

3 February 2017

GOLDSTONE RESOURCES LIMITED
(“GoldStone” or the “Company”)

Update on auger drilling at Homase-Akrokerri, Ghana

GoldStone Resources Limited (AIM: GRL), the AIM quoted company focused on gold exploration in Central and West Africa, announces the results of a short shallow auger drilling programme completed to test areas parallel to the existing JORC Code compliant resource for Homase-Akrokerri. As part of an ongoing review by the Company of the historical database for the Homase and Akrokerri licences, which has included a review of the Versatile Time-Domain Electromagnetic (“VTEM”) survey and historical soil geochemistry carried out in 2012, the Company has identified nine targets and has now completed an auger drilling programme, consisting of 304 metres from 140 auger holes, testing three of these anomalies.

Highlights

- Ongoing review of the extensive historical database relating to the Homase and Akrokerri licences, including a review of the 2012 VTEM survey
- Auger programme undertaken to test three of the initial nine targets identified from the review of the 2012 VTEM survey comprising
 - 36 holes sampling 86 metres at Akrokerri (Eureka SW)
 - 104 holes sampling 218metres at Homase (Eureka and Eureka NE)
- Assay results from all three targets demonstrate some degree of gold anomalism
- Two zones of particular significance
 - Eureka, with marked anomalism over a strike of at least 200 metres and possibly indicating the potential of a 400 metre long geophysical anomaly
 - Eureka SW, with an anomalous zone >15 ppb Au identified over a distance of 300 metres
- These results will be integrated into the 2017 drilling programme which will focus on resource conversion drilling, expanding the existing Homase resource and will also target other areas of interest within the licences

Neil Gardyne, Chairman, commented: *“The review of historical data is deemed a necessity to ensure we understand the potential of these two licences, which have not been fully explored to date. This auger programme is the start and demonstrates that we can assess potential targets quickly and cheaply utilising existing data. The results of this auger drilling to the south-east of the Homase pit on the parallel identified zones, has demonstrated the potential to increase the mineralisation footprint within the licence areas. We are encouraged by the results and believe they highlight the potential for discovery of additional gold mineralisation zones.”*

Further Details

The auger programme targeted the first three priority geophysical anomalies identified as part of a major review of the extensive historical database relating to the Homase and Akrokerri licences. The database reflects 20 years of geological, geochemical, geophysical and drilling programmes across the licences and the Company believes that a systematic review and integration of the data is critical to the planning of further exploration and resource drilling.

Analysis of the results of the 2012 VTEM survey has resulted in the identification of at least nine high-conductivity zones comparable to the geophysical characteristics of the strongly mineralised section of the existing JORC Code compliant Homase-Akrokerri resource. Three of these anomalous zones were targeted for further evaluation on the basis of proximity to and parallelism with the Homase-Akrokerri zone. Auger drilling was selected to provide a rapid and cost-effective method of sampling the top of the weathered bedrock (“saprolite”). Manual auger drilling to a depth of 2 to 4 metres was undertaken systematically at 20 metre

intervals along fence lines mostly spaced at 100 metres and samples were submitted for gold analysis.

Statistical evaluation of the results from the auger programme, indicated a lower threshold at 15 ppb Au that defined samples which can be regarded as anomalous, with further thresholds at 40 ppb and 72 ppb indicating progressively more anomalous samples. The highest value determined was 628 ppb (0.628 g/t Au) within the Eureka prospect, see Figure 2. Relating the results of the auger programme to the high-conductivity zones identified from the 2012 VTEM, confirms that all three targeted geophysical anomalies demonstrate some degree of anomalism, with two zones being of particular significance – 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.

It is anticipated that further targets will be identified as the evaluation of the historical data continues. This work together with the results of this auger programme, will be incorporated into finalising the 2017 drilling programme. As previously set out, the Company's initial focus is, subject to funding, to undertake further drilling, firstly to add to and secondly to convert the existing JORC Code compliant resource for Homase-Akrokerrri into the Measured categorisation in order to facilitate near-term planning for exploitation. The Company will, subject to funding, also look to undertake further exploration work on target areas of interest as it seeks to increase the overall mineralisation footprint within the licences.

Fig. 1. Location of tested EM anomalies unnamed anomalies and Homase-Akrokerri resource areas

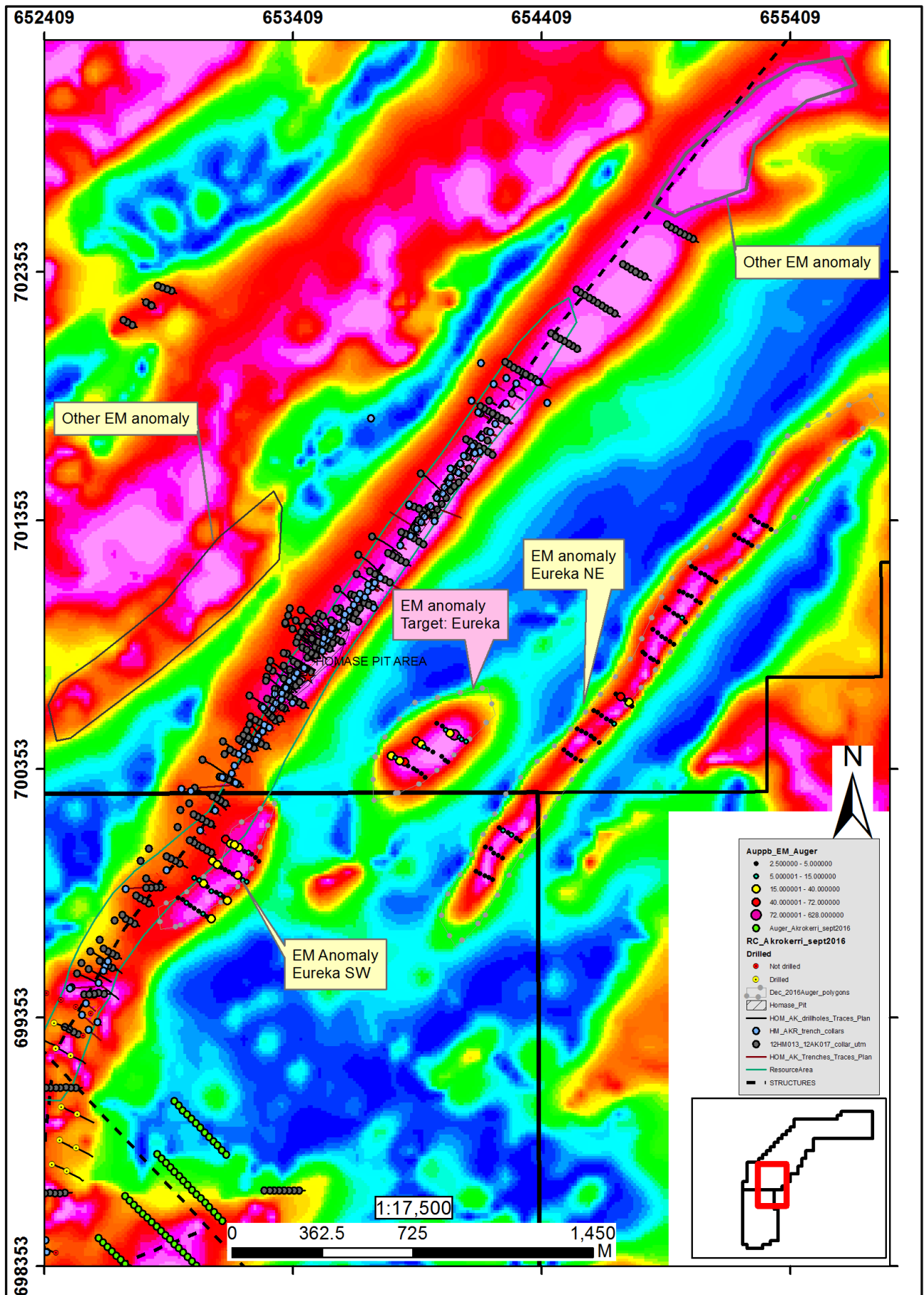
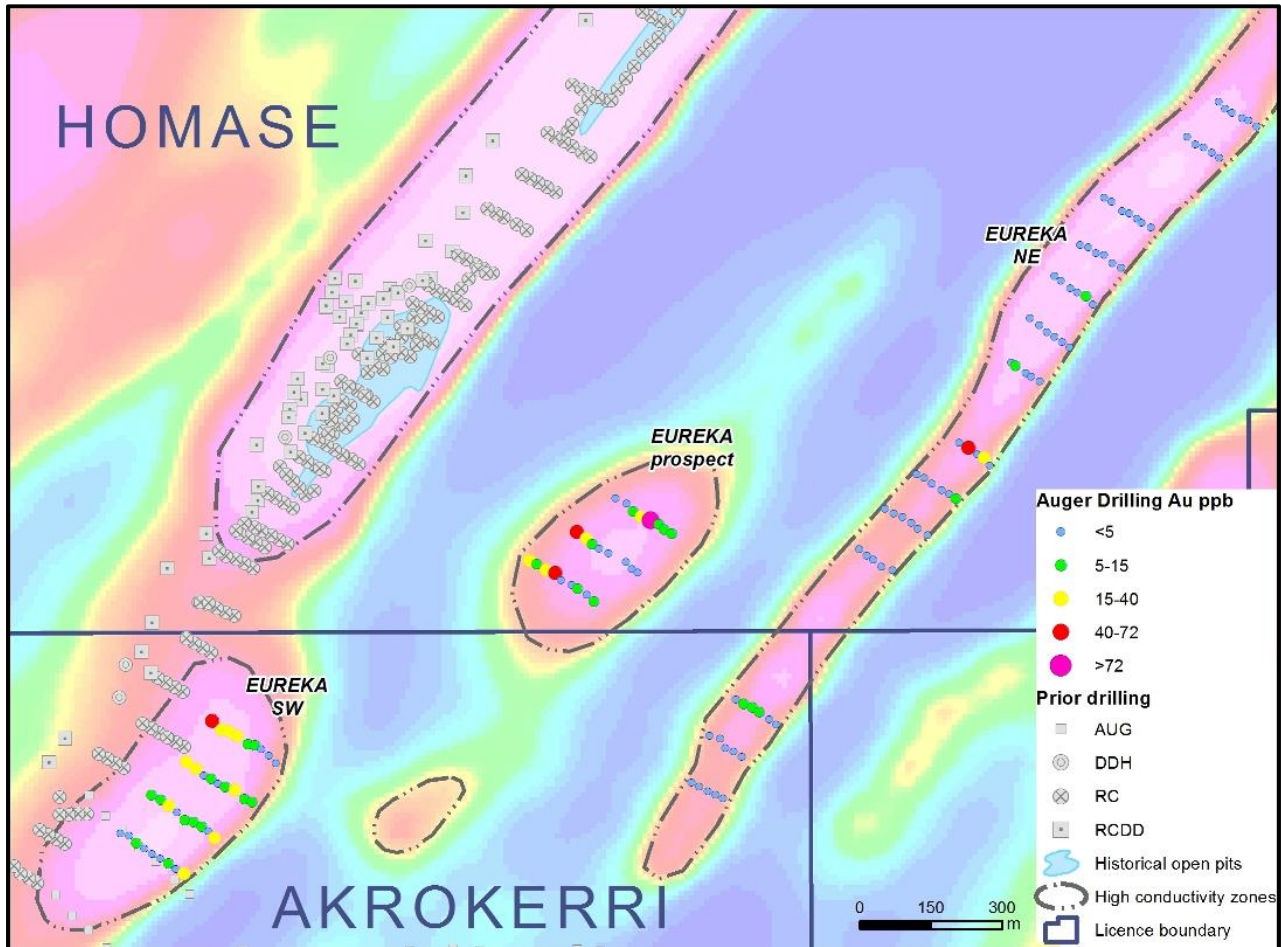


Fig. 2. Location of the augur drilling to test the VTEM anomalies



Sampling, assaying, and QA/QC

GoldStone’s sampling of drill core, and other geological materials conforms to industry-wide good practise. The Company maintains QA/QC on all analytical work via the use of certified reference materials, field duplicates, and blank samples in addition to monitoring of internal laboratory check-analyses. Chain of custody is observed for all samples. Determination of gold, by fire assay of 50g sub-samples and atomic absorption finish, was undertaken by ALS Minerals Limited in Kumasi, Ghana.

Information in this announcement is based on information compiled and reviewed by Issouf Ouedraogo, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Ouedraogo has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the 2012 ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’. Mr Ouedraogo consents to the release of this information in the form and context in which it appears.

Mr Ouedraogo is a full-time employee of Stratex International Plc, an AIM quoted company that has a 33.45% equity stake in GoldStone. He provides geological support to GoldStone via the technical agreement between the two companies announced on 20 October 2016.

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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 ("MAR").

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About GoldStone Resources Limited

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

The Company is focused on developing the Homase-Akrokerrri project in south-western Ghana, which hosts an existing 602,000 oz gold JORC Code compliant resource at an average grade of 1.77g/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. 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.