



31 July 2015

QUARTERLY REPORT

For the Period Ending 30 June 2015

The Board of Redstone Resources Limited (ASX Code: RDS) (“Redstone” or “the Company”) presents its quarterly report for the period ending 30 June 2015 (“the Quarter”).

Redstone’s primary focus is the Tollu Project which is located in the southeast portion of the West Musgrave region of Western Australia. This Project hosts a giant swarm of hydrothermal copper rich veins in a mineralised system covering an area at least 5km². Copper mineralisation is exposed at the surface and forms part of a dilation system between two major shears. Redstone expects the Project’s mineralised area and the volume of hydrothermal mineralisation to increase significantly with further drilling.

KEY HIGHLIGHTS

- Development and preparation of a staged drilling programme on the Tollu Copper Project, which includes;
 - resource definition drilling targeting near surface oxide potential;
 - potential to significantly expand global exploration target;
 - potential to develop our exploration techniques; and
 - potential for a maiden copper JORC resource, a planned priority outcome.
- Preparation and lodgement of Programme of Work and Native Vegetation Clearing Permit;
- Continued promotional and fundraising activities;
- Lodgement of refundable Research and Development tax offset claim for a further \$1.0 million, for which funds were received in July 2015.

TOLLU

Key activities undertaken by the Company during the Quarter include preparation and lodgement of a Programme of Works and Native Vegetation Clearing Permit for a staged drilling programme (“**the Programme**”) on the Company’s 100% owned Tollu Copper Project (“**the Project**”). This Programme, which includes a targeted deep diamond drilling programme, is 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

During the Quarter, the Company commenced the development and preparation for a staged drilling programme on the Tollu Project. The initial Programme is aimed to achieve a maiden JORC resource and further develop the Company's exploration techniques by:

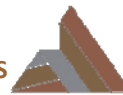
1. Infill Reverse Circulation (RC) drilling programme - Targeting near surface hydrothermal copper (oxide and sulphide) mineralisation. The main activity will be concentrated on the known higher-grade zones at the Chatsworth, Main Reef and Eastern Reef prospects within the Tollu Project. A key outcome 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.

CORPORATE

During the Quarter, the Company has continued its focus on fundraising and promotional activities for the purpose of commencing the Programme and developing the Tollu Copper Project whilst continuing to minimise costs.

In June 2015, subsequent to review and following supporting advice received from an independent top-tier global tax advisory firm the Company claimed a further refundable Research and Development tax offset of approximately \$1.0 million ("**the R&D Rebate**"). The R&D Rebate amount of \$1.0 million, which was determined under the self-assessment system, was received in July 2015. Funds from the R&D Rebate will make a significant contribution to the Company's capital requirements over the next 12 months.



PROJECT BACKGROUND

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 5km². 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.



Figure 1 – West Musgrave - Location Map

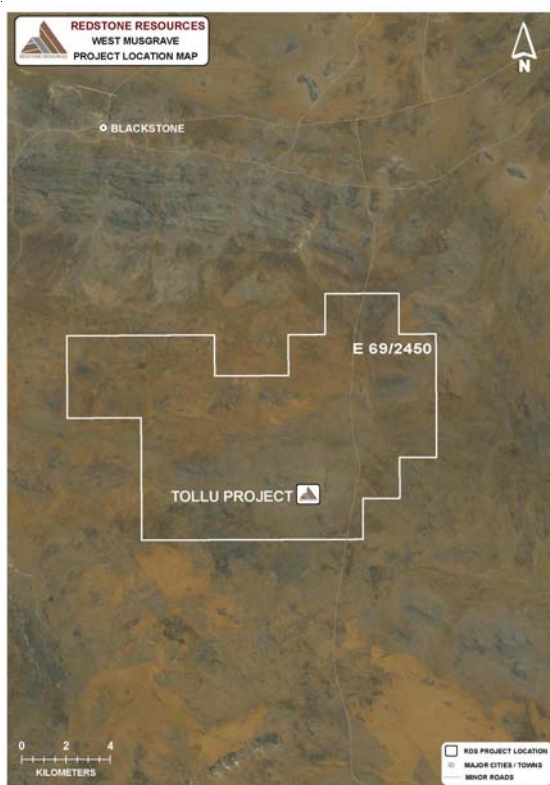
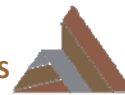


Figure 2 – Tollu Project – Location Map

The Company has renamed its existing prospects within the Tollu Project and has identified further prospects within the Tollu Project. There are now 16 prospects in total within the Tollu Project. The initial focus is on the Chatsworth Prospect, the Eastern Reef Prospect, the Main Reef Prospect and the Dawyck Prospects.

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, detailed below.



Tenement E69/2450 Prospectivity

Five additional projects have been identified on E69/2450 (**Figure 3**) as key sites to conduct mineral exploration. These Projects are:

- Atlas Project (prospective for IOCG & Mt Isa style-copper sediment-hosted).
- Babylon Project (prospective for IOCG & Mt Isa style-copper sediment-hosted).
- Pompeii Project (prospective for Mt Isa style-copper sediment-hosted).
- Pergamon Project (prospective for Mt Isa style-copper sediment-hosted).
- Herculaneum Project (prospective for Mt Isa style-copper sediment-hosted).

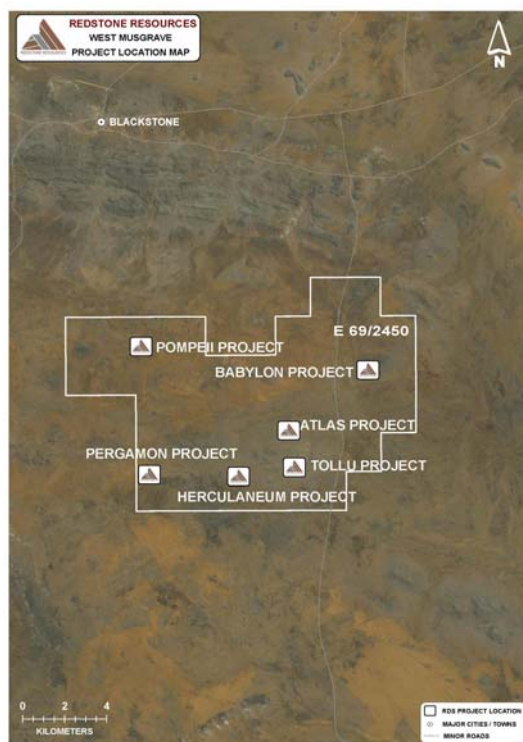


Figure 3 – Project –Location Map

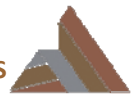
Tollu Project – Conceptual Exploration Target

Redstone has defined an increased Conceptual Exploration Target (**Target**) for the Tollu Project of 22 to 33 million tonnes of mineralisation at a conceptual grade range of 0.9 - 1.3% Cu. This includes an estimate of 4.3 to 6.4 million tonnes of mineralisation at a conceptual grade range of 1.6 - 2.4% on the Chatsworth Prospect.

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.

Atlas Project Background

The Atlas Project lies to the immediate north of the Tollu Project and is proximal to the Tollu Fault Zone (**Figure 4**). Most of the Project area appears to be under a thin Tertiary cover. Importantly, much of the architecture of Tollu is repeated in Atlas. In addition is the inclusion of intermediate volcanic rocks of the Hogarth Formation and the intrusion of a granite (**Figure 5**).



In combination with the proximity of the Tollu Fault Zone, and expanse of Tertiary cover, the Atlas Project is prospective for a blind Mt Isa style-copper sediment-hosted deposit.

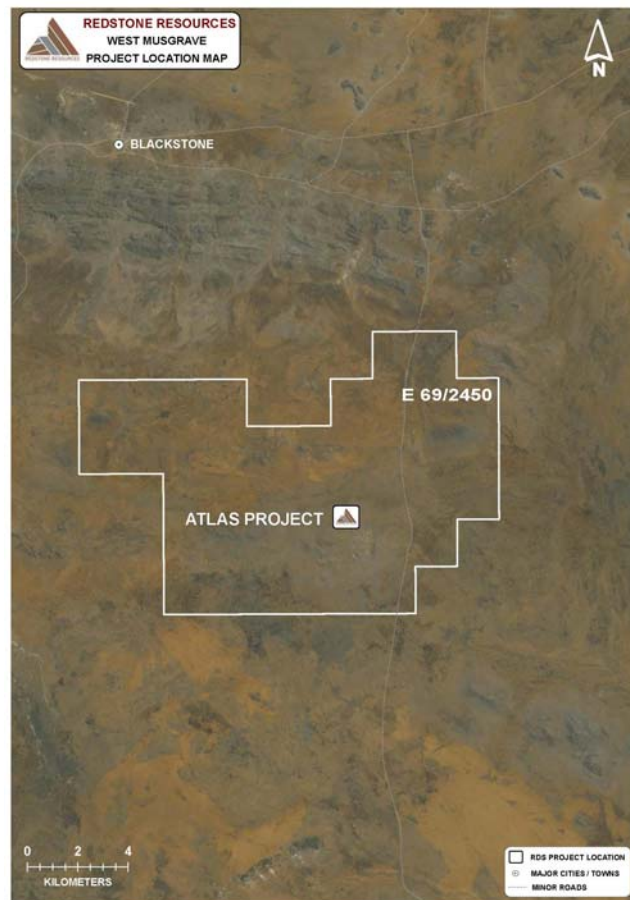


Figure 4 – Atlas Project –Location Map

The Atlas Project is also prospective for the IOCG mineralisation. In the northern portion of the Project, a felsic intrusion is positioned at the margin to the Tollu Fault Zone. Immediately north of this is a magnetised unit with a strike of 1200 metres and width of 500m (**Figure 6**).

The rock type is interpreted to be a porphyritic rhyolite. As a magnetised feature it could represent a portion of stratigraphy not demagnetised by the Tollu Fault Zone, or the footprint of a hydrothermal cell that caused magnetisation consistent with an IOCG analogy. Adjacent to this location, within the damaged and demagnetised domain of the Tollu Fault Zone is a rock specimen P709660. This specimen was studied by petrographic analysis by Teale and Associates (2006) and was observed to be a porphyritic rhyolite that has been sulphidised.

It contained pyrite, chalcopyrite, covellite, magnetite and haematite as accessory minerals. Abundant K-feldspar and biotite was present but it is unclear from the description if these were primary or a product of metasomatism. The observation of pyrite, chalcopyrite, covellite, magnetite and haematite favour an IOCG deposit model.

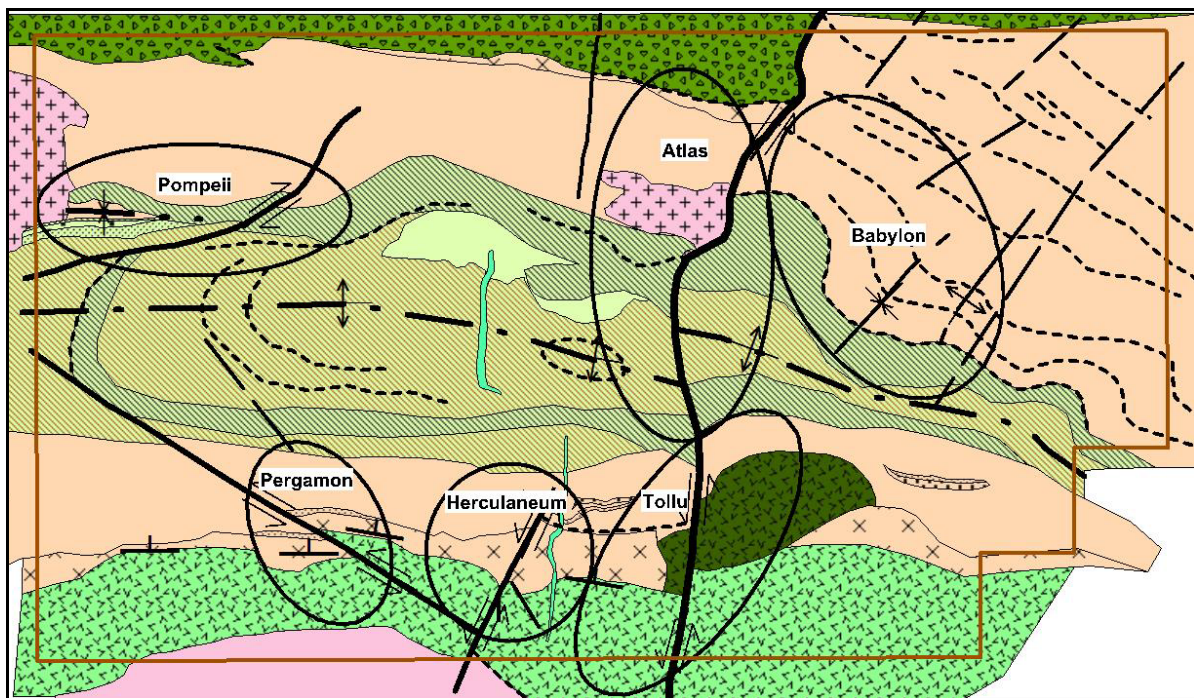
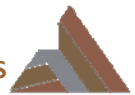


Figure 5. The location of the six Projects situated within E69/2450 that have been considered prospective for metal endowment. The main mineral system targeted is Mt Isa style-copper sediment-hosted mineral system. IOCG mineralisation is also considered to be plausible. The tenement outline is in brown.

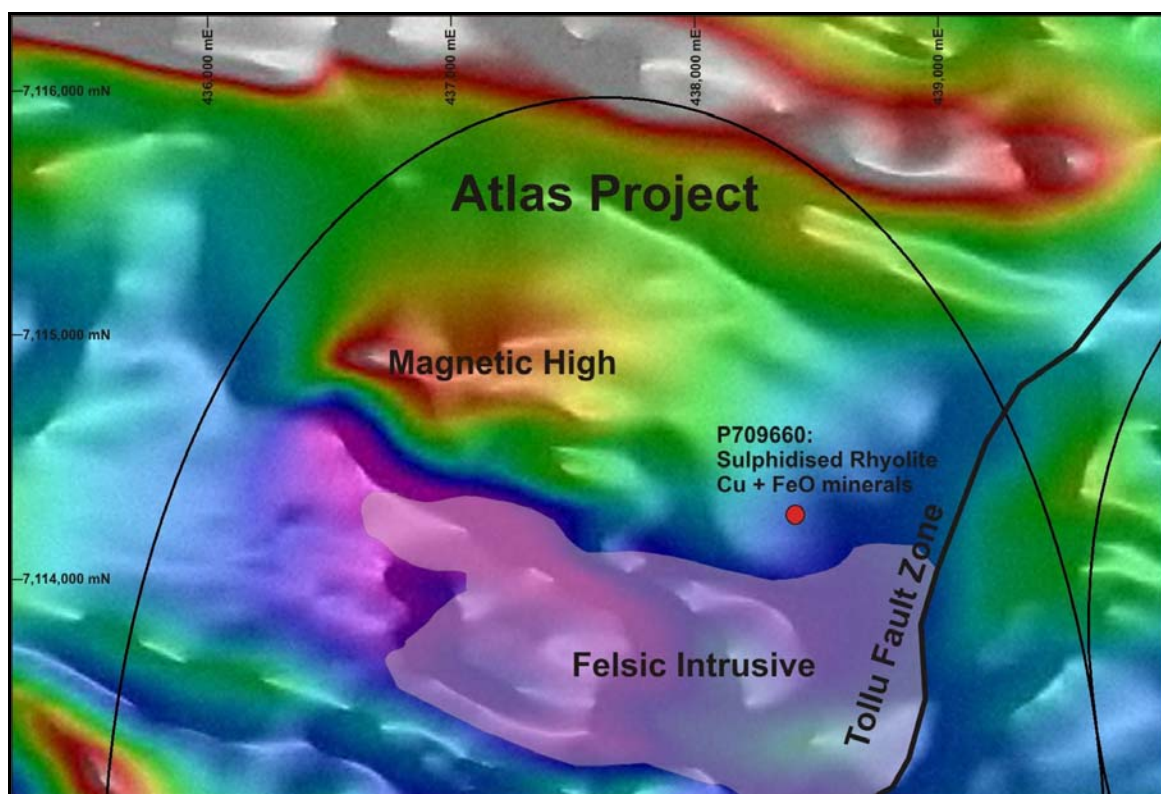


Figure 6. The spatial proximity of the sulphidised rhyolite as determined from petrographic thin section (2006), a magnetic high, a felsic intrusive and the Tollu Fault Zone.



Competent Persons Statement

The information in this announcement that relates to Exploration Targets and 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.

Forward-Looking Statements

This document may include forward-looking statements. Forward-looking statements include, but are not limited to statements concerning Redstone Resources Limited's (**Redstone**) planned exploration program and other statements that are not historical facts. When used in this document, the words such as "could", "plan", "estimate", "expect", "intend", "may", "potential", "should", and similar expressions are forward-looking statements. Although Redstone believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements.

TENEMENT INFORMATION AS REQUIRED BY LISTING RULE 5.3.3

The Company holds the following tenements at the end of the 30 June 2015 quarter.

TENEMENT SUMMARY AS AT 30 June 2015

West Musgrave, Australia

Project	Tenement	Registered Holder Applicant	Holder Interest	Consolidated Entity Interest	Grant Date (Application Date)	Expiry	Blocks	Area km2
Tollu	E 69/2450	Redstone Resources Limited	100%	100%	19/09/2008	18/09/2018	41	125.0
Blackstone Range	E 69/2108	River Gold Exploration Pty Ltd	100%	75%	28/04/2006	27/04/2015	39	121.0
Blackstone Range	E 69/2109	River Gold Exploration Pty Ltd	100%	75%	28/04/2006	27/04/2015	70	217.0
							150	463.0

Blackstone Range Project – E69/2108 and E69/2109: *Farmin with Resource Mining Corporation Ltd (ASX: RMI), Redstone earning 90%*

The Company has a beneficial interest of 75% in its Blackstone Range joint venture at the end of the Quarter. The Company did not acquire or dispose of any beneficial interests in any joint ventures, farm-in or farm out arrangements during the Quarter. These tenements are currently subject to Forfeiture Applications which are being defended.

The Blackstone Range Project tenements (E69/2108 and E69/2109) were due to expire on 27 April 2015, however an extension of term application was lodged for both these tenements with the Department of Mines and Petroleum on 24 April 2015.



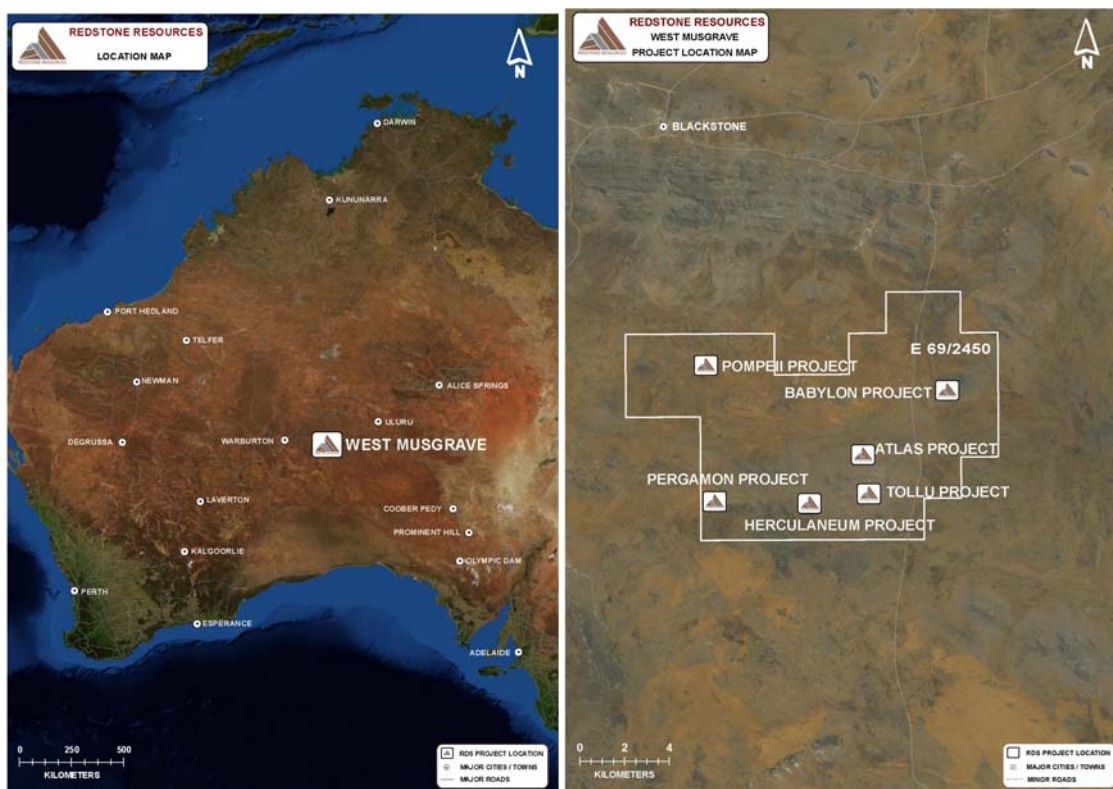
ABOUT REDSTONE RESOURCES

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 south-east 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 5km². 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 estimated to be 22 to 33 million tonnes of mineralisation at a conceptual grade range of 0.9 - 1.3% Cu. This includes 4.3 to 6.4 million tonnes of mineralisation at a conceptual grade range of 1.6 – 2.4% on the Chatsworth Prospect.

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Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

Redstone Resources Limited

ABN

42 090 169 154

Quarter ended ("current quarter")

30 June 2015

Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (12 months) \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(67)	(552)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(52)	(532)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	-	6
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	-
	R&D Rebate (gross)	-	239
Net Operating Cash Flows		(119)	(839)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
Net investing cash flows		-	-
1.13	Total operating and investing cash flows (carried forward)	(119)	(839)

+ See chapter 19 for defined terms.

Appendix 5B**Mining exploration entity and oil and gas exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(119)	(839)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other - capital raising costs	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(119)	(839)
1.20	Cash at beginning of quarter/year to date	180	900
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter*	61	61

* Redstone Resources Limited received approximately \$1.0 million R&D rebate in July 2015

Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

	Current quarter \$A'000
1.23 Aggregate amount of payments to the parties included in item 1.2	-
1.24 Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Nil fees paid during the quarter

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	150
4.2 Development	-
4.3 Production	-
4.4 Administration	150
Total	300

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	51	170
5.2 Deposits at call	10	10
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	61	180

Appendix 5B**Mining exploration entity and oil and gas exploration entity quarterly report****Changes in interests in mining tenements and petroleum tenements**

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	866.280/2007 Arinos	lapsed	100%	0%
6.2 Interests in mining tenements and petroleum tenements acquired or increased	Nil			

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities (description)				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	186,969,390	186,969,390		Fully Paid
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities (description)				

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options (description and conversion factor)	Quoted Options (ASX: RDSO) 31,356,966 Unquoted Options 2,000,000		Exercise price 20 cents 20 cents	Expiry date 28/02/16 04/12/17
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter	750,000 750,000		35 cents 45 cents	06/07/15 06/07/15
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: Date: 31 July 2015
(Company secretary)

Print name: Miranda Conti
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Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

- 2 The “Nature of interest” (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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