27 September 2017

GOLDSTONE RESOURCES LIMITED

("GoldStone" or the "Company")

Interim Results for the six months ended 30 June 2017

GoldStone (AIM: GRL), the AIM quoted company focused on gold in West and Central Africa, is pleased to announce its unaudited interim results for the six month period ended 30 June 2017.

Chairman's Statement

It is with pleasure that I present these interim results for GoldStone as Chairman of the Board. I am pleased to report that following the approval by shareholders at the Company's Annual General Meeting for the loan agreement with Paracale Gold Limited ("Paracale Gold"), for £400,000, the Company has progressed with the development of field work at its Homase-Akrokerri project in Ghana.

The Company received encouraging results from the diamond drilling and auger programmes on the Homase Licence in Q1 this year. The Company continued to review of all of the available historic data on the existing JORC Code compliant resource for the Homase-Akrokerri project, which includes information from the Ashanti Goldfields ("AGF") period of ownership, 2002 and 2003, when the Homase pit produced 52,452 oz gold. This was significantly in excess of AGF's original estimate of 35,799 oz gold, reported in AGF's Reconciliation Report. This encouraged the Board to commence the pit definition drilling, post the period end, coupled with additional confirmation drilling to progress pit modelling. These steps will facilitate pit design and provide the necessary platform for proceeding with an application to the Government of Ghana for a mining permit, following the extension of the licences.

During the period, we parted company with Bob Foster, former Non-Executive Director, and we thank him for the efforts he put into Goldstone during his tenure and wish him well with his future endeavours.

Post the period end, we welcomed Darryl Norton to the team as Chief Operating Officer. Darryl is a seasoned mining executive with a wealth of operational expertise in Africa and Asia. His combination of a technical background and a track record of getting things done assists the Company in transforming from an explorer to an operational company.

On the 27th September 2017, the Company raised £1.5 million gross, by way of a subscription for 100,000,000 new ordinary shares of 1 pence each at 1.5 pence per share.

The Company looks forward to updating you with progress in the forthcoming period.

Neil Gardyne
Chairman

Chief Executive Officer’s Report

PRINCIPAL ACTIVITIES

The principal activities of the Company during and post the period were focused on progressing fieldwork at the Company’s principal project, Homase-Akrokerri, in Ghana, concluding essential corporate administrative issues and the successful fundraise of £0.4 million (four hundred thousand pounds) via a convertible loan note, which was augmented by a further fund raise of £1.5m announced earlier today

Review of Operations

During Q1 2017, we received encouraging results from the diamond drilling programme carried out at the Homase project. The drilling confirmed the continuity of the mineralised zone to vertical depths of between 120 metres and 180 metres beneath the base of the historic open pit previously exploited by AngloGold Ashanti in 2002/2003.

As part of the ongoing review of the historical database for the Homase and Akrokerri licences, an appraisal of the 2012 Versatile Time-Domain Electromagnetic (“VTEM”) survey and historical soil geochemistry resulted in identifying nine target areas parallel to the existing JORC Code compliant resource for Homase-Akrokerri. An auger drilling programme, testing three of these anomalies, Eureka SW, Eureka and Eureka NE was completed in February 2017, which consisted of 304 metres from 140 auger holes, with assay results demonstrating some degree of gold anomalism.

Two zones of particular significance were Eureka, with marked anomalism over a strike of at least 200 metres and possibly indicating the potential of a 400 metre long geophysical anomaly, and Eureka SW, with an anomalous zone >15 ppb Au identified over a distance of 300 metres.

These results demonstrated that potential targets can be assessed quickly and cheaply utilising existing data, and the results indicated an increase the mineralisation footprint within the licence areas and the Company is encouraged that they highlight the potential for discovery of additional gold mineralisation zones.

Financial

On 3 April 2017,the Company entered into a loan agreement with Paracale Gold Limited (“Paracale Gold”) (the “Loan Agreement”), pursuant to which Paracale Gold provided a loan of £400,000 (the “Loan”). The Loan was approved by shareholders at the Company’s Annual General Meeting held on the 2 June 2017.

The Loan, which has now been drawn down in full, was drawn down in two tranches of £200,000, and upon receipt of the second tranche and pursuant to the terms of the Loan, the Loan plus accrued interest was converted into 40,352,377 ordinary shares of 1 penny each in the capital of the Company (“Ordinary Shares”) (“Conversion Shares”). As a result of the issue of the Conversion Shares and on completion of the subscription announced earlier today. Paracale Gold will hold an interest of approximately 28.26 per cent.of the Company’s currently issued share capital.

Pursuant to the Loan, Paracale was issued with warrants to subscribe for up to 40,352,377 new Ordinary Shares, exercisable at a price of 2 pence per share at any time during the 2-year period following the grant date (the “Warrants”), 2 June 2017.

As part of the arrangements made at the time of the Loan and in order to preserve cash within the Company, the Directors agreed to convert their accrued and future salaries and fees through to the end of September 2017 into new Ordinary Shares (“Fee Shares”). The number of Fee Shares to be issued in respect of such fees and salaries is calculated by reference to the volume weighted average price of the Ordinary Shares for the period of 30 days prior to the end of each month through to September 2017, noting that no Fee Shares can be issued at a price less than the nominal value of the Company’s Ordinary Shares of 1 penny.

Board Update

The Company also saw Dr Bob Foster stepping down from the Board of the Company as a Non-executive Director to focus on his other business interests. We would like to thank Bob for his contributions and efforts during his tenure at Goldstone.

Licence Update

The Company continues to review its portfolio and is in the process of renewing its licences in both Senegal and Ghana, as announced on 7 September 2017. With regards to Gabon, the Company is considering its options, which the Board currently expects will likely result in the disposal or relinquishment of the licences.

In respect to Ghana, all requisite documents have been submitted to the Ghanaian Minerals Commission for both Akrokerri (100 per cent. interest) and Homase (90 per cent. economic interest) and the Company has received confirmation that the licences are awaiting signature from the Minister of Mines.

Litigation

As announced on 13 October 2016, there is an outstanding claim by a former director which exceeds the Company's current cash resources. Whilst the Board believes there is no merit in the case, discussions with the claimant are ongoing in order to resolve the situation.

Post reporting period

The Company appointed Darryl Norton as Chief Operating Officer (non-board), and his appointment marks the start of the Company seeking to build an operational team as it looks to advance its projects in Ghana.

The Company's immediate focus is to identify additional resources within the upper zones of the Homase/Akrokerri mineralised corridor to facilitate near-term planning for exploitation. The Company undertook a review of all of the available historic data on the existing JORC Code compliant resource for the Homase-Akrokerri project. Based on this review to date, the directors of the Company believe that there is a mineable reserve within the oxide zone within the Akrokerri licence.

The Company undertook a deep trenching programme as part of the first step of the pit definition programme, announced on 17 July 2017 on the Akrokerri Licence. The trenching was undertaken to define the extent of the mineralisation in the near-surface oxide zone of the known deposit and augment the findings from the continued review by the Company of the historical database for the Homase and Akrokerri licences.

The trenches within the Southern part of the 2012 JORC Code compliant resource ("Current Resource"), were along strike from the old Homase pit and identified a high potential for an initial open pit for heap-leach production within the oxide zone.

The trenches showed economic intersections of up to 14 metres true width with grades of up to 4.5 g/t of gold. Both widths and grades shown in the trenches were above the Company's expectation, exceeding the intersections of nearby drill holes, by approximately 20 per cent. This indicates the potential for increased gold content in the upper oxide zone. The trenching also indicated that the zones have a free digging potential, which would reduce production costs considerably if the material is shown to be consistent.

Further trenching is now being planned to assess the extent of the mineralised zone within the Akrokerri Licence and the Company is currently conducting a pit definition reverse circulation (RC) drilling programme within the proposed pits.

The Company was pleased to announce earlier today that it had raised £1.5 million gross by way of a subscription for 100,000,000 new ordinary shares of 1 pence each at 1.5 pence per share. This enables the Company to have sufficient working capital to continue to develop the Akrokerri project and undertake further exploration work on target areas of interest as it seeks to transform towards a producer and to increase the overall mineralisation footprint within the licences.

The Board looks forward to updating you on developments in Ghana in due course.

Emma Priestley
Chief Executive Officer

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Consolidated Statement of Financial Position
as at 30 June 2017

In United States dollars	30 June 2017	30 June 2016	31 December 2016
	Unaudited	Unaudited (restated)	Audited
Assets			
Property, plant and equipment	6,809	10,219	6,809
Intangible assets – exploration	6,416,788	5,831,621	6,344,127
Non-current assets	**6,423,597**	**5,841,840**	**6,350,936**
Trade and other receivables	239	-	239
Cash and cash equivalents	318,152	79,580	135,572
Current assets	**318,391**	**79,580**	**135,811**
Total assets	**6,741,988**	**5,921,420**	**6,486,747**
Equity			
Share capital – ordinary shares	1,526,658	1,008,352	1,526,658
Share capital – deferred shares	6,077,013	6,077,013	6,077,013
Share premium	26,495,336	25,717,878	26,495,336
Capital contribution reserve	555,110	555,110	555,110
Share options reserve	49,447	605,808	49,447
Accumulated deficit	(28,483,459)	(28,321,732)	(28,250,029)
Total equity	**6,220,105**	**5,642,429**	**6,453,535**
Liabilities			
Trade and other payables	13,318	28,991	33,212
Short term loan	508,565	250,000	-
Current and total liabilities	**521,883**	**278,991**	**33,212**
Total equity and liabilities	**6,741,988**	**5,921,420**	**6,486,747**

Consolidated statement of comprehensive income
for the 6 months ended 30 June 2017

in United States dollars	6 months ended 30 June 2017	6 months ended 30 June 2016	Year ended 31 December 2016
	Unaudited	Unaudited (restated)	Audited
Continuing operations			
Sundry income	-	1,758	1,758
Exploration expenses	-	(370)	(370)
Administrative expenses	(233,825)	(312,537)	(838,127)
Results from operating activities	**(233,825)**	**(311,149)**	**(836,739)**
Finance income	395	1,271	1,865
Net finance cost	**395**	**1,271**	**1,865**
Loss before tax	(233,430)	(309,878)	(834,874)
Taxation	-	-	-
Loss from continuing operations	**(233,430)**	**(309,878)**	**(834,874)**
Other comprehensive income	-	-	-
Total comprehensive loss for the period	**(233,430)**	**(309,878)**	**(834,874)**
Earnings per share:			
Basic and diluted (USD)	(0.003)	(0.005)	(0.011)

Consolidated statement of change in equity
for the 6 months ended 30 June 2017

in united states dollars	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 2016	**1,008,352**	**6,077,013**	**25,717,878**	**555,110**	**605,808**	**(28,011,854)**	**5,952,307**
total comprehensive income for the period	-	-	-	-	-	(309,878)	**(309,878)**
Balance as at 30 June 2016	**1,008,352**	**6,077,013**	**25,717,878**	**555,110**	**605,808**	**(28,321,732)**	**5,642,429**
total comprehensive loss for the period	-	-	-	-	-	(524,996)	**(524,996)**
issue of ordinary shares	518,306	-	777,458	-	-	-	**1,295,764**
options expired or lapsed in the period	-	-	-	-	(596,699)	596,699	**-**
warrants issued in the period	-	-	-	-	40,338	-	**40,338**
Balance as at 31 December 2016	**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**

Consolidated statement of cash flow
for the 6 months ended 30 June 2017

in United States dollars	6 months ended 30 June 2017	6 months ended 30 June 2016	Year ended 31 December 2016
	Unaudited	Unaudited (restated)	Audited
Cash flow from operating activities			
Loss for the period	(233,430)	(309,878)	(834,874)
adjusted for:			
- depreciation	-	-	3,412
- finance income	(395)	(1,271)	(1,865)
- share based payments	-	-	40,338
changes in:			
- trade and other receivables	-	912	673
- trade and other payables	(19,895)	20,144	24,365
Net cash used in operating activities	**(253,720)**	**(290,093)**	**(767,951)**
Cash flow from investing activities			
Finance income	395	1,271	1,865
Capitalisation of exploration costs	(72,661)	(125,019)	(637,524)
Acquisition of property, plant and equipment	-	(1,109)	(1,110)
Net cash used in investing activities	**(72,266)**	**(124,857)**	**(636,769)**
Cash flow from financing activities			
Proceeds from issue of ordinary share capital	-	-	1,295,762
Proceeds from short term loan	508,566	250,000	250,000
Repayment from short term loan	-	-	(250,000)
Net cash received from financing activities	**508,566**	**250,000**	**1,295,762**
Net (decrease) / increase in cash and cash equivalents	182,580	(164,950)	(108,958)
Cash and cash equivalents at beginning of the year	135,572	244,530	244,530
Cash and cash equivalents at end of the period	318,152	79,580	135,572

Notes to the consolidated financial statement

1. General Information

The financial statements present the consolidated results of the Group for each of the periods ending 30 June 2017, 30 June 2016 and 31 December 2016.

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 2016, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

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 International Financial Reporting Standards (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 2016 audited financial statements. Statutory financial statements for the year ended 31 December 2016 were approved by the Board of Directors on 15 May 2017 and delivered to the Registrar of Companies. The report of the auditors on those financial statements was unqualified but included an emphasis of matter in relation to going concern. The Directors approved these condensed interim financial statements on 26 September 2017.

In 2016 the Group elected to change its accounting policy to capitalise its exploration costs. Previously it had expensed all such costs. The effect of the change in policy was the capitalisation of exploration costs on licences which had not met the impairment criteria per IFRS 6 “Exploration for and Evaluation of Mineral Resources”. The effect is described in more detail in note 1 (i) (page 24) of the Group’s 2016 Annual Report and Accounts. The Group has restated the 2016 interim results to reflect the change in policy.

There are no IFRSs or IFRIC interpretations that are effective for the first time for the financial year commencing 1 January 2017 that would be expected to have a material impact on the Group.

The financial information for the 6 months ended 30 June 2017 and the 6 months ended 30 June 2016 has not been audited.

The business is not subject to seasonal variations. No dividends have been paid in the period (2016: 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 2016 Annual Report and Financial Statements, a copy of which is available on the Company's website: www.goldstoneresources.com. The Group's key financial risks are the availability of adequate funding and foreign exchange movements.

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 1(d) of the Group's 2016 Annual Report and Financial Statements. The nature and amounts of such estimates have not changed significantly during the interim period. The condensed consolidated interim financial statements have been prepared under the historical cost convention as modified by the measurement of certain investments at fair value.

4. Loss per share

in United States dollars	6 months ended 30 June 2017	6 months ended 30 June 2016	Year ended 31 December 2016
	Unaudited	Unaudited (restated)	Audited
Loss attributable to shareholders - restated	(233,430)	(309,878)	(834,874)
Weighted average number of shares	79,832,253	62,286,363	79,832,253
Basic loss per share	(0.003)	(0.005)	(0.011)

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), the Sangola licence (Senegal), the Oyem licence (Gabon) and the Ngoutou licence (Gabon). 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 2016

in united states dollars	**exploration**	**corporate**	**total**
reportable segment expenditure	**(1,203)**	**(837,294)**	**(838,497)**
reportable segment profit/(loss)	555	(835,429)	(834,874)
finance income	-	1,865	1,865
depreciation	(833)	(2,579)	(3,412)
reportable segment assets	**6,355,291**	**131,456**	**6,486,747**
reportable segment liabilities	**-**	**(33,212)**	**(33,212)**

Information about reportable segments for the period ended 30 June 2016

in united states dollars	**exploration**	**corporate**	**total**
reportable segment expenditure – restated	**(370)**	**(312,537)**	**(312,907)**
reportable segment loss – restated	(370)	(310,779)	(311,149)
finance income	-	1,271	1,271
reportable segment assets – restated	**5,832,989**	**88,431**	**5,921,420**
reportable segment liabilities	**-**	**(278,991)**	**(278,991)**

Information about reportable segments for the period ended 30 June 2017

in united states dollars	**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)**

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

in united states dollars	**6 months ended June 2017 Unaudited**	**6 months ended June 2016 Unaudited**	**year ended December 2016 Audited**
revenues			
total revenue for reportable segments	-	-	-
consolidated revenue	**-**	**-**	**-**
loss			
total loss for reportable segments – restated	(233,430)	(309,878)	(834,874)
consolidated loss from continuing operations – restated	(233,430)	(309,878)	**(834,874)**
assets			
total assets for reportable segments – restated	**6,741,988**	**5,921,420**	6,486,747
consolidated total assets – restated	**6,741,988**	**5,921,420**	**6,486,747**
liabilities			
total liabilities for reportable segments	**(521,883)**	**(278,991)**	(33,212)
consolidated total liabilities	**(521,883)**	**(278,991)**	**(33,212)**

6. intangible assets - exploration

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

in united states dollars	**Homase and Akrokerri**	**Total**
balance as at 31 December 2015	**5,706,602**	**5,706,602**
additions	125,019	125,019
balance as at 30 June 2016	**5,831,621**	**5,831,621**
additions	512,506	512,506
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**

7. Availability of Interim Report

The Interim Report is available on the Company's website www.goldstoneresources.com.

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.