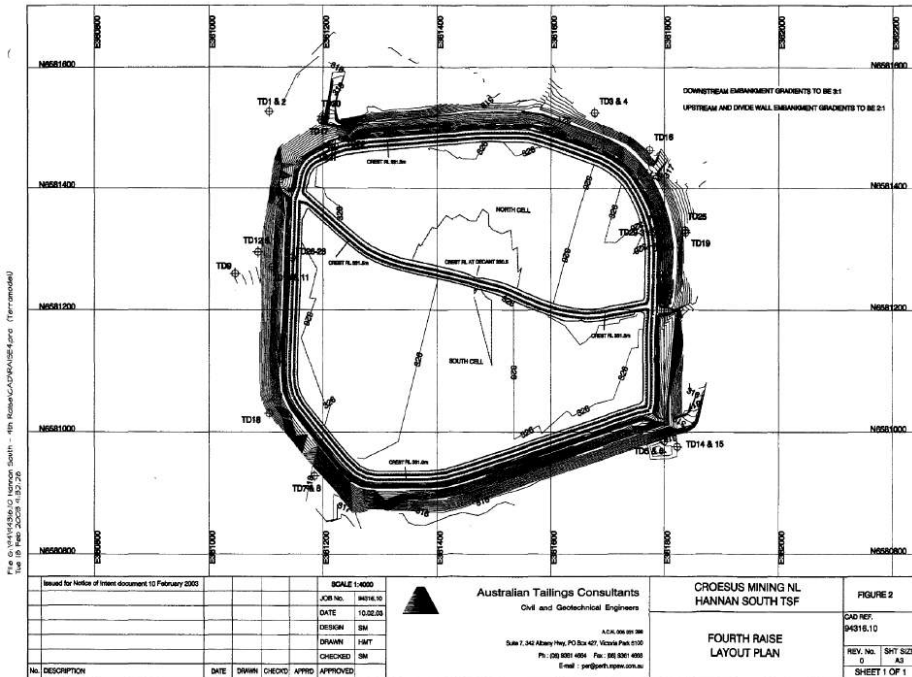


Figure 7 - HanTails TSF Engineering Layout

- Older style CIP/CIL plants and results from treatment of oxide material and transition to fresh or hard rock would degrade recovery, especially when toll milling of various ore introduced.



# Why Invest in HanTails Project

- ✓ Large scale gold TSF
- ✓ Approximately 6,300,000 cubic metres of gold tailings\*
- ✓ Located 590kms east of Perth and 15kms south of Kalgoorlie/Boulder WA, the heartland of Australian gold production with outstanding local infrastructure and mining services support
- ✓ Several operational gold mills/processing facilities in the vicinity.
- ✓ Power and water options nearby.
- ✓ Access to Project via sealed roads, close to Kalgoorlie airport.
- ✓ All weather haulage roads within tenement.
- ✓ Very swift and inexpensive pathway to resource definition.
- ✓ Development stage project.
- ✓ Possible cashflow generation in a shorter timeframe.



*Figure 8 – HanTails Project – Road Access and potential water resources from disused neighbouring pits*

\*subject to more detailed survey.

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Information included in this document is dated 27 July 2020.

## References

<sup>1</sup> **Environmental Resources Management Australia – KCGM Kaltails TSF Hydrogeological Review June 2006; and**

**Tailpro Consulting case study:**

<https://www.tailings.info/casestudies/kaltails.htm>.

