



30 July 2015

Company Announcements Office  
Australian Stock Exchange Limited  
20 Bridge Street  
SYDNEY NSW 2000

Electronic Lodgement

## **\$1.0 Million R&D Rebate Received Drilling Preparations Underway at Tollu**

### **Highlights and Key Activities Underway:**

- ✓ **\$1.0 Million R&D Rebate received**
- ✓ **Programme of Works lodged**
- ✓ **Native Vegetation Clearing Permit lodged**
- ✓ **Drill contractor tendering process underway**
- ✓ **Drilling activities planned to commence September 2015, pending receipt of heritage clearances and DMP approvals**
- ✓ **Programme includes resource definition drilling targeting near surface oxide potential**
- ✓ **Programme also includes potential to significantly expand global exploration target**
- ✓ **Maiden copper JORC Resource for 100% owned Tollu Project is a priority outcome**

Further to the ASX announcement of 9 June 2015, Redstone Resources Limited (**ASX: RDS**) ("**Redstone**" or the "**Company**") is pleased to advise that it has received a Research and Development tax offset of approximately \$1.0 million from the Australian Tax Office (the "**R&D Rebate**"). Funds from the R&D Rebate will make a significant contribution to the Company's capital requirements over the next 12 months, which include drilling and exploration activities on the Company's 100% owned Tollu Copper Project (the "**Project**").

Subsequent to receipt of the R&D Rebate, the Company is now pleased to provide an update on the upcoming 2015 work programmes for the Project. Key activities undertaken to date include lodging the Programme of Works and Native Vegetation Clearing Permit for a staged drilling programme. This programme includes a targeted deep diamond drilling programme proposed to commence in September 2015. The extent of exploration activities undertaken in this campaign depends on the level of any further funding received.



### Aim of the Programme

The initial works programme is aimed to achieve a maiden JORC resource and further develop our exploration techniques by:

1. Infill Reverse Circulation (RC) drilling programme - Targeting near surface hydrothermal copper (oxide and sulphide) mineralisation. The main activity will be concentrated on the known higher-grade zones at the Chatsworth, Main Reef and Eastern Reef prospects within the Tollu Project. A key outcome of this programme is to confirm the continuity of mineralisation and to deliver a maiden JORC resource, the size of which will depend on the amount of any further funding received.
2. Diamond (NQ) drilling programme – Targeting deeper high grade hydrothermal copper mineralisation. There is also an opportunity to significantly expand the size of the conceptual exploration target that presently exists at Tollu.

Redstone aims to complete the fieldwork component of this programme by October 2015.

### Indicative Timetable

Redstone anticipates its planned activities to follow the indicative timetable below, however is mindful that a number of items are outside of its control, and hence this indicative timetable may be subject to change:

Milestone	July 2015	August 2015	September 2015	October 2015
POW Submitted				
Native Vegetation Clearing Permit Submitted				
Additional Funding				
Drilling Contracts Tender & Award				
DMP Approval				
Native Vegetation Clearing Permit Approval				
Heritage Clearance Approval				
Drilling Programme				



### Tollu Project (Redstone 100%)

Redstone's 100% owned Tollu Project is located in the southeast portion of the West Musgrave region of Western Australia (**Figure 1**). The project is approximately 20km south east of the Blackstone Community on Company's 100% owned tenement E69/2450 (**Figure 2**).

The Tollu Project consists of a large swarm of hydrothermal copper rich quartz veins in a mineralised system covering an area at least 5km<sup>2</sup>. Malachite rich gossans associated with quartz veins are exposed at surface and form part of a dilatational system between two major structures within the Tollu Fault Zone.

The Tollu Project has a conceptual exploration target (the **"Target"**) of 22 to 33 million tonnes of mineralisation at a conceptual grade range of 0.9 - 1.3% Cu. The initial focus is on the Chatsworth Prospect, the Eastern Reef Prospect, the Main Reef Prospect and the Dawyck Prospects.

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.



Figure 1 – West Musgrave - Location Map

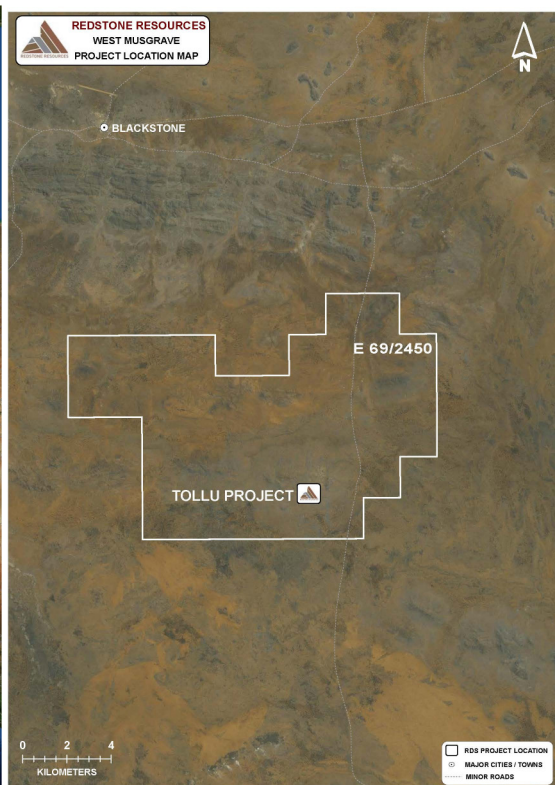
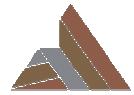


Figure 2 – Tollu Project – Location Map

### Competent Persons Statement

The information in this announcement that relates to exploration results 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.

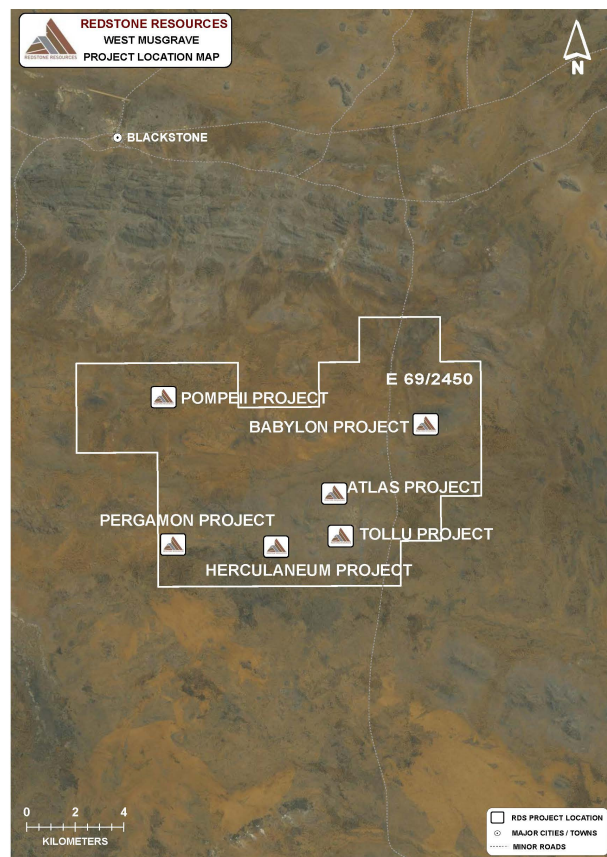


## ABOUT REDSTONE RESOURCES

Redstone Resources Ltd (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 Tollu Project consists of a large swarm of hydrothermal copper rich quartz veins in a mineralised system covering an area at least 5km<sup>2</sup>. Malachite rich gossans associated with quartz veins are exposed at surface and form part of a dilatational system between two major structures within the Tollu Fault Zone.

The Company has also identified the potential for a number of other projects on the Tollu tenement (E69/2450) in addition to the Tollu Project.



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