



4 November 2015

Company Announcements Office  
Australian Stock Exchange Limited  
Level 4, 20 Bridge Street  
Sydney NSW 2000

### PRO RATA NON RENOUNCEABLE ENTITLEMENT OFFER

Redstone Resources Limited (**ASX Code: RDS**) (**Redstone** or **the Company**) is pleased to announce a partially underwritten pro rata non renounceable entitlement offer to raise up to \$1,262,043 (before costs) (**Entitlement Offer**) based on the current capital structure of the Company.

The offer will be made to eligible holders of shares in the capital of the Company (**Shareholders**) the basis of three (3) new fully paid ordinary shares in the capital of the Company (**New Shares**) for every four (4) existing fully paid ordinary shares in the capital of the Company (**Share**) held by eligible Shareholders on 11 November 2015 (**Record Date**) at an issue price of \$0.009 (**Offer Price**) per New Share.

The Offer Price represents a 25% discount to the last traded market Share price of \$0.012 and represents a discount of 54%, 41% and 29% to the monthly volume weighted average price of the Shares for July 2015, August 2015, and September 2015 respectively.

Shareholders will also receive two (2) free attaching options, exercisable at \$0.03 on or before 31 July 2017 (**New Option**) for every five (5) New Shares subscribed for and issued under the Entitlement Offer. An application will be made to the ASX for quotation of the New Shares and New Options (together the **New Securities**).

Shareholders will have the opportunity to apply for additional New Shares not subscribed for under the Entitlement Offer in excess of their entitlement, together with the corresponding number of free attaching New Options, under an additional new shares offer (**Additional New Shares Offer**). Any New Shares that are not taken up under the Entitlement Offer or the Additional New Shares Offer will be the subject of a shortfall offer (**Shortfall Offer**). The placement of New Shares under the Additional New Shares Offer and the Shortfall Offer will be at the discretion of the Directors. The Company may also issue New Shares under the Shortfall Offer to institutional, sophisticated or professional investors.



Cardinals Corporate Pty Ltd, a controlled entity of the Company Chairman, Mr Richard Homsany, has agreed to partially underwrite the Offer up to an amount of \$650,000. As a show of continued support for the Company, each of the other directors has also agreed to sub-underwrite the Offer up to a total of \$120,000.

Fractional entitlements will be rounded up to the nearest whole number.

Net proceeds raised from the Entitlement Offer, the Additional New Shares Offer and the Shortfall Offer (together **the Offer**) will be used, in conjunction with existing funds, for drilling and exploration activities on the Company's 100% owned Tollu Project, located in the West Musgrave, Western Australia and for general working capital.

The Offer will be made pursuant to a prospectus which was lodged with ASIC today (**Prospectus**). The Prospectus will be available on the ASX website and on the Company's website. A copy of the Prospectus will be mailed to all eligible Shareholders shortly after the Record Date. Shareholders and other potential investors should consider the Prospectus in deciding whether to acquire New Securities under the Offer. The Prospectus will provide further details on how to participate in the Offer.

Only Shareholders who have a registered address in Australia or New Zealand and who are registered on the Company's Share register at 5:00pm on the Record Date will be entitled to participate in the Entitlement Offer. The Company has decided that it is unreasonable to make offers under the Entitlement Offer to Shareholders outside Australia and New Zealand having regard to the small number of such Shareholders, their holdings and the compliance costs required to offer the New Shares under the Entitlement Offer to those Shareholders.

### **Investment Highlights**

- The Offer is priced at an attractive discount of 25% to the last traded market share price of the Company of \$0.012 and represents a discount of 54%, 41% and 29% to the monthly volume weighted average price of the Shares for July 2015, August 2015, and September 2015 respectively.
- The pre-Offer market capitalisation of the Company at the Offer Price is \$1,680,000.
- The Company owns a 100% interest in the Tollu Project in the West Musgrave, Western Australia, a potential large scale, high grade, near surface copper project.
- Funds raised from the issue of New Shares will be promptly used for an infill reverse circulation (RC) drilling programme of circa 8,000m targeting near surface hydrothermal copper (oxide and sulphide) mineralisation.
- A key outcome of the imminent RC drilling programme is to confirm the continuity of mineralisation and to deliver a maiden JORC resource.
- The drilling programme is planned to commence in November 2015. All approvals have been obtained and site preparations are underway. All drill targets have been defined.
- Subject to the extent of funding received, funds raised from the issue of New Shares under the Prospectus may also be used for a diamond (NQ) drilling programme targeting deeper high grade hydrothermal copper mineralisation.



- The Tollu Project has an Exploration Target\* of 22 million to 33 million tonnes of mineralisation at a grade range of 0.9 - 1.3% Cu, containing 198,000 to 445,000 tonnes of Copper. This includes the Chatsworth Prospect that estimates 4.3 to 6.4 million tonnes of mineralisation at a grade range of 1.6 - 2.4% Cu, containing 69,000 to 154,000 tonnes of Cu.

*\*The potential quality and grade of the Exploration 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.*

- There is also an opportunity to significantly expand the size of the conceptual exploration target that presently exists at the Tollu Project.
- The Tollu Project tenement (E69/2450) has significant exploration upside with less than 5% of the property explored to date.
- The West Musgrave province is highly prospective and underexplored.

#### **Indicative Timetable for the Offer**

The proposed timetable for the Offer is set out below.

Event	Date
Lodge Prospectus with ASIC	4 November 2015
Lodgement of Prospectus and Appendix 3B with ASX (includes application for Quotation of New Securities)	5 November 2015
Notice sent to Shareholders and eligible Option holders*	6 November 2015
'Ex' date (date from which Shares commence trading without the entitlement to participate in the Entitlement Offer)	9 November 2015
Record Date (for determining Entitlements) (5:00pm WST)	11 November 2015
Prospectus sent to Shareholders and Offer opens	16 November 2015
Closing Date	7 December 2015
New Securities quoted on ASX on a deferred settlement basis	8 December 2015
ASX and Underwriter notified of Shortfall	10 December 2015
Issue of New Securities and despatch of holding statements	11 December 2015
Trading of New Securities expected to commence	14 December 2015

\*The Company has sought from ASX, and has been granted, a waiver from ASX Listing Rule 7.40 to the extent necessary to permit the Company not to send the notice required by paragraph 3 of Appendix 7A of the ASX Listing Rules to the holders of the 31,356,966 Listed



Options (ASX: RDSO) currently on issue in the Company. Accordingly the Prospectus will not be sent to the holders of those options.

The timetable is indicative only and the Company reserves the right to vary it at any time without prior notice, subject to the ASX Listing Rules and the *Corporations Act 2001* (Cth). As such the date the New Securities are issued may vary.

## Capital Structure

The Company currently has 186,969,390 Shares, 31,356,966 ASX listed options (ASX: RDSO) and 2,000,000 unquoted options on issue. Following the issue of the New Securities under the Offer the capital structure of the Company, assuming full subscription, will be as follows:

	Securities currently on issue	To be issued under the Offer	Securities on Issue after the Offer <sup>(1)</sup>
Shares	186,969,390	140,227,043	327,196,433
Unquoted Options	2,000,000	Nil	2,000,000
Listed Options (ASX: RDSO)	31,356,966	Nil	31,356,966
New Options (ASX: RDSOA)	Nil	56,090,818	56,090,818

This assumes no Shares will be issued or options exercised before the Record Date and that the Offer is fully subscribed.

For further information please contact:

### Richard Homsany

Chairman  
Redstone Resources Limited  
+61 (08) 9328 2552  
[contact@redstone.com.au](mailto:contact@redstone.com.au)

### Miranda Conti

Company Secretary  
Redstone Resources Limited  
+61 (08) 9328 2552  
[contact@redstone.com.au](mailto:contact@redstone.com.au)

## 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.