



ASX ANNOUNCEMENT
31 July 2022

QUARTERLY REPORT

For the Period Ending 30 June 2022

HIGHLIGHTS

- Commencement in late June of the second phase of a reverse circulation (**RC**) drilling programme (the **Programme**) at the Company's 100% owned West Musgrave Copper Project (the **Project**).
- This second phase of the Programme will include approximately 5,000m of deep RC drilling (300m+ holes) to further test the anomalous copper at the EM5 Target, combined with two other EM5 'look-a-like' magnetic anomalies, as well as at the Tollu copper veins and surrounding prospective Target Areas targeting copper mineralisation.
- The second phase deeper RC holes to also test magnetic anomalies for the presence of potential nickel-cobalt-copper bearing ultra-mafic or similar rocks within the Project area.
- Geochemical assays from the November 2021 RC drilling of the Forio Prospect (**Forio**), at the Tollu copper vein deposit (**Tollu**) on the Project commenced returning from the laboratory, confirming the previously reported significant copper mineralisation intersections (TLC180, TLC181 and TLC182).
- Pleasingly, the geochemical assays highlight a more connected and thicker lens of high grade copper mineralisation intersected in RC drillhole TLC181 than the previously reported handheld portable XRF (hh-pXRF) analysis had suggested. In particular, mineralisation in TLC181 was thicker than expected with assays showing a single **34m interval grading 1.07% Cu from only 15m depth** downhole (**Figure 2**).
- Confirmed geochemical results for RC drillhole TLC181 include:
 - **34m at 1.07% copper (Cu) from only 15m** downhole depth including:
 - **2m at 3.21% Cu from 19m** downhole;
 - **1m at 2.48% Cu from 28m** downhole;
 - **1m at 1.99% Cu from 35m** downhole; and
 - **1m at 2.52% from 40m** downhole.



Redstone Resources Limited (**ASX: RDS**) (**Redstone** or the **Company**) presents its quarterly report for the period ending 30 June 2022 (the **Quarter**).

WEST MUSGRAVE PROJECT

Redstone's 100% owned West Musgrave Project (the **Project**) which includes the Tollu Copper Vein deposit (**Tollu**), is located in the southeast portion of the West Musgrave region of Western Australia. The West Musgrave Project has the right geological and structural setting for large magmatic Ni-Cu sulphide deposits just 40km east of the world-class Nebo-Babel Ni-Cu deposit.

Tollu 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 within and between two major shears.

Redstone expects the initial JORC 2012 resource at Tollu of **3.8 million tonnes at 1% Cu, containing 38,000 tonnes of copper, and 0.01% cobalt, which equates to 535 tonnes of contained cobalt** (ASX release 15 June 2016 and 1 May 2017), the mineralised area, and the volume of hydrothermal mineralisation, to increase with further drilling.

Geological interpretation suggests that the West Musgrave Project may also be prospective for Volcanic Hosted Massive Sulphide (VHMS) deposits, large continental type Molybdenum (Mo)-porphyry deposits, strata-bound Gold (Au)- Silver (Ag) deposits, Tin (Sn) – Tungsten (W) mineralisation related to granites, granite stockworks or greissens, intrusion related polymetallic veining and Intrusion Related Gold deposits (IRG).

WEST MUSGRAVE PROJECT – JUNE 2022 QUARTER ACTIVITIES

PHASE TWO RC DRILLING PROGRAMME

During the Quarter the Company commenced the second phase of its RC drilling programme on the Company's 100% owned West Musgrave Project. The second phase follows-on from the first phase completed in late 2021 and will consist of approximately 5,000m of drilling (including deep drilling at 300m+ depths). The Programme includes drilling the EM5 Target and two other EM5 'look-a-like' magnetic anomalies, as well as at the Tollu copper veins and surrounding prospective Target Areas. The drilling will target copper mineralisation but also test for rock types that have the potential to host nickel-cobalt-copper mineralisation.

TARGET EM5 – 7.2KM NORTHEAST OF TOLLU AND SIMILAR MAGNETIC ANOMALIES

Target EM5, is an EM target coincident with a large circular magnetic anomaly located 7.2km northeast of the Tollu copper vein deposit. Previous drilling at the EM5 Target intersected a gabbroic rock bearing a thick sequence of anomalous disseminated copper sulphides, continuous for 95m (up to 0.06% copper) from 66m downhole (TLC170) (**Figure 1**) (ASX announcement 6 July 2020). The current drilling will test for an increase in concentration of this copper mineralisation at depth.



The Programme will also test at depth similar magnetic features located within the Project including a cigar shaped anomaly only 800m SE of the EM5 Target and which may be related to the EM5 rocks from SE trending lineaments in the magnetics. Drilling will also test a circular magnetic anomaly in the north of the Project known as 'Hot Spot' (refer to **Figure 1**).

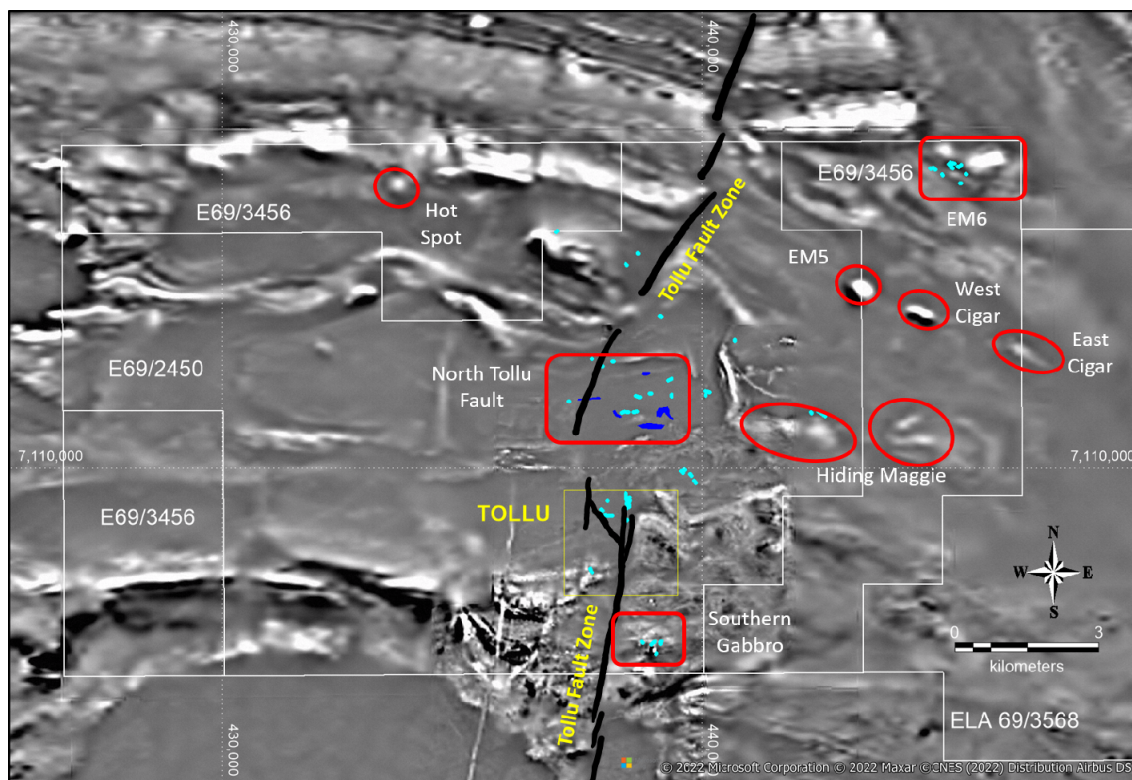


Figure 1 - Location of Target Areas of interest for the second phase Programme

HIDING MAGGIE MAGNETIC TARGET

The drilling will also test the Hiding Maggie target. The Hiding Maggie target is an E-W oriented untested magnetic rock unit with a number of elevated magnetic centres, seemingly a late magnetic intrusive, that coincides with a district scale E-W linear feature in the magnetics that could be a large shear zone. All these features are covered by recent sedimentation and weathering and so have no surface expression. The major E-W lineament is coincident with the orientation of the Tollu sub-basin and the interpreted rifting responsible for the Tollu volcanic package. A strong near surface airborne EM anomaly that also trends across the E-W lineament, probably related to the recent cover sequence, hides any potential EM anomaly that may exist at depth. Drilling will aim to identify and characterise the geology and test the magnetic intrusive and its contacts with the surrounding rocks for copper or nickel-cobalt-copper mineralisation potential.

TOLLU COPPER VEIN DEPOSIT

Following on from the success of the initial phase of shallow RC drilling undertaken at the Chatsworth and Forio Prospects in late 2021 (ASX announcements 10 November 2021 and 23 November 2021) it is planned to further test the Tollu Copper vein system with deeper drilling in similar locations. Drilling will



focus on testing extensions of the high grade copper mineralisation at Forio and in the central area of Chatsworth.

Further evaluation of the Tollu Copper Project, surrounding Target Areas and the broader West Musgrave Project, has the potential to add to the Company's Tollu copper resource of **3.8 million tonnes at 1% Cu, containing 38,000 tonnes of copper**¹ (ASX announcement of 15 June 2016).

FORIO PROSPECT, TOLLU – 2021 RC DRILLING GEOCHEMICAL ASSAYS

Geochemical assay results from the November 2021 RC drilling of the Forio Prospect at Tollu have confirmed the significant high grade copper mineralisation reported from the hh-pXRF analysis (refer to ASX announcement of 11 November 2021).

In particular, the mineralisation in RC drill hole TLC181 was thicker than expected with assays showing a single **34m interval grading 1.07% Cu from only 15m depth** downhole (**Figure 2**).

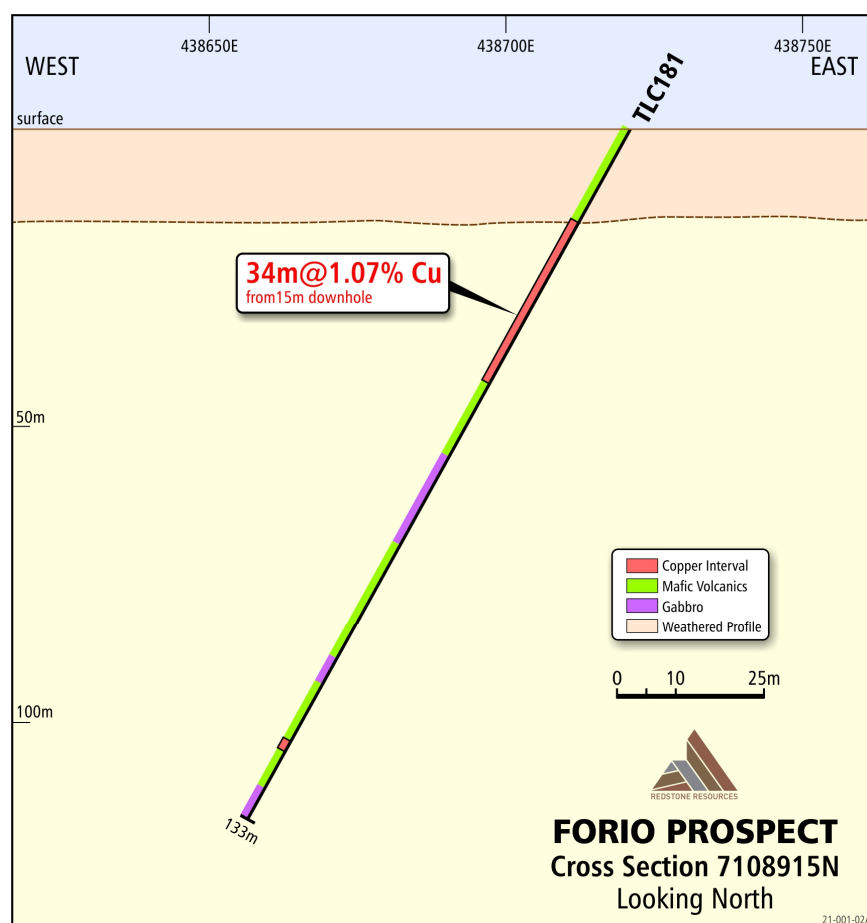


Figure 2 – Cross-section of RC drill hole TLC181 drilled at the end of 2021 at Forio Prospect, Tollu, looking north. See text for further details.



As previously reported in the ASX announcement of 11 November 2021, three RC drillholes, TLC180, TLC181 and TLC182, for a total of 373m, were drilled at Forio to test for short scale extension and to gain a better spatial understanding of the vein hosted copper mineralisation so far intersected in previous drilling. In particular, the shallow high grade copper mineralisation intersected previously in the central part of Forio was tested for extension to the north and near surface oxide copper mineralisation was tested on a separate vein to the west of that intersected in 2019 (refer to ASX announcement of 25 June 2020 for details of the latter).

The geochemical assays have confirmed that RC drill hole TLC181 has extended the shallow high grade copper mineralisation previously intersected in the centre of the Forio copper vein system for some 12m to the north. The copper intersection is thicker than expected according to the previous hh-pXRF analyses, with laboratory geochemistry confirming:

- **34m at 1.07% Cu from only 15m downhole** including:
 - **1m at 3.26% Cu from 19m downhole;**
 - **1m at 2.48% Cu from 28m downhole;**
 - **1m at 1.99% Cu from 35m downhole; and**
 - **1m at 2.52% from 40m downhole**

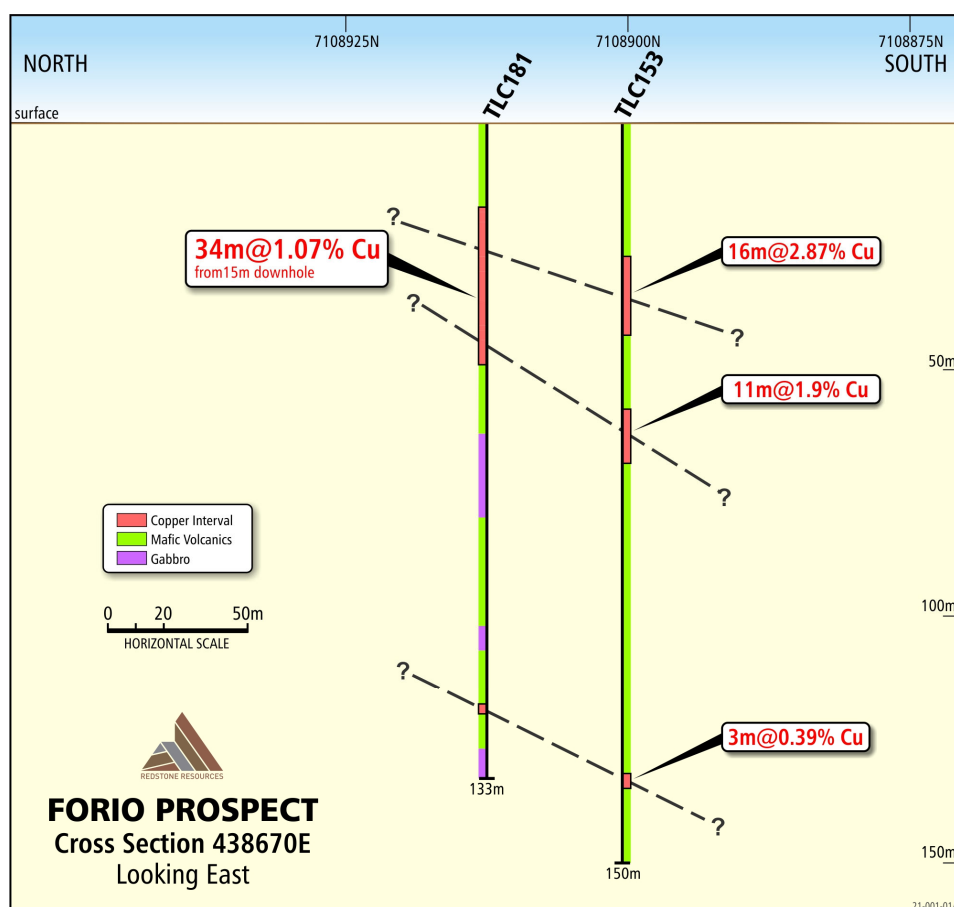


Figure 3 – Cross-section of RC drill hole TLC181 drilled at the end of 2021 at Forio to test for extension of the high grade mineralisation intersected in TLC153 in 2017. Cross-section is drawn along strike of the Forio vein system and looking towards the east. See text for further details.



The previous historical intersection to the south intersected **16m at 2.8% Cu from 27m downhole** and **11m at 1.9% Cu from 58m downhole** in drill hole TLC153 (refer to ASX announcement of 31 October 2017) (refer **Figure 3**).

RC drillhole TLC182 was drilled to test for further oxide copper mineralisation close to the surface at Forio and on a different vein set to where oxide copper was intersected close to the surface in 2019 in RC drill hole TLC173, which intersected **11m at 1.4% Cu** downhole (ASX announcement 25 June 2020). Geochemical assay results show TLC182 successfully intersected **10m at 0.31% Cu from only 1m** downhole some 26m to the west of TLC173.

One of the most northern intersections of copper mineralisation along the Forio vein system, **6m at 1.1% Cu from 58m downhole** in RC drill hole TLC148 (refer to ASX announcement of 31 October 2017), was tested for vertical extension (15m vertical) by TLC180. Geochemical assay results show that the quartz vein had expanded to 10m thick (downhole) and copper mineralisation had reduced to 10m at 0.19% Cu from 73m downhole.

The geochemical assay results confirm that high grade copper mineralisation at Forio may be contained within lenses or 'chutes' that plunge to depth at an angle towards a southerly direction, within the thick and seemingly deep quartz veins associated with the Forio Prospect. TLC182 has highlighted that there may be significant oxide copper mineralisation within metres of the surface at Forio.

Other than as described above, during the Quarter there were no substantive mining exploration activities or substantive mining production and development activities.

CORPORATE

Cash

At the end of the Quarter the Company had available cash of \$2,073,000. Cash requirements are considered sufficient for the short to medium term.

During the Quarter the Company incurred exploration spend of \$47,000.

Payments to related parties of \$15,000 is for remuneration of directors (refer section 6 of Appendix 5B).

PROJECT OPPORTUNITIES

During the Quarter, the Company continued investigating and reviewing potential new project opportunities for various minerals to add to the Company's project tenure.



TENEMENT INFORMATION AS REQUIRED BY LISTING RULE 5.3.3

The Company holds the following tenements at the end of the Quarter.

TENEMENT SUMMARY AS AT 30 JUNE 2022

West Musgrave, Western Australia

Project	Tenement	Registered Holder Applicant	Holder Interest	Consolidated Entity Interest	Grant Date (Application Date)	Expiry	Blocks	Area km ²
Tollu	E 69/2450	Redstone Resources Limited	100%	100%	19/09/2008	18/09/2022	41	126.4
Milyuga	E 69/3456	Redstone Resources Limited	100%	100%	14/08/2017	13/08/2022	28	86.4
Milyuga	ELA 69/3568	Redstone Resources Limited	0%	0%	(10/05/2018)	N/A	27	83.2
Milyuga	ELA 69/3750	Westmin Exploration Pty Limited	0%	0%	(17/09/2019)	N/A	107	330.0

Kalgoorlie-Boulder, Western Australia

Project	Tenement	Registered Holder Applicant	Holder Interest	Consolidated Entity Interest	Grant Date	Expiry	Area (Ha)
HanTails	P 26/4308	Hannans Gold Pty Ltd	100%	51%	03/04/2019	02/04/2023	57
HanTails	P 26/4465	Hannans Gold Pty Ltd	100%	51%	05/08/2019	04/08/2023	168

The Company did not dispose of any interests in any joint ventures or farm out arrangements during the Quarter.

Extensions of term applications will be made with the Department of Minerals, Industry and Safety for tenements E69/3456 and E69/2450 during the September 2022 quarter.

This Announcement has been approved for release by the Board of Redstone Resources Limited.

For further information please contact:

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1. Initial JORC 2012 resource of 3.8 million tonnes at 1% Cu, containing 38,000 tonnes of copper at the Tollu Copper Vein Project, West Musgrave (ASX Announcement 15 July 2016).

REDSTONE RESOURCES

Redstone Resources Limited (**ASX: RDS**) is a base and precious metals developer exploring the 100% owned prospective West Musgrave Project, which includes the Tollu Copper deposit, in Western Australia. The West Musgrave Project is located between OZ Minerals' Nebo Babel prospect and Nico Resources' Wingellina Ni-Co project. Redstone is also evaluating the HanTails Gold Project at Kalgoorlie, Western Australia for potential development in the future.

**Competent Persons Statements**

The information in this document that relates to exploration results for the West Musgrave Project from 2017 to date was authorised by Dr Greg Shirliff, who is employed as a consultant to the company through Zephyr Professional Pty Ltd. Dr Shirliff is a Member of the Australian Institute of Mining and Metallurgy and has sufficient experience of relevance to the tasks with which he is employed to qualify as a Competent Person as defined in the 2012 Edition of the *'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'*. Dr Shirliff consents to the inclusion in the report of matters based on information in the form and context in which it appears.

The information in this report that relates to Mineral Resource for the West Musgrave Project was authorised by Mr Darryl Mapleson, a Principal Geologist and full time employee of BM Geological Services, 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.

ASX Listing Rule Information

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements, and in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the original market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the competent persons findings have not been materially modified from the original announcement referred to in the release.

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.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Redstone Resources Limited

ABN

42 090 169 154

Quarter ended ("current quarter")

30 June 2022

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(40)	(219)
	(e) administration and corporate costs	(24)	(118)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (R&D rebate net of fees)	-	156
1.9	Net cash from / (used in) operating activities	(64)	(181)

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	(47)	(606)
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(47)	(606)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	214
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	214

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,184	2,646
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(64)	(181)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(47)	(606)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	214

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	2,073	2,073

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	2,063	2,174
5.2	Call deposits	10	10
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,073	2,184

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	15
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
N/A		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(64)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(47)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(111)
8.4 Cash and cash equivalents at quarter end (item 4.6)	2,073
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	2,073
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	18
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31/07/2022.....

Authorised by: By the board.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, 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. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.