



**REDSTONE RESOURCES LTD**  
**ABN 42 090 169 154**

**(ASX CODE: RDS)**

**ASX ANNOUNCEMENT**

14 January 2011

**BAGGALEY HILLS PROJECT AND TOLLU PROJECT UPDATE**

Redstone Resources Ltd is pleased to announce that a 6,000m RC drilling programme has commenced at the Baggaley Hills Project in the West Musgrave region of Western Australia. The programme is being conducted by Redstone's farmin partner HJH Nominees Pty Ltd, which is earning 80% of the project.

The programme is testing three of the main targets within this 1400 km<sup>2</sup> project, with remaining targets expected to be drilled later in 2011.

The targets are the Antlion mafic intrusion where a PGE–Cu-(Ni) geochemical anomaly coincides with a geophysical (Induced Polarisation -IP) target defined during recent surveys. (The IP method is suitable for the detection of disseminated sulphides, which may be associated with PGE-Cu-(Ni) mineralisation).

The remaining two targets being drilled are coincident magnetic/gravity anomalies which have been defined with ground magnetic and gravity surveys. They are being tested for "Olympic Dam Style" IOCG type mineralisation.

The drilling is expected to be completed within about 5 weeks (subject to weather conditions) and first assay results are expected to be available in March 2011.

Samples from the recently completed RC drilling programme at the Tollu copper project (5,000m) have been submitted for assay and first results are expected in approximately four weeks.

Additional information on Redstone Resources and the Baggaley Hills and Tollu projects is available on the Company's website at [www.redstone.com.au](http://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.