



REDSTONE RESOURCES LTD
ABN 42 090 169 154

(ASX CODE: RDS)

ASX ANNOUNCEMENT

18 August 2010

TOLLU COPPER PROJECT UPDATE

Redstone Resources Ltd (**ASX:RDS**) previously reported the discovery of copper-rich massive sulphide mineralisation at its 100% owned Tollu copper project in Western Australia.

Since the Company's previous announcement on 28 June 2010, Redstone has completed down-hole and surface EM surveys over part of the Tollu project and has completed interpretation of the survey results.

Drilling and EM survey highlights include:

- **High grade copper sulphide mineralisation open at depth and along strike**
- **Down-hole EM survey has outlined two conductors consistent with copper sulphide mineralisation intersected by previously reported RC drilling**
- **Surface EM survey has identified a large conductive anomaly coincident with known disseminated sulphide (chalcopyrite) mineralisation**
- **RC Drilling planned to commence in September 2010:**
 - to test known sulphide mineralisation at depth and along strike;
and
 - to test large conductive anomaly coincident with thick (95+m) disseminated sulphide (chalcopyrite) drill hole intersection

ELECTROMAGNETIC (EM) SURVEY

Redstone has completed down-hole and surface (moving loop) EM surveys and interpretation of the survey results.

The work has outlined three EM conductors.

The down-hole survey included drill holes which had intersected copper sulphide mineralisation during the RC drilling programme in May 2010.

One EM conductor is located near the known copper sulphide mineralisation of RC drill hole TLC 12. This conductor is steeply dipping, suggesting extension of mineralisation at depth.

Another steeply dipping conductor is outlined to the north of copper sulphide mineralisation intercepted by drill hole TLC 19 (approximately 500m south east of TLC 12 and situated adjacent to a zone of several shallow RAB drill holes which previously intersected copper oxide mineralisation which is open at depth).

A surface EM survey (moving loop) was also conducted over part of the Tollu project. This survey identified a large conductive anomaly 1km to the south east of the previously reported copper sulphide mineralisation intersected in RC drill holes TLC 12, TLC 15 and TLC 18. This anomaly is located near diamond drill hole A102 (drilled in 1957 by Southwestern Mining Ltd) which intersected 95m of disseminated copper sulphide (chalcopyrite) (open at depth). Whilst the source of the anomaly is unknown at this stage, it is consistent with disseminated sulphide mineralisation.

In summary, the EM surveys have identified three conductive bodies;

1. one related to the copper sulphide mineralisation identified by RC drill holes TLC12, TLC 15 and TLC 18;
2. one related to copper sulphide mineralisation identified by RC drill hole TLC19; and
3. a larger target of unknown source to the south east of the known sulphide mineralisation and coincident with a single diamond drill hole drilled in 1957 and which intersected 95m of disseminated copper sulphide (chalcopyrite) (open at depth).

PLANNED PROGRAMME

RC drilling is planned to commence in September 2010 to test:

- the extension of known copper sulphide mineralisation and associated conductor at depth and along strike;
- the conductor to the north of drill hole TLC 19;
- the large conductive anomaly coincident with thick (95+m) disseminated sulphide (chalcopyrite) drill hole intersection; and
- other copper mineralised veins within the 6 km² mineralising system.

Tollu Project Background

The Tollu project is part of a 200 km² exploration licence held by Redstone. The focus of Redstone's exploration is a giant swarm of hydrothermal copper rich veins in a system covering an area of at least 6 km² and forming part of a dilation system between two major shears. The mineralisation at surface comprises malachite, tenorite and azurite.

During the drilling programme Redstone drilled 5 angled holes into part of the central zone of the steeply dipping vein system to test at depth, mineralisation identified from its earlier drilling programme (one hole had previously been drilled into this zone and had intersected copper mineralisation of 18m at 0.62% from 21 metres depth in the oxidised zone).

The drilling was designed to intercept copper ore, below the oxidized zone. Three drill holes intercepted significant massive copper sulphide mineralisation:

- ***TLC 12 returned 14m @ 3.5% Cu from 126m and 3m @ 0.14% Co from 130m including 4m @ 6.25% Cu from 127m;***
- ***TLC 15 returned 18m @ 2.7% Cu from 181m including 11m @ 3.7% Cu from 181m; and***
- ***TLC 18 returned 17m @ 2.2% Cu from 145m.***

The massive copper mineralisation is open at depth and along strike.

The mineralisation style, chemistry and regional setting are consistent with a Voisey's Bay style magmatic copper–nickel ore body at depth.

Additional information on Redstone Resources is available on the Company's website at www.redstone.com.au

Investor Enquiries:

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

ATTRIBUTION

The information in this report that relates to exploration results is based on information compiled by Dr Joao Orestes Santos, a member of the Australasian Institute of Geoscientists. Dr Santos 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'. Dr Santos consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.