



ASX ANNOUNCEMENT
31 January 2023

QUARTERLY REPORT

For the Period Ending 31 December 2022

HIGHLIGHTS

- RC drill samples from the second phase RC drilling programme (the **Programme**) at the Company's 100% owned West Musgrave Project (the **Project**) remain pending and are anticipated to be finalised by the lab in coming weeks.
- The Programme, which was completed in September 2022, comprised 14 RC drill holes for approximately 4,294m, primarily of deep 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.
- Returned geochemical assays for four (4) reverse circulation (RC) drill holes, TLC188, TLC189, TLC190 and TLC192, for a total of 756m drilled at the end of 2021 at the Chatsworth Prospect (**Chatsworth**), confirmed previously reported hand-held portable XRF analyses that showed these drill holes intersected thick high grade copper mineralisation between and beyond the limits of the relative historical drilling (ASX announcement 21 November 2022). Significant intersections for these drill holes include:
 - **10m at 2.51% Cu** from 174m downhole (TLC188) including:
 - **3m at 4.71% Cu** from 175m downhole;
 - **26m at 1.46% Cu** from 61m downhole (TLC189) including:
 - **1m at 5.1% Cu** from 84m downhole;
 - **16m at 2.88% Cu** from 74m downhole (TLC190) including:
 - **9m at 4.6% Cu** from 76m downhole, which includes
 - **2m at 7.62% Cu** from 76m downhole;
 - **22m at 1.26% Cu** from 104m downhole (TLC190) including:
 - **3m at 3.67% Cu** from 122m downhole; and
 - **25m at 1.10% Cu** from 53m downhole (TLC192) including:
 - **7m at 2.64% Cu** from 60m downhole.
- Following the significant copper results and pending geochemistry from recent drilling campaigns the Company will investigate the current JORC 2012 Tollu resource¹ estimation for any potential upgrade, and to further enhance confidence in the resource and the Company's West Musgrave copper project.

For personal use only



Redstone Resources Limited (ASX: RDS) (Redstone or the Company) presents its quarterly report for the period ending 31 December 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.

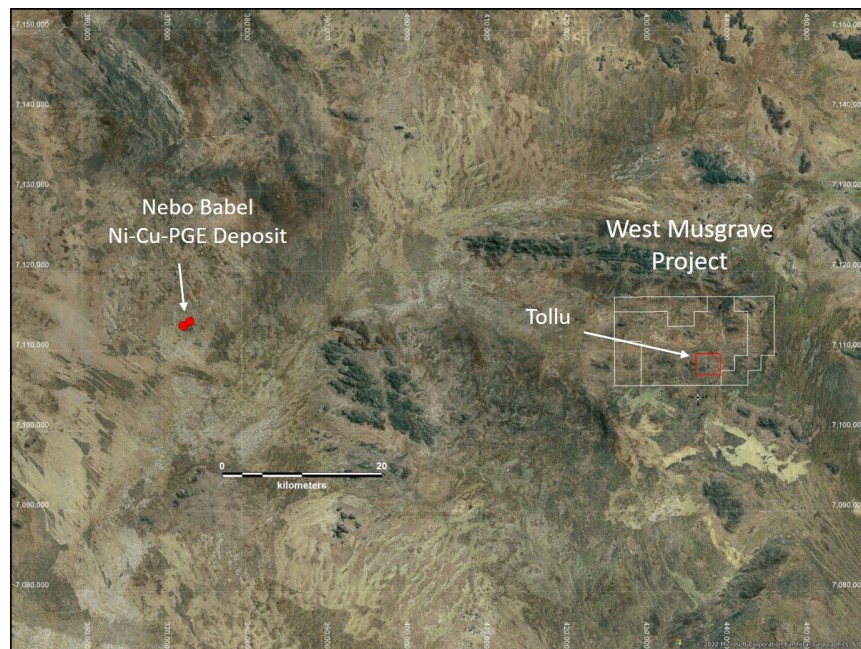


Figure 1 – Location of the West Musgrave Project in relation to the Nebo-Babel Ni-Cu-PGE deposit.

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 – DECEMBER 2022 QUARTER ACTIVITIES

PHASE TWO RC DRILLING PROGRAMME – RESULTS PENDING

Final geochemical assays for a second phase RC drilling programme (the **Programme**) on the Company's 100% owned West Musgrave Project remain pending, however it is anticipated that these should be available in coming weeks. The Company's geological consultants will assess the results once available.

The second phase programme follows on from the first phase completed in late 2021 and comprised 14 RC drill holes for approximately 4,294m of drilling (including deep drilling at 300m+ depths).

The deeper drilling campaign concentrated on the EM5 Target and two other EM5 'look-a-like' magnetic anomalies, the Hiding Maggie Target Area, and the Forio, Chatsworth and Eastern Reef prospects at the Tollu Copper deposit. The drilling targeted copper mineralisation but also tested for rock types that may have the potential to host nickel-cobalt-copper mineralisation.

TOLLU COPPER VEIN DEPOSIT - CHATSWORTH PROSPECT

Returned geochemical assays for four reverse circulation (RC) drill holes, TLC188, TLC189, TLC190 and TLC192, for a total of 756m drilled at the Chatsworth Prospect, Tollu in late 2021 successfully confirmed the preliminary hh-pXRF results with generally higher Cu grades than the hh-pXRF analyses but with slightly varying thicknesses and showed that these drill holes intersected thick high grade copper mineralisation between and beyond the limits of the relative historical drilling (ASX announcement 21 November 2022). The significant intersections for these drill holes include:

- **10m at 2.51% Cu** from 174m downhole (TLC188) including:
 - **3m at 4.71% Cu** from 175m downhole;
- **26m at 1.46% Cu** from 61m downhole (TLC189) including:
 - **1m at 5.1% Cu** from 84m downhole;
- **16m at 2.88% Cu** from 74m downhole (TLC190) including:
 - **9m at 4.6% Cu** from 76m downhole, which includes
 - **2m at 7.62% Cu** from 76m downhole;
- **22m at 1.26% Cu** from 104m downhole (TLC190) including:
 - **3m at 3.67% Cu** from 122m downhole; and
- **25m at 1.10% Cu** from 53m downhole (TLC192) including:
 - **7m at 2.64% Cu** from 60m downhole.

Significantly, the geochemical assays from TLC188 and TLC189 have confirmed that the thick high grade copper mineralisation continues vertically, being maintained through to the deeper intersection in TLC188 (**10m at 2.51% Cu from 174m downhole**) and through to the shallower intersection in TLC189 (**26m at 1.46% copper from only 61m downhole**) (**Figure 2**).

For personal use only

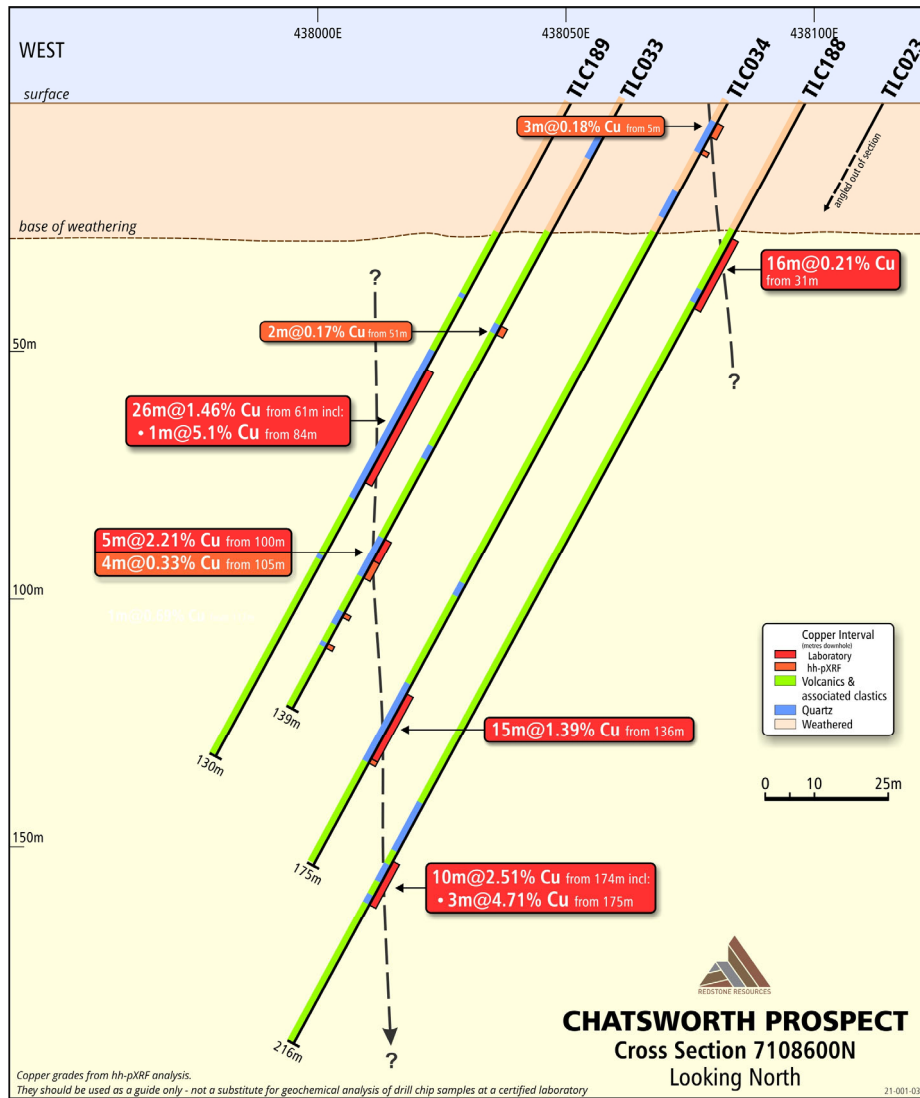


Figure 2 – E-W Cross-section of recent RC drill holes TLC188 and TLC189 along with the historical drilling at Chatsworth, Tolu, looking north. Grades on historical drill holes are both hh-pXRF and laboratory based geochemistry and they are labelled accordingly. See text for further details.

Figure 2 shows that TLC188 and TLC189 have extended the vertical continuity of the copper mineralisation to double previous with at least some 100m of vertical extent, seemingly continuous and still open at depth and towards the surface.

As shown in **Figure 3** drill hole TLC192, positioned some 90m to the south of TLC188 and TLC189 above, has successfully extended the high grade copper mineralisation intersected in historical drill holes TLC024, TLC031 and TLC030 vertically towards the surface. Geochemical assays confirm the intersection of copper mineralisation in **TLC192 is 25m thick grading 1.1% Cu from 53m downhole, which includes 7m at 2.64% Cu from 60m downhole.** The shallow extension of mineralisation by TLC192 extends the high grade mineralisation in this location to some 120m vertically and is open towards the surface (see **Figure 3**).



For personal use only

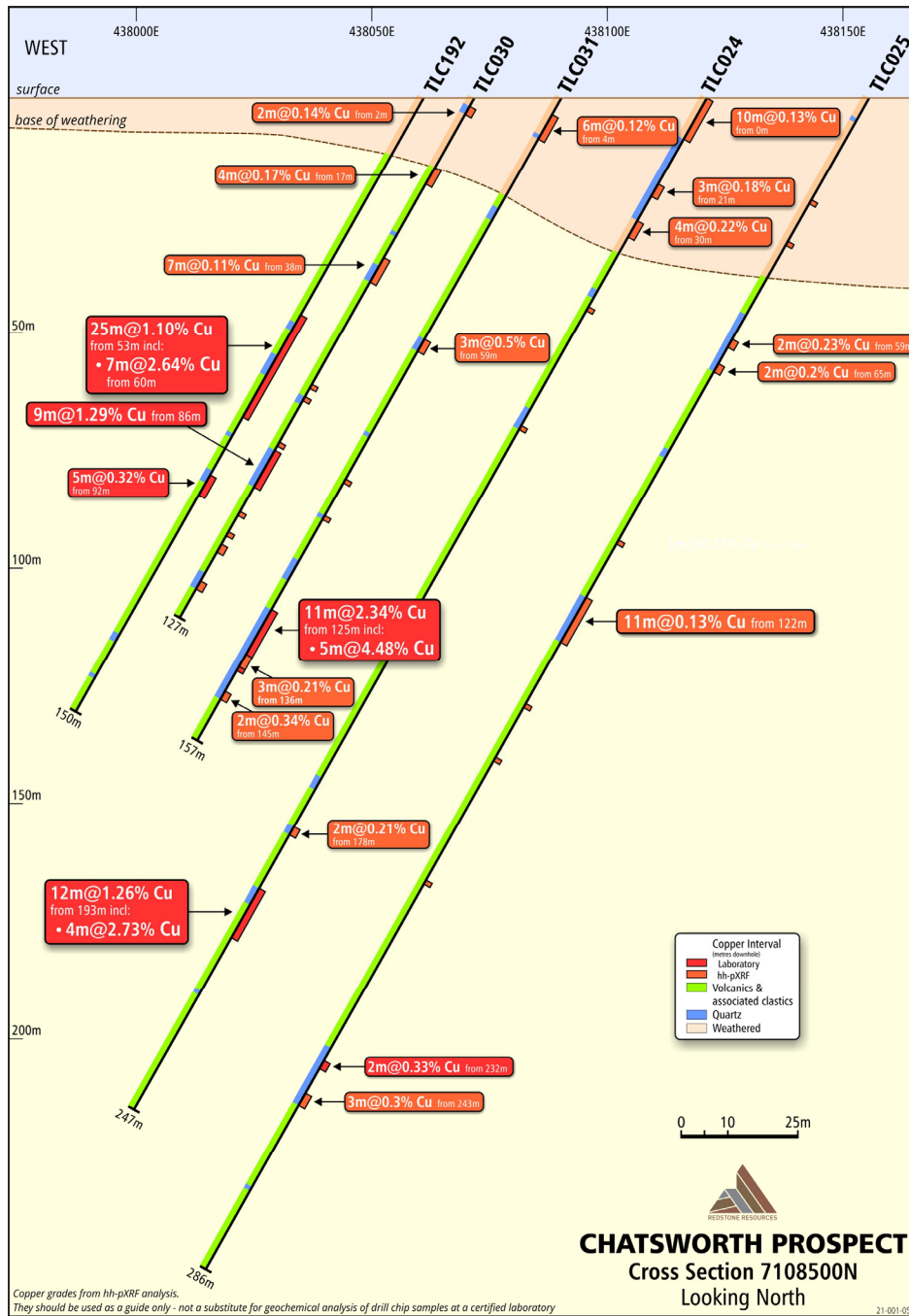


Figure 3 – E-W Cross-section of recent RC drill hole TLC192 along with the historical drilling at Chatsworth, Tollar, looking north. Grades on historical drill holes are both hh-pXRF and laboratory based geochemistry and they are labelled accordingly. See text for further details.

Geochemistry confirms TLC190 intersected 16m at 2.88% Cu from 74m downhole, which included 9m at 4.6% Cu from 76m downhole and 2m at 7.62% from 76m downhole. Then a little deeper, TLC190 also intersected 22m at 1.26% Cu from 104m downhole, which included 3m at 3.67% Cu from 122m downhole (Figure 4).



TLC190 was located some 40m to the north of TLC192 and 50m to the south of TLC188 and TLC189. It was aimed at testing for an extension of mineralisation in historical drill hole TLC035 because the historical drilling (TLC032) was prematurely terminated before testing the position.

For personal use only

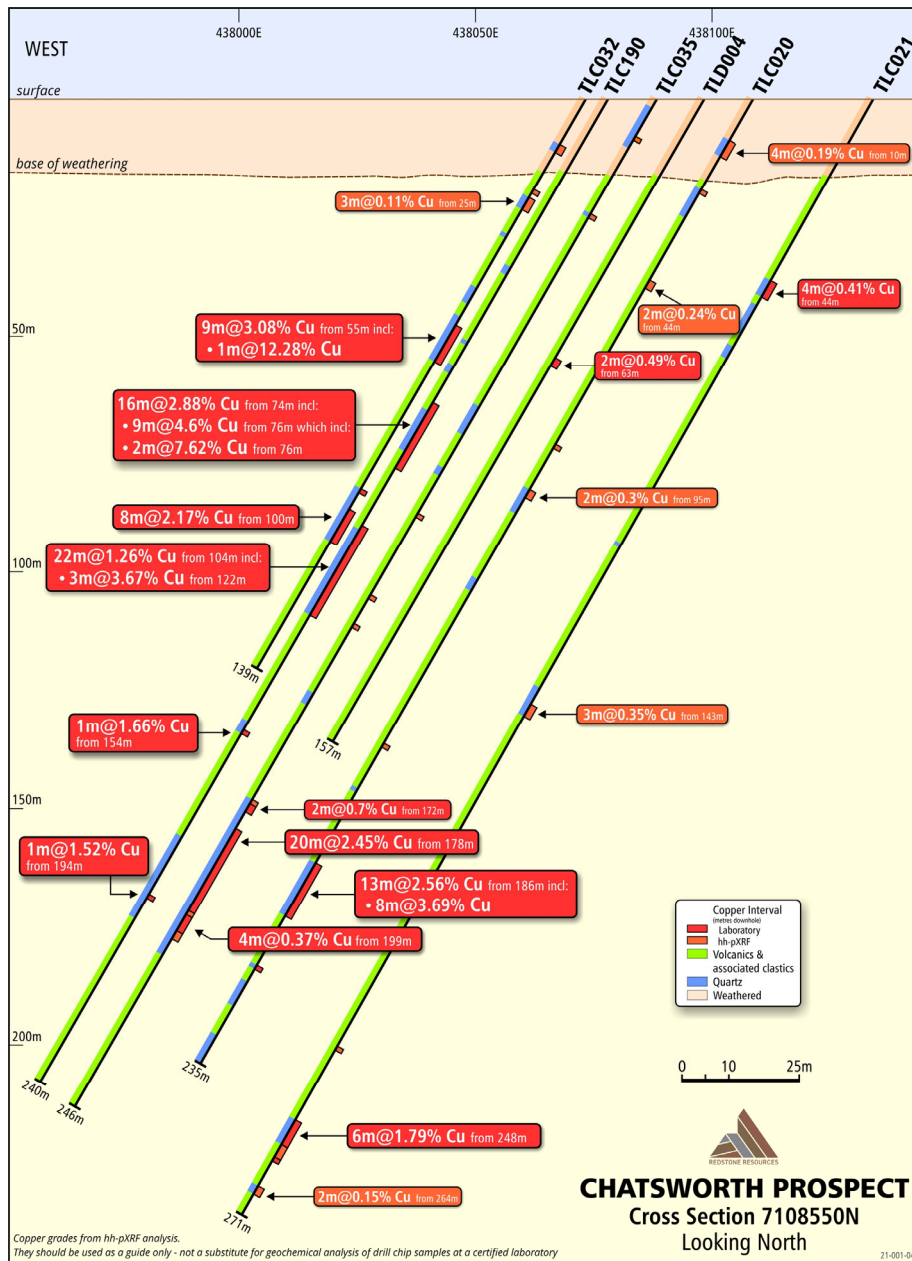


Figure 4 – E-W Cross-section of recent RC drill hole TLC190 along with the historical drilling at Chatsworth, Tolu, looking north. Grades on historical drill holes are both hh-pXRF and laboratory based geochemistry and they are labelled accordingly. See text for further details.

The results have shown that whilst there is some complexity in the mineralisation at Chatsworth, as may be expected in a vein hosted system, the thick high-grade copper mineralisation intersected in the drilling holds volume between historical drill holes and extends beyond that which has been intersected by drilling to date.



EXTENSION OF TERM APPLICATIONS – E69/3456 AND E69/2450

The Company's West Musgrave Project tenements, E69/3456 and E69/2450 were due to expire on 13 August 2022 and 18 September 2022 respectively. During the September 2022 quarter the Company applied for Extension of Term (the **Applications**) for both E69/3456, for a further five (5) year term to 13 August 2027, and E69/2450, for a further two year period to 18 September 2024. The Applications were successfully granted during the Quarter.

EXPLORATION INCENTIVE SCHEME (EIS) CO-FUNDED DRILLING GRANT – TOLLU

During the Quarter Redstone was successful in its application for a West Australian Government Exploration Incentive Scheme (**EIS**) grant (Round 26) to co-fund a deep drill hole at Tollu.

Redstone was awarded the co-funding grant applicable for the year to 30 November 2023 for up to \$220,000, to assist with a single deep drill hole of approximately 1,000m at the Chatsworth Prospect. The deep drill hole has been designed to test the transition of Cu-only hydrothermal mineralisation to a potential primary, magmatic Cu-Ni-(Co) mineralisation at depth and has the potential to considerably increase the copper resource at Tollu.

The co-funded deep hole will be subject to sufficient funding and availability of a diamond drill rig.

HANTAILS GOLD PROJECT – FARM-IN AND JOINT VENTURE AGREEMENT (RDS: 80%)

The Company's HanTails Gold Project (**HanTails** or the **Project**) 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.

Redstone has completed Stage 1 of a farm-in for 51 % of the Project pursuant to the terms of a Farm-in and Joint Venture Agreement (the **Agreement**) to earn up to an 80% interest in the Project. Redstone has elected to earn into Stage 2 of the farm-in and JV by sole funding further farm-in spend of \$75,000 for an additional interest of 29% (for a total 80%), in accordance with the terms of the Agreement.

During the Quarter the Company commenced planning and preparation for a small-scale RC drilling programme to test for a potential gold bearing structure beneath the tailings dam. It is anticipated that the drilling programme will be completed during the March 2023 quarter.

CORPORATE

Cash

At the end of the Quarter the Company had available cash of \$482,000. Cash requirements are considered sufficient for the short term. The Company is also currently undertaking capital raising activities for future funding requirements.

During the Quarter the Company incurred exploration spend of \$406,000. 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 in Australia and abroad to add to the Company's project portfolio.

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 31 DECEMBER 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	18/09/2024	41	126.4
Milyuga	E 69/3456	Redstone Resources Limited	100%	100%	14/08/2017	13/08/2027	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
Milyuga	ELA 69/4121	Westmin Exploration Pty Limited	0%	0%	(24/11/2022)	N/A	21	64.7

Extension of term applications for exploration licences E69/3456, for a further five (5) year term to 13 August 2027 and E69/2450, for a further two-year period to 18 September 2024, were granted during the Quarter.

During the Quarter the Company applied for exploration licence E69/4121, which is subject to a ballot.

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.

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

For further information please contact:

Richard Homsany	Miranda Conti
Chairman	Company Secretary
Redstone Resources Limited	Redstone Resources Limited
+61 8 9328 2552	+61 8 9328 2552
contact@redstone.com.au	contact@redstone.com.au



- 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 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")

31 December 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 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)	(159)
(e) administration and corporate costs	(73)	(197)
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 (GST refund)	131	145
1.9 Net cash from / (used in) operating activities	18	(211)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	(4)	(4)
(c) property, plant and equipment	-	-
(d) exploration & evaluation	(402)	(1,376)
(e) investments	-	-
(f) other non-current assets	-	-

For personal use only

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 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	(406)	(1,380)

3.	Cash flows from financing activities		
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)	-	-
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	870	2,073
4.2	Net cash from / (used in) operating activities (item 1.9 above)	18	(211)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(406)	(1,380)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

For personal use only

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	482	482

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	472	860
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)	482	870

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	-

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.

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		

For personal use only

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

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	18
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(406)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(388)
8.4 Cash and cash equivalents at quarter end (item 4.6)	482
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	482
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	1.24
<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?	
<p>Answer: No. The entity undertook a significant RC drilling programme which was completed in September 2022. Payments associated with the programme continued into the December 2022 quarter.</p> <p>The Entity does not expect to have the current level of net operating and exploration cash flows in the short term with any further significant exploration activities being subject to additional financing. The Board therefore considers that the Entity has sufficient funding available for operating activities for the next two quarters after excluding the level of December quarter exploration cash flows (\$406,000) (Item 8.2 above).</p>	
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?	
<p>Answer: The entity is currently considering financing activities and anticipates they will be completed in the short term.</p>	
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?	
<p>Answer: Yes, on the basis of minimal forecast operating and lower exploration expenditure for the next two quarters, combined with financing activities.</p>	
<i>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.</i>	

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: 31/01/2023.....

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.

For personal use only