

31 May 2023

GOLDSTONE RESOURCES LIMITED
("GoldStone" or the "Company")

Operational Update

GoldStone Resources Limited (AIM: GRL) is pleased to provide an operational update in relation to mining and production activities at the Homase Gold Mine in south-western Ghana.

Overview

- Front-end loaders, tractor and excavators, and the required plant including a second stacker and vibrating screens delivered to site with the objective of optimising production at Homase.
- ~\$1.5 million invested into new and second-hand plant, equipment and components for the second dry plant and to complete the construction of next pad for the heap leach operation.
- Mining production levels forecast for 60,000 tonnes per month of ore, within three months following mine plan revision during Q1 2023.
- Revision of mine plan and improvements to the process plant to improve long-term performance has impacted Q1 2023 production, resulting in a small gold pour of 250 ounces doré for the quarter.
- Second dry plant will allow stacking to increase to some 40,000 tonnes pcm over the coming months, thus improving gold production for the remainder of 2023.

Emma Priestley, CEO of Goldstone, commented:

"Whilst these first few months have been disappointing in terms of gold poured, with the recent investment into the Company it has allowed for improvements to be made to enhance the long-term production profile of the mine, resulting in much additional work being undertaken at Homase. All this will put the Company on a sound footing going forward. The Company will update the market with a production forecast in the near future, as it is currently reviewing the forecast of costs of production which includes fuel, reagents and consumables, all of which remain high in this current economic climate."

Further Information

Since the investment of £2.4m announced 27 January 2023, the Company has invested in the necessary equipment and infrastructure to improve the long-term production profile of the Homase Mine. The Company has acquired front-end loaders, tractor and excavators, and the required plant including a second stacker and vibrating screens. In addition, the Company has bought the components required to complete the fabrication of the second dry plant, this includes the fabrication of grasshopper conveyors, the second agglomeration drum and cement feed. The equipment and components have been arriving at the Homase Mine over recent weeks, with certain components to complete the second dry plant to arrive during June and July. Some \$1.5million has been invested into new and second-hand plant, equipment and components for the second dry plant and to complete the construction of the next pad for the heap leach operation.

Following the management review of the mineable oxide resource, announced 30 December 2022, the mine plan was revised during Q1 2023, and as such mining was paused. Mining has now resumed, with production levels forecast for 60,000 tonnes per month within three months.

In conjunction, the Company has been focussing on construction of heap leach pads, building the second dry plant and reviewing process methods. Irrigation on Pads 1 and 2 of the Heap Leach was stopped to allow for the spent ore to dry out so that the material can be compacted ready for a second lift of fresh ore to be stacked, however the rainy season may delay the compaction.

Stacking onto the heap leach pads resumed in line with the mining, but with the revision of the mine plan and the improvements to the process plant being the core focus for the Company during Q1 2023, there was limited production during this quarter, resulting in a small gold pour of 250 ounces doré.

It is anticipated that the second dry plant will be assembled and commissioned for use within two months, along with the completion of further improvements to the screening plant of the existing agglomeration plant. With these improvements to the agglomeration process, documented in 2022, and improved recoveries, the Company expects to build up the stacking to 40,000 tonnes pcm over the next few months thus improving the gold production for the remainder of the year.

Gold Production

To date, some 220,000 tonnes of oxide ore @ 1.43g/t has been mined and stacked on the heap leach pads. This has yielded contained gold of some 10,956 ounces of gold. The Company has, to date, recovered and sold some 5,403 ounces of gold, with the remaining contained gold, estimated to be 5,553 ounces, still within the pads. The Company is assessing the economics of re-agglomerating this ore on the heap leach pads, as insufficient cement was added and this needs to be remediated.

****ENDS****

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About GoldStone Resources Limited

GoldStone Resources Limited (AIM: GRL) is an AIM quoted mining and development company with projects in Ghana that range from grassroots exploration to production.

The Company is focused on developing the Akrokeri-Homase project in south-western Ghana, which hosts a JORC Code compliant 602,000oz gold resource at an average grade of 1.77 g/t. The existing resource is confined to a 4km zone of the Homase Trend, including Homase North, Homase Pit and Homase South.

The project hosts two former mines, the Akrokerri Ashanti Mine Ltd, which produced 75,000 oz gold at 24 g/t recovered grade in the early 1900s, and the Homase Pit which AngloGold Ashanti developed in 2002/03 producing 52,000 oz gold at 2.5 g/t recovered. Production is currently focussed on the Homase Mine however it is the Company's intention to build a portfolio of high-quality gold projects in Ghana, with a particular focus on the highly prospective Ashanti Gold Belt.

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014 as it forms part of United Kingdom domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended).

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