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The Manager
Company Announcements Office
Australian Stock Exchange Limited
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SYDNEY NSW, 2000

Electronic Lodgement

GROUND EM OVER 13 EM TARGETS COMMENCES AT WEST MUSGRAVE PROJECT

HIGHLIGHTS

- **Ground electromagnetic (EM) surveys commence at Redstone's 100% owned West Musgrave Project in Western Australia;**
- **Ground EM surveys to be conducted over EM1 Prospect and all 12 other airborne EM (VTEM_{max}) targets in preparation for the 2019 exploration program;**
- **Ground EM to penetrate deeper and further delineate EM targets for drill planning.**
- **The modelled VTEM_{max} conductors confirm the prospectivity for Ni-Cu sulphide mineralisation on the Project.**

Redstone Resources Limited (**ASX: RDS**) ("**Redstone**" or the "**Company**") is pleased to announce that it has commenced its follow up ground electromagnetic (EM) survey over thirteen priority airborne EM (VTEM_{max}) targets at its 100% owned West Musgrave Project in the West Musgrave region, Western Australia (the "**Project**") (**Figure 1**).

The moving loop EM survey is being conducted by Zonge Engineering and will consist of 25.2 line km over 25 lines. In addition, fixed loop ground EM will be acquired over high priority target EM1, where disseminated sulphides have been intersected over significant thicknesses, to enable further targeting of sulphide mineralisation. The intersection of disseminated sulphides over significant thicknesses in the 2017 drilling of EM1 upgraded the prospectivity of all 12 other airborne EM (VTEM_{max}) targets at the Project (ASX announcement 27 April 2018).

The ground EM survey is expected to take approximately two to three weeks to complete with final interpreted results expected to be available by the end of the year.



The ground EM survey will enable Redstone to penetrate deeper around all 13 EM targets and further delineate the targets for drill hole prioritisation and planning in preparation for a follow-up RC drilling program proposed to be undertaken in 2019 when weather conditions permit. In particular, the ground EM survey will provide further understanding at depth of the nature of the sulphide mineralisation intersected at the EM1 target in the 2017 drilling program.

The ground EM survey combined with follow-up drill targeting is the next step forward for Redstone in assessing the potential of the Project for large-scale Ni-Cu sulphide deposits. The Project has the right geological and structural setting for large magmatic Ni-Cu sulphide deposits like that of Nebo-Babel, located approximately 40km to the west of the Project. The sulphides intersected at EM1 also highlight the potential for other hydrothermal related ore deposits such as Volcanic Hosted Massive Sulphide (VHMS) deposits and hydrothermal Cu \pm Au mineralising systems on the Project.

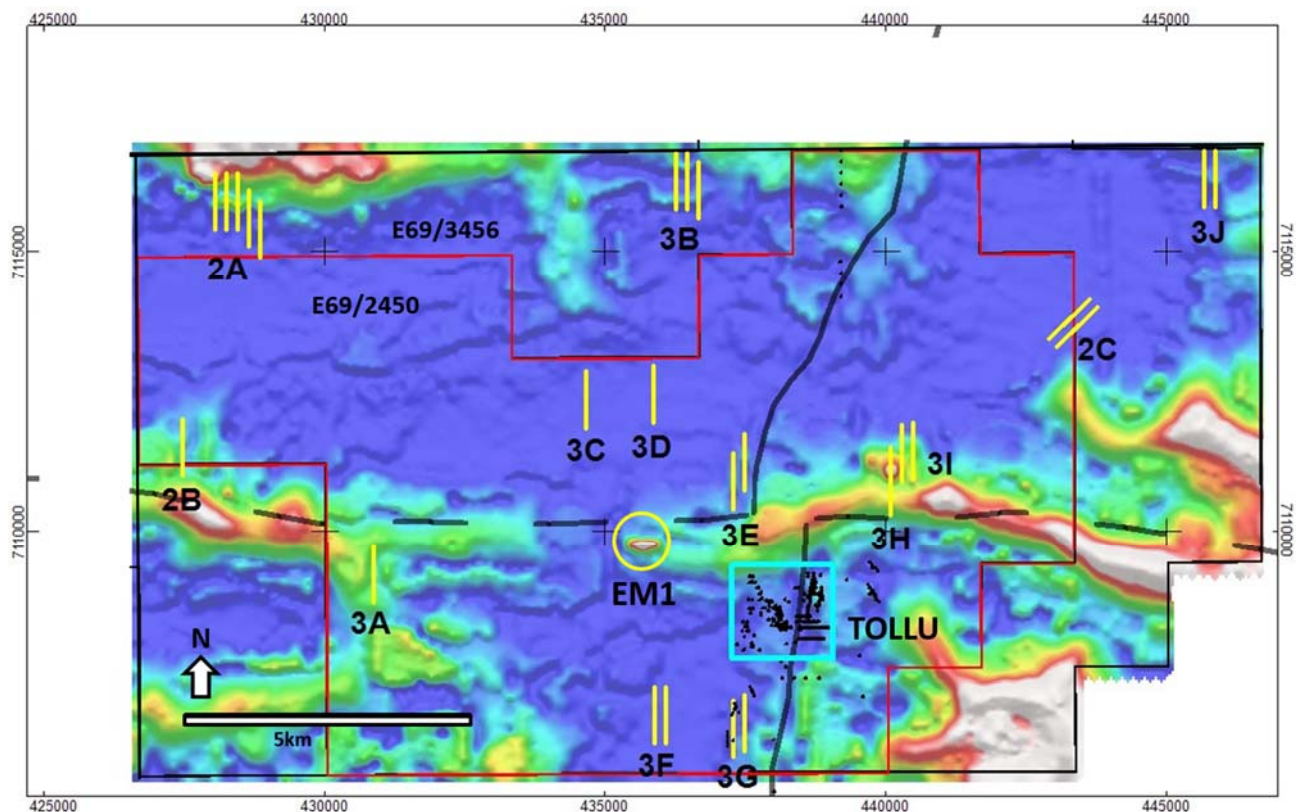


Figure 1 –Planned ground EM on VTEM tau (dBdt) on tenements E69/2450 and E69/3456. Planned ground EM lines are shown in yellow. Historical drilling and Tollu prospect shown in black.

ENDS



Competent Persons Statement

The information in this document that relates to exploration results was authorised by Dr Greg Shirliff, who is employed as a Consultant to the company through Zephyr Professional Pty Ltd. The information in this report that relates to Geophysical Exploration Results is based on information compiled by Mr Barry Bourne, who is also employed as a Consultant to the Company through geophysical consultancy Terra Resources Pty Ltd. Mr Bourne is a fellow of the Australian Institute of Geoscientists and a member of the Australian Society of Exploration Geophysicists and Dr Shirliff is a Member of the Australian Institute of Mining and Metallurgy. Both Mr Bourne and Dr Shirliff have sufficient experience of relevance to the tasks with which they were employed to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Both Mr Bourne and Dr Shirliff consent to the inclusion in the report of matters based on information in the form and context in which it appears.

ABOUT REDSTONE RESOURCES

Redstone Resources Limited (**ASX: RDS**) 100% owned Tollu Copper Project (“**Tollu**”), part of the Company’s broader West Musgrave Project (the “**Project**”), is located in the southeast portion of the prospective West Musgrave region of Western Australia. The Project is located central to the Cassini Resources Nebo Babel prospect to the West and the Metals X Ltd Wingellina Ni-Co project to the East.

In 2017 the Company completed a detailed ground-up review of the project geology incorporating the historic geological, geochemical and geophysical dataset. This review identified the suitability of the electromagnetic (EM) geophysical method for identifying potential targets and the company subsequently completed an airborne EM (**VTEM_{max}**) survey in April 2017.

This survey identified 13 priority targets, with the already drilled high priority EM1 target, located 3.5km east of Tollu, identifying sulphide rich volcanoclastics.

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