

**ASX  
RELEASE****19 March 2009**

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**ASX Code RDS****REDSTONE ANNOUNCES  
WEST MUSGRAVE BAGGALEY HILLS PROJECT  
JOINT VENTURE  
AND  
\$500,000 CAPITAL RAISING**

**Redstone Resources Limited (ASX Code: RDS)** is pleased to announce that it has entered into a farm in and joint venture agreement with a private investment company (Company) over its Baggaley Hills Project in the West Musgrave region.

The Company has also agreed to subscribe for 5 million fully paid ordinary shares in Redstone at \$0.10 per share to raise \$500,000. The placement will occur in two equal tranches in September 2009 and February 2010.

Under the terms of the agreement the Company has paid Redstone \$255,000 upon execution and will make a further payment of \$250,000 in June 2009. The Company has the right to earn 80% of the Baggaley Hills project tenements by spending a minimum of \$2.5 million over a three year period on the tenements.

After earning an 80% interest, the Company will sole fund exploration and development expenditure on the Project Tenements until a Decision to Mine based on a bankable feasibility study.

This agreement will enable exploration to continue over the Baggaley Hills Project tenements, following enhancement of a number of key targets defined during the second half of last year. These include 8 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 most significant target is the Antlion Intrusion (a circular Giles Complex gabbro-gabbro-norite) which has been compared to the Keivitsa Intrusion containing the Keivitsa Deposit in Finland (open pit resource 70Mt @ 0.31% Ni, 0.43% Cu and 0.71 g/t PGE + Au) for which DLag and rock chip sampling conducted at Antlion last year have highlighted a 5km long Cu-PGE anomaly.

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These transactions will provide Redstone with a \$1 million contribution to its working capital requirements whilst it pursues other options to continue its investment in its exploration projects.

The Board is pleased to announce these transactions in the current challenging environment for junior exploration companies.

### **BAGGALEY HILLS PROJECT BACKGROUND**

The Baggaley Hills Project (EL's 69/2053, 69/2054, 69/2339, 69/2340, 69/2249, 69/2200, 69/1541) was originally targeted by Normandy and Newmont in the early 2000s for IOCG (iron-oxide copper-gold) style deposits but the tenements were dropped as an agreement over access could not be reached. 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).

### **Investor Enquiries:**

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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.

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