



**REDSTONE RESOURCES LIMITED**  
**ABN 42 090 169 154**  
**NOTICE OF ANNUAL GENERAL MEETING**

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Notice is given that the Annual General Meeting (**AGM**) of Redstone Resources Limited (**the Company**) will be held at the Fremantle Room, Parmelia Hilton Perth, 14 Mill Street, Perth Western Australia, at 2.00pm Western Daylight Time on Thursday, 29 November 2007.

The attached Explanatory Memorandum is provided to supply Shareholders with information to enable them to make an informed decision regarding the resolutions set out in this Notice.

The Explanatory Memorandum is intended to be read in conjunction with and forms part of this Notice.

**AGENDA**

**GENERAL BUSINESS**

**Financial Report**

To receive and consider the financial report of the Company and the reports of the Directors and auditors to the Company for the year ended 30 June 2007.

**Retirement by Rotation and Re-election**

**Resolution 1 – Re-election of Mr Juan Carlos Olivero**

To consider and if thought fit, to pass the following as an ordinary resolution:

“That Mr Juan Carlos Olivero, being a Director of the Company who retires by rotation pursuant to the Constitution, and being eligible for re-election, is re-elected as a Director.”

**Election of Directors**

**Resolution 2 (a) – Election of Mr Anthony Alexander Ailakis**

To consider and if thought fit, to pass the following as an ordinary resolution:

“That Mr Anthony Alexander Ailakis, being a Director who retires pursuant to the Constitution, and having offered himself for election and being eligible for election, is hereby elected as a Director.”

**Resolution 2(b) – Election of Mr Stephen George Fountain**

To consider and if thought fit, to pass the following as an ordinary resolution:

“That Mr Stephen George Fountain, being a Director who retires pursuant to the Constitution, and having offered himself for election and being eligible for election, is hereby elected as a Director.”

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**Remuneration Report**

**Resolution 3 – Adoption of the Remuneration Report (Non- Binding)**

To consider and if thought fit, to pass the following as an ordinary resolution:

“That the remuneration report as contained in the Annual Report of the Company for the year ended 30 June 2007 be adopted.”

This resolution shall be determined as if it were an ordinary resolution, albeit advisory only. Under section 250R(3) of the Corporations Act the vote on Resolution 3 does not bind the Directors or the Company.

**Ratification and Approval of Previous Allotment and Issue of Shares**

**Resolution 4 – Ratification and Approval of Previous Allotment and Issue of Shares**

To consider and if thought fit, to pass the following as an ordinary resolution:

“That for the purposes of ASX Listing Rule 7.4 and for all other purposes, the Shareholders hereby ratify the issue and allotment by the Company of 2,602,862 Shares on the terms and conditions and in the manner described in the Explanatory Memorandum that accompanies this Notice of Annual General Meeting.”

**Voting Exclusion**

For the purposes of ASX Listing Rule 7.4, the Company will disregard any votes cast on this resolution by a person who participated in the issue and any associate of such a person.

However, the Company will not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

**Other Business**

To deal with any other business that may be brought forward in accordance with the Constitution and the Corporations Act.

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**EXPLANATORY MEMORANDUM**

Shareholders are referred to the Explanatory Memorandum accompanying and forming part of this Notice of Meeting.

**Voting and Proxies**

**Voting Entitlements**

The Company has determined, in accordance with regulation 7.11.37 of the Corporations Regulations 2001 (Cth), that the Shares quoted on the Australian Stock Exchange Limited at the end of day on 27 November 2007 shall be taken, for the purposes of the Annual General Meeting, to be held by the persons who held them at that time. Accordingly, those persons are entitled to attend and vote (if not excluded) at the Meeting.

**Proxies**

A Shareholder who is entitled to attend and vote has a right to appoint a proxy to attend and vote instead of the Shareholder. A proxy need not be a Shareholder and can be either an individual or a body corporate. If a Shareholder appoints a body corporate as a proxy that body corporate will need to ensure that it:

- appoints an individual as its corporate representative to exercise its powers at the meeting, in accordance with section 250D of the Corporations Act 2001 (Cth); and
- provides satisfactory evidence of the appointment of its corporate representative prior to commencement of the meeting.

If such evidence is not received before the meeting, then the body corporate (through) its representative will not be permitted to act as proxy.

A member that is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, each proxy may exercise half of the Shareholder's votes.

A proxy form accompanies this Notice and to be effective the proxy form and the power of attorney or other authority (if any) under which it is signed (or a certified copy) must be received by the Company no later than 48 hours before the commencement of the Meeting, at:

- Redstone Resources Limited registered office, Suite 3 110-116 East Parade, East Perth WA 6004; or
- post the proxy form to the Share Registry: Computershare Investor Services Pty Ltd, GPO Box 242, Melbourne VIC 3001; or
- by facsimile to the Share Registry on facsimile number (08) 9323 2033 (International + (61 8) 9323 2033).



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**EXPLANATORY MEMORANDUM**

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This Explanatory Memorandum and all attachments are important documents. They should be read carefully.

If you have any questions regarding the matters set out in this Explanatory Memorandum or the preceding Notice, please contact the Company, your stockbroker or other professional advisor.

**General Information**

This Explanatory Memorandum has been prepared to assist Shareholders to understand the business to be put to Shareholders at the forthcoming Annual General Meeting to be held on 29 November 2007.

The purpose of the Explanatory Memorandum is to provide Shareholders with information that the Board believes to be material to Shareholders in deciding whether or not to approve the above resolutions in the Notice (of which this Explanatory Memorandum forms a part).

**ORDINARY BUSINESS**

**Annual Financial Report**

The Corporations Act requires:

- the reports of the Directors and auditors; and
- the annual financial report, including the financial statements of the Company for the year ended 30 June 2007,

to be laid before the Annual General Meeting. Neither the Corporations Act nor the Constitution requires a vote of Shareholders on the reports or statements. However, Shareholders will be given ample opportunity to raise questions or comments on the management of the Company.

The financial report for consideration at the meeting will be the full financial report. Unless a Shareholder instructs otherwise, each Shareholder is sent or provided access to the financial report. Any Shareholder wishing to receive a copy of the full financial report should contact the Company and a copy will be forwarded without delay.

Also, a reasonable opportunity will be given to members as a whole at the meeting to ask the Company's auditor questions relevant to the conduct of the audit, the preparation and content of the auditor's report, the accounting policies adopted by the Company in relation to the preparation of the financial statements and the independence of the auditor in relation to the conduct of the audit.

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**Resolution 1 - Re-election of Mr Juan Carlos Olivero**

Rule 8.1(d) of the Constitution requires that at every AGM, one third of Directors (after excluding a Director who is the managing Director or any Director appointed by the Board since the date of the last annual general meeting), or if this number of Directors is 5 or less, then 2 of the remaining Directors, must retire from office and if eligible seek re-election in accordance with Rule 8.1(i) of the Constitution.

Accordingly, Juan Carlos Olivero retires by rotation and offers himself for re-election.

The experience, qualifications and other information about Mr Olivero appears below:

***Mr Juan Carlos Olivero*** (Non-Executive Director) - Appointed 17 May 2006

Mr Juan Carlos Olivero has been involved in the mining and exploration industry in Australia for over 20 years. He founded and was managing director of Exclusive Air Charter Pty Ltd, a company responsible for secure air transport of gold from the majority of Western Australian mines to Perth for over 12 years. Mr Olivero developed the company from a one-aircraft one-pilot operation to a successful small airline which effectively covered the market for secure gold transport in Western Australia.

**The Directors (excluding Mr Olivero) unanimously recommend that Shareholders vote in favour of Resolution 1.**

**Election of Directors**

Rule 8.1(c) of the Constitution requires that any Director appointed by the Board, (since the last annual general meeting), who is not the Managing Director, holds office only until the conclusion of the next AGM following his or her appointment. Accordingly, any such Director must automatically retire from office at the next annual general meeting, and being eligible may seek election in accordance with Rule 8.1(i) of the Constitution.

**Resolution 2 (a) - Election of Mr Anthony Alexander Ailakis**

Anthony Alexander Ailakis was appointed as an executive Director since the date of the last annual general meeting of the Company. Under the Constitution he holds office only until this Meeting and therefore offers himself for election.

The experience, qualifications and other information about Mr Ailakis appears below:

***Mr Anthony Alexander Ailakis*** (*B. Juris LLB*) (Executive Director)

Mr Anthony Ailakis has been involved in the exploration and mining industry for almost 20 years. He has a law degree from the University of Western Australia in 1986 and worked as a general commercial and mining lawyer until he moved into the mining and exploration consultancy work on a project basis in the early 1990s.

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Mr Ailakis has been involved in the development of constructive relationships with Aboriginal Land Councils and traditional owners and in the conduct of access and native title negotiations, as well as ground acquisition and matters relating to tenement management and Mining Act compliance.

Mr Ailakis has been actively involved in the development and implementation of Redstone's acquisition strategy over the past several years.

**The Directors (excluding Mr Ailakis) unanimously recommend that Shareholders vote in favour of Resolution 2(a).**

**Resolution 2 (b) - Election of Mr Stephen George Fountain**

Stephen George Fountain was appointed as executive Director since the date of the last annual general meeting of the Company. Under the Constitution he holds office only until this Meeting and therefore offers himself for election.

The experience, qualifications and other information about Mr Fountain appears below:

**Mr Stephen George Fountain** (*B Bus, F Fin*) (General Manager) – Appointed 30 April 2007

Mr Fountain has almost 14 years experience in the Resources Industry in Western Australia. Mr Fountain graduated with an Accounting and Finance degree from Edith Cowan University in Perth in 1993. In 1996 he completed a Graduate Diploma in Applied Finance and Investment with the now renamed Financial Services Institute of Australasia (Finsia).

Mr Fountain joined WMC Resources in 1993 and has held various Accounting, Business Analysis and Managerial positions within WMC and other mining and exploration companies including LionOre Nickel Australia, Harmony Gold Australia and, most recently prior to this role, with BHP Billiton Nickel West.

**The Directors (excluding Mr Fountain) unanimously recommend that Shareholders vote in favour of Resolution 2(b).**

**Resolution 3 - Adoption of the Remuneration Report (Non-Binding)**

As required by section 250R of the Corporations Act, a resolution that the remuneration report for the year ended 30 June 2007 be adopted is put to vote.

The remuneration report is set out on pages 9 to 11 of the Annual Report of the Company. The vote on this item is advisory only and does not bind the Directors or the Company; however the Company will take the outcome into consideration when reviewing remuneration practices and policies. During this item there will be reasonable opportunity for Shareholders to comment on and ask questions about the remuneration report.

**The Directors unanimously recommend that Shareholders vote in favour of Resolution 3.**

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**Resolution 4 – Ratification of Previous Issue and Allotment of Shares**

As announced on 16 August 2007, the Company issued and allotted 2,602,862 Shares to existing Shareholders and the external investors in the Company who applied pursuant to a Short Form Prospectus dated 13 July 2007.

Resolution 4 seeks Shareholder ratification of the prior issue and allotment of these 2,602,862 Shares for the purposes of ASX Listing Rule 7.4 and for all other purposes.

ASX Listing Rule 7.1 prohibits a listed company from issuing, or agreeing to issue, equity securities (which include shares) that exceed 15% of the total number of ordinary securities on issue in any 12 month period, unless approval is obtained from the holders of the Company's ordinary securities.

ASX Listing Rule 7.4 provides that the approval of holders of the Company's ordinary shares may be obtained after the issue of equity securities. The effect of such ratification is to restore the Company's discretionary power to issue further Shares up to 15% of the number of ordinary Shares on issue at the beginning of the relevant 12 month period without obtaining Shareholder approval.

The approval of this resolution will enable the Company at any time during the next 12 months to issue equity securities up to the 15% threshold set out in ASX Listing Rule 7.1:

- (a) without the requirement to obtain approval from the holders of the Company's ordinary securities; and
- (b) without the Shares described below counting towards the 15% threshold set out in ASX Listing Rule 7.1.

For the purposes of ASX Listing Rule 7.5 the following information is provided to shareholders in relation to the issue of shares in the Company:

*(a) Number of Shares issued*

2,602,862 Shares

*(b) Price at which Shares were allotted and issued.*

\$1.20 per Share

*(c) Terms of the Shares*

The Shares rank equally in all respects with the existing Shares on issue.

*(d) Names of allottees or the basis on which allottees were determined.*

Shares were allotted pursuant to all applications received from existing Shareholders and the general public under and in accordance with the terms of the Short Form Prospectus dated 13 July 2007.

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*(e) Use (or intended use) of the funds raised*

The funds will be used for:

- deep drilling of the highly prospective Halleys discovery;
- drilling and continued exploration of the Company's other projects in the West Musgrave region; and
- exploration of the Company's nickel and iron-ore targets in Brazil, and acquisition of selected properties in the central Andean region of South America.

**The Directors unanimously recommend that Shareholders vote in favour of Resolution 4.**

**Enquiries**

Shareholders are invited to contact the Company Secretary, Miranda Conti on (08) 9328 2552 if they have any queries in respect of the matters set out in these documents.

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**GLOSSARY**

**Annual Report** means the 2007 annual report of the Company

**ASX** means Australian Stock Exchange Limited (ACN 008 624 691).

**Board** means the board of directors of the Company duly appointed in accordance with the Constitution of the Company.

**Company** means Redstone Resources Limited (ABN 42 090 169 154).

**Constitution** means the constitution of the Company.

**Corporations Act** means the Corporations Act 2001 (Cth).

**Director** means a director of the Company.

**Explanatory Memorandum** means the explanatory memorandum that accompanies and forms part of the Notice

**Listing Rules** means the official listing rules of ASX.

**Meeting** or **Annual General Meeting** means the meeting convened by this Notice.

**Notice** or **Notice of Meeting** means the notice of annual general meeting accompanying this Memorandum.

**Resolution** means a resolution contained in the Notice.

**Share** means an ordinary fully paid share in the capital of the Company.

**Shareholder** means the holder of a Share.

**WDT** means Western Daylight Time.