

28 September 2018

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

Interim Results for the six months ended 30 June 2018

GoldStone Resources Limited (AIM: GRL), the West-African focused gold developer which is fast-tracking development of its Akrokeri-Homase Gold Project ("AKHM" or "the Project") in the Ashanti Region of Ghana, is pleased to announce its unaudited interim results for the six-month period ended 30 June 2018.

Overview

- Highly encouraging mineralised intercepts of up to 1.0 metre at 51.01 g/t Au confirmed by review and re-logging of historic diamond core ("DD") holes drilled under or adjacent to Akrokeri Mine
- New 'Norton' shaft, located 40 metres east of the historic North Shaft at the Akrokeri Mine, completed post period end to a target depth of 30 metres
 - Norton Shaft and historic North Shaft will be used as the two access points to the old workings at the Akrokeri mine, which previously produced 75,000 ounces of gold at a recovered average grade of 24 g/t Au
- Soil geochemistry programme has successfully highlighted Akrokeri's position on the Homase Trend
 - >8km gold-in-soil anomaly which runs from the historic Akrokeri Mine to north of the Homase Pit
 - Defined gold in soil anomaly for 2.4km south of the Akrokeri Mine, which may provide further mineral resource upside potential
- Licences for Akrokeri Project, within prospecting licence PL6/87, and Homase Project within prospecting licence RL6/96, renewed through to 20 April 2020
- Title to Senegalese licences were maintained – the Company will apply for extension of exploration licence upon the satisfactory review of raw drill data
- GoldStone's new website launched to reflect the Company's new strategy of accelerating the development of AKHM into production (www.goldstoneresources.com)

Emma Priestley, CEO of GoldStone, commented:

"2018 has been very busy for the GoldStone team, as we seek to ensure the Company is on track to deliver production at AKHM within the next two years. The results confirmed by the review and re-logging of the historic diamond core are very encouraging and our soil geochemistry programme has indicated further mineral resource upside potential. We are also pleased to launch the Company's new website, as we look to fully communicate our fast track to production strategy with our loyal shareholders."

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The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014.

About GoldStone Resources Limited

GoldStone Resources Limited (AIM: GRL) is an AIM quoted gold exploration and development company with projects in Ghana, Senegal and Gabon that range from grassroots to advanced exploration.

The Company is focused on developing the Akrokeri-Homase project in south-western Ghana, which hosts a JORC Code compliant 602,000 oz gold resource at an average grade of 1.77 g/t, along strike from the Obuasi Gold Mine, one of the world's major gold mines with a total historical and current resource in excess of 70 million ounces of gold. GoldStone's existing resource is confined to a 4 km zone of the Homase Trend, including Homase North, Homase Pit and Homase South.

AKHM hosts two former mines, the underground mine at Akrokeri mined by Akrokeri Ashanti Mine Ltd, which produced 75,000 oz gold @ 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 @ 2.5 g/t recovered. 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.

Chairman's Statement

GoldStone has made solid progress in the year to date in transitioning from a gold explorer to gold developer, and the journey to becoming a gold producer within two years is now underway.

We stated in June that we are targeting initial production from our Akrokeri-Homase Gold Project ("AKHM") within two years, which the Board believes to be a conservative estimate. We have demonstrated the highly prospective mineralisation at both previously producing mines within AKHM, as we recently highlighted to the market following the publication of two drill core images. These images clearly show visible gold from both the Akrokeri Underground Mine, where intercepts include up to 1.0 metre at 51.01 g/t Au have been announced, and the Homase Open Pit, which has the potential to host multiple additional pits along what is now known as, "the Homase Trend".

Importantly, we have identified potential routes through which to fast-track development – successful production is subject to our execution. Drawing on the expertise of the Board and management team as a whole, we benefit from the collective experience of developing 23 gold mines and the track record of mining in West Africa. The two major shareholders that are represented on the Board are fully supportive of the Company's strategy and I am therefore extremely confident, that subject to funding, we have both the know-how and influence to ensure first production is expedited.

Activities on the ground have included the sinking of a new shaft, the 'Norton Shaft', to access the historic high grade Akrokeri underground gold mine, to enable our team to complete a geological assessment of the mine. Bearing in mind the high-grade results that we have had to date from Akrokeri, and that the underground mine historically produced 75,000 ounces of gold in the early 1900s at a recovered average grade of 24g/t Au, we remain bullish about the viability of bringing this mine back into production within our stated timeframe.

The Norton shaft has now been completed to a depth of 33 metres and fully partitioned to 30 metres to accommodate a sump and pumping station that will aid pumping the water from the mine. Following the rainy season, we will seek to access the old mine workings and we look forward to providing further updates on our progress, as we look to begin the full geological and technical assessments of the Mine. The Company has also started work to re-open the North Shaft to provide a second and direct access into the old workings.

Underpinning this entire enterprise is the quality of our geological postcode. The Akrokeri Mine is located approximately 12km along strike from one of the world's major gold mines, AngloGold Ashanti's ("AngloGold") Obuasi Mine, which has a total historical and current resource in excess of 70 million ounces of gold. In addition to this, is the mineralised feature, the Homase Trend, which commences north of the Akrokeri Mine and continues for >8km through the former Homase Pit in a north easterly direction, this will act as the geological backbone of our future mining operations at AKHM. The Company is currently undertaking a scoping study and the environmental baseline study for the proposed pits, (formerly AK01) within the Homase Trend as part of the application process for the Mining Licence.

Momentum is beginning to build in terms of news flow and I believe this will continue throughout 2018 and into 2019 as we get closer to first production.

I look forward to detailing our production plans and successes in due course as we embark on this transition to a cash generative gold producer.

William (Bill) Trew

Chairman

Chief Executive Officer's Report

Principal Activities

During the first six months of the financial year GoldStone continued to concentrate on the development of its principle asset in Ghana, the Akrokeri and Homase Project (AKHM), which houses two former mines, the Akrokeri Underground Mine and the Homase Pit. GoldStone remains confident that the development of AKHM will drive the growth of the Company as it looks to commence production and deliver first revenues within two years.

During the period, GoldStone has undertaken a review and re-logged historic diamond core ("DD") holes drilled under or adjacent to the Akrokeri Mine. As announced on 7 June 2018, the review confirmed mineralised intercepts, which is highly encouraging and adds credence to our wider development plan for Akrokeri. Two further DD holes identified from the 2012 programme, indicated gold bearing quartz intersections in the footwall of the mine and the Company is currently assaying four historic DD holes drilled by Pan African Resources Plc, which were not assayed at the time. These are being analysed and reviewed in conjunction with the additional findings from Akrokeri over the past months and the Board is confident that together, they will support the historic evidence of Akrokeri's potential to host a high-grade mining operation.

The Company also undertook a soil geochemistry programme to identify the wider resource potential of AKHM. This was carried out in combination with a review of the historical geochemistry and trenching programmes. These programmes have successfully highlighted the Homase Trend; an >8km gold-in-soil anomaly which runs from the historic Akrokeri Mine to north of the Homase Pit. The Company has commenced a scoping study to define the potential open pit(s) (formerly AK01) within the Homase Trend, along with an environment baseline study to support onward development at AKHM, ahead of intended production within two years.

The 2018 soil programme also defined a gold in soil anomaly for 2.4km south of the Akrokeri Mine and delineated parallel mineralised gold structures which may provide further mineral resource upside potential following evaluation work.

A key focus of activities during the period has also been accessing the historic workings of the Akrokeri Mine. To achieve this, a new shaft, the 'Norton' shaft, has been sunk 40 metres east of the historic North Shaft at the Akrokeri Mine to a target depth of 30 metres. The shaft has been sunk to a depth of 33 metres below surface with 30 metres fully timbered and partitioned. A sump and pumping station is being established in the lower 3 metres, that will aide pumping the water when the Company accesses the old mine workings.

Work has also started on re-opening the North Shaft to provide a second and direct access into the old workings. Both the North and Norton Shafts are required to access the old workings, as they will complement each other, providing the legally required two entry points as well as giving the Company options regarding ventilation, pumping and other required underground services. When the workings are safely accessed, GoldStone expects to gather valuable geological information and to carry out exploration drilling with the intention of bringing the Akrokeri mine back into production.

Since the period end, the Company has continued to develop AKHM in a cost-effective manner and has sufficient funds through to Q1 2019. In order to advance the project towards production and to provide general working capital, the Company will, with the support of its two major shareholders, seek to raise the requisite funding as necessary.

Licence Update

The Company was pleased to announce on 18 May 2018 that the licences for both the Akrokeri Project, within prospecting licence, PL6/87, 100% owned and the Homase Project within prospecting licence, RL6/96, 90% owned were renewed through to 20 April 2020.

The title to the Senegalese licences have been maintained and upon a satisfactory review of raw drill data acquired from Randgold plc earlier this year, the Company will apply for the extension of the exploration licence.

As previously announced, the licences in respect of Gabon were rescinded during the period.

Former Director Claim

As announced on 13 October 2016, there is an outstanding claim by a former director of the Company. Legal advice has been sought and the Board continues to believe that there is no merit in the claim. It is expected that the case will be heard in the South African Labour Court in due course.

Corporate Developments

The Company was pleased to announce that it has updated its website that includes an up to date presentation on the Company. The website also includes the Company's first corporate governance statement in compliance with the AIM Rules to adopt a recognised corporate governance code by 28 September 2018.

Outlook

Since January, we have laid the ground work to implement a rapid development plan at AKHM, aimed at, subject to funding, delivering initial gold production and first revenues in less than two years. I look forward to reporting on the various workflows underway on site, including accessing the old workings of Akrokeri Mine and the delivery of a scoping study – both key deliverables in our path to achieving production in the near term.

Emma Priestley

Chief Executive Officer

**Consolidated statement of financial position
as at 30 June 2018**

<i>In United States dollars</i>	Notes	30 June 2018	30 June 2017	31 December 2017
		Unaudited	Unaudited	Audited
Assets				
Property, plant and equipment		5,722	6,809	5,722
Intangible assets – exploration	6	7,353,496	6,416,788	6,800,827
Non-current assets		7,359,218	6,423,597	6,806,549
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Trade and other receivables		3,220	239	3,220
Cash and cash equivalents		735,044	318,152	1,626,057
Current assets		738,264	318,391	1,629,277
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Total assets		8,097,483	6,741,988	8,435,826
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Equity				
Share capital – ordinary shares		3,480,430	1,526,658	3,480,430
Share capital – deferred shares		6,077,013	6,077,013	6,077,013
Share premium		27,219,262	26,495,336	27,219,262
Capital contribution reserve		555,110	555,110	555,110
Share options reserve		90,650	49,447	90,650
Accumulated deficit		(29,392,611)	(28,483,459)	(29,046,364)
Total equity		8,029,854	6,220,105	8,376,101
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Liabilities				
Trade and other payables		67,629	13,318	59,725
Short term loan		-	508,565	-
Current and total liabilities		67,629	521,883	59,725
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Total equity and liabilities		8,097,483	6,741,988	8,435,826
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**Consolidated statement of comprehensive income
for the 6 months ended 30 June 2018**

<i>in United States dollars</i>	Notes	6 months ended 30 June 2018	6 months ended 30 June 2017	Year ended 31 December 2017
		Unaudited	Unaudited	Audited
Continuing operations				
Sundry income		-	-	-
Exploration expenses		-	-	-
Administrative expenses	5	(346,253)	(233,825)	(805,854)
Results from operating activities		(346,253)	(233,825)	(805,854)
Finance income		6	395	410
Net finance cost		6	395	410
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Loss before tax		(346,247)	(233,430)	(805,444)
Taxation		-	-	-
Loss from continuing operations		(346,247)	(233,430)	(805,444)
Other comprehensive income		-	-	-
Total comprehensive loss for the period		(346,247)	(233,430)	(805,444)
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Earnings per share:				
Basic and diluted (USD)	4	(0.002)	(0.003)	(0.005)

**Consolidated statement of change in equity
for the 6 months ended 30 June 2018**

<i>In United States dollars</i>	Share capital ordinary shares	Share capital deferred shares	Share premium	Capital contribution reserve	Share options reserve	Accumulated deficit	Total equity
Balance as at 1 January 2017	1,526,658	6,077,013	26,495,336	555,110	49,447	(28,250,029)	6,453,535
total comprehensive income for the period	-	-	-	-	-	(233,430)	(233,430)
Balance as at 30 June 2017	1,526,658	6,077,013	26,495,336	555,110	49,447	(28,483,459)	6,220,105
total comprehensive loss for the period	-	-	-	-	-	(572,014)	(572,014)
issue of ordinary shares	1,953,772	-	723,926	-	-	-	2,677,698
options expired or lapsed in the period	-	-	-	-	(9,109)	9,109	-
share warrants expense for the year	-	-	-	-	50,312	-	50,312
warrants issued in the period	-	-	-	-	-	-	-
Balance as at 31 December 2017	3,480,430	6,077,013	27,219,262	555,110	90,650	(29,046,364)	8,376,101
total comprehensive income for the period	-	-	-	-	-	(346,247)	(346,247)
Balance as at 30 June 2018	3,480,430	6,077,013	27,219,262	555,110	90,650	(29,392,611)	8,029,854

**Consolidated statement of cash flow
for the 6 months ended 30 June 2018**

<i>In United States dollars</i>	6 months ended 30 June Unaudited	6 months ended 30 June 2017 Unaudited	Year ended 31 December 2017 Audited
Cash flow from operating activities			
Loss for the period	(346,247)	(233,430)	(805,444)
adjusted for:			
- depreciation	-	-	1,087
- finance income	(6)	(395)	(410)
- share based payments	-	-	50,312
changes in:			
- trade and other receivables		-	(2,982)
- trade and other payables	7,904	(19,895)	26,513
Net cash used in operating activities	(338,349)	(253,720)	(730,924)
Cash flow from investing activities			
Finance income	6	395	410
Capitalisation of exploration costs	(552,670)	(72,661)	(456,700)
Net cash used in investing activities	(552,664)	(72,266)	(456,290)
Cash flow from financing activities			
Proceeds from issue of ordinary share capital	-	-	2,677,699
Proceeds from short term loan	-	508,566	-
Net cash received from financing activities	-	508,566	2,677,699
Net (decrease) / increase in cash and cash equivalents	(891,013)	182,580	1,490,485
Cash and cash equivalents at beginning of the year	1,626,057	135,572	135,572
Cash and cash equivalents at end of the period	735,044	318,152	1,626,057

Notes to the consolidated financial statement

1. General Information

The financial statements present the consolidated results of the Company and its subsidiaries (together the "Group") for each of the periods ending 30 June 2018, 30 June 2017 and 31 December 2017.

As permitted, the Group has chosen not to adopt International Accounting Standard 34 'Interim Financial Reporting' in preparing these interim financial statements. The condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2017, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC).

The interim financial information set out above does not constitute statutory accounts. The information has been prepared on a going concern basis in accordance with the recognition and measurement criteria of IFRS as adopted by the European Union. Except as described below, the accounting policies applied in preparing the interim financial information are consistent with those that have been adopted in the Group's 2017 audited financial statements. The Directors approved these condensed interim financial statements on 27 September 2018.

There are no IFRSs or IFRIC interpretations that are effective for the first time for the financial year commencing 1 January 2018 that would be expected to have a material impact on the Group.

The financial information for the 6 months ended 30 June 2018 and the 6 months ended 30 June 2017 has not been audited.

The business is not subject to seasonal variations. No dividends have been paid in the period (2017: US\$ Nil).

2. Risks and Uncertainties

The key risks that could affect the Group's short and medium term performance and the factors that mitigate those risks have not substantially changed from those set out in the Group's 2017 Annual Report and Financial Statements, a copy of which is available on the Company's website: www.goldstoneresources.com.

3. Critical accounting estimates and judgements

The preparation of condensed consolidated interim financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the end of the reporting period. Significant items subject to such estimates are set out in note 2(d) of the Group's 2017 Annual Report and Financial Statements. The nature and amounts of such estimates have not changed significantly during the interim period.

4. Earnings per share

	6 months ended 30 June 2018 Unaudited	6 months ended 30 June 2017 Unaudited	Year ended 31 December 2017 Audited
<i>In United States dollars</i>			
Loss attributable to shareholders	(346,247)	(233,430)	(805,444)
Weighted average number of shares	154,385,042	79,832,253	154,385,042
Basic and diluted earnings per share	(0.002)	(0.003)	(0.005)

5. Operating Segments

The Group has two reportable segments, exploration and corporate, which are the Group's strategic divisions. For each of the strategic divisions, the Group's CEO, deemed to be the Chief Operating Decision Maker ("CODM"), reviews internal management reports on at least a monthly basis. The Group's reportable segments are:

Exploration: the exploration operating segment is presented as an aggregation of the Homase and Akrokerri licences (Ghana), the Manso Amenfi licence (Ghana) and the Sangola licence (Senegal). Expenditure on exploration activities for each licence is used to measure agreed upon expenditure targets for each licence to ensure the licence clauses are met.

Corporate: the corporate segment includes the holding company costs in respect of managing the Group. There are varying levels of integration between the corporate segment and the combined exploration activities, which include resources spent and accounted for as corporate expenses that relate to furthering the exploration activities of individual licences.

Information about reportable segments for the year ended 31 December 2017

<i>In United States dollars</i>	Exploration	Corporate	Total
Reportable segment expenditure	-	(805,854)	(805,854)
Reportable segment profit/(loss)	-	(805,444)	(805,444)
Finance income	-	410	410
Depreciation	-	(1,087)	(1,087)
Reportable segment assets	6,847,148	1,588,678	8,435,826
Reportable segment liabilities	-	(59,725)	(59,725)

Information about reportable segments for the period ended 30 June 2017

<i>In United States dollars</i>	Exploration	Corporate	Total
Reportable segment expenditure	-	(233,825)	(233,825)
Reportable segment loss	-	(233,430)	(233,430)
Finance income	-	395	395
Reportable segment assets	6,416,788	325,200	6,741,988
Reportable segment liabilities	-	(521,883)	(521,883)

Information about reportable segments for the period ended 30 June 2018

<i>In United States dollars</i>	Exploration	Corporate	Total
Reportable segment expenditure	-	(346,253)	(346,253)
Reportable segment loss	-	(346,247)	(346,247)
Finance income	-	6	6
Reportable segment assets	7,353,496	743,986	8,097,483
Reportable segment liabilities	-	(67,629)	(67,629)

Reconciliation of reportable segment revenues, profit or loss, assets and liabilities, and other material items

<i>In United States dollars</i>	6 months ended June 2018 Unaudited	6 months ended June 2017 Unaudited	year ended December 2017 Audited
Revenues			
Total revenue for reportable segments	-	-	-
Consolidated revenue	-	-	-
Loss			
Total loss for reportable segments	(346,247)	(233,430)	(805,444)
Consolidated loss from continuing operations	(346,247)	(233,430)	(805,444)
Assets			
Total assets for reportable segments	8,097,483	6,741,988	8,435,826
Consolidated total assets	8,097,483	6,741,988	8,435,826
Liabilities			
Total liabilities for reportable segments	(67,629)	(521,883)	(59,725)
Consolidated total liabilities	(67,629)	(521,883)	(59,725)

6. Intangible assets - exploration

The Group's Intangible assets comprise wholly of Exploration assets in respect of the Homase-Akrokerry project in Ghana.

<i>In United States dollars</i>	Homase and Akrokerry	Total
Balance as at 31 December 2016	6,344,127	6,344,127
Additions	72,661	72,661
Balance as at 30 June 2017	6,416,788	6,416,788
Additions	384,039	384,039
Balance as at 31 December 2017	6,800,827	6,800,827
Additions	552,670	552,670
Balance as at 30 June 2018	7,353,496	7,353,496

7. Availability of Interim Report

The Interim Report will shortly be available on the Company's website www.goldstoneresources.com.