



13 October 2009

Company Announcements Office
Australian Stock Exchange Limited
20 Bridge Street
SYDNEY NSW 2000

Electronic Lodgement

Dear Sir/Madam

REDSTONE FINALISES CAPITAL RAISINGS OF \$2.25M
PRIVATE PLACEMENT WELL OVERSUBSCRIBED

Redstone Resources Limited (ASX: RDS) is pleased to announce that it has today finalised capital raisings totalling \$2.25 million (before costs).

Due to overwhelming demand it has obtained commitments for subscriptions of \$2,000,000 by the placement of 22,222,224 fully paid ordinary shares in Redstone to sophisticated and private investors at \$0.09 per share together with one free attaching option for every two shares applied for. These options will be exercisable at \$0.25 cents per share on or before 30 November 2012.

This exceeds the initial funds sought of \$1,100,000 as announced on 22 September 2009 and reflects very strong investor support.

Of the placement securities, 3,575,000 shares for a total \$321,750 will be issued and allotted immediately (up to the Company's remaining 15% threshold under ASX Listing Rule 7.1), whilst the balance of the shares (18,647,224) and all free attaching options (11,111,112) will be issued and allotted if shareholder approval is obtained at a general meeting of the Company to be convened as soon as reasonably practicable.

A further \$250,000 has been raised pursuant to the Baggaley Hills farmin agreement by the farmin party subscribing for 2,500,000 fully paid ordinary shares in Redstone at \$0.10 per share, to be issued and allotted immediately. This placement represents the first of two equal tranches under this agreement.

Funds from the capital raisings will enable Redstone to progress exploration and commence a drilling program on certain of the Company's West Musgrave projects and provide further working capital.

The Company also advises that have 40,683,794 fully paid ordinary shares have been released from escrow together with 2,450,000 Class B options exercisable at \$0.50 on or before 31 December 2009 and 8,000,000 options exercisable at \$0.25 on or before 31 December 2009.

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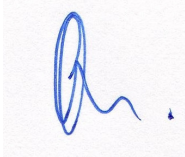
Notice under Section 708A(5)(e)(i) Corporations Act

Redstone Resources Limited has today issued 6,075,000 fully paid ordinary shares to sophisticated and private investors to raise \$571,750.

Accordingly the Company gives notice under section 708A(5)(e)(i) of the Corporations Act 2001 (Cth) (**Act**) that:

1. the abovementioned shares were issued without disclosure to investors under Part 6D.2 of the Act;
2. as at the date of this notice the Company has complied with:
 - (i) the provisions of Chapter 2M of the Act as they apply to the Company; and
 - (ii) section 674 of the Act; and
3. as at the date of this notice there is no information to be disclosed which is “excluded information” as defined in subsection 708A(7) of the Act that is reasonable for investors and their professional advisers to find in a disclosure document.

Yours sincerely



Anthony Ailakis
Director

Investor Enquiries:

Telephone: +61 8 9328 2552
Facsimile: +61 8 9328 2660
Email: anthonya@redstone.com.au
Website: www.redstone.com.au
Address: PO Box 8646, Perth Business Centre WA 6849

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