



29 April 2016

QUARTERLY REPORT

For the Period Ending 31 March 2016

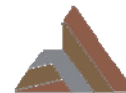
Redstone Resources Limited (**ASX Code: RDS**) ("**Redstone**" or "**the Company**") presents its quarterly report for the period ending 31 March 2016 ("**the Quarter**").

Redstone's primary focus is the advancement of the Tollu Project, 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 OUTCOMES

- ✓ **Analysis of RC drilling program assay samples**
- ✓ **Confirmation of shallow oxide/transitional copper mineralisation potentially amenable to evaluation of a low cost development path as part of the broader development strategy of the larger and higher grade sulphide prospects**
- ✓ **Identification of the Forio prospect over 250m of mineralised strike which remains open in all directions**
- ✓ **Confirmation of up dip continuity of the sulphide mineralisation at Chatsworth and Eastern Reef Prospects**
- ✓ **Identification of copper mineralisation in re-assay of historic prospects Kilruddery and Hertsecombe**
- ✓ **Significant copper intercepts primarily from the balance of assay samples (also including for historical drill programs) for the Chatsworth, Main Reef, Forio and Eastern Reef Prospects include:**

**Chatsworth Prospect**

- 31m at 1.18% Cu from 20m including 6m at 2.98% Cu from 25m (TLC090)
- 4m at 1.22% Cu from 13m (TLC091)
- 12m at 1.45% Cu from 178m including 4m at 2.16% Cu from 185m (TLC087)
- 7m at 1.05% Cu from 6m (TLC090)
- 1m at 1.33% Cu from 96m (TLC020)
- 5m at 1.54% Cu from 93m (TLC125)
- 12m at 1.49% Cu from 178m (TLC087)

Forio Prospect

- 8m at 0.98% Cu from 151m including 3m at 1.41% Cu from 152m (TLC067)
- 5m at 1.10% Cu from 134m (TLC011)
- 9m at 2.27% Cu from 27m (TLC130)
- 8m at 2.08% Cu from 17m (TLC131)
- 1m at 1.66% Cu from 23m (TLC136)
- 5m at 1.50% Cu from 19m (TLC132)

Main Reef Prospect

- 3m at 1.15% Cu from 142m (TLC099)
- 5m at 2.13% Cu from 54m (TLC101)
- 2m at 1.47% Cu from 80m (TLC104)

Eastern Reef Prospect

- 8m at 0.81% Cu from 299m including 2m at 2.19% Cu from 304m (TLC053)
- 4m at 1.45% Cu from 147m (TLC137)

Chelsea Prospect

- 4m at 1.23% Cu from 70m (TLC097)
- 2m at 0.96% Cu from 247m (TLC059)

Killruddery Prospect

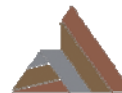
- 2m at 3.11% Cu from 96m (TLC009)

Hampton Prospect

- 1m at 1.25% Cu from 66m, 1m at 1.43% Cu from 83m and 1m at 4.02% Cu from 92m (TLC084)
- 2m at 1.00% Cu from 217m (TLC064)

Herstecombe Prospect

- 3m at 1.79% Cu from 140m (TLC069)



TOLLU PROJECT

During the Quarter the Company undertook analysis of assay samples from the recently completed reverse circulation (“RC”) drilling program (**the Program**) and also further analysis of historical samples from previous drill programs, primarily on the Chatsworth, Main Reef, Forio and Eastern Reef Prospects .

Analysis of the RC assay results include copper grades of up to 4.02%, which is consistent with work previously conducted on the Project area.

Aim of the Most Recent Drilling Program

The Company has identified a number of prospective targets for drilling at the Tollu Project, with the aim of the most recent RC drilling program being to target near surface hydrothermal copper (oxide and sulphide) mineralisation. The main activity concentrated on the known higher-grade zones at the Chatsworth, Main Reef and Eastern Reef Prospects within the Tollu Project. The primary purpose was to validate the Tollu mineralised system.

Aim of Recent Assaying of Previous Drill Samples

Drill campaigns prior to 2015 concentrated on the known higher-grade zones at the Chatsworth, Main Reef and Eastern Reef Prospects within the Tollu Project. The primary purpose of assaying the historical drill samples was to utilise all available data for geological understanding and potential contribution to the Tollu mineralised system.

FURTHER ASSAY RESULTS

Chatsworth Prospect

The Chatsworth Prospect is a single sub vertical hydrothermal body exposed at the surface. This Prospect forms part of the dilation system between two north south trending shears. The Chatsworth Prospect has been the main focus of much of the technical and drilling activity to date. Whilst the prospect appears to have been delineated along strike in the most recent round of drilling there still remains potential to infill the main mineralised zone above current deeper intersections and the ultimate depth continuity remains open (**Figure 3**). Further recent results are included in **Table 1** below.

Hole	Prospect	Easting (m)	Northing (m)	RL (m)	Dip (degree)	Azim (degree)	Depth (m)	From (m)	Interval (m)	True Width (m)	Cu (%)
TLC020	Chatsworth	438109	7108556	583	-60	266	235	96	1	N/C	1.33
TLC053	Chatsworth	438172	7108280	574	-60	90	403	299	8	N/C	0.81
TLC087	Chatsworth	437900	7108598	587	-60	90	300	178	12	N/C	1.45
TLC090	Chatsworth	437996	7108654	595	-60	302	96	6	7	N/C	1.05
TLC090	Chatsworth	437996	7108654	595	-60	302	96	20	31	N/C	1.18
TLC091	Chatsworth	438003	7108647	604	-60	320	60	13	4	N/C	1.22
TLC125	Chatsworth	438017	7108449	574.4	-60	90	156	93	5	N/C	1.54

Table 1 – Chatsworth Prospect Assay Results

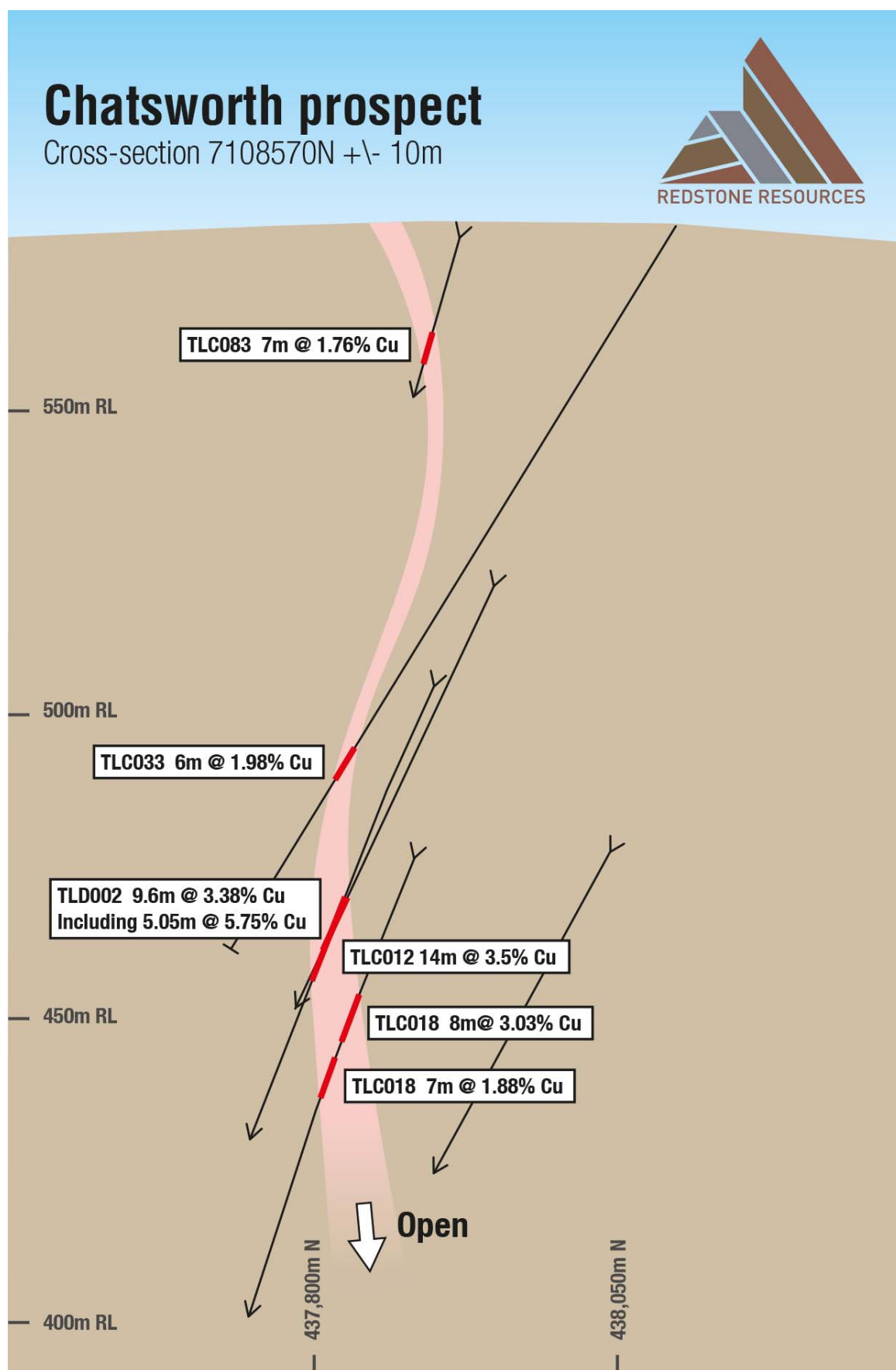


Figure 3 – Chatsworth Cross-section

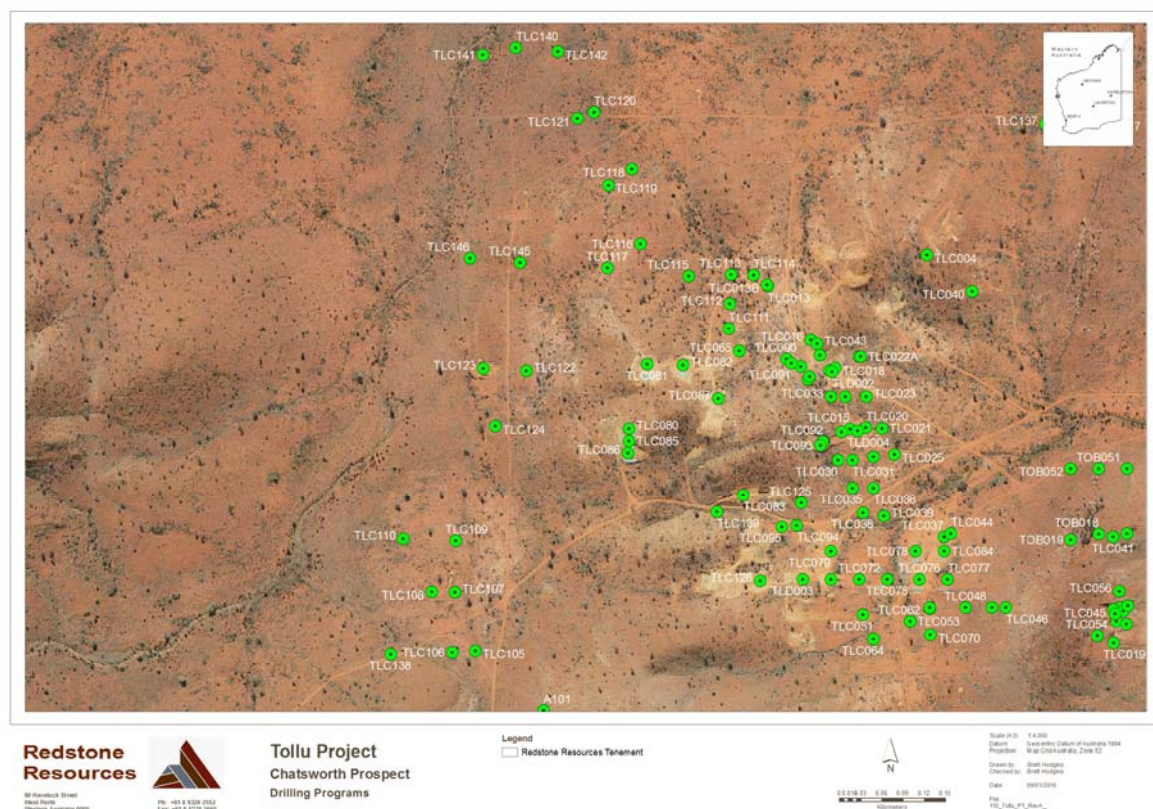


Figure 4 – Chatsworth Prospect Drill Hole Location Map

Forio Prospect

The Forio Prospect is a narrow outcropping quartz malachite vein exposed at the surface for over 500m of strike. Previous rock chip samples have returned up to 3.2% Cu. This Prospect is located 600m NE of the Chatsworth prospect running parallel to the main N-S Tollu Fault. The mineralisation is significant in that it is located in a dilational zone to the north west of the Tollu Fault, which is in a different location to the previously discovered mineralisation. Its current strike length, which remains open to the south, is already longer than that seen at Chatsworth and is yet to be effectively drilled below 50m. Current results demonstrate some of the widest and strongest copper mineralisation discovered at these levels at the Project to date (**Figure 5**). Further key results are included in **Table 2** below.

Hole	Prospect	Easting (m)	Northing (m)	RL (m)	Dip (degree)	Azim (degree)	Depth (m)	From (m)	Interval (m)	True Width (m)	Cu (%)
TLC011	Forio	438521	7108775	561.8	-60	105	174	134	5	N/C	1.10
TLC067	Forio	438632	7108701	558.7	-60	270	283	151	8	N/C	0.98
TLC130	Forio	438645.1	7108904	570	-60	90	42	27	9	N/C	2.27
TLC131	Forio	438647.8	7108944	567.8	-60	90	32	17	8	N/C	2.08
TLC131	Forio	438647.8	7108944	567.8	-60	90	32	26	2	N/C	1.19
TLC132	Forio	438659.1	7108984	568.9	-60	90	30	19	5	N/C	1.50
TLC133	Forio	438665.4	7109015	568.5	-60	90	29	12	6	N/C	1.38
TLC134	Forio	438671.8	7109053	567.8	-60	90	34	18	5	N/C	1.34
TLC134	Forio	438671.8	7109053	567.8	-60	90	34	25	2	N/C	1.05
TLC136	Forio	438678.1	7109140	567.5	-60	90	38	23	1	N/C	1.66

Table 2 Forio Prospect Assay Results

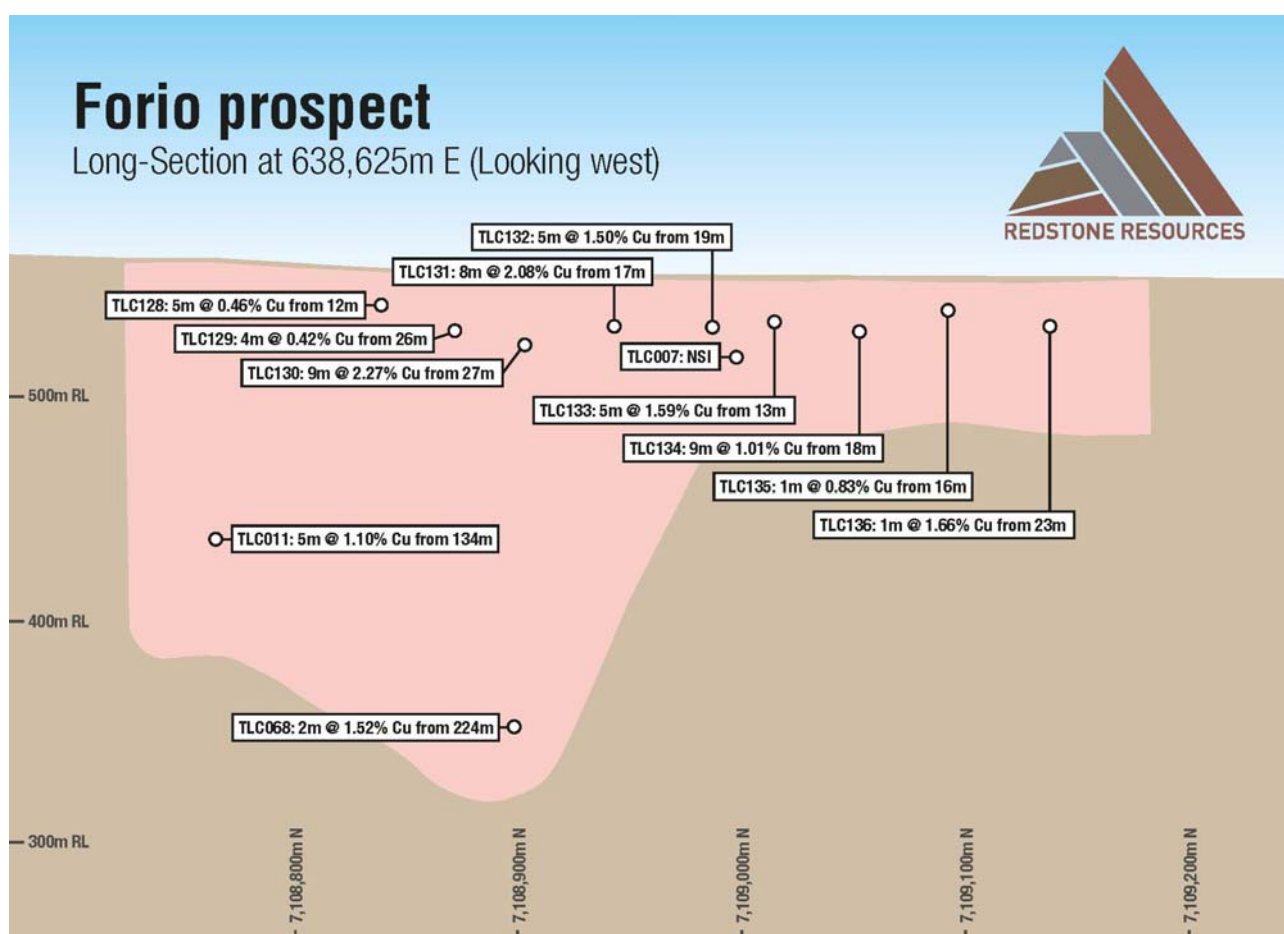
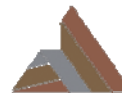


Figure 5 – Forio Long-section

Eastern Reef Prospect

The Eastern Reef Prospect is a series of sub vertical hydrothermal bodies exposed at the surface. This Prospect forms part of the dilation system running along the eastern north south trending shear. Further key results are included in **Table 3** below.

Hole	Prospect	Easting (m)	Northing (m)	RL (m)	Dip (degree)	Azim (degree)	Depth (m)	From (m)	Interval (m)	True Width (m)	Cu (%)
TLC053	Eastern Reef	438220	7108380	355	-60	86	277	299	8	N/C	0.81
TLC137	Eastern Reef	438364.2	7108987	610.4	-60	90	240	147	4	N/C	1.45

Table 3 Eastern Reef Prospect Assay Results

Main Reef Prospect

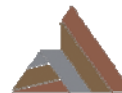
The Main Reef Prospect is a series of sub vertical hydrothermal bodies exposed at the surface. This Prospect forms part of the dilation system running along the western north south trending shear. Further key results are included in **Table 4** below.

Table 4 Main Reef Prospect Assay Results

(REDSTONE EARNING 90%: RESOURCE MINING CORPORATION LTD (ASX: RMI) 10%)
(E69/2108 AND E69/2109)

CORPORATE

On 28 February 2016, 31,356,966 \$0.20 quoted options (ASX: RDSO) expired, unexercised.



TENEMENT INFORMATION AS REQUIRED BY LISTING RULE 5.3.3

The Company holds the following tenement at the end of the 31 March 2016 quarter.

TENEMENT SUMMARY AS AT 31 MARCH 2016

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
							41	125.0

During the Quarter the Company relinquished its 75% beneficial interest in the Blackstone Range Farmin/Joint Venture with Resource Mining Corporation Ltd (ASX: RMI). The Company did not acquire any beneficial interests in any joint ventures, farm-in or farm out arrangements during the Quarter

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.

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.

ABOUT REDSTONE RESOURCES

Redstone Resources Limited (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 Project is approximately 20km south east of the Blackstone Community on the Company's 100% owned tenement E69/2450 (**Figure 1**). The Company has identified 16 prospects within the Tollu Project (**Figure 2**).

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 (**Figure 1**).

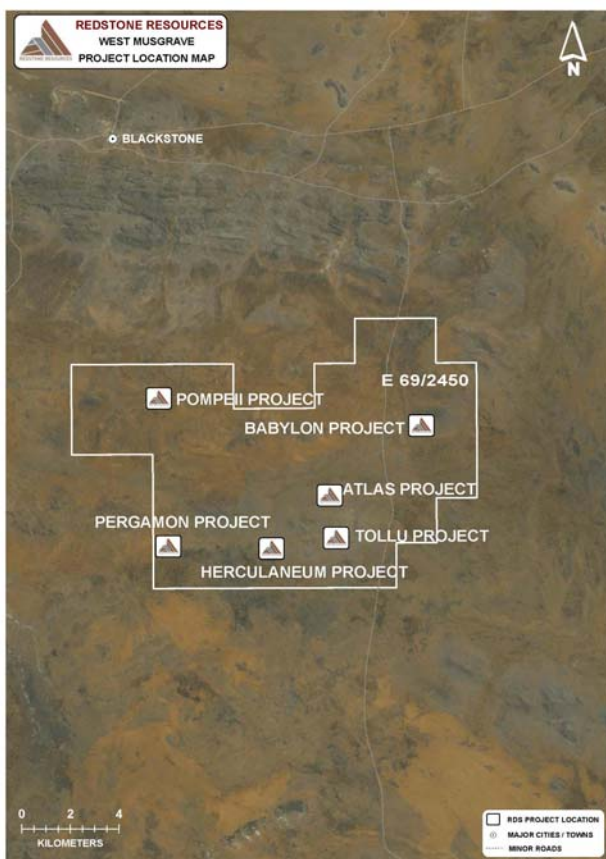


Figure 1– Tollu Project and other Projects– Location Map



Figure 2 – Tollu Project – Prospect Location Map for 15 of the 16 Prospects

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")

31 March 2016

Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (9 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	(695)	(1,284)
	(b) development	-	-
	(c) production	-	-
	(d) administration	6	(568)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	-	57
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
Net Operating Cash Flows		(689)	(962)
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)	(689)	(962)

+ 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)	(689)	(962)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	1,251
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	(6)	(120)
	Net financing cash flows	(6)	1,131
	Net increase (decrease) in cash held	(695)	169
1.20	Cash at beginning of quarter/year to date	925	61
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter*	230	230

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	14
1.24 Aggregate amount of loans to the parties included in item 1.10	-
1.25 Explanation necessary for an understanding of the transactions	
Director 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	100
4.2 Development	-
4.3 Production	-
4.4 Administration	40
Total	140

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	40	21
5.2 Deposits at call	190	904
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	230	925

+ 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	E69/2108 E69/2109	75% 75%	0% 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	326,047,245	326,047,245	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: RDSOA 55,631,193 Unquoted Options 2,000,000		Exercise price 3 cents 20 cents	Expiry date 31/07/17 04/12/17
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter	Quoted Options ASX: RDSO 31,356,966		20 cents	28/02/16
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.



29 April 2016

Sign here: Date:
(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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