

26 January 2017

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

Update on diamond drilling at Homase, Ghana

GoldStone Resources Limited (AIM: GRL), the AIM quoted company focused on gold exploration in Central and West Africa, is pleased to provide results of the recently completed diamond drilling programme at the Homase project in Ghana that targeted the deeper and higher grade sulphide ore shoots beneath the Homase oxide resource and the historical open pit previously exploited by AngloGold Ashanti in 2002/2003.

Highlights

- Results for the three diamond drill-holes have returned very encouraging results
 - 16HMDD-0001: 21.3 metres @ 1.98 g/t from 143.4 metres, including 7.4 metres @ 3.37g/t from 155.2 metres
 - 16HMDD-0002: 23.3 metres @ 1.39 g/t from 170 metres, including 6 metres @ 4.44g/t from 187.3 metres and 3 metres @ 8.21g/t from 190.3 metres
 - 16HMDD-0003: 14.7 metres @ 0.83 g/t from 174.5 metres, including 3.30 metres @ 2.0g/t from 185.9 metres
 - 16HMDD-0003: 6.1 metres @ 3.31 g/t from 248.5 metres
- The drilling confirmed continuity of the mineralised zone to vertical depths of between 120 metres and 180 metres beneath the base of the historic open pit
- The deeper intersection from the third hole suggests a potential for identifying parallel orebodies within the major structural corridor
- The Company’s immediate focus is to identify additional resources within the upper zones of the Homase mineralised corridor to facilitate near-term planning for exploitation

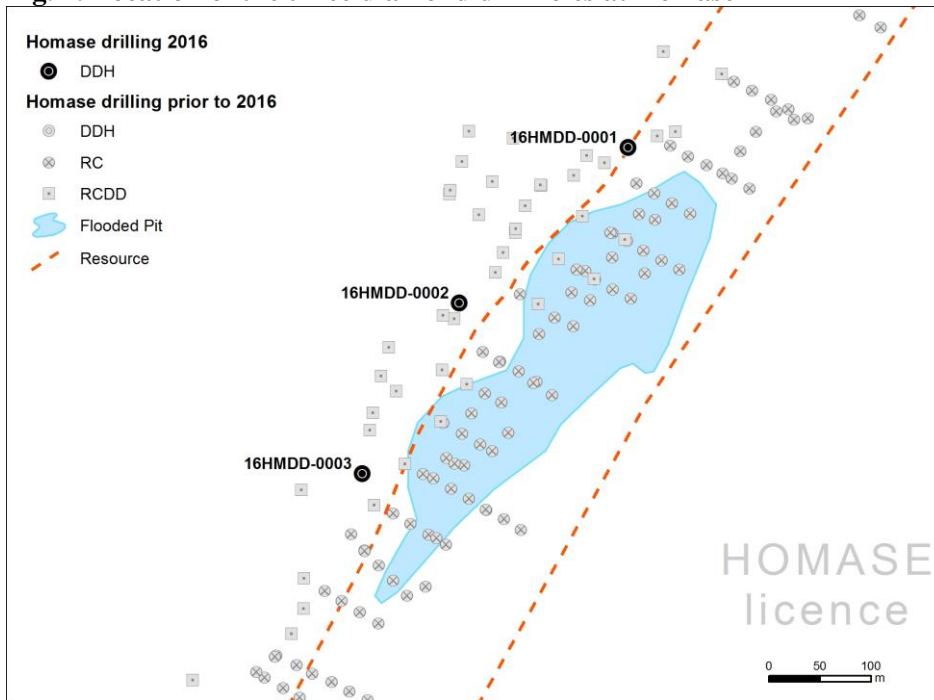
Neil Gardyne, Chairman, commented: *“This three-hole drilling programme on the Homase licence has produced encouraging results by starting the process of targeting ‘information gaps’ within the existing resource. These results provide important insights to the controls on the mineralisation as well as confirming continuity of the mineralised zone. Importantly, they will allow us to plan further drilling with a view to adding to the existing resource, whilst at the same time improving confidence levels in the categorisation of the existing 0.62 million ounce JORC Code compliant resource. Although there is little doubt that the ore shoots continue to greater depths, our focus will be on identifying resources at depths that can be exploited in the foreseeable future.”*

Further Details

The three-hole diamond drill programme, totalling 797 metres and completed on 29 November 2016, was designed to provide new information on the depth- and strike-continuity of the Homase-Akrokerry mineralised zone beneath the known Homase oxide resource and the area previously exploited by AngloGold Ashanti for oxide material, which lies within the Homase licence. The steeply NW-dipping mineralised zone occupies a major NE-trending structural corridor 10-15 km north-east of the multiple ore zones that comprise the Obuasi Mine, one of the World’s largest gold deposits with a combined production and resource base of >70 million ounces of gold.

The three holes were inclined at 60°, 65° and 65° respectively towards 115° and targeted the mineralised zone at vertical depths of at least 100 metres beneath the base of the open pit. All three holes intersected significant widths of sulphide mineralisation, thus confirming the continuity of the zone with depth.

Fig. 1. Location of the three diamond drillholes at Homase



Significant intersections >0.3 g/t Au are summarised in Table 1.

Table 1. 2016 Diamond drilling: significant intersections >0.3 g/t Au*

Hole_ID	Depth from (metres)	Depth to (metres)	Interval length (metres)	Weighted average grade g/t	Intersection	Calculated true width of the intersection (metres): ore body dip 85°, dip direction 300°
16HMDD-0001	37.90	38.90	1.00	0.53	1m @ 0.53 g/t	0.56
	69.60	70.60	1.00	0.39	1m @ 0.39 g/t	0.57
	123.00	125.50	2.50	0.39	2.5m @ 0.39 g/t	1.50
	143.40	164.70	21.30	1.98	21.30m @ 1.98 g/t, including 7.4m @ 3.37g/t from 155.2m	13.20
16HMDD-0002	170.00	193.30	23.30	1.39	23.30m @ 1.39 g/t, including 3.0m @ 8.21g/t from 190.3m;	14.10
	221.70	224.70	3.00	0.55	3m @ 0.55 g/t	1.83
	237.40	241.20	3.80	0.18	3.8m @ 0.18 g/t	2.33
16HMDD-0003	135.00	136.00	1.00	0.99	1m @ 0.99 g/t	0.52
	152.50	153.50	1.00	0.39	1m @ 0.39 g/t	0.54
	160.70	161.70	1.00	0.33	1m @ 0.33 g/t	0.55
	174.50	189.20	14.70	0.83	14.7m @ 0.83 g/t, including 3.30m @ 2.0g/t from 185.9m	8.26
	234.00	235.00	1.00	0.92	1m @ 0.92 g/t	0.60
	240.00	241.50	1.50	0.86	1.5m @ 0.86 g/t	0.91
	248.50	254.60	6.10	3.31	6.10m @ 3.31 g/t	3.76

** Maximum internal dilution of intervals more than 2 metres is 1 metre within continuous 3 metre zone.*

Drillholes 1 and 2 intersected the main mineralised zone at approximately 120 metres and 150 metres below the base of the Homase open pit respectively and returned relatively high-grade central zones within wide lower-grade envelopes. The third hole intersected a wide low-grade zone of mineralisation that appears to correlate with the down-dip projection of the mineralised zone; it also intersected a higher-grade footwall zone that may be indicative of a parallel zone of interest.

The results from the first two holes provide significant encouragement to undertake additional drilling along the north-east extension of the mineralised zone beyond the existing open pit with a view to adding to the existing resource base. A systematic evaluation of the third hole is necessary to determine the potential for adding to the resource beyond the south-western limit of the open pit but the presence of the higher-grade footwall intersection is very encouraging and not unexpected in the wide and complex structural corridor that hosts the mineralisation.

A detailed understanding of the controls of the ore shoots at Homase and Akrokerri is critical to the planning of further exploration and resource drilling. Structurally and lithologically controlled ore shoots at Obuasi extend to vertical depths of more than 1,500 metres and the Company believes there is a reasonable potential that the ore shoots at Homase-Akrokerri will also have significant depth continuity.

However, the Company's immediate focus is to identify additional resources within the upper zones of the mineralised corridor through, subject to funding, further drilling to firstly add to and secondly to improve the categorisation of the existing JORC Code compliant resource for Homase to facilitate near-term planning for exploitation.

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 an 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-Akrokerry 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.