
CONTINUOUS DISCLOSURE AND COMMUNICATION POLICY

1. INTRODUCTION AND PURPOSE

Redstone Resources Limited (**Redstone**) and its subsidiaries (**the Company or Group**) has significant obligations under the ASX Listing Rules and the Corporations Act 2001 (Cth) (**Corporations Act**) to keep the market fully informed of information which may have a material effect on the price or value of the Company's securities.

The Company has established a continuous disclosure policy in relation to the release of ASX announcements (and media releases) to ensure compliance with the ASX Listing Rule disclosure requirements and the Corporations Act, and to ensure accountability for that compliance.

This policy describes the process for Directors and Executive Management who become aware of material information which may require disclosure under ASX Listing Rules.

ASX CONTINUOUS DISCLOSURE

2. ROLES AND RESPONSIBILITIES

Directors and Executive Management

The continuous disclosure policy requires all executives and Directors to:

- (a) Understand the continuous disclosure regulations.
- (b) Report potentially material information immediately to either the Managing Director (or equivalent) and/or Chairman or in their absence the Company Secretary, as soon as practicable after they become aware of that information.

The Managing Director (or equivalent) is responsible for interpreting and monitoring the Company's disclosure policy and where necessary informing the Board.

Company Secretary

The Company Secretary is required to:

- (a) Liaise with the Managing Director (or equivalent) and/or Chairman on information supplied to determine if it needs to be disclosed under continuous disclosure regulations.
- (b) Report material information to the market.

The Company Secretary is responsible for all communications with ASX.

3. POLICY

In accordance with the ASX Listing Rules (specifically Listing Rule 3.1), the Company will immediately notify the market of information concerning the Company that:

- (a) a reasonable person would expect to have a material effect on the price or value of the Company's securities; and
 - (b) that would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the Company's securities.
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Exceptions to the Continuous Disclosure Rule

An exception to the above continuous disclosure requirements is where circumstances exist whereby the ASX Listing Rules do not require such information to be disclosed, such as when each of the following conditions is and remains satisfied that:

- (a) One or more of the following applies:
 - 1. it would be a breach of a law to disclose the information;
 - 2. the information concerns an incomplete proposal or negotiation;
 - 3. the information comprises matters of supposition or is insufficiently definite to warrant disclosure;
 - 4. the information is generated for the internal management purposes of the Company; or
 - 5. the information is a trade secret; and
- (b) the information is confidential and ASX has not formed the view that the information has ceased to be confidential; and
- (c) a reasonable person would not expect the information to be disclosed.

In order to comply with continuous disclosure requirements and the ASX Listing Rules the following policy is adhered to:

- (a) Executive Directors and Management will make themselves aware of the continuous disclosure regulations in the ASX Listing Rules;
- (b) In the event that a director or member of management becomes aware of any fact or circumstance which may give rise to a requirement to disclose such information under the ASX Listing Rules, they will immediately inform the Managing Director (or equivalent) and/or Chairman or in their absence the Company Secretary, as soon as practicable after they become aware of that information.
- (c) The Company Secretary in conjunction with the Managing Director (or equivalent) and/or Chairman, will review the information to enable a judgment as to the appropriate disclosure.
- (d) Where this is uncertainty over the requirement to comply with the ASX Listing Rules continuous disclosure requirements the Company will seek independent legal advice.
- (e) Company announcements and information required to be disclosed are vetted and undergo an authorisation process for release to ensure they are timely, factual, complete and expressed in a clear and objective manner.
- (f) The Board reviews [and approves] all market sensitive announcements prior to release to the market.
- (g) The Company Secretary will notify the market of any information that has been determined as required to be disclosed.

False Market and ASX Price Query Letters

If the ASX considers that there is or is likely to be a false market in the Company's securities and requests the Company to give it information to correct or prevent a false market, the Company must immediately give the ASX the requested information required to correct or prevent a false market.

The ASX can issue a price query letter if there is a material movement in the Company's share price that is not explained by an announcement or information that is publicly available. The ASX will provide the Company with the short timeframe to respond to the price query and will publish both the query and the Company's response to the ASX Company Announcements Platform.

In order to promptly respond to the price query, the Company Secretary co-ordinates with the Managing Director (or equivalent) and/or Chairman to enable rapid discussion and review of the required response.

Public Comments, Conferences, Broker, Investor and Media briefings

The only Company representatives authorised to speak on behalf of the Company to the public, media, stockbroking analysts and investors are:

- Chair of the Board; and
- Managing Director (or equivalent).

Authorised spokespersons must not provide any material price sensitive information that has not already been announced to the market nor make any comment on anything that may have a material effect on the price of the Company's securities.

The Company will lodge any or all presentation material containing price sensitive information with the ASX prior to the presentation commencing and place such information on the Company's website as soon as practicable on completion of the briefing.

One-on-One briefings with financial community/Institutional Investors

From time to time, the Company may hold one-on-one briefings to discuss information already released to the market to provide information to assist analysts and institutions in their understanding of its business.

The Company will not disclose any information in these briefings which may have a material effect on the price or value of the Company's securities unless such information has already been released to the ASX.

5. CONTRAVENTIONS

The Company contravenes its continuous disclosure obligations if it fails to notify ASX of information required by Listing Rule 3.1. Either the ASX or ASIC, as co-regulators, may take action upon a suspected contravention.

The ASX may suspend trading in the Company's, or in extreme cases, may delist the Company from the ASX.

If the Company contravenes its continuous disclosure obligations it may also be liable pursuant to the Corporations Act and may face:

- Criminal liability which attracts substantial monetary fines; and
- Civil liability for any loss or damage suffered by any person as a result of the failure to disclose relevant information to the ASX.

ASIC has the power to issue infringement notices to the Company and can also initiate investigations of suspected breaches under the Australian Securities Commission Act 1989 (Cth).

The Company's Officers (including its Directors), employees or advisors who are involved in any contravention of the Company's continuous disclosure obligations may also face criminal penalties, including imprisonment and civil liability, or both.

6. SHAREHOLDER COMMUNICATION STRATEGY

In addition to ASX continuous disclosure requirements and various investor relation forums, the Company places importance on effective communications with shareholders.

The Company's communication strategy requires communication with shareholders and other stakeholders in an open and timely manner so that the market has sufficient information to make informed investment decisions on the operations and results of the Company. The strategy provides for the use of systems that ensure a regular and timely release of information about the Company to shareholders.

Mechanisms employed include:

- (i) announcements lodged with ASX;
- (ii) ASX Quarterly Activities and Cash Flow Reports;
- (iii) Half Yearly Report;
- (iv) presentations at the Annual General Meeting/General Meetings; and
- (v) Annual Report.

The Company also posts all reports, ASX and media releases and copies of significant business presentations on the Company's website www.redstone.com.au.

In addition to ASX continuous disclosure requirements and various investor relation forums, the Company places considerable importance on effective two way communications with shareholders. Accordingly, the Board encourages full participation of shareholders at the Annual General Meeting to ensure a high level of accountability and understanding of the Company's strategy and goals. The Company's practice is to also invite the auditor to attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.

Notices of Annual General Meeting, together with accompanying information such as the explanatory memorandum, are sent to shareholders either by mail, and are also placed on the Company's website.

The Chair and Company Secretary respond to queries from shareholders provided the information requested is not material or price sensitive and is already publically available. In general, the Company encourages two-way communications with its shareholders by way of face to face meetings, telephone conversations and in writing either by mail or email.

7. POLICY BREACHES

The Company regards its continuous disclosure obligations very seriously. Breach of this policy may lead to disciplinary action being taken, including dismissal in serious cases.

Further, to avoid any civil or criminal liability, it is important that all Officers and employees do everything they reasonably can to ensure that the Company complies with its continuous disclosure obligations. In particular, Officers and employees must not try to hide or delay potentially material and price sensitive information.
