



ASX ANNOUNCEMENT  
29 October 2021

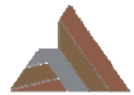
## QUARTERLY REPORT

### For the Period Ending 30 September 2021

#### HIGHLIGHTS

- Ongoing preparations during the Quarter for commencement in October 2021 of a targeted reverse circulation (**RC**) drilling and exploration programme (the **Programme**) at Redstone's 100% owned West Musgrave Copper Project.
- The Programme will comprise an initial phase of approximately 3,000m of shallow RC drilling to a maximum depth of 250m at the Tollu copper veins and surrounding prospective Target Areas (identified from the 2019 exploration programme) that are also targeting copper mineralisation.
- The initial phase of drilling will also include to twin a 1957 historical diamond drill hole (A-101) completed by Southwestern Mining (SWM – formerly an INCO subsidiary) to test for a repeat of the results of 0.16% Ni over 1.6m from 99m downhole (Laine, 1957)<sup>1</sup>.
- Additional RC drilling to depth of approximately 3,000m is planned and anticipated to be undertaken at a later stage to further test the anomalous copper at the EM5 Target, combined with two other EM5 'look-a-like' magnetic anomalies, subject to Redstone securing a suitable RC drill rig that can accommodate deeper drilling and the necessary personnel.
- Delays to commencement of the Programme were encountered in the Quarter due to the current high demand for, and unavailability of, RC drill rigs and the necessary personnel.
- RC drilling commenced in October 2021.
- Continued review and assessment of various project opportunities.

Redstone Resources Limited (**ASX: RDS**) (**Redstone** or the **Company**) presents its quarterly report for the period ending 30 September 2021 (the **Quarter**).



## **WEST MUSGRAVE PROJECT**

Redstone's 100% owned West Musgrave Project (the **West Musgrave Project**) which includes the Tollu Copper Vein project (**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 5km<sup>2</sup>. 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).

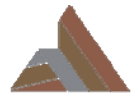
## **WEST MUSGRAVE PROJECT – SEPTEMBER 2021 QUARTER ACTIVITIES**

During the Quarter, the Company continued preparations and planning for its RC drilling and exploration programme (the **Programme**) on the Company's 100% owned West Musgrave Project, which commenced in October 2021.

The Programme will commence with an initial 3,000m of shallow reverse circulation (**RC**) drilling at the Tollu copper veins and surrounding prospective Target Areas as follows;

- Tollu Copper Vein deposit - to drill deeper and north of the Chatsworth Prospect and deeper and wider at the Forio Prospect;
- Opaline Quartz Target Area within a very long E-W oriented vein system with a Cu anomaly coinciding with the potential extension of the Tollu fault to the north of Tollu;
- Hiding Maggie Target – an E-W oriented magnetic rock unit coinciding near the contact of the southern gabbro at the Tollu sub-basin volcanics;
- Location of the Southwestern Mining Ltd (**SWM**) 1957 Ni diamond drillhole A-101 prospective for nickel, which yielded a maximum value of 0.16% Ni over 1.6m from 99m downhole (Laine, 1957)<sup>1</sup>. The historical SWM drillhole targeted a N-S oriented fault that is part of the fault system responsible for the Tollu copper mineralisation but situated to the west of the main body of mineralisation so far delineated by Redstone drilling.

The next phase of the 2021 Programme will include deeper RC drilling to further test the anomalous copper at the EM5 Target, combined with two other EM5 'look-a-like' magnetic anomalies.

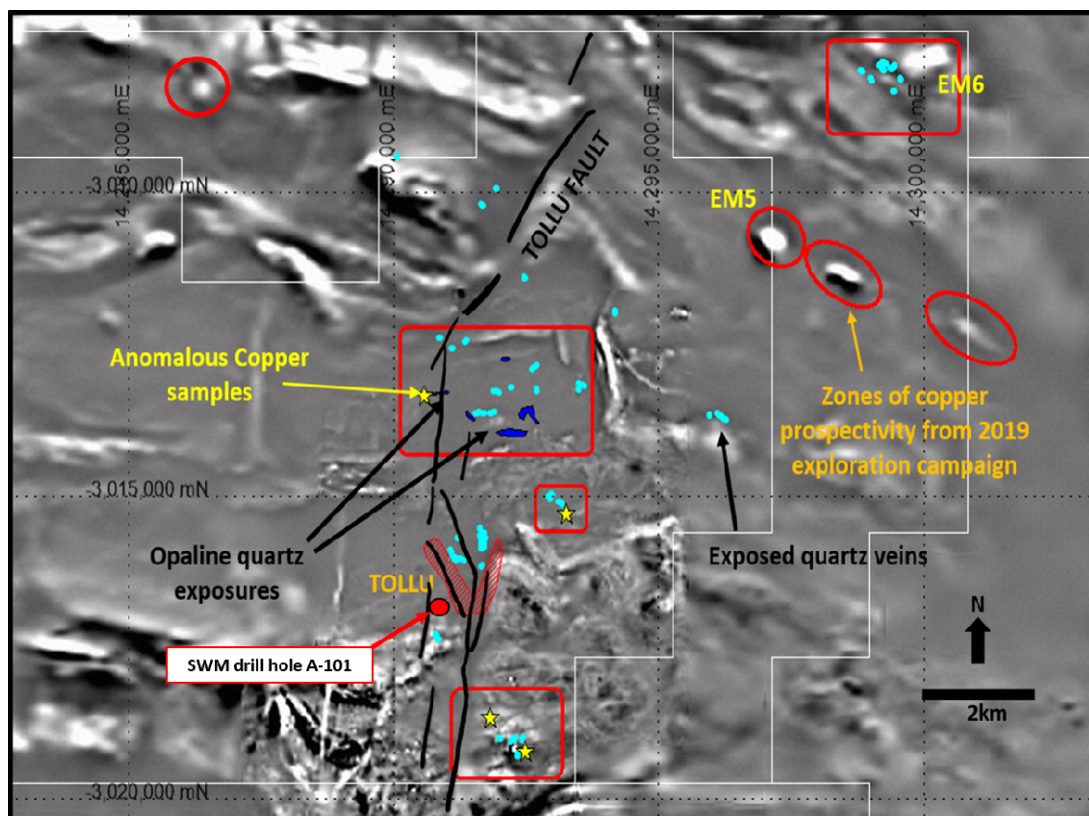


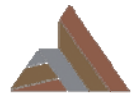
Target EM5, is an EM target coincident with a large circular magnetic anomaly located 7.2km north east of Tollu. The 2019 drilling at the EM5 Target intersected a large gabbroic intrusion over 400m in diameter bearing a thick sequence of anomalous disseminated copper sulphides, continuous for 95m (up to 0.06% copper) from 66m downhole (TLC170) (Figure 1) (ASX announcement 6 July 2020).

The later programme will also test similar magnetic features located within the Project including a cigar shaped anomaly only 800m S-E of the EM5 Target and which is probably related to the same intrusion at depth.

The deeper RC drilling programme is planned and anticipated to be undertaken at a later stage this calendar year, subject to securing the geological personnel and a suitable RC drill rig that can accommodate deep drilling.

Commencement of the Programme was significantly delayed due to the current high demand for and unavailability of RC drill rigs and the necessary personnel required.





## **HANTAILS GOLD PROJECT – FARMIN AND JOINT VENTURE AGREEMENT (RDS: 80%)**

In July 2020 Redstone entered into an agreement to farm-in to an 80% interest in the HanTails Project (**HanTails** or the **Project**). HanTails is a historic large scale gold mine Tailings Storage Facility (**TSF**) located on the historic Hannans South Gold Mill site, just 15kms south of Kalgoorlie-Boulder, Western Australia.

HanTails contains many years of gold tailings deposition material from its original operations during 1986 to 2006, primarily undertaken by then owners Croesus Mining Limited. The specific gravity and the average TSF gold grade have not yet been determined.

An aircore and auger drilling programme was undertaken last year to establish the overall grade of the material in the TSF and to provide bulk samples for metallurgical testing and recoveries with the aim of establishing the average gold grade and approximate gold endowment of the TSF to JORC 2012 status.

However due to issues with sample return and preparation arising from the aircore and auger drilling and the inherent uncertainty associated with properly evaluating the assay results the Company undertook follow up sonic drilling to validate the results. Review and analysis of the sonic drilling results received during the quarter is currently being undertaken.

## **CORPORATE**

### **Annual General Meeting**

The Company is relying on the ASIC's 'no action' position which enables an extended period for public entities who do not hold their annual general meeting (AGM) within five (5) months of their financial year end date but do so up to seven (7) months after year end. Accordingly, the Company will advise shareholders of the date of its AGM in due course.

### **Cash**

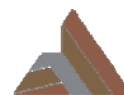
During the Quarter the Company received an R&D Tax Incentive rebate for the FY2020 of \$182,000 (before fees).

At the end of the Quarter the Company had available cash of \$2,662,000. Cash requirements are considered sufficient for the short to medium term.

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

## **PROJECT OPPORTUNITIES**

During the Quarter, the Company continued investigating and reviewing potential new project opportunities 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 SEPTEMBER 2021

##### West Musgrave, Australia

Project	Tenement	Registered Holder Applicant	Holder Interest	Consolidated Entity Interest	Grant Date (Application Date)	Expiry	Blocks	Area km <sup>2</sup>
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%	100%	(10/05/2018)	N/A	27	83.2
Milyuga	ELA 69/3750	Westmin Exploration Pty Limited	0%	100%	(17/09/2019)	N/A	109	336.0

During the Quarter, the Company entered into a variation to the HanTails farm in and JV agreement to also farm in to an 80% interest in prospecting licence P26/4465.

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

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

For further information please contact:

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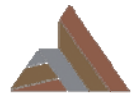
<sup>1.</sup> Laine HA (1957) Southwestern Mining Limited, Annual Report 1957, unpublished.

#### 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 Cassini Resources' Nebo Babel prospect and Metals-X Wingellina Ni-Co project. Redstone is also actively evaluating the HanTails Gold Project at Kalgoorlie, Western Australia for potential development in future.

#### Competent Persons Statements

The information in this document that relates to exploration results for the West Musgrave Project was authorised by Dr Greg Shirtliff, who is employed as a Consultant to the company through Zephyr Professional Pty Ltd. Dr Shirtliff 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 Shirtliff 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 September 2021

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(40)	(40)
	(e) administration and corporate costs	(54)	(54)
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	156
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>62</b>	<b>62</b>
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	(46)	(46)
	(e) investments	-	-
	(f) other non-current assets	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(46)</b>	<b>(46)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
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)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>-</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	2,646	2,646
4.2	Net cash from / (used in) operating activities (item 1.9 above)	62	62
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(46)	(46)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-



<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>2,662</b>	<b>2,662</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	2,652	2,636
5.2	Call deposits	10	10
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>2,662</b>	<b>2,646</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
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	-

*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.*

<b>7.</b>	<b>Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	<b>Total financing facilities</b>	-	-
7.5	<b>Unused financing facilities available at quarter end</b>		-
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		

<b>8.</b>	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	62
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(46)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	16
8.4	Cash and cash equivalents at quarter end (item 4.6)	2,662
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	2,662
8.7	<b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	N/A
	<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: 29/10/2021.....

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.