



30 October 2015

QUARTERLY REPORT

For the Period Ending 30 September 2015

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

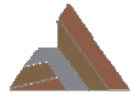
Redstone's primary focus is the Tollu Project which is located in the southeast portion of the West Musgrave region of Western Australia. This Project hosts a giant swarm of hydrothermal copper rich veins in a mineralised system covering an area at least 5km². Copper mineralisation is exposed at the 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 circa 8,000m RC drilling programme on the Tollu Copper Project, which includes;
 - drilling to target near surface oxide potential;
 - potential to significantly expand global exploration target;
 - to develop our geological understanding of the Tollu mineralised system; and
 - potential for a maiden copper JORC resource, an expected outcome.
- Programme of Works approval received;
- Native Vegetation Clearing Permit received;
- Receipt and review of drilling contractor tenders, with award of drilling contract imminent;
- Continued promotional and fundraising activities; and
- Receipt of Research and Development tax offset claim of \$1.0 million.

TOLLU PROJECT

Key activities undertaken by the Company during the Quarter include development and preparation of a drilling programme (the **Programme**) to commence in early November 2015. The proposed Programme includes completing circa 8,000 metres of RC drilling, specifically targeting the near-surface oxide potential of the Tollu Project. This programme will also improve the Company's understanding of the mineralised system and inform future exploration methodologies.



One of the expected outcomes for the Programme is the delivery of a maiden (JORC) copper resource for the Tollu Project. It is also proposed to include some targeted, deep diamond drilling as part of the Programme, however this – as well as the extent of any additional exploration activities or RC drilling – is dependent on the completion of funding initiatives.

The Company has identified a number of prospective targets ready for drilling at the Tollu Project, with the Programme designed to further develop the Company's exploration methodologies as follows:

1. Shallow RC drilling campaign: 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. The primary purpose will be the validation of the Tollu mineralised system. The delivery of a maiden (JORC) copper resource is an expected outcome, the size of which will depend on the amount of any further funding.
2. Diamond (NQ) drilling campaign: 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 the Tollu Project, applying the new exploration methodologies developed by the Company.

Redstone aims to complete the RC drilling and fieldwork component of the Programme by the end of December 2015 and will release drill assay results as they become available.

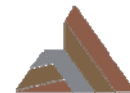
Programme of Works and Native Vegetation Clearing Permits

Other key activities completed in August and September 2015 in preparation for the Programme include the receipt of the requisite Programme of Works approval and Native Vegetation Clearing Permits from the Department of Mines and Petroleum.

Drilling contract award

During the Quarter the Company received and reviewed a number of tenders from preferred drilling contractors.

The Company has identified a preferred drilling contractor for the upcoming drilling and exploration activities on the Tollu Project. Award of the contract is imminent and drilling is planned to commence as soon as possible in November.



BLACKSTONE RANGE PROJECT

Applications for Forfeiture and Objection to Exemption Applications Dismissed

During the 2014 financial year Applications for Forfeiture (**the Plaints**) on the Blackstone Range Project tenements (E69/2108 and E69/2109) (**the ELs**) were lodged in the Wardens Court by Blackstone Exploration Pty Ltd in relation to the expenditure years ending 27 April 2013 and 27 April 2014 (collectively **the 2013 and 2014 Expenditure Years**). These Plaints were dismissed by order of the Warden on 31 July 2015.

Further, the Company lodged applications for exemption from expenditure for the ELs for the 2013 and 2014 Expenditure Years, which were subject to objections by Blackstone Exploration Pty Ltd. The application for exemption for the 2013 Expenditure Year was before the Mining Warden during the year, however on 31 July 2015 the Mining Warden also dismissed the objection applications by Blackstone Exploration Pty Ltd for both the 2013 and 2014 Expenditure Years.

Extension of Term

The Blackstone Range Project tenements (E69/2108 and E69/2109) were due to expire on 27 April 2015, however extension of term applications for a further one year period to 27 April 2016 were granted during the Quarter.

CORPORATE

Resignation of Director – Mr Clinton Wolf

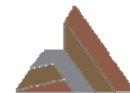
On 7 September 2015, Mr Clinton Wolf resigned as a non-executive director the Company.

\$1.0m R&D Rebate

In July 2015, the Company received a Research and Development tax offset of approximately \$1.0 million ("**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.

Funding and Capital Raising Activities

During the Quarter, the Company 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.



TOLLU 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 Tollu Project is approximately 20km southeast 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 of at least 5 square kilometres. 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**) in the range of 22-33 million tonnes of mineralisation at a conceptual grade range of 0.9-1.3% copper. The initial focus is on the Chatsworth, Eastern Reef, Main Reef and 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 resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.



Figure 1 – West Musgrave - Location Map

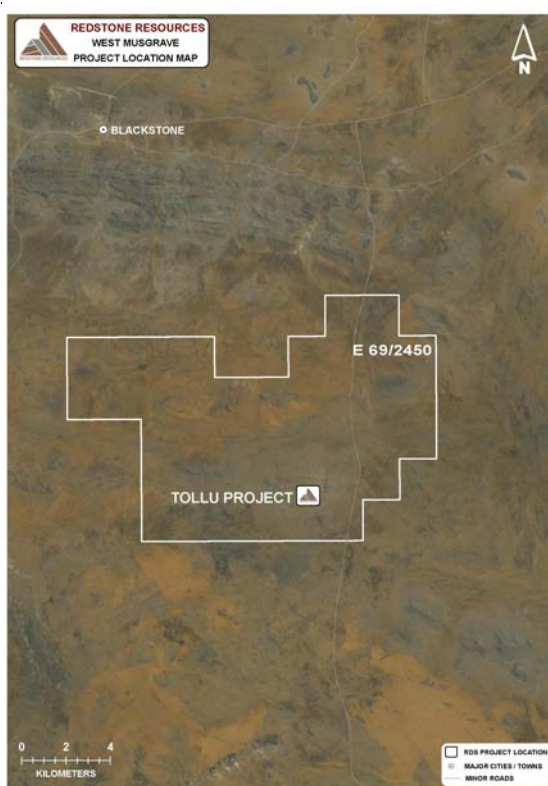
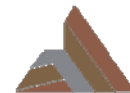


Figure 2 – Tollu Project – Location Map



Competent Persons Statement

The information in this announcement that relates to Exploration 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 September 2015 quarter.

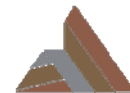
TENEMENT SUMMARY AS AT 30 SEPTEMBER 2015

West Musgrave, Australia

Project	Tenement	Registered Holder Applicant	Registered 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	27/04/2016	39	121.0
Blackstone Range*	E 69/2109	River Gold Exploration Pty Ltd	100%	75%	28/04/2006	27/04/2016	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.



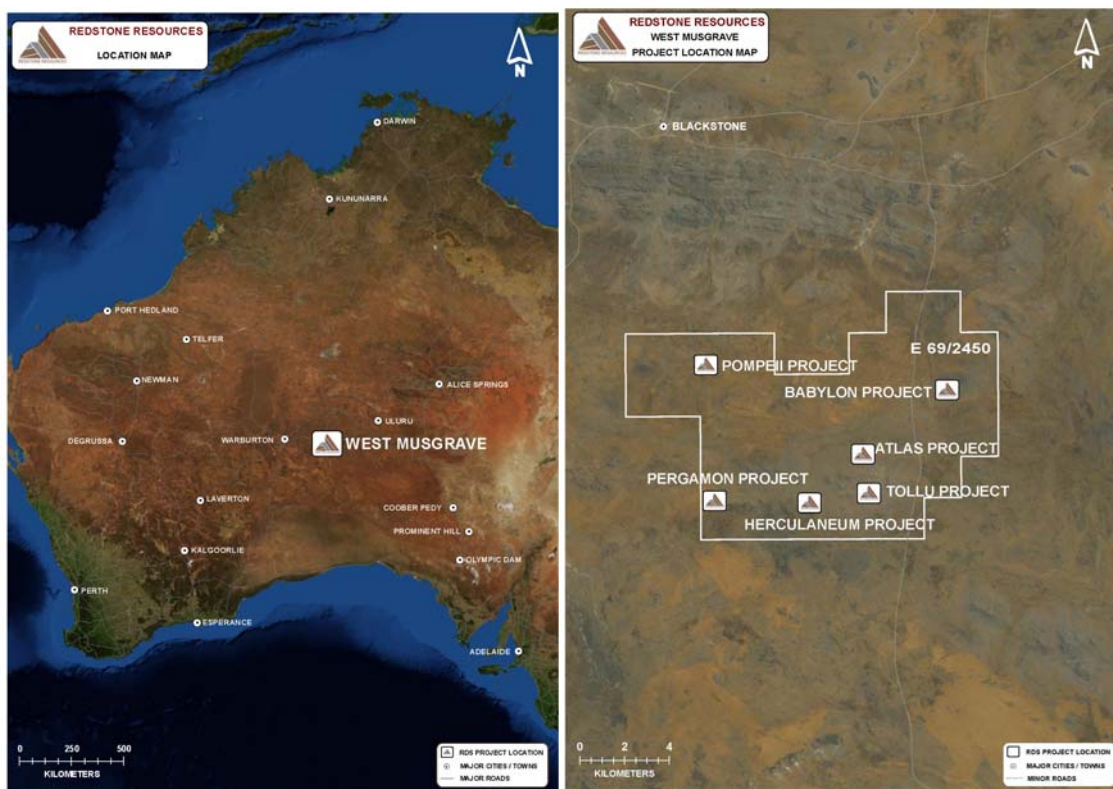
ABOUT REDSTONE RESOURCES

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.

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.



For further information please contact:

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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 September 2015

Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (3 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	(313)	(313)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(136)	(136)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	56	56
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)		
	Net R&D Rebate	833	833
Net Operating Cash Flows		440	440
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)	440	440

+ 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)	440	440
	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	440	440
1.20	Cash at beginning of quarter/year to date	61	61
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter*	501	501

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	65
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Directors Fees

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	325
4.2 Development	-
4.3 Production	-
4.4 Administration	125
Total	450

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	491	51
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)	501	61

+ See chapter 19 for defined terms.

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	Nil			
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.



30 October 2015

Sign here: Date:
(Company secretary)

Print name:
Miranda Conti

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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