

GOLDSTONE RESOURCES LIMITED

("GoldStone" or the "Company")

Interim Results for the six months ended 31 August 2014

Directorate Change

GoldStone (AIM: GRL), the AIM quoted company focused on gold in West and Central Africa, announces its interim results for the six months ended 31 August 2014.

Chief Executive Officer's Report

Introduction

Since the release of the Company's Final Results on 29 August 2014, corporate activity was dominated by the finalisation of the proposed subscription by Stratex International plc ("Stratex"), which completed on 30 October 2014. The subscription raised gross proceeds of £1.25 million through the issue of 20,833,333 new ordinary shares after a 1 for 10 consolidation at a price of 6 pence per share (the "Subscription"). Up to the finalisation of the Subscription, operational activities remained restricted to keeping the licences in good standing.

Senegal (Sangola)

During the course of 2013 and early 2014, Randgold Resources Ltd ("Randgold") executed 10,000m of reverse circulation drilling at four of the eight prospects identified at the Company's Sangola licence. The joint venture was terminated in April 2014 but Randgold noted in the termination notice that the licence is "prospective for smaller or lower grade deposits" than their internal requirement of a 3 million ounce deposit at 3 g/t. The licence area contains four gold-in-soil anomalies identified by GoldStone and four further conceptual regional target areas identified by Randgold.

Gabon projects (Oyem and Ngoutou)

The Oyem and Ngoutou licences contain 15km long gold-in-soil anomalies with favourable geophysics and significant artisanal gold workings. Early results from only three diamond drilled holes (totalling 535m) included 16m @ 1.3 g/t gold (including 2m @ 5.6 g/t), 33.5m @ 0.4 g/t and 32m @ 0.4 g/t. Further exploration is necessary to determine the full potential of this licence area.

At Oyem only 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.

Ghana projects

The Homase/Akrokerry project is located in the Ashanti Gold Belt in Ghana and borders AngloGold Ashanti's Obuasi permit. The project has a JORC-compliant resource of 10.6 million tonnes at an average grade of 1.77 g/t for 602,000oz and the potential of increasing this with further exploration on the licence. 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 through its wholly owned Ghanaian registered subsidiary.

At the Manso Amenfi project trenching results were received but were found to be inconclusive.

Changes to the Board

With effect from 30 October 2014 and as a result of the successful conclusion of the Subscription, Christopher Hall and Bob Foster were appointed as non-executive directors of the Company and Emma Priestley was appointed as an independent non-executive director.

Emma Priestley has today been appointed executive director of Stratex and as a consequence has resigned as a director of the Company.

The board now consists of Christopher Hall (serving as the Company's chairman and appointed as nominee of Stratex in his capacity as non-executive chairman of Stratex), Bob Foster (appointed as nominee of Stratex in his capacity as Chief Executive of Stratex), Andrew McIlwain (appointed as nominee of Unity Mining Ltd in his capacity as Managing Director of Unity) and myself (Jurie Wessels), serving as Managing Director. The board has resolved to appoint a further non-executive director and is seeking to identify a suitable candidate.

Jonathan Best, Hendrik Schloemann and Benjamin Hill resigned from the Board with effect from 30 October 2014. I have extended my thanks to the aforementioned gentlemen before but would like to thank Jonathan, Hendrik and Ben again for their invaluable contributions.

Outlook

Following the Subscription a thorough review of the Company's projects has begun with the aim of deciding which of the Company's projects will be progressed under the circumstances by utilising Company resources and, particularly in relation to the Homase/Akrokerry project, defining the potential for further resource yielding exploration targets.

Subsequent to the newly constituted board's first meeting held in Ghana on 20 November 2014, it was decided that exploration efforts will primarily be directed at exploring Homase/Akrokerry, that the joint venture with Asaasemu Mining Ltd in respect of Manso Amenfi is to be reviewed by geologists appointed by the Company and that joint ventures are to be considered for all the other projects.

Jurie Wessels
Chief Executive Officer

Enquiries

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Consolidated Statement of Financial Position
as at 31 August 2014

<i>In United States dollars</i>	31 August 2014	28 February 2014	31 August 2013
Assets			
Property, plant and equipment	32,676	32,676	47,849
Non-current assets	32,676	32,676	47,849
Trade and other receivables	10,193	17,976	4,467
Cash and cash equivalents	189,155	619,095	535,948
Current assets	199,348	637,071	540,415
Total assets	232,025	669,747	588,264
Equity			
Share capital	6,340,370	6,340,370	5,807,074
Share premium	24,110,882	24,110,882	23,844,234
Capital contribution reserve	555,110	555,110	555,110
Share options reserve	605,808	605,808	605,808
Accumulated deficit	(31,718,470)	(31,250,496)	(30,260,205)
Total equity	(106,300)	361,674	552,021
Liabilities			
Trade and other payables	338,324	308,073	36,243
Current and total liabilities	338,324	308,073	36,243
Total equity and liabilities	232,025	669,747	588,264

**Consolidated statement of comprehensive income
for the 6 months ended 31 August 2014**

	6 months ended 31 August 2014	Year ended 28 February 2014	6 months ended 31 August 2013
<i>in United States dollars</i>			
Continuing operations			
Sundry income	35,791	49,450	39,519
Exploration expenses	(193,562)	(709,620)	(394,341)
Other expenses	(302,882)	(1,036,654)	(351,019)
Results from operating activities	(460,653)	(1,696,824)	(705,841)
Finance income	1,548	983	291
Net finance cost	1,548	983	291
Loss before tax	(459,105)	(1,695,841)	(705,550)
Loss from continuing operations	(459,105)	(1,695,841)	(705,550)
Other comprehensive income	0	0	0
Total comprehensive loss for the period	(459,105)	(1,695,841)	(705,550)
Loss per share:			
Basic loss per share	(0.001)	(0.004)	(0.002)
Diluted loss per share	(0.001)	(0.004)	(0.002)

**Consolidated statement of change in equity
for the 6 months ended 31 August 2014**

<i>in United States dollars</i>	6 months ended 31 August 2014	Year ended 28 February 2014	6 months ended 31 August 2013
Share capital			
- at beginning of period	6,340,370	5,259,165	5,259,165
- issue of shares	0	1,081,205	547,909
- end of period	6,340,370	6,340,370	5,807,074
Share premium			
- at beginning of period	24,110,882	23,844,234	23,844,234
- issue of shares	0	266,648	0
- end of period	24,110,882	24,110,882	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	(31,250,495)	(29,554,655)	(29,554,655)
- credit to equity for equity-settled share based payments	0	0	0
- loss for the period	(467,974)	(1,695,841)	(705,550)
- end of period	(31,718,470)	(31,250,495)	(30,260,205)

**Consolidated statement of cash flow
for the 6 months ended 31 August 2014**

	6 months ended 31 August 2014	Year ended 28 February 2014	6 months ended 31 August 2013
<i>in United States dollars</i>			
Cash flow from operating activities			
Loss for the period	(467,974)	(1,695,841)	(705,550)
adjusted for:			
- depreciation	0	18,332	0
- interest received	(1,548)	(983)	(291)
- profit on sale of motor vehicle	0	(2,485)	0
changes in:			
- trade and other receivables	7,783	130,298	143,807
- trade and other payables	30,251	189,922	(81,909)
Net cash used in operating activities	(431,488)	(1,360,757)	(643,943)
Cash flow from investing activities			
Interest received	1,548	983	291
Disposal of property, plant and equipment	0	4,396	0
Acquisition of property, plant and equipment	0	(5,235)	(164)
Net cash used in / from investing activities	1,548	144	127
Cash flow from financing activities			
Proceeds from issue of ordinary share capital	0	1,347,853	547,909
Net cash from financing activities	0	1,347,853	547,909
Net (decrease) / increase in cash and cash equivalents	(429,940)	(12,760)	(95,907)
Cash and cash equivalents at beginning of the year	619,095	631,855	631,855
Cash and cash equivalents at end of the period	189,155	619,095	535,948

Notes to the consolidated financial statement

1. Loss per share

	6 months ended 31 August 2014	Year ended 28 February 2014	6 months ended 31 August 2013
<i>in United States dollars</i>			
Loss attributable to shareholders	(467,974)	(1,695,841)	(705,550)
Weighted average number of shares	389,137,771	389,137,771	355,804,438
Basic loss per share	0.001	(0.004)	(0.002)

2. Availability of Interim Report

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