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ASX ANNOUNCEMENT
30 October 2020

QUARTERLY REPORT

For the Period Ending 30 September 2020

HIGHLIGHTS

- Entry into a Farm-in and Joint Venture Agreement to farm-in up to 80% interest in privately owned Hannans South Gold Tailings Project (**HanTails**), a large scale gold Tailings Storage Facility (**TSF**) located on the historic Hannans South Gold Mill site in Kalgoorlie, Western Australia.

- A planned drilling programme comprising 42 vertical aircore holes drilled on 80cm centres to a depth of 23m, being the approximate height of the TSF, commenced in September to establish the metal endowment of Hantails and to provide bulk samples for metallurgical testing and recoveries.

- The aim of the Programme is to establish the average gold grade and approximate gold endowment of the TSF to JORC 2012 status.

- Assay results from the HanTails drilling programme are pending.

- Preliminary discussions held with metallurgical consultants to establish sampling and testing protocols that would aid in the testing of the recovery potential of the tailings material.

- Application for Extension of Term for West Musgrave Project exploration licence (E69/2450) for a further two year term to 18 September 2022 was granted on 2 October 2020.

- Capital raising successfully undertaken for $750,000 (before costs) from commitments received for a private placement to sophisticated and professional investors at 1.4 cents per fully paid ordinary share.

Redstone Resources Limited (**ASX: RDS**) (**Redstone** or the **Company**) presents its quarterly report for the period ending 30 September 2020 (the **Quarter**).

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

During the Quarter 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 (see **Figure 1**).

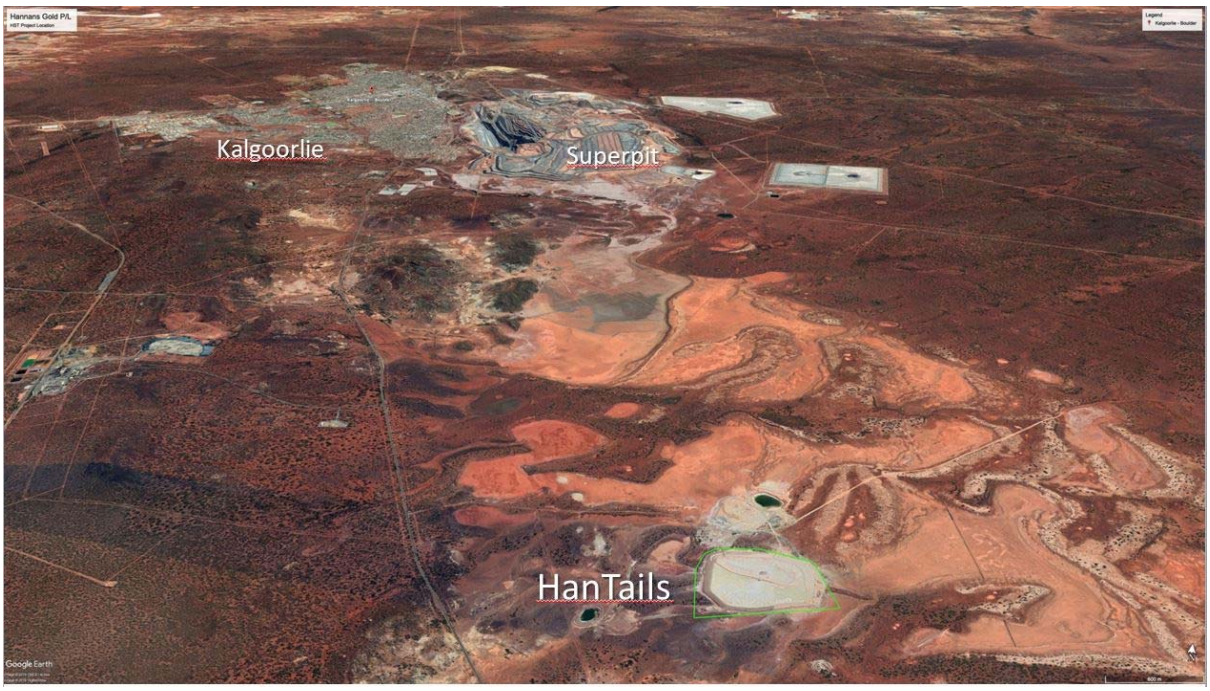


Figure 1 - Location of the HanTails Project TSF 15kms south of Kalgoorlie, Western Australia and 10kms south of the Super Pit.

The HanTails Project 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.

A planned 42 hole aircore drill programme and sampling (the **Programme**) commenced in mid-September to attempt to establish the overall grade of the material in the two cell tailings storage facility (**Figure 2**) and to provide bulk samples for metallurgical testing and recoveries. The aim of the programme is to enable Redstone to establish the average gold grade and approximate gold endowment of the HanTails TSF to JORC 2012 status.

Seventeen drill holes were planned on the northern cell and 25 drill holes were planned on the southern cell. The drill holes were planned on an approximately 80 metre grid and a planned depth was 23 metres.

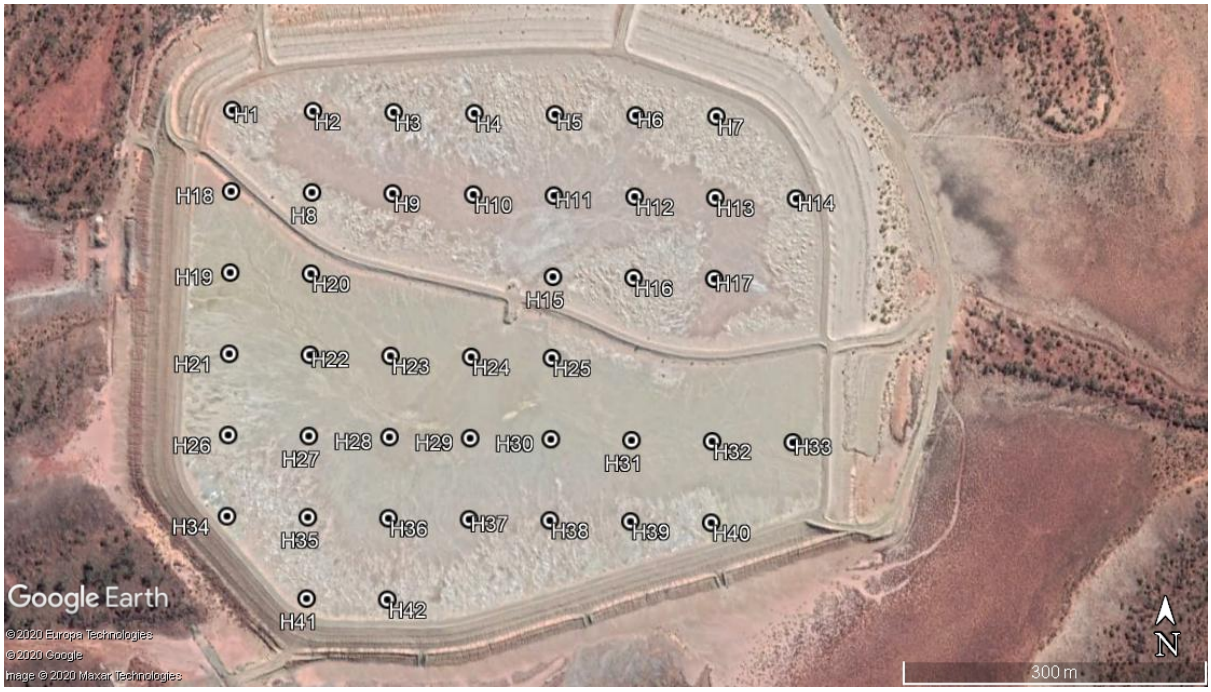


Figure 2 – Planned drill hole location and pattern of HanTails TSF

The Programme commenced with a track mounted aircore rig. Fourteen drill holes were completed on the first day. However, by the end of the day drilling was halted to evaluate the efficacy of the air core method. As a result of issues with sample return it was decided that the best course of action was to source an auger drill to continue with the remainder of the drilling. The remaining 28 drill holes were completed by the end of September totalling 675 metres.

Lab assay results are expected are expected to be available in coming weeks, following which a decision will be made as to the next steps for the Project.

During the Quarter preliminary discussions were also held with metallurgical consultants to establish sampling and testing protocols that would aid in the testing of the recovery potential of the tailings material. This would all be dependent on the grade of the material that would be determined following the drilling.

Pursuant to the terms of the Farm in and Joint Venture Agreement Redstone will be required to incur a minimum farm-in spend of $75,000 to earn a 51% interest in the Project (**Stage 1**), including a guaranteed minimum spend of $50,000, within a 9 month period. Following Stage 1 and the establishment of an unincorporated joint venture with the vendor, Redstone will be required to incur a further farm-in spend of $75,000 to earn an 80% interest in the Project (**Stage 2**). After Stage 2, Redstone will be required to free carry joint venture expenditure until a Decision to Mine based on the completion of an economic study. At the end of the free carry period the vendor will have the election to contribute 20% to Project joint venture expenditure or dilute to a 2% gross proceeds royalty on any gold produced and sold.

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HanTails presents an excellent low cost development stage project opportunity for the Company. If proved feasible, the potential gold endowment and production at HanTails has the potential to provide the Company with significant cash flow in the short to medium term.

The Company has engaged Mr Chris Banasik, with over 31 years' mining executive experience and founding Executive Director of gold producer Silver Lake Resources Ltd to lead the HanTails Project.

WEST MUSGRAVE PROJECT

Redstone's 100% owned West Musgrave Project (the **West Musgrave Project**) includes the Tollu Copper Vein project (**Tollu**), 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^2. 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.

Detailed geochemical analysis of the EM1 (**VTEM$_{max}$**) target assay results suggest 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 20 QUARTER ACTIVITIES

TOLLU COPPER VEIN PROJECT

During the Quarter the Company completed and lodged an Extension of Term (**EoT**) application for the Tollu exploration licence E69/2450 for a further two year term to 18 September 2022. The EoT was successfully granted on 2 October 2020.

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CORPORATE

Capital Raising and Cash

During the Quarter the Company successfully raised $750,000 (before costs) by way of private placement to sophisticated and professional investors of 53,571,429 million fully paid ordinary shares in the Company (**Placement Shares**) at an issue price of 1.4 cents per Placement Share. A total of 44,665,710 Placement Shares were issued during the Quarter with the remaining Placement Shares anticipated to be issued in the December 2020 quarter, of which 6,785,714 Placement Shares proposed to be issued to the directors of Redstone (for total funds of $95,000) are subject to shareholder approval at the Company's Annual General Meeting.

The funds raised from the placement will be used to evaluate the HanTails Gold Project, to continue targeted evaluation and exploration on the Company's 100% owned West Musgrave Project and for working capital.

Pursuant to the terms of the HanTails Agreement Redstone also issued four (4) million Shares were issued to the vendor on 29 July 2020 in return for an exclusive due diligence period.

Shares on issue at the end of the Quarter total 522,630,016.

At the end of the Quarter the Company had available cash of $834,000. Cash requirements are considered sufficient for the short to medium term.

Payments to related parties of $12,000 comprises remuneration of directors (refer section 6 of Appendix 5B).

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 2020

West Musgrave, 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	18/09/2020*	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

* An application for an extension of term for exploration licence E69/2450 for a further two year period to 18 September 2022 was applied for to the Department of Minerals, Industry, Regulation and Safety (**DMIRS**) on 18 September and successfully granted on 2 October 2020.

During the Quarter, the Company entered into a farmin and joint venture agreement to acquire up to an 80% interest in prospecting licence P26/4308, known as the HanTails Project.

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

For further information please contact:

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Chairman	Company Secretary
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This Announcement has been approved for release by the Board of Redstone Resources Limited

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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.

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.

Appendix 5B

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

Name of entity

Redstone Resources Limited

ABN	Quarter ended ("current quarter")
42 090 169 154	30 September 2020

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	16	16
1.2	Payments for		
	(a) exploration & evaluation	(125)	(125)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(35)	(35)
	(e) administration and corporate costs	(43)	(43)
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	44	44
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(143)**	**(143)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(5)	(5)
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 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**	**(5)**	**(5)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	625	625
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	(26)	(26)
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**	**599**	**599**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	383	383
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(143)	(143)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(5)	(5)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	599	599

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**834**	**834**

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	824	373
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)**	**834**	**383**

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	12
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.

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7.	**Financing facilities** *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.*	**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)	(143)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(143)
8.4	Cash and cash equivalents at quarter end (item 4.6)	834
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	834
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	5.8

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.

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

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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: 30/10/2020.....

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.

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