



REDSTONE RESOURCES LTD
ABN 42 090 169 154
ASX CODE: RDS

30 July 2010

QUARTERLY REPORT FOR THE PERIOD ENDING 30 JUNE 2010

HIGHLIGHTS

TOLLU COPPER PROJECT (Western Australia)

- *Significant widths of high-grade copper sulphide mineralisation intersected.*
- *RC drill intercepts include:*
 - TLC 12: 14m @ 3.5% Cu including 3m @ 0.14% Co.*
 - TLC 15: 18m @ 2.7% Cu*
 - TLC 18: 17m @ 2.2% Cu*
- *Mineralisation open at depth and along strike.*
- *Drilling programme planned for September 2010.*

TOLLU PROJECT (Redstone 100%)

During the quarter, Redstone completed a reverse circulation (RC) drilling programme at its 100% owned Tollu copper project in the West Musgrave region of Western Australia.

The Tollu project is part of a 200 km² exploration licence held by Redstone. The focus of Redstone's exploration is a giant swarm of hydrothermal copper rich veins in a system covering an area of at least 6 km² and forming part of a dilation system between two major shears. The mineralisation at surface comprises malachite, tenorite and azurite.

During the drilling programme Redstone drilled 5 angled holes into part of the central zone of the steeply dipping vein system to test at depth, mineralisation identified from its earlier drilling programme (one hole had previously been drilled into this zone and had intersected copper mineralisation of 18m at 0.62% from 21 metres depth in the oxidised zone).

The drilling was designed to intercept copper ore, below the oxidized zone. Three drill holes intercepted significant massive copper sulphide mineralisation:

- **TLC 12 returned 14m @ 3.5% Cu from 126m and 3m @ 0.14% Co from 130m including 4m @ 6.25% Cu from 127m;**
- **TLC 15 returned 18m @ 2.7% Cu from 181m including 11m @ 3.7% Cu from 181m; and**
- **TLC 18 returned 17m @ 2.2% Cu from 145m.**

The massive copper mineralisation is open at depth and along strike.

A ground electromagnetic (EM) survey and a down hole EM survey was recently completed, after the end of the quarter. Results are being assessed to determine the effectiveness of the EM data to identify the known and other massive sulphide mineralisation and also its effectiveness to determining the orientation and potential size of the known mineralisation.

Redstone is planning a follow up drilling programme for September 2010 to test the mineralisation at deeper levels and also along strike. The total length of the vein which was drilled is approximately 1,300m, of which approximately 100m has been tested by that drilling.

BLACKSTONE RANGE FARMIN/JOINT VENTURE, Halleys Project (E69/2108 and E69/2109) (Farmin with Resource Mining Corporation Ltd (ASX: RMI) Redstone 90%: RMC 10%)

A Reverse Circulation (RC) drilling programme of the Halleys Cu-PGE-Ni prospect was completed during the quarter. The programme consisted of 3 holes to a depth of 300m focusing on testing the thick intercepts of disseminated Cu-PGE-Ni sulphide mineralisation identified by the Company during two previous shallow drilling programmes.

The objective of the drilling was to also test a large EM anomaly which was identified from a ground electromagnetic (EM) survey conducted by the Company.

The drilling campaign was designed to assess the potential for economic mineralisation at depth testing the down-dip down-plunge position at the Halleys prospect.

Drilling was completed in April and assaying of all the drill holes has not yet been completed.

RMI has elected to retain a free carried joint venture interest of 10% until Redstone completes a feasibility study.

BAGGALEY HILLS FARMIN/JOINT VENTURE (E69/2053, E69/2054, E69/2330, E69/2331, E69/1521 and E69/2200) (HJH Nominees Pty Ltd earning 80%: Redstone 20%)

A close spaced gravity and magnetic survey was completed over the Antlion PGE-Cu-Ni prospect and over several IOCG targets in December 2009. The programme was designed to clearly define the coincident gravity and magnetic targets which were identified from earlier regional surveys (see ASX announcement 3 October 2008).

Survey data was received from the survey contractors during the previous quarter. Interpretation of the survey data and definition of drill targets was completed during the quarter in preparation for drilling.

An induced polarization (IP) survey recently commenced, after the end of the quarter, to test for disseminated sulphides at the Antlion Cu-PGE target. The survey is expected to be completed in approximately 4 weeks.

Drilling of targets on this project is expected to commence in September /October 2010.

PONTAL and BALA IRON ORE PROJECTS - BRAZIL

During the quarter, a sale and farmin agreement over these projects was completed with HJH Nominees Pty Ltd (HJH). Under the terms of the agreement, HJH has paid Redstone \$160,000 for a 90% interest in the project tenements. HJH will then sole fund exploration on the project tenements until a Decision to Mine based on a Bankable Feasibility Study.

CORPORATE

Redstone is evaluating its portfolio of assets and assessing its financing requirements for the exploration of its projects including capital raisings, divestments and joint ventures.

ABOUT REDSTONE

Redstone Resources Ltd is a Perth based exploration company with an extensive and strategic portfolio of highly prospective mineral exploration properties in the West Musgrave region of Western Australia and in Brazil.

Redstone is a diversified explorer focused on nickel and copper in Western Australia and phosphate and potash in Brazil. Further information on Redstone can be found on the company's website at www.redstone.com.au.

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ATTRIBUTION

The information in this report that relates to exploration results is based on information compiled by Dr Joao Orestes Santos, a member of the Australasian Institute of Geoscientists. Dr Santos has sufficient experience relevant to the style of mineralisation under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves'. Dr Santos consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.