

RDS INVESTOR PRESENTATION

August 2016



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COMPETENT PERSON'S STATEMENT

The information in this presentation that relates to exploration results, Exploration Targets and Mineral Resources 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.

Information included in this document is dated 8 August 2016.

Board of Directors and Company Overview



Richard Homsany

■ Chairman

- ▶ Corporate and commercial lawyer for over 20 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, holds various ASX and TSX public company board positions, and is the Chairman of the Health Insurance Fund of Australia Ltd.

Brett Hodgins

■ Technical 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.

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.

Capital Structure – 8 August 2016

- ▶ Issued Shares (ASX:RDS)
 - 326,047,245
- ▶ Listed Options (ASX:RDSOA)
 - 55,631,193
- ▶ Unlisted Options
 - 2,000,000
- ▶ Share Price
 - \$0.012
- ▶ Market Capitalisation
 - \$3.9m
- ▶ Cash (30 June 2016)
 - \$0.3m
- ▶ Top 20 Holders
 - 54%
- ▶ Related Party Holdings
 - 24%



Investment Highlights

- Focus on copper in West Musgrave region
- Large swarm of hydrothermal copper rich quartz veins in mineralised system covering at least 5km²
- Cu mineralisation identified from surface to 379m
- 2015 Tollar drilling campaign successful:
 - ▶ **Maiden JORC copper resource** of 3.8 millions at 1% Cu, containing 38,000 tonnes of Cu at Tollar
 - ▶ Potential confirmed for **low cost, near term, oxide operation** (8,000t Cu approx. JORC defined)
 - ▶ **Significantly increased Exploration Target** (circa 40%)
 - ▶ Elevated priority targets due to outstanding success at Forio
 - ▶ Prospectivity of tenement further increased
- Geophysical surveys identified multiple targets
- Huge **upside** as < 5% of property explored
- **Low cost entry** to a high leverage opportunity
- Drill targets very well defined
- Excellent relationship with Traditional Owners
- Extensive management and exploration experience – targeted and cost effective approach

West Musgrave



Economic Value of Proterozoic Mineral Systems

Think Giant!!



Giant Proterozoic Deposits

Telfer:

- ~30 Moz Au
- ~2 Mt Cu

Olympic Dam:

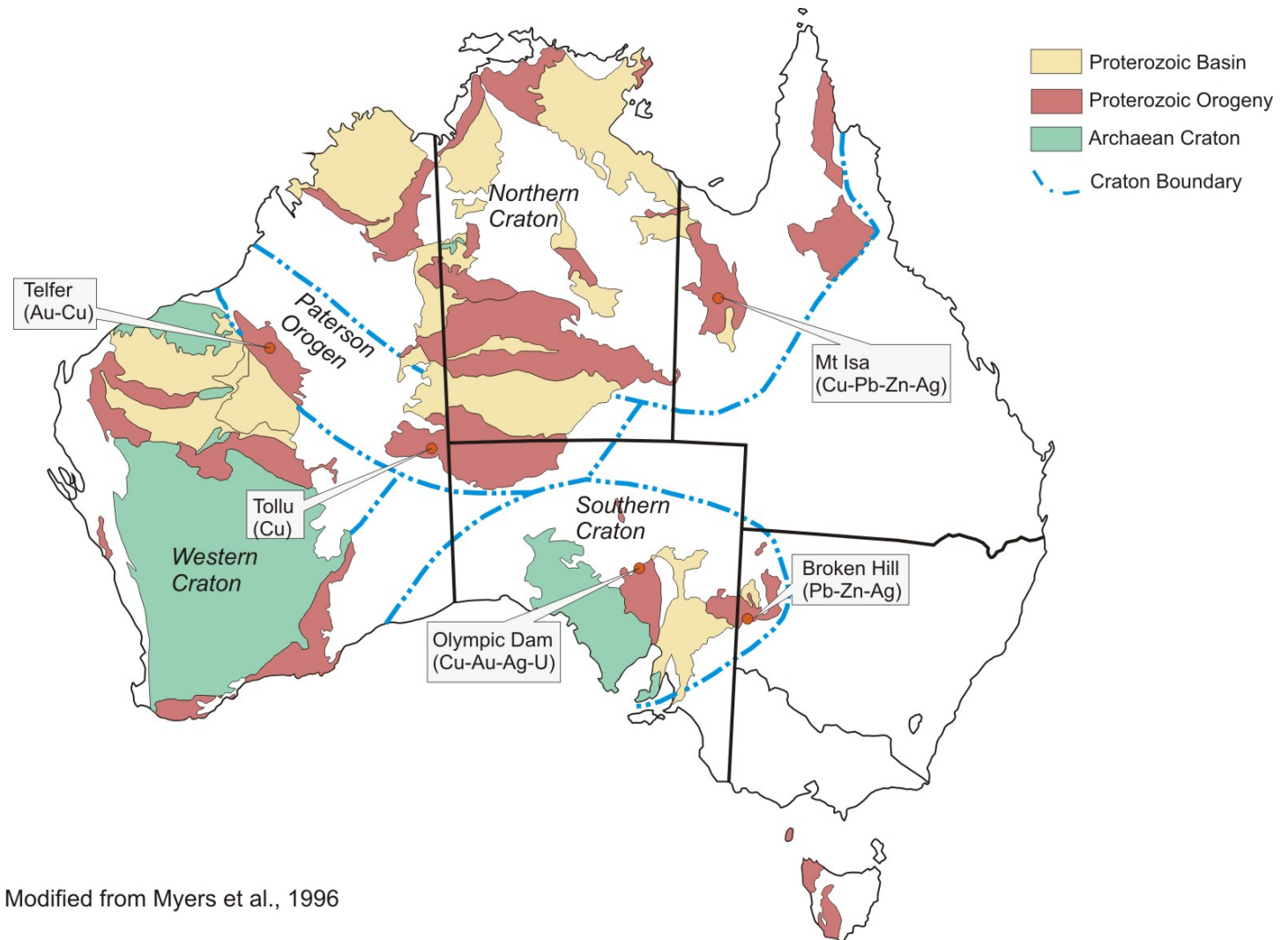
- ~83 Mt Cu
- ~2.6 Mt U
- ~94 Moz Au
- ~450 Moz Ag

Broken Hill:

- ~14 Mt Zn
- ~14 Mt Pb
- ~15,400 Moz Ag

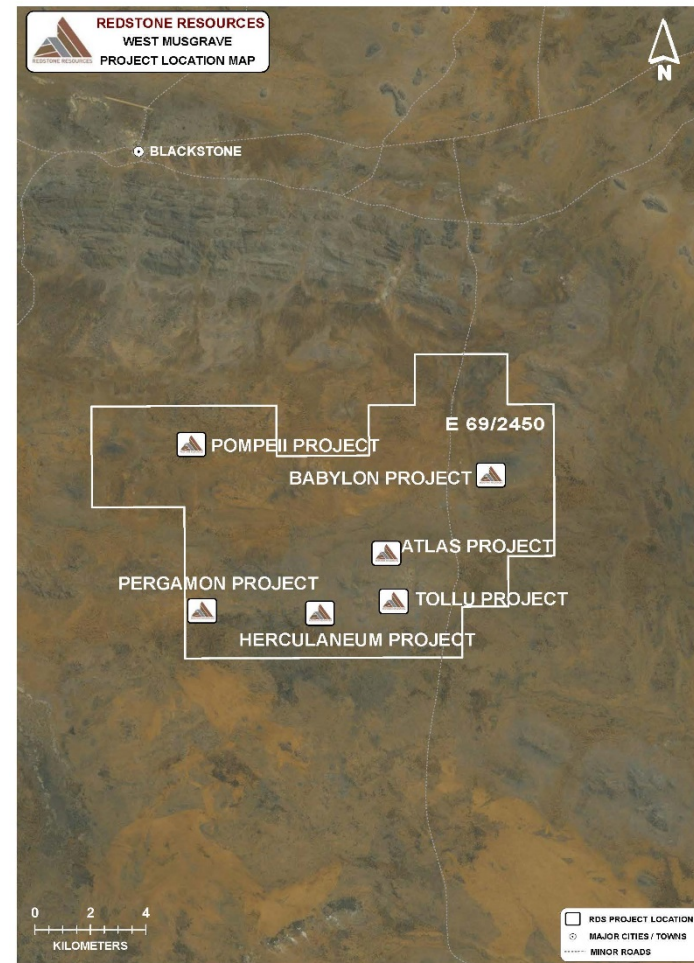
Mt Isa/ George Fisher:

- ~13 Mt Cu
- ~40 Mt Zn
- ~30 Mt Pb
- ~1,600 Moz Ag



Modified from Myers et al., 1996

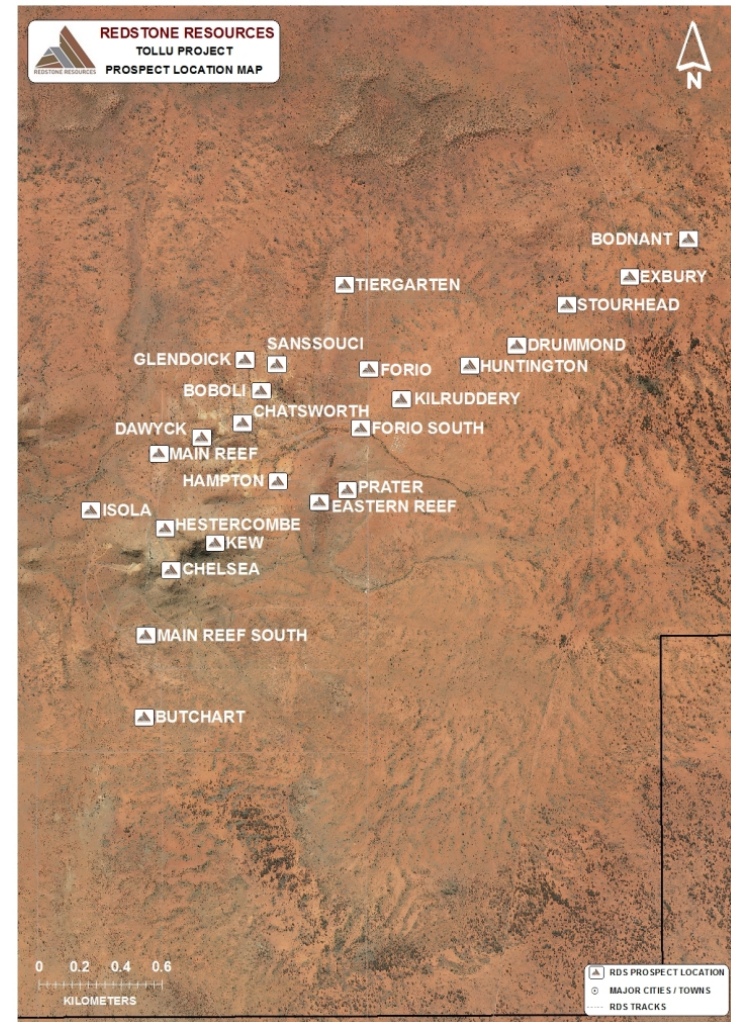
Redstone Resources – Location of Projects



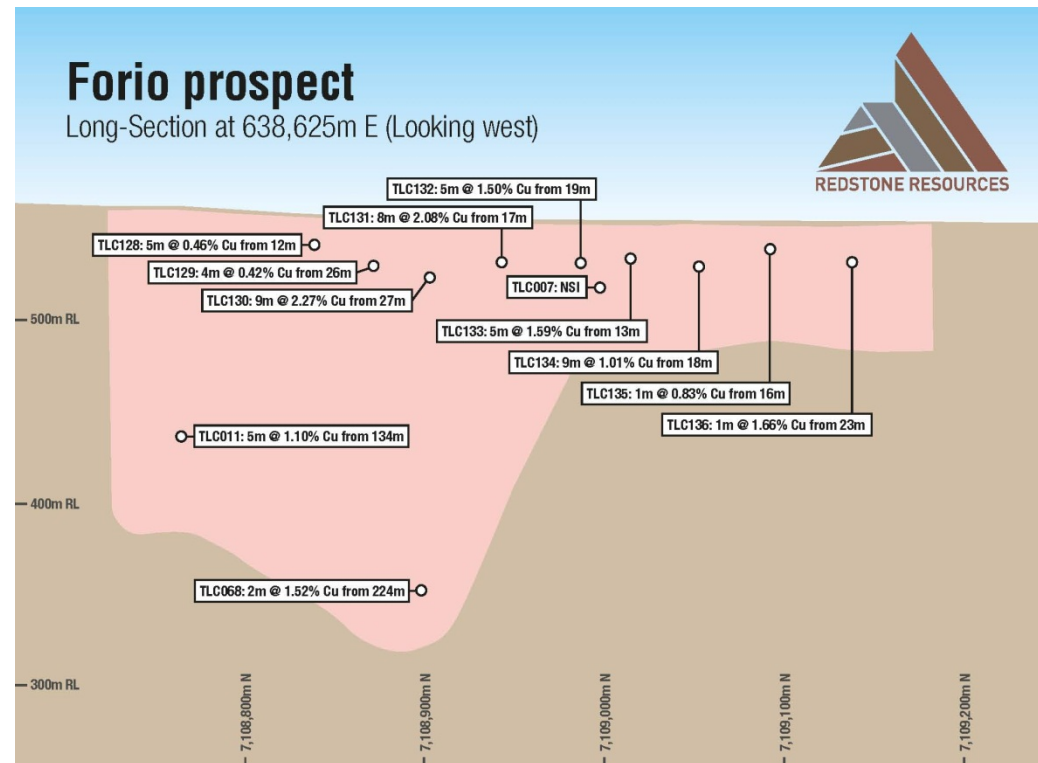
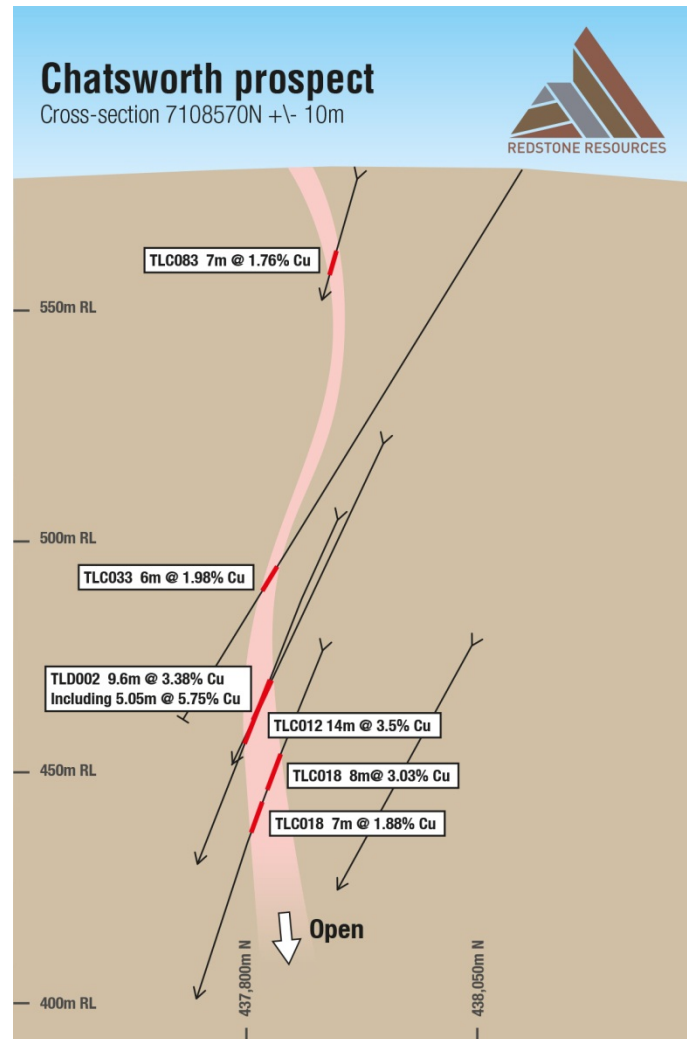
Tollu Project – 24 Prospects



- Redstone's 100% owned Tollu Project is located in the SE portion of the West Musgrave region of Western Australia, approximately 20km SE of the Blackstone Community
- 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 exposed at surface and form part of dilatational system between two major structures within the Tollu Fault Zone
- Forio remains open in all directions despite:
 - ▶ limited surface expression; and
 - ▶ not yet being effectively drilled out below 50m
- Forio results displayed the widest and strongest copper mineralisation discovered at this depth to date
- Forio has mineralised strike of 250m, same as Chatsworth prospect
- Seven (7) new "Forio look-alike" prospects and three (3) existing Forio look-alike prospects identified



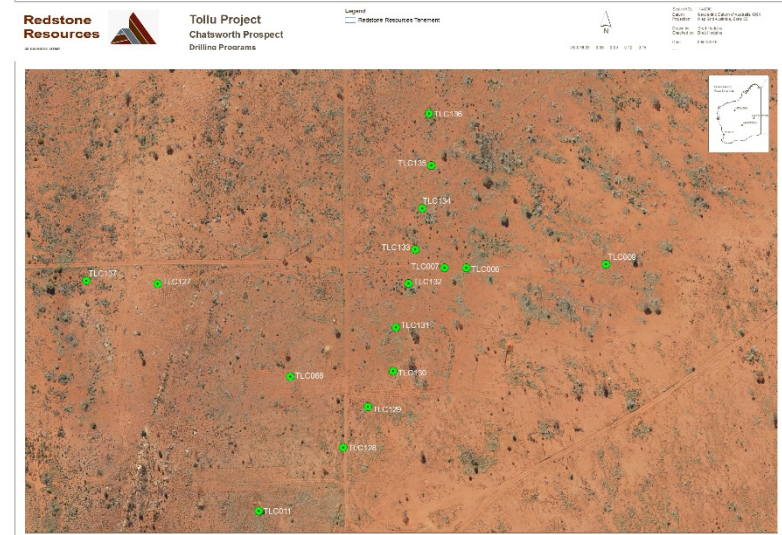
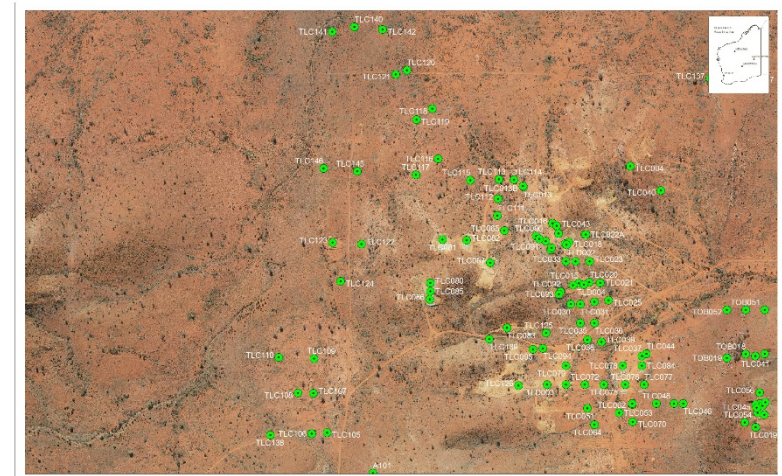
Proven Success in Identifying Cu mineralisation



Tollu 2015 Drilling Program



- 60 RC holes for 8,126 metres
- Drilling include the near surface oxide mineralisation
- Significant copper intercepts for the Chatsworth, Main Reef, Forio and Eastern Reef Prospects include :
 - ▶ 7m at 1.75% Cu from 30m (TLC088)
 - ▶ 9m at 1.07% Cu from 22m including 5m @ 2.6% Cu and 3m @ 1.7% Cu (TLC090)
 - ▶ 9m at 2.27% Cu from 27m (TLC130)
 - ▶ 5m at 2.13% Cu from 54m (TLC101)
 - ▶ 8m at 2.08% Cu from 17m (TLC131)
 - ▶ 1m at 1.66% Cu from 23m (TLC136)
 - ▶ 5m at 1.54% Cu from 93m (TLC125)
 - ▶ 5m at 1.50% Cu from 19m (TLC132)
 - ▶ 12m at 1.49% Cu from 178m (TLC087)
 - ▶ 2m at 1.47% Cu from 80m (TLC104)
 - ▶ 4m at 1.45% Cu from 147m (TLC137)



2015 Drilling Program – Maiden JORC Resource



■ Redstone has estimated an JORC 2012 Resource

- ▶ Initial JORC 2012 resource of **3.8 million tonnes at 1% Cu, containing 38,000 tonnes of copper at the Tollu Project.**
- ▶ Includes 8,000 tonnes of copper oxide, which provides scope for the evaluation of a low cost expedited development path as part of the broader development of higher grade sulphide prospects.

		Tollu Project Mineral Resource Estimate – June 2016		
Resource Classification	Prospect	Tonnes	Cu%	Contained Copper
Indicated	Chatsworth	394,607	1.6%	6,323
	Forio	69,268	1.1%	759
	Sub-Total	463,875	1.5%	7,081
Inferred	Chatsworth	403,701	1.6%	6,458
	Forio	602,630	1.1%	6,474
	Main Reef	850,210	0.7%	5,633
	Hamptons	266,576	0.9%	2,436
	Eastern Reef	1,309,138	0.8%	10,047
	Sub-Total	3,432,255	0.9%	31,048
Total Indicated + Inferred	Chatsworth	798,308	1.6%	12,780
	Forio	671,898	1.1%	7,233
	Main Reef	850,210	0.7%	5,633
	Hamptons	266,576	0.9%	2,436
	Eastern Reef	1,309,138	0.8%	10,047
Total Indicated and Inferred		3,896,130	1.0%	38,129

Tollu Project – Increased Exploration Target



■ Redstone has estimated an increased Exploration Target

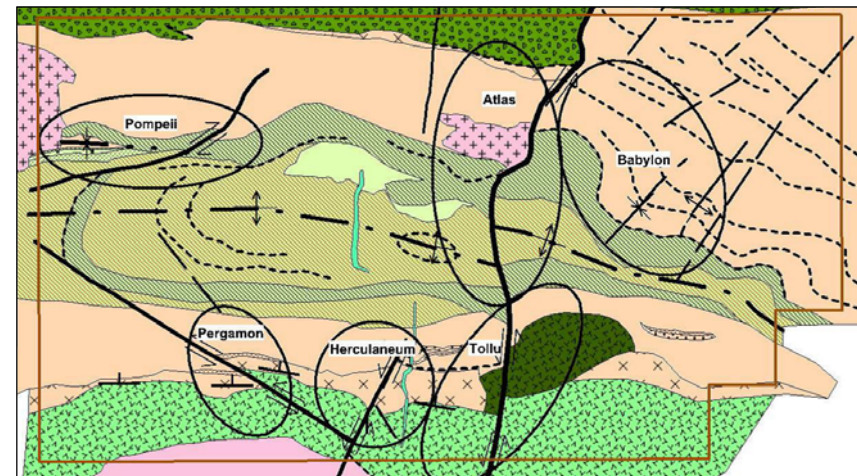
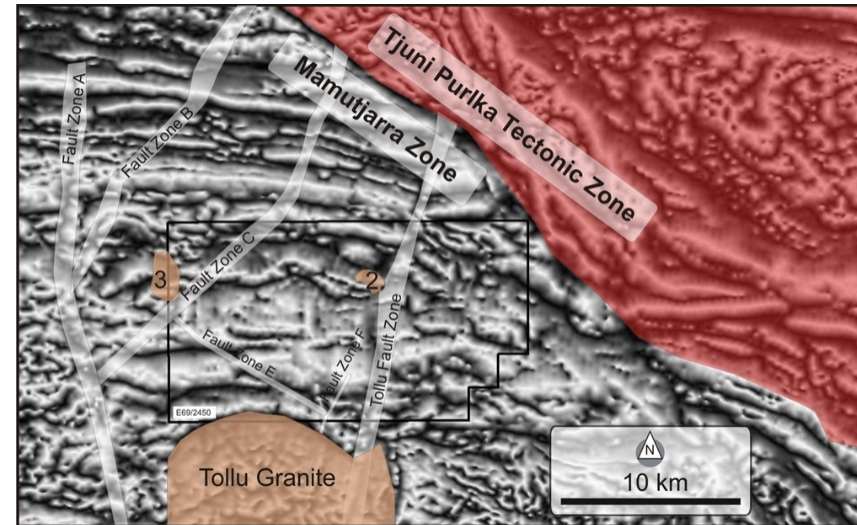
- ▶ 31 to 47 million tonnes of mineralisation at a conceptual grade range of 0.8 - 1.3% Cu, containing 259,000 to 626,000 tonnes of copper

Prospect	Tonnes Lower	Tonnes Upper	Grade Lower Cu%	Grade Upper Cu%	Contained Copper Lower	Contained Copper Upper
Huntington	1,872,000	2,808,000	0.9%	1.5%	16,800	42,100
Drummond	1,248,000	1,872,000	0.9%	1.5%	11,200	28,000
Stourhead	2,028,000	3,042,000	0.9%	1.5%	18,200	45,600
Exbury	520,000	780,000	0.9%	1.5%	4,600	11,700
Butchart	1,664,000	2,496,000	0.9%	1.5%	14,900	37,400
Main Reef South	4,784,000	7,176,000	0.8%	1.2%	38,200	86,100
Isola	936,000	1,404,000	0.9%	1.5%	8,400	21,000
Kilruddery	780,000	11,70,000	0.9%	1.5%	7,000	17,500
Bodnant	520,000	780,000	0.9%	1.5%	4,600	11,700
Sanssouci	1,456,000	2,184,000	0.9%	1.5%	13,100	32,700
Forio	1,976,000	2,964,000	1.2%	1.8%	23,700	53,300
Forio Deepes	1,393,000	2,090,000	1.2%	1.8%	16,700	37,600
Forio South	416,000	624,000	1.2%	1.8%	4,900	11,200
Eastern Reef	11,667,000	17,500,000	0.6%	1.0%	70,000	175,000
Dawyck	204,000	306,000	2.0%	3.0%	4,000	9,100
Hampton	175,000	262,000	0.8%	1.2%	1,300	3,100
Boboli	94,000	140,000	1.2%	1.8%	1,100	2,500
Tiergarten	42,000	62,000	1.2%	1.8%	400	1,100
TOTAL	31,775,000	47,660,000	0.8%	1.3%	259,100	626,700

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.

Five Additional Projects – Building Scale

- Atlas Project
 - ▶ North of Tollu Project
 - ▶ Prospective for IOCG & Mt Isa style deposits
- Babylon Project
 - ▶ Prospective for IOCG & Mt Isa style deposits
- Pompeii Project
 - ▶ Prospective for Mt Isa style deposits
- Pergamon Project
 - ▶ Prospective for Mt Isa style deposits
- Herculaneum Project
 - ▶ Prospective for Mt Isa style deposits



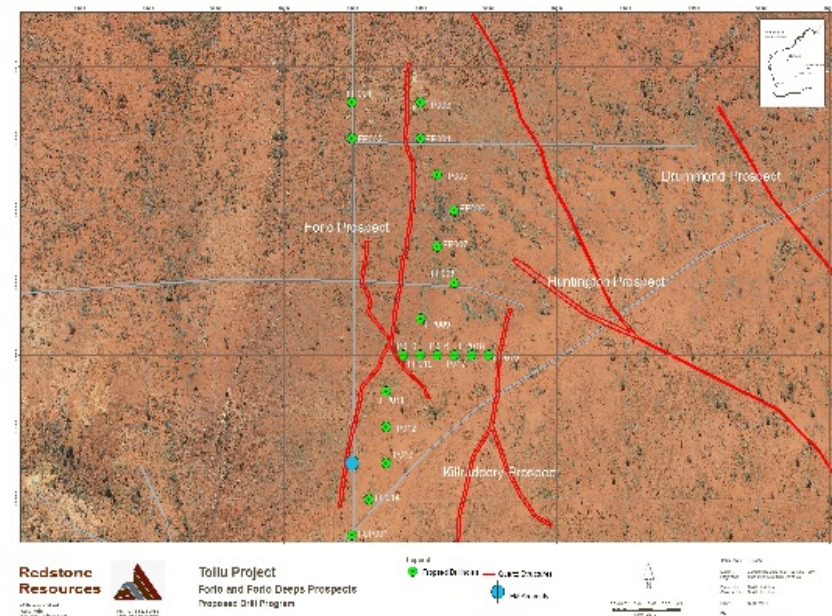
Exploration Strategy – Tollu Project



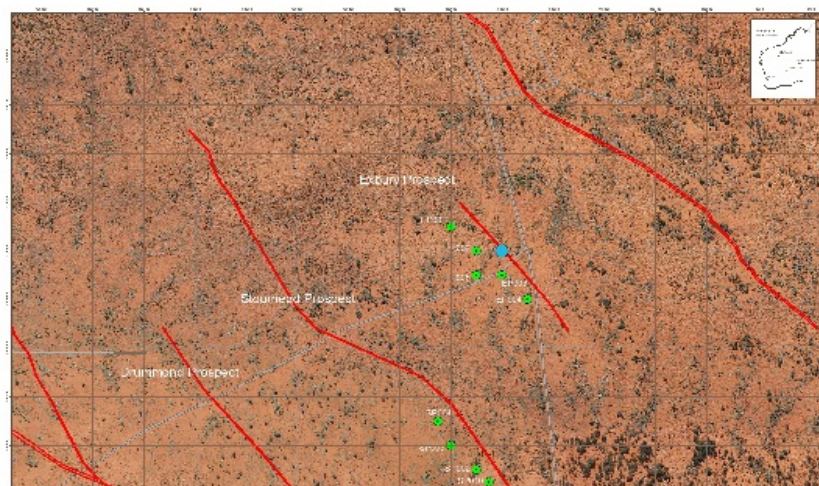
■ Next Tollu Project Drilling Program

- ◆ 8,000m RC drilling program on Forio “look-alike” prospects focused primarily in the oxidised zone*
- ◆ Forio Prospect
 - ◆ 19 RC holes for a total of 3,425m
- ◆ Forio South Prospect
 - ◆ 9 RC holes for a total 1,575m
- ◆ Stourhead Prospect
 - ◆ 10 RC holes for a total of 1,500m
- ◆ Exbury Prospect
 - ◆ 5 RC holes for a total 700m
- ◆ Killruddery Prospect
 - ◆ 10 RC holes for a total 800m
- ◆ Delivery of an updated JORC resource
- ◆ Increase the oxide JORC resource to expedite production profile that can fund extensive high grade sulphide exploration

**subject to availability of funding*



Exploration Strategy – Tollu Project



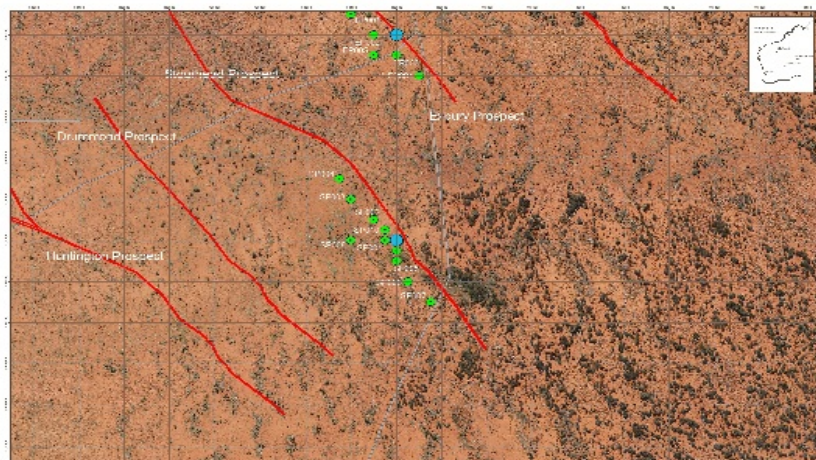
Redstone Resources
Tollu Project
Exbury Prospect
Proposed Drill Program



Redstone Resources
Tollu Project
Killybeggy Prospect
Proposed Drill Program



Redstone Resources
Tollu Project
Exbury Prospect
Proposed Drill Program



Redstone Resources
Tollu Project
Exbury Prospect
Proposed Drill Program

Exploration Strategy – Other Projects

■ Atlas / Babylon Projects

- ◆ Drilling program
- ◆ Further analysis and interpretation of existing geophysical and geological data
- ◆ Increase mapped area of the new projects
- ◆ Geochemical and rock sampling of new projects
- ◆ Significantly grow Exploration Targets

■ Pompeii / Pergamon / Herculaneum Projects

- ◆ Further analysis and interpretation of existing geophysical and geological data
- ◆ Increase mapped area of the new projects



Oxide Pathway to Early Development

- Exploration strategy focused on increasing the oxide resource initially and then evaluating deeper high grade sulphide resources
- Metallurgical testwork planned for oxide and sulphide ores
- Evaluation of low cost processing options for oxide ores including cementation, precipitation by sodium hydrosulphide or glycine leach
- Cementation precipitates copper from leach solutions in the presence of scrap iron. Iron dissolves into solution and precipitated copper metal recovered as flakes or powder on steel surface
- Scrap iron sources appear readily available, abundant and inexpensive for Tollu
- Benefits are:
 - ◆ simple process
 - ◆ low capital and operating costs, specifically in power consumption
 - ◆ low pregnant leach solutions (PLS) requirements
 - ◆ early cashflow to self-fund exploration for deeper high grade sulphide ores
- Cementation process has, and is still, being used commercially in Australia e.g. Mt Gunson (SA), Tritton (NSW)
- Ready made market for Tollu copper oxide product in South Australia – Adchem Australia (160km NNE of Adelaide)
- Evaluate use of tank leaching (cf heap leaching) to reduce lead time and expedite first production of copper
- Evaluation and study of low cost processing options to be undertaken



Development of Deeper High Grade Sulphides



■ Conceptual Study

- ▶ Engineering
- ▶ Marketing
- ▶ Metallurgy
- ▶ Geology
- ▶ Infrastructure
- ▶ Ore Transport
- ▶ Financial Evaluation
- ▶ Exploration
 - Regional Geology
 - Stratigraphy
 - Prospect Geology
 - Mineralisation

■ Conceptual Study – Approvals

- ▶ Environment
- ▶ Government approvals

■ Commence negotiations with traditional owners for mining agreement



Next Steps



■ West Musgrave Copper Focus

- ▶ By using low cost, near surface exploration techniques, the objective is to aggressively step-out and extend the region of known shallower mineralisation
- ▶ Build and leverage on existing dataset

■ Near Term Milestones

- ▶ Funding for further drilling (shallow oxide focus)
- ▶ Metallurgical testwork and results
- ▶ Drilling results
- ▶ Conceptual Study results
- ▶ Upgrade JORC Resource, with a focus on shallow oxide

Why Invest ?

■ World class exploration asset

- ▶ Extensive exploration activities completed (approx. RC 30,000m)
- ▶ Maiden JORC resource defined
- ▶ Oxide potential
- ▶ Outstanding and significantly increased Exploration Target (circa 40%)
- ▶ Clear strategy to maximize shareholder value
- ▶ Low cost entry
- ▶ Extensive management and exploration experience - targeted and cost effective expenditure

