REDSTONE RESOURCES

2015 Annual Report
Redstone Resources Limited

ACN 090 169 154

COMPETENT PERSONS STATEMENT:

The information in this report that relates to Exploration Targets and Exploration Results was authorised by Mr Darryl Mapleson, a Principal Geologist and a full time employee of BM Geological Services, who are engaged as consultant geologists to Redstone Resources Limited. Mr Mapleson is a Fellow of the Australian Institute of Mining and Metallurgy. Mr Mapleson has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration to act as a competent person as defined in the 2012 edition of the "Australasian Code for reporting of Exploration results, Mineral Resources and Ore Reserves". Mr Mapleson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

FORWARD LOOKING STATEMENTS:

This report contains certain forward-looking statements. Forward-looking statements are subject to a variety of risks and uncertainties beyond the Company's ability to control or predict which could cause actual events or results to differ materially from those anticipated in such forward-looking statements.

ADDITIONAL INFORMATION:

This report does not include reference to all available information on the Company or its Projects and should not be used in isolation as a basis to invest in Redstone Resources Limited. Any potential investors should refer to Redstone Resource Limited's other public releases and statutory reports and consult their professional advisers before considering investing in the Company.

REDSTONE RESOURCES LIMITED

ACN 090 169 154

Contents of Financial Report

REDSTONE RESOURCES LIMITED

ACN 090 169 154

CORPORATE DIRECTORY

DIRECTORS:

Mr Richard Homsany (Chairman)
Mr Edward van Heemst
Mr Brett Hodgins

SECRETARY:

Ms Miranda Conti

REGISTERED AND PRINCIPAL OFFICE:

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email: contact@redstone.com.au

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Tel: +61 8 9224 0000

AUDITOR:

Butler Settineri (Audit) Pty Ltd
Unit 16, First Floor
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DIRECTORS' REPORT

The Directors present their report on the Entity consisting of Redstone Resources Limited ('Redstone' or the Company) and its controlled entities ('Entity') for the financial year ended 30 June 2015.

The names and details of directors in office during the financial year until the date of this report are as follows. Directors were in office for the entire period unless otherwise stated.

Mr Richard Homsany *(BCom, LLB (Hons), CPA, Grad Dip FINSIA, F Fin, MAICD,* Non-Executive Chairman, Age 45

Mr Homsany is Executive Vice President of Mega Uranium Ltd, a Toronto Stock Exchange listed company.

Prior to this Mr Homsany was a corporate and commercial advisory partner with one of Australia's leading law firms.

He is the principal of Cardinals Lawyers and Consultants and has been admitted as a solicitor for over 20 years. Mr Homsany has extensive experience in corporate law, including advising public resources and energy companies on corporate governance, finance, capital raisings, takeovers, mergers, acquisitions, joint ventures and divestments.

Mr Homsany also has significant board experience with publicly listed resource companies and in the resources industry. He has also worked for an ASX top 50-listed internationally diversified resources company in operations, risk management and corporate.

Mr Homsany is a Certified Practising Accountant and is a fellow of the Financial Services Institute of Australasia (FINSIA). He has a Commerce Degree and Honours Degree in Law from the University of Western Australia and a Graduate Diploma in Finance and Investment from FINSIA.

Over the last 3 years Mr Homsany has held a directorship in Toronto Stock Exchange (Venture Exchange) listed Central Iron Ore Limited (TSX-V) (27 October 2010 to present), ASX Listed Toro Energy Ltd (1 December 2013 to present) and ASX listed Minquest Limited (formerly Merah Resources Ltd) (27 August 2010 to 30 April 2014). Mr Homsany is also chairman of the Health Insurance Fund of Australia Limited.

Mr Edward van Heemst *(BCom, MBA, CA, CPA),* Non-Executive Director, Age 69

Mr Edward van Heemst is a prominent Perth businessman with over 40 years' experience in the management of a diverse range of activities with large private companies.

Mr van Heemst is currently the Managing Director of Vanguard Press and Chairman of Perth Racing. Mr van Heemst holds a Bachelor of Commerce degree from the University of Melbourne, an MBA from the University of Western Australia and is a member of the Institute of Chartered Accountants Australia.

Mr van Heemst has an extensive knowledge of capital markets and established mining industry networks.

Mr Clinton Wolf *(LLB, BA),* Non-Executive Director, Age 46 (resigned 7 September 2015)

Mr Wolf is a non-executive director of boutique financial services firm Azure Capital and is a highly regarded Australian Indigenous leader with over 20 years professional experience in the mining industry. Mr Wolf has completed a Bachelor of Laws and Bachelor of Arts degree at Murdoch University.

Mr Wolf is the Chairman of the rapidly growing mining, civil and construction company, Indigenous Construction Resource Group (ICRG). He is also the Chairman of the Western Australian Aboriginal Lands Trust, a significant landholder with responsibility for approximately 27 million hectares or 11% of the State's land mass.

Mr Wolf's previous executive leadership roles include as Chief Executive Officer of the Western Desert Lands Aboriginal Council. He was also Chief Executive Officer of the Yamatji Land and Sea Council and of the Pilbara Native Title Service. Mr Wolf has also consulted to a number of significant mining and exploration companies, including Kimberley Diamonds, Consolidated Minerals, Pilbara Manganese, Pilbara Chromite, Rio Tinto, De Grey Mining, Atlas Iron, Sons of Gwalia, Aquila Resources, Moly Mines and Blina Diamonds.

DIRECTORS' REPORT

Mr Brett Hodgins *(BSc (Hons), Grad Dip FINSIA)*, Technical Director, Age 42

Mr Hodgins has over 20 years of professional experience in the resources sector primarily focused on exploration and mining operations. He began his career as a geologist with Robe River Mining and Rio Tinto Iron Ore. During that time he was involved with the commissioning and development of the West Angelas and Hope Downs operations. Mr Hodgins' recent roles include General Manager Project Development for Iron Ore Holdings and he is President / CEO of Central Iron Ore Ltd, a TSX-V listed company gold and iron ore explorer. He brings a wide range of experience in exploration, feasibility studies, operations, and has a broad knowledge of the resource sector.

Mr Hodgins has completed a Bachelor of Science Degree with Honours in Geology from Newcastle University, Diploma of Management and a Graduate Diploma in Finance and Investment from Financial Services Institute of Australasia.

Over the last 3 years Mr Hodgins has held a directorship in Toronto Stock Exchange (Venture Exchange) listed Central Iron Ore Limited (TSX-V) (27 October 2010 to present).

Mr Wrixon Gasteen *(BE (Mining) Hons, Qld, MBA (Distinction), Geneva),* Interim Managing Director, Age 64 (appointed 12 February 2015, resigned 30 April 2015)

Mr Wrixon Gasteen has a public track record as a Director and Chief Executive Officer of both listed and private companies with a focus on growth, corporate governance and transparency issues. He is a proven "turnaround" specialist, project implementer and business developer.

Mr Gasteen was appointed as interim managing director on 12 February 2015 to lead the implementation of the Tollu Copper Project Development Plan on its 100% owned tenement (E69/2450), such appointment as Managing Director being conditional on his raising the required funds to facilitate further drilling for the Tollu Development Plan.

This condition was not met and Mr Gasteen resigned as a director of the Company on 30 April 2015.

Company Secretary – Miranda Conti *(BCom, CPA, AGIA, ACIS)*

Ms Conti is a chartered secretary and certified practising accountant who has been engaged by the Company since March 2006.

Principal Activities

The principal activity of the Entity during the financial year was mineral exploration in Australia.

Review of Operations

The net loss after income tax attributable to members of the Entity for the financial year ended 30 June 2015 amounted to $519,835 (2014: $1,444,367) and net assets were $5,146,897 (2014: $5,666,732).

DIRECTORS' REPORT

WEST MUSGRAVE

E69/2450 – 100% Redstone

Redstone Resources Ltd (ASX: RDS) is a Perth-based company focused on highly prospective copper exploration properties in the West Musgrave region of Western Australia.

Redstone's 100% owned E69/2450 tenement is located in the south-east portion of the West Musgrave region of Western Australia. The tenement is located immediately south of a deep-seated crustal suture and hosts Proterozoic-aged volcanic, sedimentary and intrusive rocks that were formed in a failed intra-cratonic rift setting. This has been determined on the basis of evaluating the geodynamic setting, stratigraphic architecture, fluid reservoirs, flow drivers, fluid pathways and mechanisms for metal deposition. Projects identified to-date include the:

- Tollu Project.
- Atlas Project
- Babylon Project
- Pompeii Project.
- Pergamon Project.
- Herculaneum Project

Figure 1 – West Musgrave - Location Map

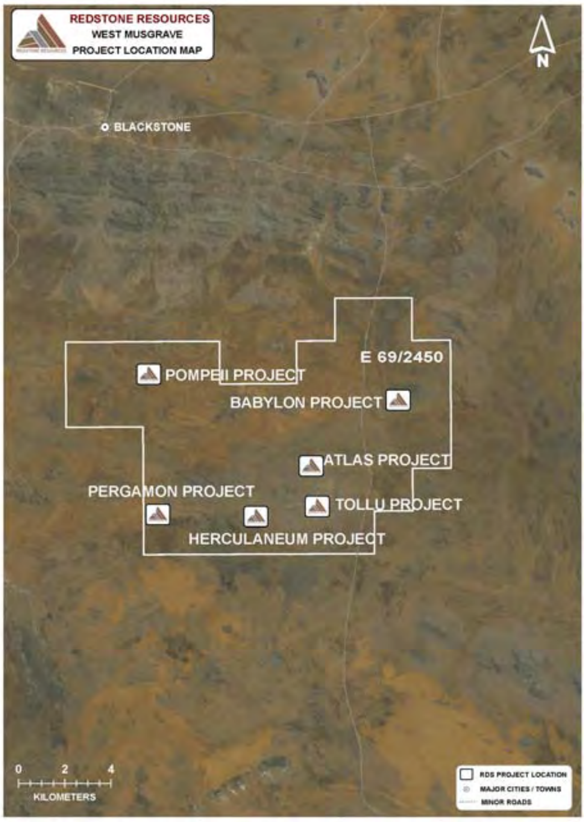

Figure 2 – West Musgrave – Project Map

DIRECTORS' REPORT

Tollu Project

(E69/2450) – 100% Redstone

Redstone's 100% owned Tollu Project is located in the southeast portion of the West Musgrave region of Western Australia (**Figure 1**). The project is approximately 20km south east of the Blackstone Community on Company's 100% owned tenement E69/2450 (**Figure 3**).

The Tollu Project consists of a large swarm of hydrothermal copper rich quartz veins in a mineralised system covering an area at least 5km^2. Malachite rich gossans associated with quartz veins are exposed at surface and form part of a dilatational system between two major structures within the Tollu Fault Zone.

The Company has identified 16 prospects in total within the Tollu Project. The Company has also identified the potential for a number of other projects on the Tollu tenement (E69/2450) in addition to the Tollu Project. The initial focus is on the Chatsworth Prospect, the Eastern Reef Prospect, the Main Reef Prospect and the Dawyck Prospect (**Figure 4**).

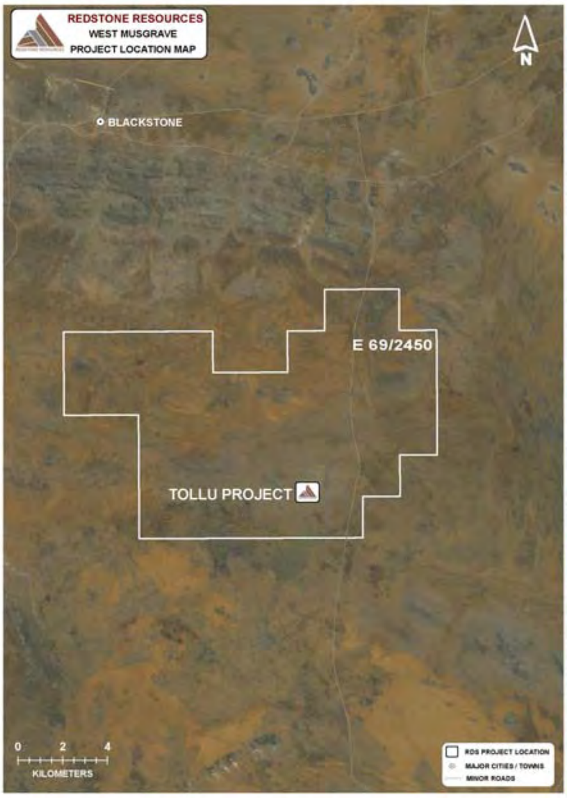

Figure 3 – Tollu Project - Location Map

Figure 4 – Tollu Project – 15 of the 16 Prospects

Tollu Project – Conceptual Exploration Target

During the year Redstone defined an increased Conceptual Exploration Target (**Target**) for the Tollu Project of 22 to 33 million tonnes of mineralisation at a conceptual grade range of 0.9 - 1.3% Cu, containing 198,000 to 445,000 tonnes of copper. This includes an estimate of 4.3 to 6.4 million tonnes of mineralisation at a conceptual grade range of 1.6 - 2.4%, containing 69,000 to 154,000 tonnes of copper on the Chatsworth Prospect.

The potential quantity and grade of the Target is conceptual in nature. It is important to note that there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

DIRECTORS' REPORT

This Target is based on the current geological understanding of the mineralised outcrop area at Tollu and coupled with geophysical evidence to suggest that the mineralised environment extends beneath cover to the north and south. **Table 1** describes the Target breakdown by Prospect.

The Tollu deposit is located in a large, reverse fault system where Cu mineralisation is focused into low stress dilatational jog positions along a north-south structural corridor **(Figure 5)**. High grade Cu mineralisation appears to be constrained to late stage veining within the dilatational positions which results in a limited strike length of the mineralisation. Drilling at the Project has showed these mineralised jogs have a steep plunge competent which has been tested down to a vertical depth of 360 metres. Mineralised jog positions occur at relatively regular intervals of 100 – 300 metres along the structural corridor.

Geophysical interpretation suggests this structural corridor extends up to 30 km to the north of the Tollu deposit and acts as a transform structure from the Tjuni Purlka Tectonic Zone, a deep-seated crustal suture. For the purpose of the Target estimation, it is assumed that these reoccurring mineralised pods extend 2 km beneath cover to the north and 1 km to the south of the known mineralisation at Tollu **(Figure 5)**.

Prospect	Tonnes Lower	Tonnes Upper	Grade Lower Cu%	Grade Upper Cu%	Contained Copper Lower	Contained Copper Upper
Eastern Reef	11,67,0000	17,500,000	0.6%	1.0%	75,000	168,000
Chatswarth	4,300,000	6,400,000	1.6%	2.4%	69,000	154,000
Main Reef	5,500,000	8,300,000	0.8%	1.2%	44,000	100,000
Dawyck	200,000	310,000	2.0%	3.0%	4,000	9,000
Forio	240,000	360,000	1.2%	1.8%	3,000	6,000
Hampton	180,000	260,000	0.8%	1.2%	1,000	3,000
Boboli	90,000	140,000	1.2%	1.8%	1,000	3,000
Killruddery	50,000	80,000	1.2%	1.8%	1,000	1,000
Tiergarten	40,000	60,000	1.2%	1.8%	500	1,000
	22,270,000	33,410,000	0.9%	1.3%	198,500	445,000

Table 1 - Tollu Project - Target – Prospect Breakdown

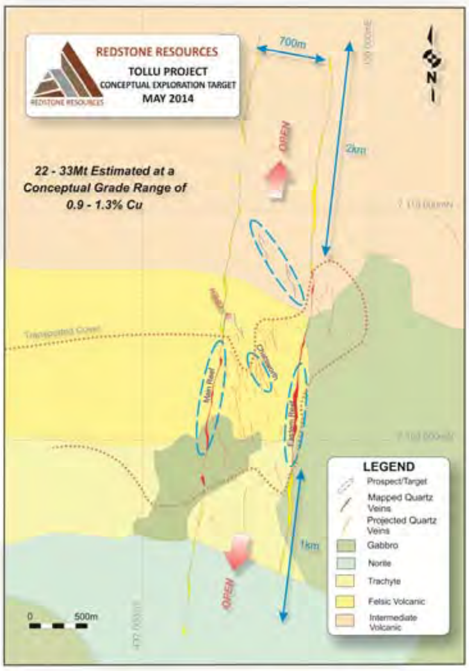

Figure 5 - Tollu Project – Exploration Target – Surface Mapping

DIRECTORS' REPORT

Chatsworth Prospect

The Chatsworth Prospect is a single sub vertical hydrothermal body exposed at the surface. This prospect forms part of the dilation system between two north south trending shears. The Chatsworth Prospect has received the majority of the technical and drilling activity to date.

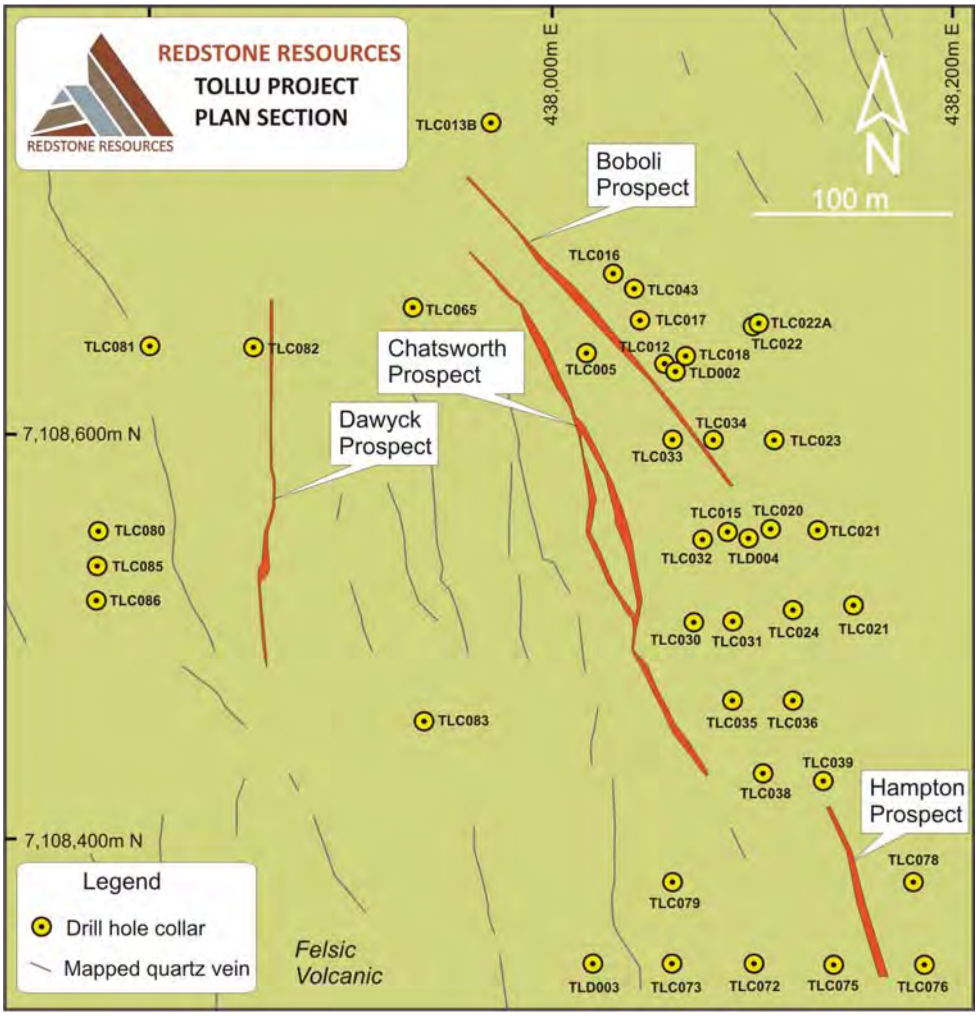

Figure 6 – Tollu Project – Plan Section

DIRECTORS' REPORT

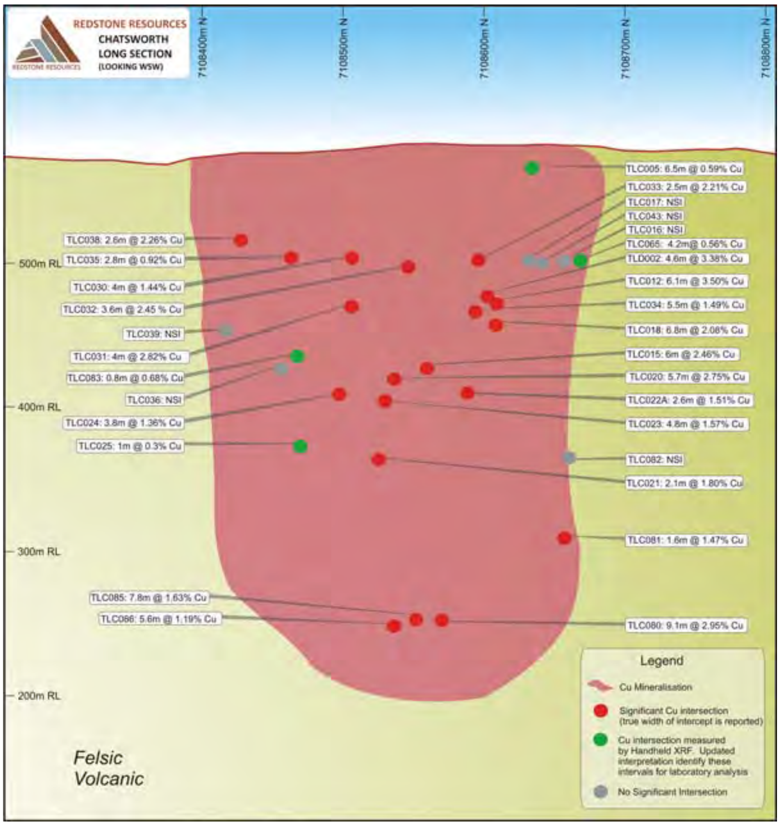

Figure 7– Chatsworth Long Section

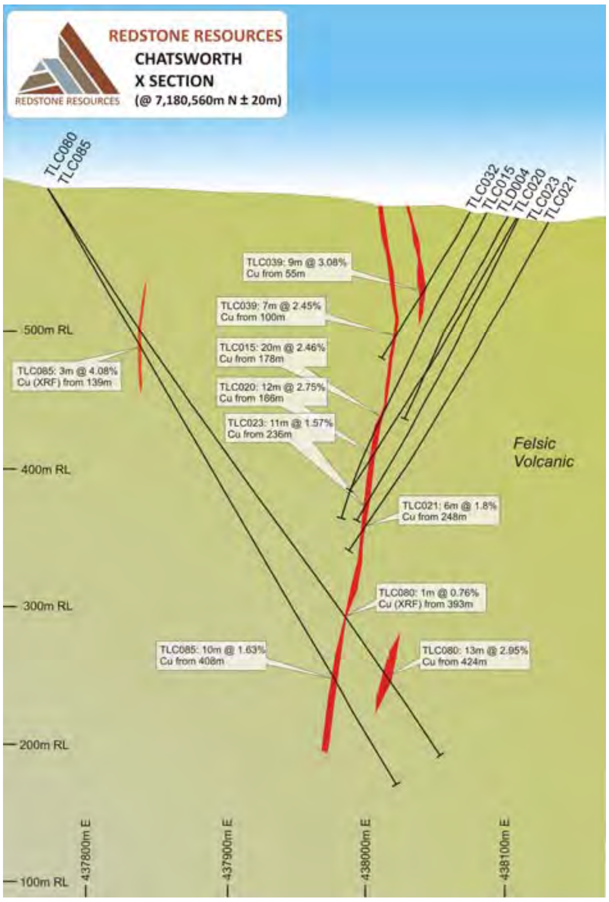

Figure 8- Chatsworth Cross Section

DIRECTORS' REPORT

Atlas Project
E69/2450 – 100% Redstone

The Atlas Project lies to the immediate north of the Tollu Project and is proximal to the Tollu Fault Zone **(Figure 9)**. Most of the Project area appears to be under a thin Tertiary under cover. Importantly, much of the architecture of the Tollu Project is repeated in Atlas. In addition is the inclusion of intermediate volcanic rocks of the Hogarth Formation and the intrusion of a granite. In combination with the proximity of the Tollu Fault Zone, and expanse of Tertiary cover, this Project is prospective for a blind Mt Isa style-copper sediment-hosted deposit.

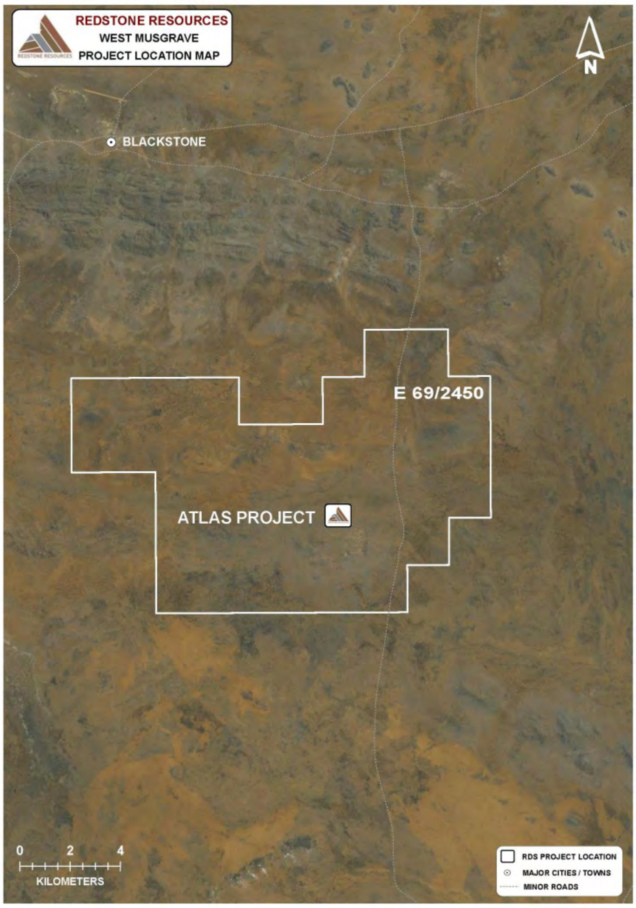

Figure 9 – Atlas Project –Location Map

The Atlas project is also prospective for the IOCG mineralisation. In the northern portion of the Project, a felsic intrusion is positioned at the margin to the Tollu Fault Zone. Immediately north of this is a magnetised unit with a strike of 1200 metres and width of 500m. The rock type is interpreted to be a porphyritic rhyolite. As a magnetised feature it could represent a portion of stratigraphy not demagnetised by the Tollu Fault Zone, or the footprint of a hydrothermal cell that caused magnetisation consistent with an IOCG analogy. Adjacent to this location, within the damaged and demagnetised domain of the Tollu Fault Zone is a rock specimen P709660. This specimen was studied by petrographic analysis by Teale and Associates (2006) and was observed to be a porphyritic rhyolite that has been sulphidised. It contained pyrite, chalcopyrite, covellite, magnetite and haematite as accessory minerals. Abundant K-feldspar and biotite was present but it is unclear from the description if these were primary or a product of metasomatism. The observation of pyrite, chalcopyrite, covellite, magnetite and haematite favour an IOCG deposit model.

DIRECTORS' REPORT

Blackstone Range Farmin/Joint Venture

E69/2108 and E69/2109 – Farmin with Resource Mining Corporation Ltd (ASX: RMI), Redstone earning 90%

The Blackstone Range Farmin/Joint Venture is located approximately 25km east of the BHP Babel and Nebo Ni-Cu-PGE discoveries. Under the terms of the Farmin/Joint Venture agreement Redstone can earn up to a 90% interest in the project by completing a feasibility study.

The Blackstone Range Project consists of two exploration licences (E69/2108 and E69/2109) (**the EL's**) covering roughly 338km^2 corresponding to two projects: Halley and Saturn. The first is prospective for PGE-(Ni-Cu-Au) and the second for Ni-Cu-PGE. The two projects contain a number of prospects including:

- Halleys
- Halleys NW
- Saturn; and
- Saturn East

During the 2014 financial year Applications for Forfeiture (**the Plaints**) on the EL's were lodged in the Wardens Court by Blackstone Exploration Pty Ltd, in relation to both the 2013 and 2014 expenditure years (collectively **the 2013 and 2014 Expenditure Years**). The Entity defended these Plaints, which were dismissed on 31 July 2015.

Further, the tenement holders lodged applications for exemption from expenditure for the ELs for the 2013 and 2014 Expenditure Years, which were subject to objections by Blackstone Exploration Pty Ltd. The applications for exemption for the 2013 Expenditure Year was before the Mining Warden during the year, however on 31 July 2015 the Mining Warden dismissed the objection applications by Blackstone Exploration Pty Ltd for both the 2013 and 2014 Expenditure Years.

The Blackstone Range Project tenements were due to expire on 27 April 2015, however the Entity applied to the Department of Mines and Petroleum for extensions of term for a further one year to 27 April 2016 for the EL's, which were granted on 2 September 2015.

Competent Persons Statement

The information in this announcement that relates to Exploration Targets and Exploration Results was authorised by Mr Darryl Mapleson, a Principal Geologist and a full time employee of BM Geological Services, who are engaged as consultant geologists to Redstone Resources Limited. Mr Mapleson is a Fellow of the Australian Institute of Mining and Metallurgy. Mr Mapleson has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration to act as a competent person as defined in the 2012 edition of the "Australasian Code for reporting of Exploration results, Mineral Resources and Ore Reserves". Mr Mapleson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

DIRECTORS' REPORT

CORPORATE

Environmental Management Plan Framework

In June 2014 the Directors became aware that former senior management had failed to apply to the Department of Mines and Petroleum of Western Australia (**the DMP**) for required Programs of Works (**PoW's)** in relation to exploration activities undertaken in prior years on its granted Australian tenements. The Entity subsequently responded to the DMP and provided them with all relevant information in relation to these exploration activities along with retrospective PoW's.

Consequently, during the financial year the Entity undertook a comprehensive review and updated its environmental policies, procedures and management plans to ensure this situation does not recur. The updated Environmental Management Plan will provide the framework for all future exploration activities to be undertaken by the Entity.

During December 2014 and February 2015 respectively, the DMP issued the Entity with:

- a warning in relation to the tenement licence breaches on E69/2108 and E69/2109; and
- a penalty of $20,000 in relation to the tenement licence breaches on E69/2450.

In February 2015 the Entity paid the required penalty of $20,000 for E69/2450 and these matters have been settled with the DMP.

Research and Development Tax Concession

During the financial year the Entity lodged a Research and Development Tax Offset **(the R&D Rebate)** application for eligible expenditure incurred during the 2013/14 financial year for a Research and Development tax offset amount. The Entity received this R&D Tax concession on 10 February 2015 in the amount of $238,559 (before costs).

In June 2015, subsequent to review and following supporting advice received from an independent top tier global tax advisory firm, the Entity claimed a further refundable Research and Development tax offset of approximately $1.0 million (before costs), which was received in July 2015.

Dividends

No dividends were paid during the year and the directors recommend that no dividends be paid or declared for the financial year ended 30 June 2015.

Significant Changes in State of Affairs

There have been no significant changes in the state of affairs of the Entity to the date of this report.

DIRECTORS' REPORT

Significant Events after Balance Date

$1.0m R&D Rebate

In June 2015, subsequent to review and following supporting advice received from an independent top tier global tax advisory firm, the Entity claimed a further refundable Research and Development tax offset of approximately $1.0 million (**"the R&D Rebate"**). The R&D Rebate amount of $1.0 million (before costs), which was determined under the self-assessment system, was received by the Entity in July 2015.

Blackstone Range Project – Applications for Forfeiture and Objection to Exemption Applications Dismissed

During the 2014 financial year Applications for Forfeiture (the **Plaints**) on the EL's were lodged in the Wardens Court by Blackstone Exploration Pty Ltd in relation to both the 2013 and 2014 expenditure years. These Plaints were dismissed by order of the Warden on 31 July 2015.

Further, the tenement holders lodged applications for exemption from expenditure for the ELs for the expenditure years ending 27 April 2013 and 27 April 2014 (collectively "**the 2013 and 2014 Expenditure Years"**), which were subject to objections by Blackstone Exploration Pty Ltd. The application for exemption for the 2013 Expenditure Year was before the Mining Warden during the year, however on 31 July 2015 the Mining Warden also dismissed the objection applications by Blackstone Exploration Pty Ltd for both the 2013 and 2014 Expenditure Years.

Blackstone Range Project - Extension of Term

The Blackstone Range Project tenements (E69/2108 and E69/2109) (**the EL's**) were due to expire on 27 April 2015, however the Entity applied to the Department of Mines and Petroleum for extensions of term for a further one year to 27 April 2016 for the EL's, which were granted on 2 September 2015.

Resignation of Director – Mr Clinton Wolf

On 7 September 2015, Mr Clinton Wolf resigned as a non-executive director the Company.

There has not been any matter or circumstances that have arisen after balance date that have significantly affected, or may significantly affect, the operations of the Entity, the results of those operations, or the state of affairs of the Entity in future financial periods.

Likely Developments

Likely developments in the operations of the Entity and the expected results of those operations have not been included in this report as the Directors believe, on reasonable grounds, that the inclusion of such information would be likely to result in unreasonable prejudice to the Entity.

Environmental Issues

The Entity's operations are subject to significant environmental regulation under the law of the Commonwealth and State. The Directors of the Company monitor compliance with environmental regulations. The Directors are not aware of any significant breaches during the period covered by this Report.

DIRECTORS' REPORT

Share Options

As at the date of this report, 33,356,966 (2014: 39,356,966) options over unissued ordinary shares in the Company have been granted. Of these, 31,356,966 options are listed on the Australian Stock Exchange (ASX: RDSO).

No options were issued during the period to the date of this report. During the financial year and to the date of this report, 6,000,000 unlisted options lapsed and no options were exercised.

	Number	Exercise Price	Listed/Unlisted	Expiry Date
	2,000,000	$0.20	Unlisted	4 December 2017
	31,356,966	$0.20	Listed	28 February 2016
TOTAL	**33,356,966**			

Directors' Interests

The relevant interests of directors held, directly, indirectly or beneficially, by each specified director including their personally-related entities, in the share capital and unissued shares of the Company as at the date of this report is as follows:

Director	Fully Paid Ordinary Shares		Listed Share Options		Unlisted Share Options	
	Directly	Indirectly	Directly	Indirectly	Directly	Indirectly
Richard Homsany	-	3,067,330	-	1,183,665	-	500,000
Edward van Heemst	-	18,750,000	-	2,188,666	-	1,500,000
Clinton Wolf	-	2,000,000	-	-	-	-
Mr Wrixon Gasteen (appointed 12 February 2015, resigned 30 April 2015)	-	-	-	-	-	-
Brett Hodgins	-	230,000	-	-	-	-

DIRECTORS' REPORT

Meetings of Directors

During the financial year, the following meetings of directors were held:

	Directors' meetings	
	Number eligible to attend	Number attended
Mr Richard Homsany	8	8
Mr Edward van Heemst	8	8
Mr Clinton Wolf	8	8
Mr Brett Hodgins	8	8
Mr Wrixon Gasteen (appointed 12 February 2015, resigned 30 April 2015)	1	1

There are no board committees.

Remuneration Report (audited)

This report details the nature and amount of remuneration for each director and key management personnel, including their personally-related entities, of the Company.

- ***Remuneration Policy***

The Board of directors is responsible for determining and reviewing compensation arrangements for the directors and the executive team. The Board assesses the appropriateness of the nature and amount of remuneration of such officers on a periodic basis by reference to relevant employment conditions, with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive team.

The Board acts as the Remuneration Committee and assesses the nature and amount of compensation of key management personnel.

All remuneration paid to directors and executives is valued at cost to the Entity and expensed. Options granted to directors are valued using the Black-Scholes option pricing model. Directors are also eligible to participate in the Company's Employee Share Option Plan (**ESOP**). Any such options to be offered to Directors under the terms of the ESOP require shareholders' approval. These Options are issued for nil consideration and do not have performance conditions attached other than continued employment with the Entity.

The Board policy is to remunerate non-executive directors at market rates for time, commitment and responsibilities. The Board determines payments to the non-executive directors and will review their remuneration annually, based on market practice, duties and accountability and to ensure their remuneration is competitive in attracting, retaining and motivating people with appropriate skills and experience. Independent external advice is sought where required.

The maximum amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting. Fees for non-executive directors are currently fixed at up to $250,000 and are not linked to the performance of the Company. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company.

Options have been and will be issued to directors of the Company. The purpose of issuing options to directors as part of a remuneration package is to be able to attract, retain and motivate people of the highest calibre to oversee management of the Company's operations by providing them with an opportunity to participate in the company's future growth and give them an incentive to contribute to that growth. The issue of options as a part of remuneration packages is a well-established practice of public listed companies and, in the case of the Company, has the benefit of conserving cash whilst properly rewarding the directors.

Remuneration Report (audited) (continued)

- ***Performance based remuneration***

The Board seeks to align the interests of shareholders and executive directors through a performance related incentive package where applicable. No performance based amounts have been paid or determined to be paid to executives at this stage of the Company's development.

- ***Company Performance, Shareholder Wealth and Director/Executive Remuneration***

The Company's policy is to promote company performance and shareholder wealth by issuing options to directors with the purpose of:

- aligning the interests of directors with shareholders;
- rewarding capability and experience;
- providing competitive reward for contribution to shareholder wealth;
- providing a clear structure for earning rewards; and
- providing recognition for contribution.

- ***Details of Remuneration***

Year ended 30 June 2015

Directors	Cash Salary and fees ($)	Other – Motor Vehicle ($)	Superannuation ($)	Share Options ($)	Total ($)	Performance Related ($)
Richard Homsany Non-Executive Chairman	60,000	-	1,710	-	61,710	-
Edward van Heemst Non-Executive Director	36,000	-	-	-	36,000	-
Clinton Wolf Non-Executive Director	32,877	-	3,123	-	36,000	-
Brett Hodgins Technical Director	130,000	-	-	-	130,000	-
Wrixon Gasteen[(1)] Interim Managing Director	-	-	-	-	-	-

[(1)]Mr Wrixon Gasteen was appointed as interim managing director on 12 February 2015 and he resigned on 30 April 2015 with nil director remuneration paid or payable for his director engagement.

Year ended 30 June 2014

Directors	Cash Salary and fees ($)	Other – Motor Vehicle ($)	Superannuation ($)	Share Options ($)	Total ($)	Performance Related ($)
Richard Homsany Non-Executive Chairman	69,000	-	1,808	-	70,808	-
Edward van Heemst[(1)] Non-Executive Director	18,000	-	-	-	18,000	-
Clinton Wolf (appointed 28 Feb 2014) Non-Executive Director	12,000	-	-	-	12,000	-
Brett Hodgins (appointed 29 Nov 2013) Technical Director	70,000	-	-	-	70,000	-
Anthony Ailakis[(2)] (resigned 29 Nov 2013) Executive Director	84,487	21,107	11,945	-	117,539	-

[(1)]Mr Edward van Heemst waived his $13,080 annual entitlement for director's fee (including 9.25% SGC) for the six months ending 31 December 2013.
[(2)]Mr Anthony Ailakis' cash salary includes payment of accrued annual leave entitlements of $4,487.

There are no performance conditions attached to remuneration paid during the current or previous financial year.

DIRECTORS' REPORT

Remuneration Report (audited) (continued)

- ***Options Granted as Remuneration***

There were no options over ordinary shares in the Company granted to directors and/or specified executives during the current and prior reporting periods.

- ***Employment Contracts of Directors and Senior Executive***

Technical Director - Mr B Hodgins

Remuneration and other terms of employment for the Technical Director, Mr Hodgins are set out below:

- Monthly Technical Director consulting fee of $10,000 (inclusive of applicable superannuation).
- Additional Technical consulting fees are charged at a daily rate of $1,000 (excluding GST) or as otherwise agreed between the parties.
- A minimum of one (1) months' notice must be provided or as otherwise agreed to between the parties should either party wish to terminate the agreement.

Mr Hodgins and his related entity, Jaybre Consulting Pty Ltd, was paid a fee of $130,000 (inclusive of applicable superannuation) for Technical Director services to 30 June 2015.

Interim Managing Director - Mr W Gasteen (appointed 12 February 2015, resigned 30 April 2015)

Mr Gasteen was appointed as interim managing director on 12 February 2015 to lead the implementation of the Tollu Copper Project Development Plan on its 100% owned tenement (E69/2450), his appointment as Managing Director being conditional on his raising the required funds to facilitate further drilling for the Tollu Development Plan, at which time the key terms and conditions of Mr Gasteen's employment were to be determined and formalised in a contract of employment.

Mr Gasteen resigned from his appointment as interim managing director on 30 April 2015 with no director remuneration paid for his director appointment.

On 28 November 2014 the Entity engaged Ikon Corporate Pte Ltd (**Ikon**), a director related entity of Mr Gasteen, as corporate advisors to the Entity for a three month term to 28 February to 2015, to assist the Entity with its capital raising activities. Ikon was paid $75,000 for this engagement.

Non-Executive Directors

Mr Homsany and his related entity Cardinals Corporate Pty Ltd, of which he is a director, was paid an annual director's fee of $61,710 (inclusive of applicable superannuation) for director services to 30 June 2015.

Messrs van Heemst and Wolf are entitled to an annual director fee of $36,000 (inclusive of applicable superannuation).

Non-Executive directors may charge consulting fees at commercial rates. Consulting fees paid to directors are separate from any responsibility they may have to the Company or the role they perform as a result of their appointment as a Director of the Company.

DIRECTORS' REPORT

Remuneration Report (audited) (continued)

Option Holdings

The movement during the reporting period in the number of options over ordinary shares in the Company held directly, indirectly or beneficially, by each specified director and specified executive, including their personally-related entities, is as follows:

	Held 1 July 2014	Granted as remuneration – Unlisted Options	Granted - Entitlement Issue/ Placement – Listed Options	Exercised	Sold	Expired	Held as at 30 June 2015
Director							
Richard Homsany Non-Executive Chairman	4,183,665	-	-	-	-	(2,500,000)	1,683,665
Edward van Heemst Non-Executive Director	3,688,666	-	-	-	-	-	3,688,666
Clinton Wolf Non-Executive Director	-	-	-	-	-	-	-
Brett Hodgins Technical Director	-	-	-	-	-	-	-
Wrixon Gasteen[(1)] Interim Managing Director	-	-	-	-	-	-	-

[(1)] Appointed as Interim Managing Director on 12 February 2015 and resigned on 30 April 2015

Equity Holdings and Transactions

The movement during the reporting period in the number of ordinary shares of the Company held directly, indirectly or beneficially, by each specified director and specified executive, including their personally-related entities is as follows:

	Held at 1 July 2014	Received on Exercise of Options	Placement	Acquired/ (Disposed) on Market	Other changes	Held as at 30 June 2015
Directors						
Richard Homsany Non-Executive Chairman	2,667,330	-	-	400,000	-	3,067,330
Edward van Heemst Non-Executive Director	13,250,000	-	-	5,500,000	-	18,750,000
Clinton Wolf Non-Executive Director	2,000,000	-	-	-	-	2,000,000
Brett Hodgins Technical Director	-	-	-	230,000	-	230,000
Wrixon Gasteen[(1)] Interim Managing Director	-	-	-	-	-	-

[(1)] Appointed as Interim Managing Director on 12 February 2015 and resigned on 30 April 2015

Exercise of options granted as remuneration

During the period no shares were issued on the exercise of options granted as remuneration.

****** End of Remuneration Report ******

DIRECTORS' REPORT

Indemnification and insurance of Officers

The Company currently has Directors and Officers insurance. The Company has entered into deeds with each director indemnifying each director against liabilities arising out of their conduct while acting in the capacity of a director of the Company to the full extent permitted by law.

The insurance premium relates to liabilities that may arise from an Officer's position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain personal advantage.

The Officers covered by the insurance policies are the Directors and the Company Secretary.

The contract of insurance prohibits the disclosure of the nature of the liabilities and the amount of the premium.

Auditor

Butler Settineri (Audit) Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

There were no non-audit services provided by the Entity's auditor during the financial year.

Auditors' Independence Declaration

A copy of the auditors' independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

Legal Proceedings

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

Signed in accordance with a resolution of the Board of Directors.

R Homsany
Chairman
Perth, Western Australia

Dated this 30th day of September 2015

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of Redstone Resources Limited for the year ended 30 June 2015, I declare that, to the best of my knowledge and belief, there have been:

a) No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

b) No contraventions of any applicable code of professional conduct in relation to the audit.

The declaration is in respect of Redstone Resources Limited and the entities it controlled during the year.

BUTLER SETTINERI (AUDIT) PTY LTD

MARIUS VAN DER MERWE CA
Director

Perth
Date: 30 September 2015

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Liability limited by a scheme approved under Professional Standards Legislation

CORPORATE GOVERNANCE STATEMENT

Redstone Resources Limited and the Board are committed to achieving and demonstrating the highest standards of corporate governance. The Company has reviewed its corporate governance practices against the Corporate Governance Principles and Recommendations (3rd edition) published by the ASX Corporate Governance Council.

The 2015 Corporate Governance Statement is dated at 30 June 2015 and reflects the corporate governance practices in place throughout the 2015 financial year. The 2015 Corporate Governance Statement was approved by the Board on 30 September 2015.

In accordance with ASX Listing Rule 4.10.3 the Company has elected to disclose its Corporate Governance Policies and its compliance with them during the 2015 financial year on the Company's website rather than in the Annual Report. Accordingly, information about the Company's Corporate Governance Statement is set out on the Company's website at www.redstone.com.au.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2015

	Note	Consolidated 2015 $	2014 $
Revenue			
Other revenue	3(a)	323,663	66,696
Expenses			
Administration expenses		217,216	223,730
Employee and directors' benefits expenses	3(c)	286,628	350,454
Consulting expense		147,540	53,755
Depreciation expense	3(b)	13,811	34,422
Finance costs	3(d)	4,135	2,094
Deferred exploration expenditure impaired and written off	7	-	8,000
Doubtful debts expense		-	27,470
Loss on sale of assets		-	640
Foreign subsidiary expense on winding up		(500,000)	500,000
Exploration expenditure		614,780	291,622
Other expenses from ordinary activities		120,525	32,871
Loss before interest and taxes		**(580,972)**	**(1,458,362)**
Interest revenue	3(a)	61,137	13,995
Loss before income tax		**(519,835)**	**(1,444,367)**
Income tax expense	4	-	-
Loss after tax for the year		**(519,835)**	**(1,444,367)**
Other comprehensive income		-	-
Total comprehensive income for the year		**(519,835)**	**(1,444,367)**
Basic and Diluted Loss per share (cents per share)	14	(0.28)	(0.88)

The accompanying notes form part of these financial statements.

REDSTONE RESOURCES LIMITED

ACN 090 169 154

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2015

	Note	Consolidated 2015 $	Consolidated 2014 $
Current assets			
Cash and cash equivalents	5	60,726	899,633
Trade and other receivables	6	1,071,309	39,390
Other assets	9	22,409	19,673
Total current assets		**1,154,444**	**958,696**
Non-current assets			
Deferred exploration expenditure	7	5,038,744	5,471,046
Plant and equipment	8	32,302	46,113
Other financial assets	9	6,000	6,000
Total non-current assets		**5,077,046**	**5,523,159**
Total assets		**6,231,490**	**6,481,855**
Current liabilities			
Trade and other payables	10	1,050,698	284,318
Provisions	11	33,895	515,394
Total current liabilities		**1,084,593**	**799,712**
Non-current liabilities			
Provisions	11	-	15,411
Total non-current liabilities		**-**	**15,411**
Total liabilities		**1,084,593**	**815,123**
Net assets		**5,146,897**	**5,666,732**
Equity			
Issued capital	12(a)	22,214,645	22,214,645
Reserves	13	397,749	767,424
Accumulated losses		(17,465,497)	(17,315,337)
Total equity		**5,146,897**	**5,666,732**

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2015

	Contributed Equity $	Accumulated Losses $	Share Option Reserve $	Total Equity $
At 30 June 2013	**20,538,618**	**(16,816,282)**	**1,712,736**	**5,435,072**
Total comprehensive income attributable to members	-	(1,444,367)	-	(1,444,367)
Share capital issued	1,750,000	-	-	1,750,000
Listed option capital issued	1,000	-	-	1,000
Capital issue costs	(74,973)	-	-	(74,973)
Cost of share-based payment	-	-	-	-
Transfer on expiry of options	-	945,312	(945,312)	-
At 30 June 2014	**22,214,645**	**(17,315,337)**	**767,424**	**5,666,732**
Total comprehensive income attributable to members	-	(519,835)	-	(519,835)
Transfer on expiry of options	-	369,675	(369,675)	
At 30 June 2015	**22,214,645**	**(17,465,497)**	**397,749**	**5,146,897**

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2015

	Note	Consolidated 2015 $	Consolidated 2014 $
Cash flows from operating activities			
Payments to suppliers and employees		(540,942)	(729,690)
Interest received		6,362	14,237
Interest paid		-	-
Income tax paid		-	-
Other income		-	12,458
Other income - Net R&D concession		103,718	44,252
Net cash flows used in operating activities	23	(430,862)	(658,743)
Cash flows from investing activities			
Exploration expenditure		(505,312)	(1,062,172)
Net R&D tax concession		97,267	208,205
Payments for plant and equipment		-	(4,608)
Net cash flows used in investing activities		(408,045)	(858,575)
Cash flows from financing activities			
Proceeds from issue of securities		-	1,751,000
Payment of security issue costs		-	(74,973)
Net cash flows from financing activities		-	1,676,027
Net (decrease)/increase in cash held		(838,907)	158,709
Cash at the beginning of the financial year		899,633	740,845
Effect of foreign currency translation		-	79
Cash at end of financial year	5	**60,726**	**899,633**

The accompanying notes form part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

1. Corporate information

The financial report of Redstone Resources Limited and its controlled entities (the Entity or Group) for the year ended 30 June 2015 was authorised for issue in accordance with a resolution of the directors of the Entity's parent entity, Redstone Resources Limited, on 30 September 2015.

Redstone Resources Limited (Redstone or the Company) is a company limited by shares incorporated and domiciled in Australia whose shares commenced public trading on the Australian Stock Exchange on 3 August 2006. The nature of operations and principal activities of the Entity are described in the Directors' Report.

The Group is a for-profit entity for the purpose of preparing financial statements.

2. Summary of significant accounting policies

The following is a summary of the material accounting policies adopted by the Entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

a) Basis of preparation

The financial report is a general purpose financial report which has been prepared in accordance with the requirements of the Corporations Act 2001, applicable Australian Accounting Standards, Accounting Interpretations and other mandatory professional reporting requirements. The financial report has been prepared on a historical cost basis and is presented in Australian dollars.

b) Statement of compliance

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS).

Australian Accounting Standards that have recently been issued or amended but are not yet effective have not been adopted for the annual reporting period ended 30 June 2015.

c) Adoption of new and revised standards

The Entity has also reviewed all new Standards and Interpretations that have been issued and are effective for the year ended 30 June 2015. As a result of this review the Directors have determined that there is no material impact or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to the Entity's accounting policies.

d) New accounting standards not yet implemented

The AASB has issued new, revised and amended standards and interpretations that have mandatory application dates for future reporting periods. A discussion of those future requirements and their impact on the Entity follows:

- AASB 9: *Financial Instruments* and AASB 2009–11: *Amendments to Australian Accounting Standards arising from AASB 9* [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12] (applicable for annual reporting periods commencing on or after 1 January 2018. Initial application of these standards is expected to be in the financial year ending 30 June 2019.

These standards are applicable retrospectively and amend the classification and measurement of financial assets. The Entity has not yet determined the potential impact on the financial statements.

d) **New accounting standards not yet implemented (continued)**

The changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
- simplifying the requirements for embedded derivatives;
- removing the tainting rules associated with held-to-maturity assets;
- removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument; and
- reclassifying financial assets where there is a change in an entity's business model as they are initially classified based on:
  a. the objective of the entity's business model for managing the financial assets; and
  b. the characteristics of the contractual cash flows.

- AASB 15: *Revenue from Contracts with Customers* and AASB 2014-5 *Amendments to Australian Accounting Standards arising from AASB15* (applicable for annual reporting periods commencing on or after 1 January 2017). Initial application of these standards is expected to be in the financial year ending 30 June 2018.

  AASB 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. AASB15 will supersede the current revenue recognition guidance including AASB 118: *Revenue,* AASB 111*:* Construction Contracts and the related Interpretations when it becomes effective.

  Based on a preliminary assessment, the standard is not expected to have a material impact on the financial statements when it is first adopted.

- AASB 2014-3*: Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations* (applicable for annual reporting periods commencing on or after 1 January 2016). Initial application of this standard is expected to be in the financial year ending 30 June 2017.

  The amendments to AASB 11 provide guidance on how to account for the acquisition of a joint operation that constitutes a business as defined in AASB 3: *Business Combinations*. A joint operator is also required to disclose the relevant information required by AASB 3 and other standards for business combinations.

  Based on a preliminary assessment, the standard is not expected to have a material impact on the financial statements when it is first adopted.

- AASB 2014-4*: Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation* (applicable for annual reporting periods commencing on or after 1 January 2016). Initial application of this standard is expected to be in the financial year ending 30 June 2017.

  The amendments to AASB 116 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to AASB 138 introduce a rebuttable assumption that revenue is not an appropriate basis for amortisation of an intangible asset. This presumption can only be rebutted when:

  - the intangible asset is expressed as a measure of revenue; or
  - it can be demonstrated that revenue and consumption of the economic benefits of the intangible asset are highly correlated.

d) **New accounting standards not yet implemented (continued)**

Based on a preliminary assessment, the standard is not expected to have any impact on the financial statements when it is first adopted.

- AASB 2014-9*: Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements* (applicable for annual reporting periods commencing on or after 1 January 2016). Initial application of this standard is expected to be in the financial year ending 30 June 2017.

  The amendments introduce the equity method of accounting as one of the options for an entity's investments in subsidiaries, joint ventures and associates in the entity's separate financial statements.

  Based on a preliminary assessment, the standard is not expected to have a material impact on the financial statements when it is first adopted.

- AASB 2014-10*: Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (applicable for annual reporting periods commencing on or after 1 January 2016). Initial application of this standard is expected to be in the financial year ending 30 June 2017.

  This amendment addresses a current inconsistency between AASB10: *Consolidated Financial Statements* and AASB 128: *Investments in Associates and Joint Ventures (2011)*. The amendment clarifies that, on sale or contribution of assets to a joint venture or associate or on a loss of control when joint control or significant influence is retained in a transaction involving an associate or a joint venture, any gain or loss recognised will depend on whether the assets or subsidiary constitute a business, as defined in AASB 3: *Business Combinations*. Full gain or loss is recognised when the assets or subsidiary constitute a business.

  Based on a preliminary assessment, the standard is not expected to have a material impact on the financial statements when it is first adopted.

- AASB 2015-1*: Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle* (applicable for annual reporting periods commencing on or after 1 January 2016). Initial application of this standard is expected to be in the financial year ending 30 June 2017.

  These amendments arise from the issuance of *Annual Improvements to IFRS's 2012-2014 Cycle* in September 2014 by the IASB. Among other improvements, the amendments clarify that when an entity reclassifies an asset (or disposal group) directly from being held for sale to being held for distribution (or vice-versa) the accounting guidance in paragraphs 27-29 of AASB 5*: Non-current Assets Held for Sale and Discontinued Operations* does not apply.

  Based on a preliminary assessment, the standard is not expected to have a material impact on the financial statements when it is first adopted.

- AASB 2015-2*: Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB101* (applicable for annual reporting periods commencing on or after 1 January 2016). Initial application of this standard is expected to be in the financial year ending 30 June 2017.

  The amendments:
  - clarify the materiality requirements for AASB 101, including an emphasis on the potentially detrimental effect of obscuring useful information with immaterial information;
  - clarify that AASB 101's specified line items in the statement(s) of profit or loss and other comprehensive income and the statement of financial position can be disaggregated;
  - add requirements for how an entity should present subtotals in the statement(s) of profit and loss and other comprehensive income and the statement of financial position;
  - clarify that entities have flexibility as to the order in which they present the notes, but also emphasise that understandability and compatibility should be considered by the entity when deciding that order.;
  - remove potentially unhelpful guidance in IAS 1 for identifying a significant accounting policy.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

d) **New accounting standards not yet implemented (continued)**

Based on a preliminary assessment, the standard is not expected to have a material impact on the financial statements when it is first adopted.

- AASB 2015-3*: Amendments to Australian Accounting arising from the withdrawal of AASB 1031 Materiality* (applicable for annual reporting periods commencing on or after 1 July 2015). Initial application of this standard is expected to be in the financial year ending 30 June 2016.

  This standard completes the AASB's project to remove Australian guidance on materiality from the Australian Accounting Standards.

  When this standard is first adopted there will be no impact on the financial statements.

- AASB 2015-4*: Amendments to Australian Accounting – Financial Reporting Requirements for Australian Groups with a Foreign Parent* (applicable for annual reporting periods commencing on or after 1 July 2015). Initial application of this standard is expected to be in the financial year ending 30 June 2016.

  This standard aligns the relief available in AASB 10: *Consolidated Financial Statements* and AASB 128: *Investments in Associates and Joint Ventures* in respect of the financial reporting requirements for Australian groups with a foreign parent.

  Based on a preliminary assessment, the standard is not expected to have a material impact on the financial statements when it is first adopted.

- AASB 2015-5*: Amendments to Australian Accounting – Investment Entities: Applying the Consolidation Exception* (applicable for annual reporting periods commencing on or after 1 January 2016). Initial application of this standard is expected to be in the financial year ending 30 June 2017.

  The narrow scope amendments to AASB 10: *Consolidated Financial Statements*, AASB 12: *Disclosure of Interests in Other Entities* and AASB 128: *Investments in Associates and Joint Ventures* introduce clarifications to the requirements when accounting for investment entities.

  Based on a preliminary assessment, the standard is not expected to have a material impact on the financial statements when it is first adopted.

The following new Standards and Interpretations are not applicable to the Entity but are relevant for the period:

- AASB 14*: Regulatory Deferral Accounts* and AASB 2014-1: *Amendments to Australian Accounting Standards – Part D Consequential Amendments* arising from AASB 14 is not applicable as the Entity is not a first time adopter of Australian Accounting Standards.
- AASB 1056*: Superannuation Entities* is not applicable as the Entity is not a superannuation entity.
- AASB 2014-6*: Amendments to Australian Accounting Standards – Agriculture: Bearer Plants* is not applicable as the Entity is not involved in agricultural activities.
- AASB 2015-6: *Amendments to Australian Accounting Standards – Extended Related Party Disclosures to Not-for-Profit Public Sector Entities* as the Entity is a for-profit entity.

There have been no IASB Standards or IFRIC Interpretations issued but not yet effective.

The adoption of the various Australian Accounting Standards and Interpretations in issue but not yet effective will not impact the Entity's reported results and financial position as they do not result in any changes to the Entity's accounting policies. Adoption, will however, result in changes to information currently disclosed in the financial statements. The Entity does not intend to adopt any of these pronouncements before their effective dates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

e) **Parent entity information**

The financial information for the Parent Entity, Redstone Resources Limited, disclosed in note 25 has been prepared on the same basis as the consolidated financial statements.

f) **Significant accounting judgments, estimates and assumptions**

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Capitalisation of exploration and evaluation expenditure
Under AASB 6 Exploration for and Evaluation of Mineral Resources the Entity has the option to either expense exploration and evaluation expenditure as incurred or to capitalise such expenditure provided that certain conditions are satisfied. The Entity applies the latter policy as outlined in note 2(n).

Impairment of plant and equipment
Plant and equipment are reviewed for impairment if there is any indication that the carrying amount may not be recoverable.

Where a review for impairment is conducted, the recoverable amount is assessed by reference to the higher of 'value in use' (being net present value of expected future cash flows of the relevant cash generating unit) and 'fair value less costs to sell'.

Share based payment transactions
The Entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an independent valuer using either Black-Scholes or binomial methodology.

g) **Revenue Recognition**

Revenues are recognised to the extent that it is probable that the economic benefit will flow to the Entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue can be recognised.

(i) Sale of goods
Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Risks and rewards of ownership are considered passed to the buyer at the time of delivery of the goods to the customer.

(*ii) Rendering of services*
Revenue from the rendering of services is recognised by reference to the stage of completion of the contract.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

g) **Revenue Recognition (continued)**

(iii) Interest income
Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

(iv) Dividends
Revenue is recognised when the Entity's right to receive the payment is established.

h) **Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

i) **Cash and cash equivalents**

Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the Consolidated Statement of Financial Position.

For the purposes of the Consolidated Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

j) **Trade and other receivables**

Trade receivables are measured on initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. Trade receivables are generally due for settlement within 30 days.

Impairment of trade receivables is continually reviewed and those that are considered to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is objective evidence that the Entity will not be able to collect all amounts due according to the original contractual terms. Factors considered by the Entity in making this determination include known significant financial difficulties of the debtor, review of financial information and significant delinquency in making contractual payments to the Entity. The impairment allowance is set equal to the difference between the carrying amount of the receivable and the present value of estimated future cash flows, discounted at the original effective interest rate. Where receivables are short-term, discounting is not applied in determining the allowance.

The amount of the impairment loss is recognised in the consolidated statement of comprehensive income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other income in the consolidated statement of comprehensive income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

k) **Financial Assets**

Financial assets in the scope of AASB 139 *Financial Instruments: Recognition and Measurement* are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale investments, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transactions costs. The Entity determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year-end.

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date that the Entity commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the marketplace.

(i) Financial assets at fair value through profit or loss

Financial assets classified as held for trading are included in the category 'financial assets at fair value through profit or loss'. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on investments held for trading are recognised in profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

l) **Income tax**

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

Deferred income tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or

- Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

l) **Income tax (continued)**

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

m) **Goods and services tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables in the consolidated statement of financial position are shown inclusive of GST. The net amount of GST recoverable or payable is included as a current asset or current liability in the consolidated statement of financial position. Cash flows are included in the consolidated statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable or payable are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

n) **Exploration and evaluation expenditure**

Exploration and evaluation expenditure incurred is accumulated in respect of each separate area of interest.

Exploration and evaluation costs are carried forward where right of tenure of the area of interest is current and they are expected to be recouped through sale or successful development and exploitation of the area of interest, or, where exploration and evaluation activities in the area of interest have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

o) **Plant and equipment**

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses. Plant and equipment is measured on a cost basis.

Depreciation

The depreciable amount of all fixed assets is depreciated on a diminishing balance basis over their useful lives to the Entity commencing from the time the asset is held ready for use. The depreciation rates used for each class of depreciable assets are:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

o) **Plant and equipment (continued)**

Class of fixed asset	Depreciation rate
Office furniture & equipment	11.25%
Satellite phone & digital equipment	22.50%
Computer equipment	37.50%
Generators	7.50%
Motor Vehicles	22.50%

Derecognition and disposal
An item of plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain of loss arising on derecognition of the asset (calculated as the difference between the net disposal and the carrying amount of the asset) is included in the profit and loss in the year the asset is derecognised.

p) **Derecognition of financial assets and liabilities**

(i) Financial assets
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Entity retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or
- the Entity has transferred its rights to receive cash flows from the asset and either:
  (a) has transferred substantially all the risks and rewards of the asset, or
  (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Entity has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Entity's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration received that the Entity could be required to repay.

When continuing involvement takes the form of a written and/or purchased option (including a cash-settled option or similar provision) on the transferred asset, the extent of the Entity's continuing involvement is the amount of the transferred asset that the Entity may repurchase, except that in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value, the extent of the Entity's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

(ii) Financial liabilities
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

q) **Impairment**

The Entity assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Entity makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

r) **Goodwill**

Goodwill acquired in a business combination is initially measured at its cost, being the excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. Goodwill is subsequently measured at its cost less any impairment losses.

s) **Trade and other payables**

Liabilities for trade creditors and other amounts are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Entity.

t) **Employee benefits**

i. Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other creditors in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable. Annual leave entitlements are accounted for as a provision.

ii. Long service leave

The liability for long service leave expected to be settled within 12 months of the reporting date is recognised in the provision for employee benefits and is in accordance with i. above. The liability for long service leave expected to be settled more than 12 months from the reporting date is recognised in the provision for employee benefits and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

iii. Superannuation

Contributions are made by the Entity to employee superannuation funds and are charged as expenses when incurred.

u) **Interest-Bearing Loans and Borrowings**

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in profit or loss when the liabilities are derecognised.

v) **Provisions**

Provisions are recognised when the Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Entity expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as separate assets but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated statement of comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

w) **Share-based payment transactions**

The Entity provides incentives to employees (including directors) of the Entity in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares (‘equity-settled transactions’).

The Company has in place an Employee Share Option Plan (ESOP) which provides benefits to directors, senior executives and key employees. Key terms of the ESOP are as follows:

- The ESOP is available to eligible persons who will be determined by the Board but must be persons who are Directors or employees of the Entity;
- Options are issued for nil consideration;
- The exercise price is determined by the Board with regard to the market value of the Company’s shares at the time it resolves to offer the options;
- Options will be issued subject to certain conditions that must be satisfied for them to be exercised to be determined by the Board when it resolves to offer the Options and in accordance with the purpose of the ESOP;
- The expiry date of the Options will be determined by the Board prior to the offer of the relevant options, subject to any restrictions in the Corporations Act, but in any event no longer than 5 years from the date of issue;
- Options will lapse if the eligible person ceases to be an eligible person for any reason other than retirement, permanent disability, redundancy or death;
- Options are not transferable;
- Any shares issued will rank equally with the Company’s then existing issued shares;
- The issue of Options to Directors will require shareholder approval in accordance with the ASX Listing Rules and the Corporations Act.

The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using Black-Scholes and binomial methods.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Redstone Resources Limited (‘market conditions’).

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (‘vesting date’).

Where the Entity acquires some form of interest in an exploration tenement and the consideration comprises share based payment transactions, the fair value of the equity instruments granted is measured at the grant date. The cost of the equity securities is recognised within capitalised exploration expenditure together with a corresponding increase in equity.

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the directors of the company, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

w) **Share-based payment transactions (continued)**

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

x) **Share capital**

Ordinary share capital is recognised at the fair value of the consideration received by the Entity. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction in share proceeds received.

y) **Earnings per share**

Basic earnings per share

Basic earnings per share is determined by dividing net profit after income tax attributable to members of the Entity, excluding any costs of service equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

Diluted earnings per share

Diluted earnings per share adjusts the figure used in the determination of basic earnings per share to take into account the dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to potential ordinary shares.

z) **Joint venture arrangements**

Jointly controlled operations

Where the Entity is a venturer (and so has joint control) in a jointly controlled operation the Entity recognises the assets that it controls and the liabilities it incurs, along with the expenses that it incurs and the Entity's share of the income that it earns from the sale of goods and services by the joint venture.

aa) **Comparative figures**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

ab) **Foreign currency**

Exchange differences are recognised in profit or loss in the period in which they arise except for exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur, which form part of the net investment in a foreign operation, and which are recognised in the foreign currency translation reserve and recognised in profit or loss on disposal of the net investment.

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in Australian dollars, which is the functional currency of the Entity, and the presentation currency for the consolidated financial statements.

ac) **Principles of consolidation**

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent, Redstone Resources Ltd and all of the subsidiaries (including any structured entities). Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

ad) **Principles of going concern**

The Entity recorded a loss of $519,835 for the year ended 30 June 2015 and as at 30 June 2015 had net current assets of $69,850 and exploration commitments of $220,892 for the next year (note 21). Although this indicates a material uncertainty, the financial report has been prepared on a going concern basis, as the Directors are of the opinion that the Entity will be able to pay its debts as and when they fall due. The Directors contemplate continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

This continuity of normal business activities is supported by receipt of a $1.0 million R&D Rebate (before costs) from the ATO in July 2015. Further, the Entity will be undertaking a capital raising in the near future. Funds raised from the capital raising and received from the R&D Rebate will be used to fund operations and exploration for the short to medium term. For further information please refer to the Directors' Report.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

		Consolidated 2015 $	Consolidated 2014 $
3.	**Revenue and expenses**		
(a)	**Revenue and Interest**		
	Interest revenue		
	Interest income - third party	61,137	13,568
	Interest income – related party	-	427
		61,137	13,995
	Other revenue		
	Foreign exchange gain	-	79
	Gain on insurance claim	-	14,144
	R&D concession	323,663	52,473
		323,663	66,696
(b)	**Depreciation expense**		
	Plant and equipment	13,811	34,422
(c)	**Employee and directors' benefits expenses**		
	Share-based payment	-	-
	Other	286,628	350,454
		286,628	350,454
(d)	**Finance costs**		
	Other third parties	4,135	2,094
		4,135	2,094

Interest is expensed as it accrues.

(e)	**Dividends**	-	-

No dividends have been paid or are proposed as at 30 June 2015.
As at 30 June 2015 the Company has no franking credits available for use in future years.

4.	**Income tax**		
	Current tax	-	-
	Deferred tax	-	-
	Under/(over) provisions in prior year	-	-
	Income tax expense reported in the statement of comprehensive income	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

4. Income tax (continued)

The prima facie income tax benefit on pre-tax accounting loss from operations reconciles to the income tax expense in the financial statements as follows:

	Consolidated 2015 $	Consolidated 2014 $
Loss before income tax	(519,835)	(1,444,367)
Prima facie tax on loss	(155,951)	(433,310)
Tax effect of permanent items	(96,824)	(53,199)
Temporary differences not brought to account	252,775	486,509
Income tax expense reported in the statement of comprehensive income	-	-

The tax rate used in the above reconciliation is the tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law. No amounts of current or deferred tax have been recognised directly in equity as at 30 June 2015.

	2015 $	2014 $
Deferred income tax		
Unrecognised deferred income tax at 30 June relates to the following:		
Deferred tax liabilities		
Capitalised exploration and evaluation expenditure	(1,511,623)	(1,641,314)
Deferred tax assets		
Tax losses available to offset against future income	5,614,276	5,955,230
Tax benefit of capital raising costs not recognised	31,102	54,262
Provisions and accruals	100,275	57,317
Deferred tax assets not brought to account as realisation is not considered probable	(4,234,031)	(4,425,496)
Gross deferred income tax assets	-	-

Redstone Resources Limited and its controlled entities have not elected to form a tax consolidation group.

The Company has recognised an adjustment relating to an amendment to its 2012 tax return lodged during the financial year, which reduced carry forward tax losses by $1,782,866 and tax losses available to offset against future income by $534,860.

It is considered that it is not probable that the Entity will utilise all its carry forward tax losses in the foreseeable future, hence it is not expected to pay tax in the foreseeable future. The deferred tax balances noted above have therefore not been accounted for in the consolidated statement of financial position.

At 30 June 2015, the Entity has tax losses in Australia of $18,714,255 (2014: $19,850,767) that are available indefinitely for offset against future taxable income. The Entity has not recognised deferred income tax assets in relation to these losses as realisation of the benefit is not regarded as probable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

4. Income tax (continued)

These deferred tax assets will only be obtained if:

a) future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised;

b) the Entity continues to comply with the conditions for deductibility imposed by tax legislation; and

c) no changes in the income tax legislation adversely affect the Entity in realising the benefit from the deduction of the loss.

		Consolidated	
		2015 $	2014 $
5.	**Cash and cash equivalents**		
	Cash at bank	50,726	469,633
	Cash on deposit	10,000	430,000
		60,726	899,633
6.	**Trade and other receivables**		
	Current		
	ATO receivable	1,039,215	-
	Other receivable	97,583	97,583
	Provision for doubtful debtors	(106,901)	(106,901)
	Short term loan	9,318	9,318
	GST receivable	32,094	39,390
		1,071,309	39,390
7.	**Deferred exploration expenditure**		
	Exploration costs brought forward	5,471,046	5,176,925
	Expenditure incurred on exploration assets	328,332	510,326
	Reimbursement of capitalised costs	(760,634)	(208,205)
	Exploration costs written off and impaired (i)	-	(8,000)
	Carrying amount at the end of the year	5,038,744	5,471,046

(i) The ultimate recoupment of costs carried forward in relation to exploration expenditure is dependent on the successful development and commercial exploitation or sale of the areas of interest at an amount at least equal to the carrying value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

		Consolidated	
		2015	2014
		$	$
8.	**Plant and equipment**		
	At cost	186,002	186,002
	Accumulated depreciation	(153,700)	(139,889)
	Total written down value	32,302	46,113

Reconciliation
A reconciliation of the carrying amounts of plant and equipment at the beginning and end of the current financial period.

Plant and equipment

	2015	2014
Carrying amount at beginning of year	46,113	76,568
Additions	-	4,608
Disposals	-	(641)
Write-offs	-	(11,630)
Depreciation expense	(13,811)	(22,792)
Total plant and equipment	32,302	46,113

		2015	2014
9.	**Other assets**		
	Current		
	Prepayments	18,123	15,387
	Deposits and advances	4,286	4,286
	Total other current assets	22,409	19,673
	Non-Current		
	Investment in unlisted public company	6,000	6,000
	Total non-current other assets	6,000	6,000
10.	**Trade and other payables**		
	Current		
	Trade creditors (i)	612,356	174,542
	Other creditors (ii)	438,342	109,776
	Total current trade and other payables	1,050,698	284,318

Terms and conditions relating to the above financial instruments:
(i) Trade creditors are non-interest bearing and are normally settled on 14-30 days terms.
(ii) Other creditors are non-interest bearing and have an average term of 30 days, other than for related party creditors of the Entity (totalling $215,497) which, by mutual agreement with the Entity, currently have no set term for payment.

Trade and other payables include $581,977 (2014: $157,090) relating to exploration expenditure.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

	Consolidated 2015 $	Consolidated 2014 $

11. Provisions

	2015 $	2014 $
Employee entitlements		
Opening balance at 1 July 2014	30,805	108,953
Provision additions/(reversal)	11,396	(40,695)
Amounts used/paid out	(8,306)	(37,453)
Balance as at 30 June 2015	33,895	30,805
Current	33,895	15,394
Non-current	-	15,411
	33,895	30,805

Provision for employee entitlements relates to the Group’s liability for annual leave and long service leave.

	2015 $	2014 $
Foreign subsidiary obligations		
Opening balance at 1 July 2014	500,000	-
Provision (reversals)/additions	(500,000)	500,000
Amounts used/paid out	-	-
Balance as at 30 June 2015	-	500,000
Current	-	500,000
Non-current	-	-
	-	500,000

Provision for Foreign subsidiary obligations relate to estimated amounts that may be required to settle outstanding obligations arising from a winding-up of the Entity’s investment in its Brazilian subsidiary, Redstone Mineraco Do Brasil Ltd. As at 30 June 2015, the Entity considered that it was more likely that a present obligation no longer existed for this amount and that it was more likely that no economic outflow would be required. Further the timing and amount of any potential economic outflow is uncertain. Accordingly, the provision for foreign subsidiary obligations has been derecognised for the financial year ending 30 June 2015. Further information can be found in note 24 Contingent Assets and Liabilities

12. Issued Capital

(a) Issued and paid up capital

	2015 $	2014 $
186,969,390 (2014: 186,969,390) ordinary shares fully paid	22,138,942	22,138,942
31,356,966 (2014: 31,356,966) listed $0.20 options expiring 28 February 2016	75,703	75,703
	22,214,645	22,214,645

Changes to the then Corporations Law abolished the authorised capital and par value concept in relation to share capital from 1 July 1998. Therefore the company does not have a limited amount of authorised share capital and issued shares do not have a par value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

12. Issued Capital (continued)

(b) Movements in fully paid ordinary shares during the year were as follows:

	2015		2014	
	No. of Shares	$	No. of Shares	$
Movements in shares on issue				
Opening balance	186,969,390	22,138,942	151,969,390	20,463,176
Shares Placement to sophisticated and professional investors – 17 February 2014	-	-	35,000,000	1,750,000
Share issue costs	-	-	-	(74,234)
Closing balance	186,969,390	22,138,942	186,969,390	22,138,942

(c) Movements in options issued during the year were as follows:

	2015		2014	
	No. of Listed Options (RDSO)	$	No. of Listed Options (RDSO)	$
Movements in listed options on issue				
Opening balance	31,356,966	75,703	30,356,966	75,442
Options issued to employee and consultant at $0.001/option – 17 February 2014	-	-	1,000,000	1,000
Option issue costs	-	-	-	(739)
Closing balance	31,356,966	75,703	31,356,966	75,703

12. Issued Capital (continued)

(c) Movements in options issued during (continued)

Movements in unlisted options on issue

During the year no unlisted options over ordinary shares were issued and 4,500,000 unlisted options lapsed or expired. During the financial year no options were converted into ordinary shares.

Unlisted share options	As at 30 June 2014	Issued/ (lapsed)	As at 30 June 2015	Exercise price	Exercisable from	Expiry
Unlisted options	1,500,000	(1,500,000)	-	0.25	30 Nov 09	30 Nov 14
Unlisted options	500,000	(500,000)	-	0.30	30 Nov 09	30 Nov 14
Unlisted options	500,000	(500,000)	-	0.35	30 Nov 09	30 Nov 14
Unlisted options	750,000	-	750,000	0.35	7 Jul 11	6 Jul 15
Unlisted options	750,000	-	750,000	0.45	7 Jul 11	6 Jul 15
Unlisted options	1,000,000	(1,000,000)	-	0.30	22 Dec 11	21 Dec 14
Unlisted options	1,000,000	(1,000,000)	-	0.30	27 Feb 12	26 Feb 15
Unlisted options	2,000,000	-	2,000,000	0.20	5 Dec 12	4 Dec 17
Total options	**8,000,000**	**(4,500,000)**	**3,500,000**			
Weighted average exercise price (cents/share)	0.288		0.286			
Weighted average exercise price of lapsed options (cents/share)		0.289				
Weighted average exercise price of issued options (cents/share)		-				

The weighted average remaining contractual life of unlisted options on issue as at 30 June 2015 is 1.40 years (2014: 1.32 years). The exercise prices of unlisted options on issue range from $0.20 per share to $0.45 per share.

(d) Terms and conditions of contributed equity

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Option holders do not have the right to receive dividends nor are they entitled to vote at a meeting of the company.

12. Issued Capital (continued)

(e) Employee Share Option Plan (ESOP)

Key terms relating to the Employee Share Option Plan (ESOP) are set out in note 2(w).

During the financial year no options were issued to eligible persons pursuant to the ESOP (2014: nil) and no options lapsed or expired (2014: 4,700,000).

13. Reserves

	Consolidated	
	2015 $	2014 $
Share option reserve (i)	397,749	767,424

(i) This reserve is used to record the value of equity benefits provided to employees and directors as part of their remuneration and as consideration for other equity settled transactions.

Movements in reserves are set out in the Statement of Changes in Equity.

14. Loss per share

	Consolidated	
	2015	2014
Basic loss per share (cents per share)	(0.28)	(0.88)
Weighted average number of ordinary shares on issue used in the calculation of basic earnings per share	186,969,390	164,722,815
Earnings used in the calculation of basic loss per share	(519,835)	(1,444,367)

As the Entity made a loss for the year, diluted earnings per share is the same as basic earnings per share.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

15. Key management personnel disclosures

(a) ***Key management personnel***

The directors of Redstone Resources Limited during the financial year were:

Richard Homsany (*BCom, LLB (Hons), CPA, Grad. Dip. FINSIA, F Fin, MAICD)* - Non-Executive Chairman
Edward van Heemst *(B Com, MBA, CA, CPA)*– Non-Executive Director
Clinton Wolf *(LLB, BA)* – Non-Executive Director, resigned 7 September 2015
Brett Hodgins (*BSc (Hons), Grad Dip FINSIA*) – Technical Director
Wrixon Gasteen (*BE (Mining) Hons, Qld, MBA (Distinction), Geneva)* – Interim Managing Director (appointed 12 February 2015, resigned 30 April 2015)

The senior executives of Redstone Resources Limited, who were also directors during the financial year were:

Brett Hodgins *(BSc (Hons), Grad Dip FINSIA)* – Technical Director
Wrixon Gasteen (*BE (Mining) Hons, Qld, MBA (Distinction), Geneva)* – Interim Managing Director (appointed 12 February 2015, resigned 30 April 2015)

(b) ***Remuneration of key management personnel***

Refer to the Remuneration Report included on pages 14 to 17 for details of remuneration paid to directors and the specified executives.

Options granted as remuneration to key management personnel

2015	Balance at start of year	Granted as compensation	Exercised/ (Expired)	Other Changes	Balance at end of year
Directors					
R Homsany	3,000,000	-	(2,500,000)	-	500,000
E van Heemst	1,500,000	-	-	-	1,500,000
C Wolf	-	-	-	-	-
B Hodgins	-	-	-	-	-
W Gasteen[(1)]	-	-	-	-	-
	4,500,000	-	(2,500,000)	-	2,000,000

(1) Appointed 12 February 2015, resigned 30 April 2015

No options were granted as remuneration to key management personnel or vested during the 2015 financial year and 2,500,000 options expired.

2014	Balance at start of year	Granted as compensation	Exercised/ (Expired)	Other Changes	Balance at end of year
Directors					
R Homsany	3,000,000	-	-	-	3,000,000
E van Heemst	1,500,000	-	-	-	1,500,000
C Wolf	-	-	-	-	-
B Hodgins	-	-	-	-	-
A Ailakis[(1)]	2,000,000	-	(2,000,000)	-	-
	6,500,000	-	(2,000,000)	-	4,500,000

(1) Resigned as director on 29 November 2013

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

15. Key management personnel disclosures

(c) Share holdings of key management personnel

2015	Held as at 1 July 2014	Received on Exercise of Options	Acquired/ (Disposed) on Market	Placement	Other Changes (director appointment/ (resignation)	Held as at 30 June 2015
Directors						
R Homsany	2,667,330	-	400,000	-	-	3,067,330
E van Heemst	13,250,000	-	5,500,000	-	-	18,750,000
C Wolf	2,000,000	-	-	-	-	2,000,000
B Hodgins	-	-	230.000	-	-	230,000
W Gasteen[1]	-	-	-	-	-	-

[1] Appointed 12 February 2015, resigned 30 April 2015

2014	Held as at 1 July 2014	Received on Exercise of Options	Acquired/ (Disposed) on Market	Placement	Other Changes (director appointment/ (resignation)	Held as at 30 June 2014
Directors						
R Homsany	2,367,330	-	300,000	-	-	2,667,330
E van Heemst	12,417,331	-	832,669	-	-	13,250,000
C Wolf	-	-	-	-	2,000,000	2,000,000
B Hodgins	-	-	-	-	-	-
A Ailakis [1]	-	-	-	-	-	-

[1] Resigned as director on 29 November 2013

All equity transactions with key management personnel, other than those arising from the exercise of remuneration options, have been entered under terms and conditions no more favourable than those the Company would have adopted if dealing at arm's length.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

15. Key management personnel disclosures (continued)

(d) Transactions with key management personnel

During the financial year, Cardinals Corporate Pty Ltd, a company of which Mr Homsany is a director, undertook legal and consulting services for the Company totalling $66,875 excluding GST, in addition to the amount which has been disclosed as remuneration in the Directors' Report.

During the financial year, Jaybre Consulting Pty Ltd, a company of which Mr Hodgins is a director, undertook geological services for the Company totalling $28,450 excluding GST, in addition to the amount which has been disclosed as remuneration in the Directors' Report

During the financial year the Entity occupied the office premises of a director-related entity of Mr Homsany for an agreed gross commercial rent inclusive of car bay of $4,300/month to 30 June 2015. The commercial rental agreement may be terminated in writing on the earlier of 90 days' notice or 30 June 2015. As of 30 June 2015, the Entity is holding over on a monthly tenancy on the same rental terms although this is subject to rate review if deemed appropriate. Such rental rate review may not result in an increase of 10% unless otherwise agreed between the parties. The monthly tenancy may be terminated by either party giving at least one month's written notice to the other party.

On 28 November 2014 the Entity engaged Ikon Corporate Pte Ltd (**Ikon**), a director related entity of Mr Gasteen, as corporate advisors to the Entity for a three month term to 28 February to 2015, to assist the Entity with its capital raising activities. Ikon was paid $75,000 for this engagement.

Services from Cardinals Corporate Pty Ltd, Jaybre Consulting Pty Ltd and Ikon Pte Ltd were provided on arm's length terms.

There were no loans outstanding to or from key management personnel during the year.

	Consolidated	
	2015	2014
	$	$
16. Employee benefits		
Aggregate liability for employee benefits		
Current		
Trade and other payables*	91,267	24,806
Employee entitlement provision	33,895	15,394
	125,162	40,200
Non-Current		
Employee entitlement provision	-	15,411
	-	15,411

The Entity has in place an employee share option plan (ESOP) for the granting of non-transferable options to certain directors, senior executives and key employees, further details of which are provided in note 2(w).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

17. Auditors remuneration

	Consolidated 2015 $	Consolidated 2014 $
Amounts received or due and receivable by the auditors of the Entity for:		
- an audit or review of the financial statements of the Entity	23,046	30,004
- non audit services	-	-
	23,046	30,004

18. Subsequent events

$1.0m R&D Rebate

In June 2015, subsequent to review and following supporting advice received from an independent top tier global tax advisory firm the Company claimed a further refundable Research and Development tax offset of approximately $1.0 million (before costs) (**the R&D Rebate**). The R&D Rebate amount of $1.0 million (before costs), which was determined under the self-assessment system, was received from the Australian Taxation by the Entity in July 2015.

Blackstone Range Project – Applications for Forfeiture and Objections to Exemption Applications Dismissed

During the 2014 financial year Applications for Forfeiture (**the Plaints**) on the Blackstone Range Project tenements (E69/2108 and E69/2109) (**the EL's**) were lodged in the Wardens Court by Blackstone Exploration Pty Ltd, in relation to for the expenditure years ending 27 April 2013 and 27 April 2014 (collectively **the 2013 and 2014 Expenditure Years**). The Plaints for both the 2013 and 2014 Expenditure Years were dismissed on 31 July 2015.

Further, the tenement holders lodged applications for exemption from expenditure for the ELs for the 2013 and 2014 Expenditure Years, which were subject to objections by Blackstone Exploration Pty Ltd. The applications for exemption for the 2013 Expenditure Year was before the Mining Warden during the year, however on 31 July 2015 the Mining Warden also dismissed the objection applications by Blackstone Exploration Pty Ltd for both the 2013 and 2014 Expenditure Years.

Blackstone Range Project - Extension of Term

The Blackstone Range Project tenements (E69/2108 and E69/2109) (**the EL's**) were due to expire on 27 April 2015, however the Entity applied to the Department of Mines and Petroleum for extensions of term for a further one year to 27 April 2016 for the EL's, which were granted on 2 September 2015.

Resignation of Director – Mr Clinton Wolf

On 7 September 2015, Mr Clinton Wolf resigned as a non-executive director the Company.

There has not been any other matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the Entity, the results of those operations, or the state of affairs of the Entity in future financial periods.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

19. Segment Reporting

The Entity has two operating segments being the distinct geographical location of its Areas of Interest in Australia and South America (the Entity's primary basis of segmentation).

The Entity has identified its operating segment based on the internal reports that are reviewed and used by management and the Board of Directors in determining the allocation of resources.

However, as the Entity is predominantly operating in Australia then pursuant to the quantitative threshold criteria in AASB8 *Segment Reporting,* the two segments have been aggregated.

The accounting policies used by the Entity in reporting segments are the same as those in the prior period.

20. Related Party Transactions

Controlled entities

During the year the Company provided loans to controlled entities. The loans are made in the ordinary course of business and are unsecured and interest free with no fixed term of repayment. The amounts receivable from these entities as at the end of the reporting period are as follows:

	2015 $	2014 $
Westmin Exploration Pty Ltd	-	-

During the 2015 financial year the value of loan amounts of $615,154 (2014: $530,169) to Westmin Exploration Pty Ltd were treated as impaired.

Other than disclosed above and in note 15 there were no other related party transactions during the financial year.

21. Expenditure commitments

Exploration expenditure commitments

Australian tenements
In order to maintain current rights of tenure over its Australian mineral tenement leases, the Entity will be required to outlay amounts in respect of rent and to meet minimum expenditure requirements of the Department of Mines and Petroleum (**DMP**). Further, those tenements for which access agreements have been signed require annual access payments to be paid to the traditional owners.

The annual expenditure commitments, including access payments, on granted tenements as at 30 June 2015 amount to $220,892 (2014: $292,348).This includes expenditure commitment amounts for the Blackstone Range project tenements (E69/2108 and E69/2109), which expired during the year but for which applications for extension for a further one year term were lodged with the DMP on 26 April 2015 and which were granted on 2 September 2015.

Brazilian tenements
The Entity no longer holds any tenure over Brazilian tenements and therefore no longer has exploration commitments in Brazil.

The future exploration commitment (including access costs) of the Entity relating to tenements which have been granted is as follows:

	Consolidated	
Cancellable operating lease commitments for exploration tenements	2015 $	2014 $
Within one year	220,892	292,348
One year or later and no later than five years	432,134	580,277
Later than five years	-	31,167
	653,026	903,792

These obligations may vary from time to time, are subject to approval and are expected to be fulfilled in the normal course of operations by the relevant entity. Further, these obligations are subject to the possibility of adjustment to the amount and timing of such obligations or extinguished upon any surrender of the tenement.

Joint venture commitments

Blackstone Range/Michael Hills Joint Venture

The Blackstone Range/Michael Hills Farm-In Deed dated 2 June 2005 is between Giles Exploration Pty Ltd (Giles), Resources Mining Corporation Ltd (RMC), Westmin Exploration Pty Ltd (Westmin) and Rivergold Exploration Pty Ltd (Rivergold).

As of September 2008 Westmin, a wholly owned subsidiary of the Company, acquired a 75% interest in the Blackstone Range/Michael Hills Exploration Licences (EL) by sole funding $2,000,000 of exploration costs. During the 2010 financial year RMC converted its 25% interest to a 10% free carried interest in which case Westmin will assume RMC's funding obligations to completion of a feasibility study, upon which Westmin will have earned a 90% interest in the EL.

On 26 February 2010 the Joint Venture parties surrendered Exploration Licences EL's 69/2106 and 2107. The Farmin Deed continues in respect of the remaining tenements, EL's 69/2108 and 2109 (the EL's).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

21. Expenditure commitments (continued)

During the 2014 financial year Applications for Forfeiture (**the Plaints**) on the EL's were lodged in the Wardens Court by Blackstone Exploration Pty Ltd, in relation to the expenditure years ending 27 April 2013 and 27 April 2014 (collectively the **2013 and 2014 Expenditure Years**). The Entity defended these Plaints, which were dismissed on 31 July 2015.

Further, the tenement holders lodged applications for exemption from expenditure for the ELs for 2013 and 2014 Expenditure Years, which were subject to objections by Blackstone Exploration Pty Ltd. The applications for exemption for the 2013 Expenditure Year was before the Mining Warden during the year, however on 31 July 2015 the Mining Warden dismissed the objection applications by Blackstone Exploration Pty Ltd for both the 2013 and 2014 Expenditure Years.

The EL's were due to expire on 27 April 2015, however the Entity applied to the Department of Mines and Petroleum for extensions of term for a further one year to 27 April 2016, which were granted on 2 September 2015.

Operating lease – corporate office premises

The Entity agreed to lease office premises for a gross rent inclusive of car bay of $4,300 per month, which may have been terminated in writing on the earlier of 90 days' notice or 30 June 2015. As of 30 June 2015, the Entity is holding over on a monthly tenancy on the same rental terms although this is subject to rate review if deemed appropriate. Such rental rate review may not result in an increase of 10% unless otherwise agreed between the parties. The monthly tenancy may be terminated by either party giving at least one month's written notice to the other party.

Commencing from 1 April 2013 the Entity entered into a two year operating lease for storage premises at an annual rental of $24,000 plus variable outgoings plus GST. On 31 July 2015, the Entity entered into a further two year lease at an annual rental of $21,000 plus variable outgoings plus GST.

	Consolidated	
Cancellable operating lease commitments	2015 $	2014 $
Within one year	21,250	111,732
One year or later and no later than five years	22,750	3,830
Later than five years	-	-
	44,000	115,562

Capital Commitments

The Entity does not have any capital commitments as at balance date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

22. Financial Risk Management

(a) Overview

The Entity has exposure to the following risks from use of their financial instruments

- credit risk
- liquidity risk
- market risk

This note presents information about the Entity's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

The Board of directors has overall responsibility for the establishment and oversight of the risk management framework.

(b) Credit risk

Credit risk is the risk of financial loss to the Entity if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Entity's receivables from customers and investments.

(c) Liquidity risk

Liquidity risk is the risk that the Entity will not be able to meet its financial obligations as they fall due. The Entity's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Entity's reputation.

Ultimate responsibility for liquidity risk management rests with the Board of directors, who have built an appropriate liquidity risk management framework for the management of the Entity's short, medium and long-term funding and liquidity management requirements. The Entity manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

It is the Entity's objective to ensure that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations.

The contractual maturities of the financial liabilities referred to in note 10 to the financial report for the Entity at reporting date are less than 3 months, other than for related party creditors of the Entity ($215,497), which by mutual agreement currently have no set date for payment.

(d) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Entity's income or the value of its holdings of financial instruments.

(i) Price Risk

The Entity has no exposure to price risk.

(ii) Currency risk

The Entity is exposed to currency risk on purchases and investments that are denominated in a currency other than their functional currency, namely the Australian dollar (AUD). The currencies in which these transactions primarily are denominated are the United States dollar (USD) and Brazilian Reais (BRL).

To date, currency risk has not been material to the Entity.

(iii) Interest rate risk

The cash balance of $60,726 as at 30 June 2015 is sensitive to interest rate risk whereby a 1% per annum movement in interest rates would impact the consolidated statement of comprehensive income and net equity by $607. This risk is not considered to be material.

At reporting date the Entity does not have any short term borrowings.

22. Financial Risk Management (continued)

(e) Capital risk management
Management's policy is to control the capital of the Company in order to maintain a strong capital base so as to maintain investor, creditor and market confidence and to ensure that the Entity can fund its operations and continue as a going concern.

The Entity's capital includes ordinary share capital and financial liabilities, comprising trade and other payables totalling $1,050,698 (2014: $284,318) supported by financial assets of $1,132,035 (2014: $939,023).

Financial risk management objectives and policies
The Entity's principal financial instrument is cash. The main purpose of these financial instruments is to provide working capital for operations.

The Entity has various other financial assets and liabilities such as receivables and trade payables, which arise directly from its operations. The main risks currently arising from the Entity's financial instruments are interest rate risk and credit risk.

It is not expected that the Entity will be undertaking transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations are not expected to arise.

Significant accounting policies
Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis for measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2 to the financial statements.

Credit risk
The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any provisions for doubtful debts of those assets, as disclosed in the statement of financial position and the notes to the consolidated financial statements.

The Entity does not have any material credit risk exposure to debtors under financial instruments it has entered into. The sole trade receivable as at 30 June 2015 relates to a $1.0 million Research and Development Rebate claim lodged with the Australian Taxation Office (ATO) in June 2015. This ATO receivable amount was received in July 2015.

As at 30 June 2015, financial assets which are neither past due or impaired mainly comprise cash held with reputable financial institutions and is therefore not considered to present material credit risk.

Net fair values
The carrying amount of financial assets and financial liabilities approximate their net fair values at balance date.

Interest rate risk
The following table sets out the carrying amount and maturity of the financial instruments exposed to interest rate risk:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

22. Financial Risk Management (continued)

Consolidated – 2015 Category	Time Period	Interest Bearing (Floating)	Non-Interest Bearing	Total Carrying Amount as per the consolidated statement of financial position	Weighted Average Effective Interest Rate %
Financial assets:					
Cash	<1 year	60,486	-	60,486	1.47%
Cash	<1 year	-	240	240	-
Trade and other receivables	<1 year	-	1,071,309	1,071,309	-
Total financial assets		60,486	1,071,549	1,132,035	
Financial liabilities					
Trade creditors and other payables	<1 year	-	1,050,698	1,050,698	-
Trade creditors and other payables	>1 year	-	-	-	-
Total financial liabilities		-	1,050,698	1,050,698	

Consolidated – 2014 Category	Time Period	Interest Bearing (Floating)	Non-Interest Bearing	Total Carrying Amount as per the consolidated statement of financial position	Weighted Average Effective Interest Rate %
Financial assets:					
Cash	<1 year	899,187	-	899,187	2.22%
Cash	<1 year	-	446	446	-
Trade and other receivables	<1 year	-	39,390	39,390	-
Total financial assets		899,187	39,836	939,023	
Financial liabilities					
Trade creditors and other payables	<1 year	-	284,318	284,318	-
Trade creditors and other payables	>1 year	-	-	-	-
Total financial liabilities		-	284,318	284,318	

23. Cash flow information

	Consolidated 2015 $	Consolidated 2014 $
Loss from ordinary activities after income tax	(519,835)	(1,444,367)
Depreciation	13,811	34,422
Net loss/(gain) on sales of assets	-	641
Gain on insurance claim	-	(14,144)
Impairment/write off of deferred exploration expenditure	-	8,000
Provision for doubtful debtors	-	27,470
Net exploration expenditure	114,780	791,622
Changes in operating assets and liabilities		
Increase/(decrease) in provisions	3,090	(68,831)
Increase/(decrease) in trade creditors and accruals	224,028	(11,082)
(Increase)/decrease in sundry receivables and prepayments	(266,736)	17,526
Net cash flow used in operating activities	(430,862)	(658,743)

24. Contingent Assets and Liabilities

Financial year ending 30 June 2015

During the 2014 financial year, the Entity recognised a provision for foreign subsidiary obligations relating to estimated amounts that may be required to settle outstanding obligations arising from a winding-up of the Entity's investment in its Brazilian subsidiary, Redstone Mineraco Do Brasil Ltd (**Redstone Brazil**).

However, As at 30 June 2015, the Entity considered that it was more likely that a present obligation no longer existed for any of these amounts and that it was more likely that no economic outflow would be required. Further the timing and amount of any potential economic outflow is uncertain. Accordingly, there may be a contingent liability for potential obligations required to be paid in any eventual winding up of Redstone Brazil for which the timing is uncertain and amount cannot be measured reliably.

Financial Year ending 30 June 2014

Lack of DMP Approvals Relating to Prior Years

In June 2014, the Directors became aware that former senior management failed to apply to the Department of Mines and Petroleum of Western Australia (**the DMP**) for required Programs of Works (**PoW's**) in relation to exploration activities undertaken in prior years on its granted Australian tenements. The Entity subsequently responded to the DMP and provided them with all relevant information in relation to these exploration activities along with retrospective PoW's.

During December 2014 and February 2015 respectively, the DMP issued the Entity with:

- a warning in relation to the tenement licence breaches on E69/2108 and E69/2109; and
- a penalty of $20,000 in relation to the tenement licence breaches on E69/2450.

In February 2015 the Entity paid the required penalty of $20,000 for E69/2450 and these matters are now settled with the DMP.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

25. Parent Information

	Parent Entity 2015 $	Parent Entity 2014 $
Current assets	1,154,443	958,695
Non-current assets	5,077,047	5,523,160
Total Assets	**6,231,490**	**6,481,855**
Current liabilities	1,084,594	299,712
Non-current liabilities	-	15,411
Total Liabilities	**1,084,593**	**315,123**
Net Assets	**5,146,897**	**6,166,732**
Equity		
Issued capital	22,214,645	22,214,645
Reserves	397,748	767,423
Accumulated losses	(17,465,496)	(16,815,336)
Total RDS equity	**5,146,897**	**6,166,732**
Net loss for the year before other comprehensive income	(1,019,835)	(1,184,367)
Total comprehensive income for the year	(1,019,835)	(1,184,367)
Earnings per share (EPS) – (cents per share)	(0.28)	(0.88)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

25. Parent Information (continued)

Controlled entities

Redstone Resources Limited is the ultimate parent entity of the controlled entities.

(a) Particulars in relation to controlled entities	Country of incorporation	2015 Ownership %	2014 Ownership %
Allhawk Nominees Pty Ltd	Australia	100	100
Minex Services Pty Ltd	Australia	100	100
Westmin Exploration Pty Ltd	Australia	100	100
River Gold Exploration Pty Ltd	Australia	100	100
Redstone Mineracao Do Brasil Ltda[1]	Brazil	98	98

[1] Redstone Mineraco Do Brasil Ltda is 98% owned by the Company. The remaining 2% shareholding is held by a previous consultant of the Entity, who is a Brazilian citizen and is holding these shares on trust for the Company. The Board and shareholding structure is in accordance with Brazilian law.

(b) Contribution to consolidated result

The results of the controlled entities inclusion in the consolidated statement of comprehensive income is a profit of $500,000 (2014: $260,000 loss).

26. Share based payments

The impact of share based payments on the consolidated statement of comprehensive income for the financial year ended 30 June 2015 is as follows:

	Consolidated 2015 $	Consolidated 2014 $
Net loss after income tax and including share based payments	(519,835)	(1,444,367)
Add: share based payments expense	-	-
Net loss after income tax excluding share based payments	(519,835)	(1,444,367)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

26. Share based payments (continued)

During the financial year no share options were issued for nil consideration (2014: nil). Share-based payments for options issued for nil consideration in prior years were independently valued using either Black Scholes or binomial methodology as detailed in note 2(w). The independent value of these, and existing, options for the year ending 30 June 2015 is as follows:

$	
125,250	750,000 Consultant Options granted on 7 July 2011. Exercise price $0.35 exercisable from 7 July 2011 and expiring 6 July 2015.
115,500	750,000 Consultant Options granted on 7 July 2011. Exercise price $0.45 exercisable from 7 July 2011 and expiring 6 July 2015.
157,000	2,000,000 Director Options granted on 5 December 2012. Exercise price $0.20 exercisable from 5 December 2012 and expiring 4 December 2017.
397,750	Total Options 3,500,000

The option valuations adopted in the above table are calculated using the following assumptions:

For options issued during the 2013 financial year
Underlying security spot price of between $0.13
Dividend rate of nil
Volatility factor of 95%
Risk free interest rate of 2.55%
The weighted average exercise price is $0.20 and the weighted average expiry period is 5 years.
The weighted average value per option as at the measurement date is $0.078 cents per option.

For options issued during the 2012 financial year
Underlying security spot price of between $0.24 and $0.27
Dividend rate of nil
Volatility factor of 90-95%
Risk free interest rate of between 3.08% and 4.87%
The weighted average exercise price is $0.35 and the weighted average expiry period is 3.47 years.
The weighted average value per option as at the measurement date is $0.15 cents per option.

27. Jointly controlled operations and assets

Blackstone Range Project

As at 30 June 2015 and the date of this report the Entity has an interest in a joint venture arrangement in the Blackstone Range/Michael Hills Farm-In in Western Australia. The Entity has earned a 75% interest in this joint venture by funding and carrying out exploration on these tenements and is currently sole funding exploration and development expenditure on the Project Tenements until completion of a feasibility study to earn a 90% interest (refer to note 21).

During the 2014 financial year Applications for Forfeiture (**the Plaints**) on the Blackstone Range Project tenements, E69/2108 and E69/2109 (**the EL's**), were lodged in the Wardens Court by Blackstone Exploration Pty Ltd, in relation to the expenditure years ending 27 April 2013 and 27 April 2014 (collectively the **2013 and 2014 Expenditure Years**). During the financial year the Entity defended these Plaints, which were dismissed on 31 July 2015.

Further, the tenement holders lodged applications for exemption from expenditure for the ELs for the 2013 and 2014 Expenditure Years, which were subject to objections by Blackstone Exploration Pty Ltd. The applications for exemption for the 2013 Expenditure Year was before the Mining Warden during the year, however on 31 July 2015 the Mining Warden also dismissed the objection applications by Blackstone Exploration Pty Ltd for both the 2013 and 2014 Expenditure Years.

The EL's were due to expire on 27 April 2015, however the Entity applied to the Department of Mines and Petroleum for extensions of term for a further one year to 27 April 2016, which were granted on 2 September 2015.

Pontal (Iron) Agreement

On 17 June 2010, the Entity divested a 90% interest in its Brazil Pontal (Iron) Project tenements. The Pontal Agreement required the purchaser to incur exploration and other expenditure on the Tenements sufficient to satisfy the relevant Brazilian mining laws and keep the tenements in good standing at all times and sole fund exploration, development and other expenditure on the Tenements until a Decision to Mine in respect of each project on the Project area.

During the financial year the tenement licences comprising the Pontal (Iron) Project expired.

DIRECTORS' DECLARATION

In the directors' opinion:

a) the financial statements and notes set out on pages 21 to 61 are in accordance with the Corporations Act 2001, including:
   (i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
   (ii) giving a true and fair view of the Entity's financial position as at 30 June 2015 and its performance for the financial year ended on that date and

b) there are reasonable grounds to believe that the Entity will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations by the chief executive officer and chief financial officer required by s295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the directors.

R Homsany
Chairman
Perth, Western Australia

Dated this 30th day of September 2015

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF REDSTONE RESOURCES LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Redstone Resources Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2015 and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the Company are responsible for the preparation of the financial report which gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation of the financial report which gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

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Proactive ▸ Quality ▸ Supportive

Butler Settineri (Audit) Pty Ltd
RCA No. 289109 ABN 61 112 942 373

Auditor's Opinion

In our opinion, the financial report of Redstone Resources Limited is in accordance with the Corporations Act 2001 including:

a) giving a true and fair view of the Group's financial position as at 30 June 2015 and of its performance for the year ended on that date; and

b) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Material Uncertainty Regarding Continuation as a Going Concern

Without qualifying the opinion expressed above, attention is drawn to the following matter. As a result of matters referred to in Note 2 (ad) to the financial report, "Principles of Going Concern", the ability of the Group to continue as a going concern is dependent upon the Group raising further working capital. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

Report on the Remuneration Report

We have audited the Remuneration Report included on pages 15 to 18 of the Directors' Report for the year ended 30 June 2015.

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the Remuneration Report of Redstone Resources Limited for the year ended 30 June 2015, complies with section 300A of the Corporations Act 2001.

BUTLER SETTINERI (AUDIT) PTY LTD

MARIUS VAN DER MERWE CA
Director

Perth
Date: 30 September 2015

SHAREHOLDER INFORMATION AS OF 29 SEPTEMBER 2015

A. CORPORATE GOVERNANCE

A statement disclosing the extent to which the Company has followed the best practice recommendations set by the ASX Corporate Governance Council during the reporting period can be found on the Company's website at www.redstone.com.au/corporate_governance.html.

B. SHAREHOLDING

1. Substantial Shareholders

The names of the substantial shareholders listed on the company's register:

Shareholder	Number
MR EDWARD VAN HEEMST & MRS MARILYN ELAINE VAN HEEMST <LYNWARD SUPER FUND A/C>	14,000,000

2. Number of holders in each class of equity securities and the voting rights attached

There are 1,602 holders of ordinary shares. Each shareholder is entitled to one vote per share held. On a show of hands every shareholder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

There are 431 holders of listed options (ASX: RDSO) (further details of which are set out in section 5 below). There are no voting rights attached to these options

There are 2 holders of unlisted options (details of which are set out in section 7 below). There are no voting rights attached to these options. There are no other unquoted securities of the Company.

3. Distribution schedule of the number of holders in each class is.

	Holders of Ordinary Shares	Number of Ordinary Shares	%
1 - 1,000	98	54,489	0.03
1,001 - 5,000	338	1,066,367	0.57
5,001 - 10,000	291	2,416,792	1.29
10,001 - 100,000	656	23,340,874	12.48
100,001 and over	219	160,090,868	85.62
TOTALS	1,602	186,969,390	100.00

4. Marketable Parcel

There are 1,107 shareholders with less than a marketable parcel.

SHAREHOLDER INFORMATION

5. Twenty largest holders of each class of quoted equity security

The names of the twenty largest holders of each class of quoted equity security, the number of equity security each holds and the percentage of capital each holds are as follows:

Fully Paid Ordinary Shares – ASX: RDS

Rank	Name	No. of Ordinary Shares	%
1	MR EDWARD VAN HEEMST & MRS MARILYN ELAINE VAN HEEMST <LYNWARD SUPER FUND>	14,000,000	7.49
2	SAMARKAND HOLDING PTY LTD <SAMARKAND A/C>	8,625,758	4.61
3	GREYHOUND INVESTMENTS PTY LTD <GREYHOUND INVESTMENTS A/C>	7,958,237	4.26
4	HAROLD AMBROSE	7,726,770	4.13
5	BERNE NO 132 NOMINEES PTY LTD<631394 A/C>	7,370,292	3.94
6	EASTERN PROSPECTING PTY LTD <EASTERN PROSPECTING A/C>	7,228,758	3.87
7	TROYWARD PTY LTD	4,750,000	2.54
8	ACEDAY INVESTMENTS PTY LTD <THE HOFMANN SUPER FUND A/C>	4,130,000	2.21
9	INSPIRE INVESTMENTS PTY LTD <THE FORTUNE A/C>	2,500,000	1.34
10	MUSCODA HOLDINGS PTY LTD	2,482,731	1.33
11	CARDINALS CORPORATE PTY LTD <CARDINALS CORPORATE A/C>	2,367,330	1.27
12	BARRETT CORPORATE INVESTMENTS PTY LTD <SC INVESTMENTS SF A/C>	2,300,000	1.23
13	MEMPHIS HOLDINGS PTY LTD <SUPER FUND A/C>	2,021,787	1.08
14	MRS MARILYN ELAINE VAN HEEMST	2,000,000	1.07
15	MR CHAD VAN HEEMST	2,000,000	1.07
16	WALSEC PTY LTD <PIPER SUPER FUND A/C>	2,000,000	1.07
17	KING CORP PTY LTD <CHAPMAN A/C>	2,000,000	1.07
18	AMV SUPER PTY LTF <ALEC MARIO VIOLI S/FUND A/C>	2,000,000	1.07
19	GAVIN EDWARD HEDGES <HEDGES FAMILY A/C>	1,997,000	1.07
20	MR THOMAS MILENTIS	1,913,000	1.02
		87,371,663	46.73

Listed Options – ASX: RDSO

Rank	Name	No. of Listed Options	%
1	ARGONAUT INVESTMENTS PTY LTD <THE ARGONAUT INVESTMENT NO.3>	6,000,000	19.13
2	ARGONAUT EQUITY PARTNERS PTY LIMITED	4,233,521	13.50
3	MR EDWARD VAN HEEMST & MRS MARILYN ELAINE VAN HEEMST <LYNWARD SUPER FUND>	2,033,666	6.49
4	CARDINALS CORPORATE PTY LTD <CARDINALS CORPORATE A/C>	1,183,665	3.77
5	SAMARKAND HOLDING PTY LTD <SAMARKAND A/C>	987,575	3.15
6	EASTERN PROSPECTING PTY LTD <EASTERN PROSPECTING A/C>	987,575	3.15
7	BULLRUN INVESTMENTS PTY LTD <BULLRUN A/C>	972,575	3.10
11	GREYHOUND INVESTMENTS PTY LTD <GREYHOUND INVESTMENTS A/C>	823,116	2.62
8	MR ANTHONY EDWIN JOHN	800,000	2.55
9	LANARK RESOURCES PTY LTD <LANARK HOLDINGS A/C>	589,575	1.88
10	SIMDILEX PTY LTD <NSD A/C>	544,917	1.74
12	MR CRAIG DOUGLAS WHITEHEAD	539,000	1.72
13	MS MIRANDA CONTI	510,900	1.63
14	AVIEMORE CAPITAL PTY LTD	500,000	1.59
15	WALSEC PTY LTD <PIPER SUPER FUND A/C>	500,000	1.59
16	PATA NOMINEES PTY LTD <THE LMST MASEL A/C>	440,091	1.40
17	AFM PERSEUS FUND LTD	381,897	1.22
18	MUSCODA HOLDINGS PTY LTD	270,273	0.86
19	EGR INVESTMENTS PTY LTD	269,593	0.86
20	MRS MICHELLE MARIE WHITEHEAD	267,000	0.85
		22,834,939	72.82

SHAREHOLDER INFORMATION

6. Details of Restricted Securities

No ordinary securities are subject to escrow.

There are 3,000,000 listed options (ASX: RDSO), which have been subject to voluntary escrow from 11 February 2013 until such time as the fully paid ordinary securities of the Company trade above $0.25 for three consecutive days. These listed options expire on 28 February 2016.

7. Details of Unlisted Options

% or No. holders	No. Options	Name / Class of Option
2	2,000,000	Options Exercise price $0.20 from 5 December 2012 and expiring 4 December 2017
2	**2,000,000**	Total Unlisted Options

C. OTHER DETAILS

1. Company Secretary

The name of the company secretary is Miranda Conti.

2. Address and telephone details of the entity's registered and administrative office

60 Havelock Street
West Perth WA 6005
Tel: + 61 8 9328 2552
Fax: + 61 8 9328 2660
email: contact@redstone.com.au

3. Address and telephone details of the office at which a register of securities is kept.

Advanced Share Registry Limited
Website: www.advancedshare.com.au

Western Australia – Main Office

110 Stirling Highway, NEDLANDS WA 6009
PO Box 1156, NEDLANDS WA 6909
Tel: +61 8 9389 8033
Fax: +61 8 9262 3723

SHAREHOLDER INFORMATION

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Suite 601, Level 6
225 Clarence Street
SYDNEY NSW 2000

PO Box Q1736
Queen Victoria Building
SYDNEY NSW 1230
Tel: + 61 2 8906 3502

Victoria

Tel: +61 3 9018 7102

Queensland

Tel: +61 7 3103 3838

4. Stock exchange on which the Company's securities are quoted

The Company's listed equity securities are quoted on the Australian Stock Exchange (ASX: RDS and RDSO).

5. Review of Operations

A review of operations is contained in the Directors' Report.

D. TENEMENT SUMMARY

Following is a list of the Entity's tenements which are live or active as at the date of this report.

West Musgrave, Australia

Project	Tenement	Registered Holder Applicant	Holder Interest	Consolidated Entity Interest	Grant Date (Application Date)	Expiry	Blocks	Area km2
Tollu	E 69/2450	Redstone Resources Limited	100%	100%	19/09/2008	18/09/2018	41	125.0
Blackstone Range	E 69/2108	River Gold Exploration Pty Ltd	100%	75%	28/04/2006	27/04/2016	39	121.0
Blackstone Range	E 69/2109	River Gold Exploration Pty Ltd	100%	75%	28/04/2006	27/04/2016	70	217.0
							150	463.0

REGISTERED AND PRINCIPAL OFFICE

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