REDSTONE RESOURCES

MAJOR EXPANSION OF COPPER DRILLING PROGRAMME AS REDSTONE PREPARES FOR A RESOURCE ESTIMATE AT TOLLU COPPER NICKEL PROJECT

24 November 2011

- **Redstone Resources Limited is significantly expanding its current RC drilling programme from 5,000m to 20,000m at its 100% owned Tollu Copper Nickel Project:**
  - **to extend the size of the known copper mineralised bodies in the Eastern Zone and Central Zone; and**
  - **to prepare a preliminary estimate of a copper resource.**

- **Diamond drilling is also due to commence shortly to provide core of known mineralisation and to also test the mineralised bodies up to a depth of 600m.**

- **Outcomes from the current programme to date include:**

  Copper sulphide intersections:

  Eastern Zone

  TLC 76 14m @ 1.67% Cu (*Niton XRF) from 275m
  TLC 77 12m @ 1.5% Cu (*Niton XRF) from 228m
  (*portable spectrometer - chemical assays will be reported when available)

  Central Zone

  TLC 74 - Extended the depth of copper sulphide mineralisation in the Central Zone (subzone 1) from 250m to approximately 400m – open at depth (an increase of 150m). Additionally, it extended the strike of subzone 1 mineralisation to 320m - open along strike (an increase of 100m to the south east).

  Near the bottom of TLC 74, the host rock of the mineralisation transitions from felsic volcanic rocks to gabbro at a depth of approximately 400m. This is a strong indicator of the potential presence of nickel mineralisation within the gabbro, in line with the Voisey's Bay style of Ni-Cu mineralisation.

Redstone Resources Limited (**Redstone**) (ASX:RDS) is pleased to announce a significant expansion of the drilling programme at the company's wholly owned Tollu Copper Nickel project in the West Musgrave region of Western Australia.

The 5,000m RC drill programme, which commenced in September 2011, has been significantly expanded to 20,000m and is now expected to be completed in January 2012.

The RC drilling programme has been extended to accelerate the pace of exploration in light of the continuing significant copper sulphide intersections encountered at the Project.

A new diamond drilling programme is due to commence shortly, with three objectives:

- obtain core of the mineralised bodies of both Central and Eastern Zones to study the mineralisation in detail, including metallurgical assessment;
- obtain core for assaying, near Eastern Zone RC holes TLC 45, TLC 52 and TLC 54, which were affected by water; and
- intersect and core the mineralised body of the Eastern Zone at depths greater than 400 metres.

Redstone's Director of Exploration, Dr Orestes Santos says "This project is at an exciting stage. With only about 10% of the surface mineralisation drilled, the upside in the immediate future is exceptional. It is becoming increasingly evident that Tollu hosts a very large quantity of copper. The discovery of primary Ni-Cu mineralisation will supercharge the value of the project."

FOCUS OF DRILLING

The focus of the extended drilling programme (RC and diamond) will be the Eastern Zone and Central Zone (subzones 1 and 2) mineralised bodies:

Eastern Zone:

The Eastern Zone is one sub-vertical hydrothermal body, which is the thickest mineralised body intersected so far in the Tollu district (see ASX release of 22 September 2011). This hydrothermal body is exposed over a distance of 2.5km.

Three earlier drill holes intercepted the same mineralised body of the Eastern Zone returning the following results of copper (samples not assayed):

TLC 45	**27m of visible copper sulphide from 254m**
TLC 52	**20m of visible copper sulphide from 274m**
TLC 54	**17m of visible copper sulphide from 277m**

(Drill samples for the above holes were considered unreliable due to water influx issues).

The most recent significant copper sulphide results from the Eastern Zone include:

TLC 76	**14m @ 1.67% Cu (*Niton XRF) from 275m**
TLC 77	**12m @ 1.5% Cu (*Niton XRF) from 228m**

(*portable spectrometer - chemical assays will be reported when available)

Eastern Zone – Planned Drilling

Three lines of drill holes are planned to test continuation of the mineralised body to the north and south.

The extension of mineralisation in this Zone will also be tested to a depth of approximately 600m using a combination of RC and diamond drilling.

The diamond cores will provide better samples of mineralisation to study its mineralogical and chemical composition in detail and to examine the transition of the host rock from felsic volcanic to gabbro, which is seen as the primary source of the copper mineralisation.

Central Zone:

The Central Zone comprises eight main clusters of mineralised bodies formed in a dilation system in an area of approximately 1.3 km long and 700-800m wide. Each cluster corresponds to a subzone of mineralisation numbered from 1 to 8 in Figure 1. Central Zone (subzone 1) Cu mineralisation has been extended to over 300m strike at a depth of 397m. The mineralisation remains open along strike and at depth.

In the Central Zone the current drilling programme has already extended the depth of copper sulphide mineralisation in subzone 1 of the Central Zone from 250m to ± 400m – open at depth (an increase of 150m) – drill hole **TLC 74**.

TLC 74 is significant for several reasons:

- the detection of seven copper mineralised bodies (between 1m and 4m thick; grades from 1% up to 2.41% Cu) from 155 to 397m depth;
- the depth of copper sulphide mineralisation has been increased by almost 150m (from 250m to a depth of 397m) and is open at depth;
- it is showing that there are multiple bodies of copper mineralisation which are not exposed at surface. So, the number of mineralised bodies is significantly greater than is evident at surface;
- it extended the strike of Central Zone mineralisation to 320m - open along strike (an increase of 100m to the south east); and
- it has established that the host rock of the mineralisation transitions from felsic volcanic rocks to gabbro at a depth of approximately 400m. This is a strong indicator of the potential presence of nickel mineralisation within the gabbro, in line with the Voisey's Bay style of Ni-Cu mineralisation.

Central Zone – Planned Drilling

Fourteen RC holes up to 200-250m depth are initially planned in the subzone 1 to fill gaps in previous drilling and to investigate the extension of mineralisation to the south east and north west. The completion of this drilling grid should enable the first preliminary resource estimate to commence.

RC drill holes are also planned for subzone 2 where there are five exposed veins at surface.

Pre-collared RC holes have been prepared for diamond drilling in the subzone 1 to provide:

- HQ coring of two mineralised zones, to have continuous samples of the mineralisation, to study in detail its mineral and chemical composition, texture and relationship with the volcanic host rock; and
- PQ coring of the mineralised zone, to obtain enough volume of mineralisation for metallurgical assays.

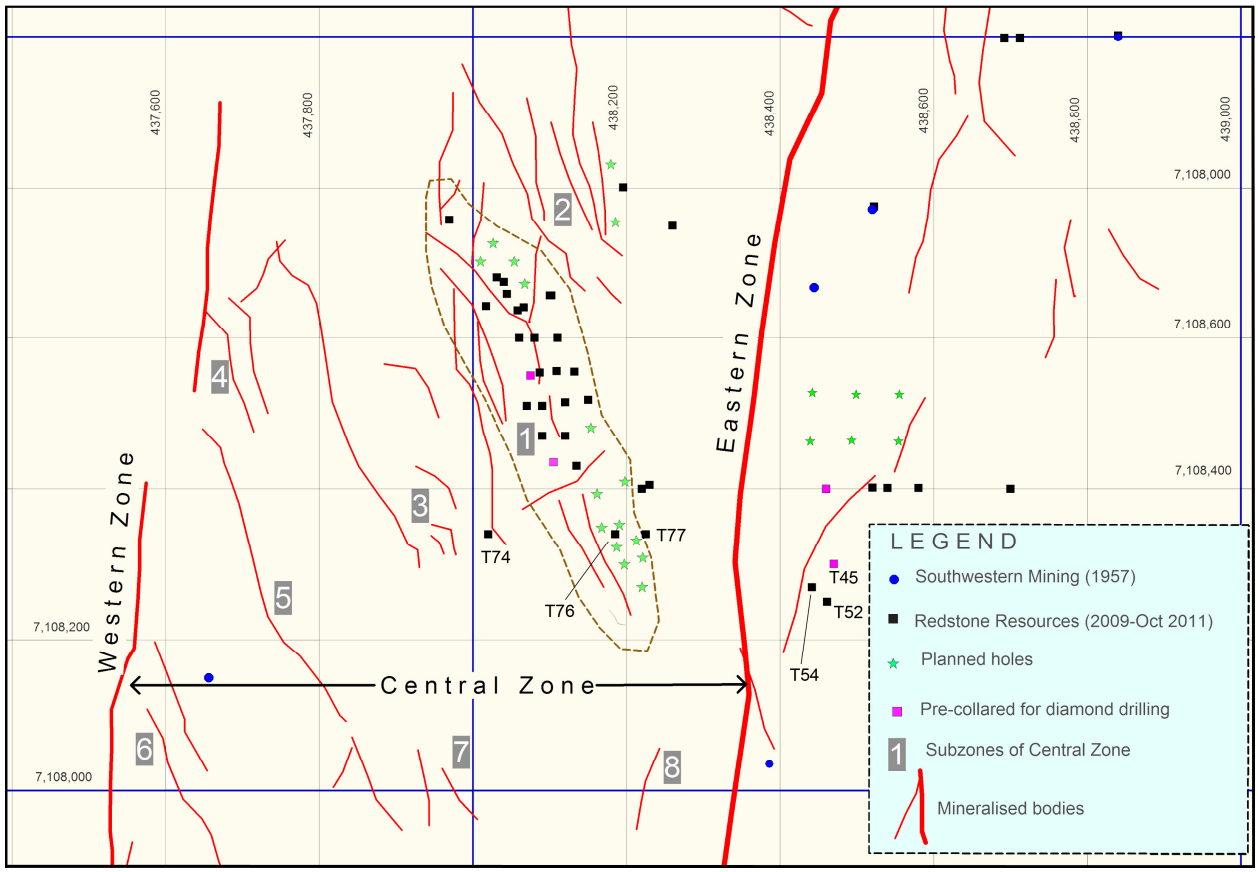

Figure 1 Map of part of Tollu District showing the exposed mineralised bodies (red lines) related to the three main target areas: the Eastern, Central, and Western Zones. Also shown are existing and planned drill holes and the area being drilled for a preliminary copper resource estimate (dashed brown line).

About Redstone

Redstone Resources Ltd is a Perth Based exploration company with a portfolio of highly prospective mineral exploration properties in the West Musgrave region of WA and Brazil.

Redstone is an explorer focused on nickel and copper in Western Australia. 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 relates to exploration results is based on information compiled by Dr Joao Orestes Santos, a part-time employee of Redstone Resources Limited. Dr Santos is a member of the Australian Institute of Geoscientists and 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 matter based on his information in the form and context in which it appears.

Table 1: Tollu Project Significant RC Drilling Results October/November 2011								
Drill Hole			Coordinates		Cu-Sulphide Intersections			
Hole Number	Inclination	Azimuth	Easting GDA	Northing GDA	From (m)	To (m)	Interval (m)	Cu Grades (%)
TLC 74	60°	90°	438020	7108340	**155**	**159**	**4**	**1.0**
					175	**176**	**1**	**1.4**
					219	**220**	**1**	**2.4**
					285	**286**	**1**	**1.0**
					370	**372**	**2**	**1.2**
					388	**389**	**1**	**1.2**
					396	**397**	**1**	**2.3**
TLC 76	60°	90°	438185	7108340	**275**	**289**	**14**	**1.6**
TLC 77	60°	90°	438225	7108340	**228**	**240**	**12**	**1.5**

NOTE: Intersections are downhole lengths. The massive sulphide mineralisation is interpreted to be steep dipping.

Further drilling is required to establish the true width of the mineralisation, which is open at depth and along strike (to the South East).

Analytical method: portable spectrometer - chemical assays will be reported when available