REDSTONE RESOURCES LTD
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New gravity data defines multiple Olympic Dam type IOCG targets at the Baggaley Hills Project, West Musgrave region

- ***Eight discrete coincident gravity-aeromagnetic targets are now defined, with the Twins target highlighted as an immediate IOCG style (Iron 0xide Copper Gold) drill target***
- ***An access agreement was signed with traditional owners for 1,660km^2 of pristine exploration ground in a major magmatic corridor in the West Musgrave region of Western Australia (ASX release April 2008)***
- ***Aboriginal heritage clearances completed two weeks ago have allowed access to the bulk of the Project area with systematic exploration commencing in the near future***
- ***First pass reconnaissance rock chip sampling has yielded immediate exploration success, with peak results of 0.29% Cu in the Giles Complex Antlion Intrusion with surface geochemical anomalous values highlighted over 5km of strike***

The Board of Directors of Redstone Resources Limited **(ASX: RDS)** are pleased to announce that new Government gravity data (Western Australian Department of Industry and Resources - Geoscience Australia) which was released on the 7th August 2008 over the Baggaley Hills Project (100% owned by Redstone Resources Ltd) has significantly enhanced a number of airborne magnetic targets, confirming the potential for Olympic Dam type IOGC type deposits.

The 2.5km spaced gravity shows eight circular gravity targets with coincident airborne magnetic highs (IOCG prospective) and several gravity targets without magnetic signatures (Voiseys Bay style Ni-Cu-PGE targets). The Twins target (previously defined by magnetics) has been upgraded by the gravity survey and is an outstanding feature which warrants immediate attention (Figure 1).

Aboriginal heritage clearances were conducted several weeks ago with most of the Project area available for exploration, which is planned to commence in the near future. Two days were spent on the Project area using a helicopter to conduct reconnaissance evaluations and sampling. Reconnaissance rock chip sampling at the Antlion Intrusion, a circular Giles Complex gabbro-gabbronorite (with striking similarities to the Keivitsa Intrusion in Finland, which hosts the Keivitsa Ni-Cu-PGE deposit), revealed peak values of 0.29% Cu (handheld Niton XRF results – Appendix 1) from a magnetically disturbed zone near the centre of the intrusion. Soil geochemical samples (Appendix 1) collected on 1km spaced lines yielded anomalous copper values over 5km strike within the bounds of the circular intrusion (Figure 2).

The immediate success of the reconnaissance sampling is extremely encouraging and a large work program is planned to commence in the first week in October, to systematically sample and map over the entire Antlion Intrusion and surrounds.

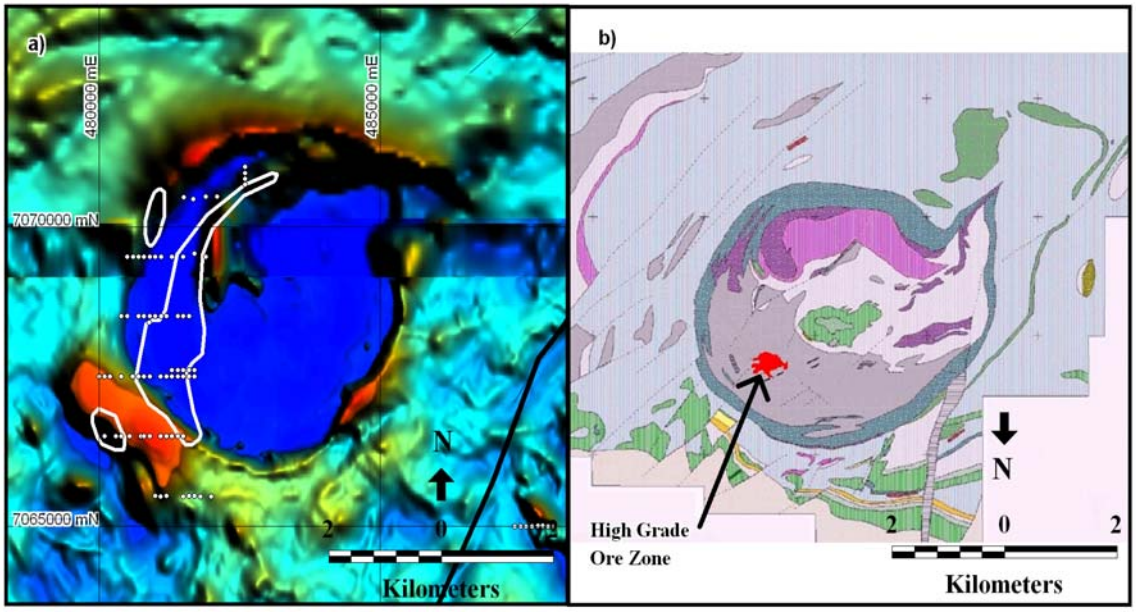

Figure 2. Comparison between the size and architecture of the a) Antlion Intrusion in the West Musgraves (TMI magnetics shown) and the b) Keivitsa Intrusion containing the Keivitsa Ni-Cu-PGE Deposit (open pit resource 70Mt @ 0.31% Ni, 0.43% Cu and 0.71 g/t PGE + Au). Soil and rock chip sampling at Antlion (white dots) have highlighted a 5km long Cu anomaly at >100ppm Cu (white contour).

The Baggaley Hills Project area was originally targeted by Normandy and Newmont in the early 2000s for IOCG (iron-oxide copper-gold) style deposits but they were unable to explore the area because an access agreement could not be negotiated with traditional owners. In 2007, Redstone Resources Ltd highlighted numerous targets in the area using detailed airborne magnetics. Geological modelling identified a major corridor of magmatic activity (containing both A-type fluorine and magnetite bearing granites and pipelike gabbroic bodies).

The West Musgrave Region is one of the least explored Proterozoic terranes in Australia, representing a unique and unparalleled opportunity for greenfields exploration and the potential discovery of world-class deposits. Exploration over the key targets defined will commence as soon as possible, with detailed surface geochemical sampling and mapping, infill ground geophysics and drilling of targets.

Yours sincerely,

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ATTRIBUTION

The information in this report that relates to exploration results is based on information compiled by Professor David Groves, a member of the Australian Institute of Geoscientists. Professor Groves has sufficient experience relevant to the style of mineralisation under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves'. Professor Groves consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Appendix 1

Detailed Data - Antlion Geochemical Sampling

72 Soil (DLag) surface samples were collected on 1km spaced lines by 100 to 200m centers during a 1 day helicopter reconnaissance exploration program at the Antlion Intrusion. The lines covered the western portion of the intrusion, where a complex magnetic feature was deemed to be the principal target. The samples were assayed in the field with the handheld XRF (Niton), defining a 5km long anomaly of Cu at a 100ppm lower cutoff with peak values of 523ppm, 421ppm, 369ppm and 251ppm defining a central anomalous zone over 2.5 km long.

Rock chip sampling was conducted independently of the surface soil (DLag) sampling. 21 rock chip samples were assayed in the field with the handheld XRF (Niton) yielding peak results of 0.292% Cu and 0.140% Cu spread over 3.5km. Table 1 highlights the peak rock chip samples collected.

Table 1 – Peak rock chip values from the Antlion Intrusion

Sample	East	North	RL m	Ni ppm	Cu ppm	Cu %
Z47255	482707	7070666	512	615	2918	0.292
R17436	481340	7067685	495	359	1404	0.14
Z47252	481756	7067811	514	72	668	0.067
Z47250	481653	7067722	503	245	661	0.066
Z47251	481703	7067778	507	154	604	0.060
R17435	481222	7067982	489	110	374	0.037
R17438	480941	7069751	500	215	166	0.017
R17434	481025	7070548	495	61	108	0.011
R17429	480723	7068079	490	465	53	0.005

Redstone targeted the Antlion Intrusion as a large pipe-like Giles Complex body and ranked it highly due to its similar architecture to the Keivitsa Intrusion in Finland. Reconnaissance sampling has provided better than expected results, confirming that sulphides are present within the intrusion.

Detailed systematic sampling and mapping is due to commence in the very near future.