

GOLDSTONE RESOURCES LIMITED

("GoldStone" or the "Company")

Interim Results for the six months ended 31 August 2013

GoldStone (AIM: GRL), the AIM quoted company focused on gold in West and Central Africa, announces its interim results for the six month period ended 31 August 2013.

Operational Highlights:

- Joint venture with Randgold at the Sangola licence in Senegal
 - Four new regional targets identified. Six targets out of eight currently under investigation.
 - 4,200m drilling programme commenced at Baraboye anomaly.
 - Randgold to fund all exploration expenditure to define 1Moz of gold at pre-feasibility in order to earn a 51% interest in the joint venture
- Encouraging drilling results from Gabon
 - Oyem: best results in two drill lines 400m apart over a 15km long gold-in-soil anomaly include 2m @ 5.3 g/t (including 1m @ 9.5 g/t) and 2.2m @ 4.5 g/t (including 1m at 9.1 g/t)
 - Ngoutou: results from the first three holes drilled along the most accessible part of the 15km long soil anomaly include 16m @ 1.3 g/t (including 2m @ 5.6 g/t), 33.5m @ 0.4 g/t and 32m @ 0.4 g/t
- At Manso Amenfi encouraging results from soil sampling programme
 - Trenching programme underway
 - Thirteen soil samples yielding gold concentrations between 0.5 g/t and 3.7 g/t

Jurie Wessels, GoldStone's Chief Executive, commented: "*We are continuing to progress our projects, all of which hold the potential to significantly improve the Company's fortunes. We are pleased with the potential that may be unlocked by our JV partner Randgold at our Sangola project at no cost to GoldStone and are looking forward to the results from our exploration at Manso Amenfi. Various discussions continue over our plans to unlock value at Homase/Akrokerrri, however the outcome remains difficult to predict.*"

Enquiries

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Chief Executive Officer's Report

Since the beginning of the period under review the Company has continued to advance its projects despite difficult financial conditions. Our joint venture with Randgold has drilled 59 holes at Sangola, we drilled three holes at Ngouto and excavated 927m of trenches at Manso Amenfi and a further nine holes were drilled and 976 soil samples collected in the southern part of Oyem (under our co-existence agreement with Ferrex).

At Sangola the Company has a tier one African miner and explorer searching for a high grade, multi-million ounce deposit in a gold province which has yielded a number of multi-million ounce deposits. In Gabon, the Company's first holes in the 15km long Ngoutou gold-in-soil anomaly and two drill lines at the 15km long Oyem anomaly returned encouraging results that point to the potential for a major discovery. Following encouraging geochemistry results, we are currently conducting a 1,100m trenching programme at Manso Amenfi in Ghana. If successful, this may be followed up with a drilling programme aimed at delineating a potential orebody. Also in Ghana, we have continued with our efforts to commercialise and/or monetise our Homase/Akrokerry gold asset, where GoldStone has outlined a 600,000oz JORC-compliant resource. With the current difficult conditions in the gold and equity markets, our efforts have not yielded the early desired outcome, however discussions with various interested parties are ongoing.

Cash conservation measures were introduced at the instigation of management in March 2013 and additional funds were raised in July and September. Cash resources currently amount to approximately US\$1m and the austerity measures, including the deferment of 50% of management's salaries and other measures to optimise exploration activity at our prospects, remain in place.

Senegal (Sangola Licence)

The 471 km² Sangola Licence, over which the Company has a joint venture with Randgold, lies in the south-western corner of the prolific Kenieba-inlier gold province. The Sangola Licence hosts the southern portion of a gold bearing shear zone, which controlled the formation of Randgold's 3.4 Moz Massawa deposit, 30km towards the north-east of the licence area. The licence area contains four gold-in-soil anomalies identified by GoldStone and four further conceptual regional target areas, identified by Randgold based on their expert knowledge of the area.

Randgold commenced with drilling operations at two of the eight areas of interest during June 2013 and returned with gold intersects of 39m @ 0.67 g/t (including 2m @ 5.4 g/t), 27m @ 0.45 g/t, 2m @ 5.1 g/t (including 1m @ 9.9 g/t), 1m @ 8 g/t and 2m @ 0.7 g/t. These results however did not meet Randgold's filter criteria which require the potential for a deposit larger than three million ounces at an average grade above 3 g/t and it was decided that further work will be directed at the other six anomalies in the licence area in the search for such a deposit. Drilling has commenced at the Baraboye gold anomaly. Randgold plans to drill 4,200m along four drill fences. Results are expected early next year.

Under the joint venture agreement with Randgold, announced in April 2013, GoldStone is not required to fund any exploration expenses in the licence area and has the benefit

of relying on the extensive knowledge of its partner. Randgold is obliged to fund all costs up to and including the completion of a pre-feasibility study indicating that the mining of at least 1Moz of gold is feasible, which would earn it 51% of the joint venture.

The Sangola licence expired in October 2013 but the joint venture has applied for a renewal of the licence area, subject to the relinquishment of non-prospective ground comprising approximately 25% of the licence area. The directors are confident that the licence will be renewed in due course.

Gabon projects (Oyem & Ngoutou)

The Oyem and Ngoutou Licences were drilled during the period under review and both hold the potential to host significant gold mineralisation. Both licences contain 15km long gold-in-soil anomalies with favourable geophysics and significant artisanal gold workings.

Three diamond drilled holes (totalling 535m) were completed along two drill traverses, targeting a very small portion of the 15km long Ngoutou gold-in-soil anomaly. Best results included 16m @ 1.3 g/t gold (including 2m @ 5.6 g/t) and 33.5m @ 0.4 g/t in hole 13NGDD001 and 32m @ 0.4 g/t in hole 13NGDD002.

Approximately 400m of the 15km long Oyem gold-in-soil anomaly were drill tested and high grade gold mineralisation in a 120m wide deformational zone was encountered along two drill lines. Best results included 2m @ 5.3 g/t (including 1m @ 9.5 g/t) in the first drill line and 2.2m @ 4.5 g/t (including 1m at 9.1 g/t) in the second drill line.

Under the terms of a co-existence agreement concluded early in 2013, Ferrex plc undertook exploration work in the southerly part of the Oyem licence which included a nine hole diamond drilling programme directed at both iron and gold and a 400m by 100m spaced soil sampling programme focused exclusively at gold around the area of interest. Results of the drilling and sampling programme are expected early next year. Under the terms of the co-existence agreement with Ferrex, GoldStone will receive a 1% royalty on any iron ore produced by Ferrex.

Ghana projects

The Homase/Akrokerry project is located in the heart of the Ashanti Gold Belt in Ghana and adjoins the Anglo Gold Ashanti's Obuasi permit. The Company announced a resource of 405,600oz in June 2010 from historical drilling results and increased this by a further 196,400oz in August 2012. The total resource is now 10.6 million tonnes at an average grade of 1.77 g/t for 602,000oz.

GoldStone owns 65% of the Homase Licence and may attain an 85% interest upon successful completion of a feasibility study of any nature over the area. The Company owns 100% of the Akrokerry Licence.

At the Manso Amenfi project, over which GoldStone has a joint venture with Asasemu Mining Limited, a trenching programme has commenced over prospective gold anomalies, some of which trend parallel to nearby well known gold-bearing structures. Trenches totalling 927m have been excavated and samples were taken at 2m intervals with assay results still pending.

GoldStone currently owns 10% of the Manso Amenfi Licence and has the right to increase its interest to 85% in increments either by reaching certain benchmarks (achieving a Code compliant resource of any magnitude and a feasibility study) or after spending an additional US\$2 million in exploration on the project.

The Minerals Commission of Ghana has now granted a renewal in respect of the Homase, Akrokerry and Manso Amenfi Licences for two years, subject to GoldStone and

its partners relinquishing non-prospective ground.

Placing and Funding

In July 2013 the Company raised £359,500 through a placing at 1p per share and a further £500,000 at 1.5p per share in September 2013.

Unity Mining Limited, GoldStone's largest shareholder, after participating in the July 2013 placing but not the September 2013 placing now hold 30.61% in the Company.

The deferment of salaries and other cash conservation measures will continue, regardless of the cash raised, until a significant change in the Company's financial position has occurred. During July 2013 the Company announced that management had indicated their willingness to convert the deferred remuneration into shares at the then placing price of 1p per share. Subject to final approval of the Company's Remuneration Committee, the shares are expected to be issued shortly.

Takeover Code

From 30 September 2013 certain changes to the UK City Code on Takeovers and Mergers (the "City Code") were implemented, the effect of which is that the Company is now subject to the City Code.

Changes to the Board

On 13 November 2013 Bill Geier resigned as a non-executive director of the Company and was replaced by Ben Hill. Both directors are appointees of GoldStone's largest shareholder Unity Mining Ltd.

Outlook

The Board is looking forward to Randgold's upcoming exploration programme and expects to do further work at Manso Amenfi if the trenching programme is successful. A ground magnetic survey is also expected to be conducted at Ngoutou in order to further define drilling targets. The Company's efforts to commercialise and/or monetise Homase/Akrokerry are ongoing but a positive outcome cannot be guaranteed. Further funding will be required to significantly advance the Gabonese projects in 2014.

Jurie Wessels
Chief Executive Officer

Consolidated Statement of Financial Position as at 31 August 2013

In United States dollars	31 August 2013	28 February 2013	31 August 2012
Assets			
Property, plant and equipment	47,849	47,685	29,802
Non-current assets	47,849	47,685	29,802
Trade and other receivables	4,467	148,274	34,467
Cash and cash equivalents	535,948	631,855	2,680,864
Current assets	540,415	780,129	2,715,331

Total assets	588,264	827,814	2,745,133
Equity			
Share capital	5,807,074	5,259,165	5,234,834
Share premium	23,844,234	23,844,234	23,844,234
Capital contribution reserve	555,110	555,110	555,110
Share options reserve	605,808	605,808	605,808
Accumulated deficit	(30,260,205)	(29,554,655)	(27,624,353)
Total equity	552,021	709,662	2,615,633
Liabilities			
Trade and other payables	36,243	118,152	129,500
Current and total liabilities	36,243	118,152	129,500
Total equity and liabilities	588,264	827,814	2,745,133

**Consolidated statement of comprehensive income
for the 6 months ended 31 August 2013**

In United States dollars	6 months ended 31 August 2013	Year ended 28 February 2013	6 months ended 31 August 2012
Continuing operations			
Sundry income	39,519	34,249	0
Exploration expenses	(394,341)	(5,151,628)	(3,832,608)
Other expenses	(351,019)	(1,368,987)	(625,617)
Results from operating activities	(705,841)	(6,486,366)	(4,458,225)
Finance income	291	4,916	3,543
Net finance cost	291	4,916	3,543
Loss before tax	(705,550)	(6,481,450)	(4,454,682)
Loss from continuing operations	(705,550)	(6,481,450)	(4,454,682)
Other comprehensive income	0	0	0
Total comprehensive loss for the period	(705,550)	(6,481,450)	(4,454,682)

Loss per share			
Basic loss per share	(0.002)	(0.020)	(0.014)
Diluted loss per share	(0.002)	(0.020)	(0.014)

**Consolidated statement of change in equity
for the 6 months ended 31 August 2013**

In United States dollars	6 months ended 31 August 2013	Year ended 28 February 2013	6 months ended 31 August 2012
Share capital			
- at beginning of period	5,259,165	5,234,834	5,234,834
- issue of shares	547,909	24,331	0
- end of period	5,807,074	5,259,165	5,234,834
Share premium			
- at beginning of period	23,844,234	23,844,234	23,844,234
- issue of shares	0	0	0
- end of period	23,844,234	23,844,234	23,844,234
Capital contribution reserve	555,110	555,110	555,110
Share options reserve	605,808	605,808	605,808
Accumulated deficit			
- at beginning of period	(29,554,655)	(23,169,671)	(23,169,671)
- credit to equity for equity-settled share based payments	0	96,465	0
- loss for the period	(705,550)	(6,481,450)	(4,454,682)
- end of period	(30,260,205)	(29,554,655)	(27,624,353)

**Consolidated statement of cash flow
for the 6 months ended 31 August 2013**

In United States dollars	6 months ended 31 August 2013	Year ended 28 February 2013	6 months ended 31 August 2012
Cash flow from operating activities			

Loss for the period	(705,550)	(6,481,450)	(4,454,682)
adjusted for:			
- depreciation	0	19,603	17,146
- interest received	(291)	(4,916)	(3,543)
- issue of ordinary shares	0	24,331	0
- share options granted to directors and employees during the period	0	96,465	0
changes in:			
- trade and other receivables	143,807	(148,274)	(34,467)
- trade and other payables	(81,909)	(421,302)	(409,955)
Net cash used in operating activities	(643,943)	(6,915,543)	(4,816,567)
Cash flow from investing activities			
Interest received	291	4,916	3,543
Sale/(acquisition) of property, plant and equipment	(164)	(30,216)	(9,877)
Net cash used in / from investing activities	127	(25,300)	(6,334)
Cash flow from financing activities			
Proceeds from issue of ordinary share capital	547,909	0	0
Net cash from financing activities	547,909	0	0
Net (decrease) / increase in cash and cash equivalents	(95,907)	(6,940,843)	(4,822,901)
Cash and cash equivalents at beginning of the year	631,855	7,572,698	7,572,698
Cash and cash equivalents at end of the period	535,948	631,855	2,680,864

Notes

1. Loss per share

	6 months ended 31 August 2013	Year ended 28 February 2013	6 months ended 31 August 2012
In United States dollars			
Loss attributable to shareholders	(705,550)	(6,481,450)	(4,454,682)
Weighted average number of shares	355,804,438	319,856,738	318,356,738
Basic loss per share	(0.002)	(0.020)	(0.014)

2. Availability of Interim Report

The Interim Report will be available for download from the Company's website (www.goldstoneresources.com)

This information is provided by RNS
The company news service from the London Stock Exchange

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