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

Interim Results for the six months ended 30 June 2019

Chairman's Statement

We remain focused on bringing our flagship asset, the Akrokeri-Homase Gold Project ("AKHM" or "the Project") into production at the earliest opportunity. Work conducted to date has provided us with significant confidence that this will be a low capital expenditure, low operating cost, high margin operation.

The Project is highly prospective and hosts two former gold 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 52,500 oz gold @ 2.5 g/t recovered. The Homase Pit, which produced 1.5x the initial target of 35,800 oz of gold (i.e. grade control ounces produced were 1.5x higher than the forecast ore reserve ounces), is along the same strike as the proposed Goldstone pits (South, Central and North Pits) and lies exactly between the South and Central Pits.

AKHM hosts a current 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 oz of gold. Importantly, the Board believes that there is significant resource development potential, as the existing resource is confined to only a 4 km zone of the current known 8 km long Homase Trend, including Homase North, Homase Pit and Homase South.

To further build our understanding of AKHM's potential, we undertook a pilot heap leach study to determine parameters for near-term development of an operating mine along the Homase Trend, an >8km gold-in-soil anomaly within AKHM. The pilot heap leach test work indicated recoveries in excess of 87.5% after just 60 days due to coarse gold content, exceeding initial expectations and endorsing plans for a heap leach facility to minimise capex. Furthermore, a trenching programme, covering an area of over 900 metres, resulted in six out of eight trenches encountering above cut-off mineralisation with the highest individual assay at 3.87 g/t Au (1 metre cut).

Based on this encouraging test-work, we were also pleased to complete a Definitive Economic Plan for the Project in June (the "DEP") to assess the capital requirements, operating costs and timelines for the development of an operational mine on the Homase Trend. The results of the DEP set out the basis for a low cost heap leach processing facility to process material from three satellite open pits lying along the known Homase Trend, either side of the previously mined Homase Pit, to generate cash flows to fund the further development of AKHM.

The DEP reported an after-tax Net Present Value of US$19.5 million (at a 10% discount rate) based on a contract mining method, an after-tax IRR of 143% at a gold price of US$1,300 per oz based on a US$6.95 million initial capital cost and a US$8.4 million capital cost over the five year life of the mine ("LOM"). The DEP is based on the Company's assumption of a total plant feed of 2.26 million tonnes with an average grade of 1.22 g/t giving total ounces to the plant of approximately 88,500 oz. It estimates that the heap leach facility will recover, in total, approximately 72,000 oz gold giving an overall LOM recovery of approximately 81%.

With the DEP finalised, the Company will complete the mining lease ("ML") application for the Project which is a pre-requisite to applying for the Project's environmental permit ("EP"). The DEP, which has now been submitted to the Ghanaian Minerals Commission for its review and approval, is a further important step in applying for the mining lease and moving rapidly towards establishing the Company's first low-cost, operating mine within the Homase Trend. Once in production, the cash generated will allow us to invest in the development of additional producing operations on the licences, with a focus on the historic high-grade underground operation at Akrokeri.

On a corporate level, post the period end we appointed Dr Orrie Fenn, formerly at Murray & Roberts, where he was chief executive of its Underground Mining business platform, and the former chief operating officer of Johannesburg-listed PPC Ltd. As GoldStone advances, his insights and expertise will be highly valuable, he joins the Company at a compelling time as we seek to develop and enhance our project in Ghana

The Board remain excited about the potential of GoldStone. The pricing environment for gold is positive and we are operating in a supportive jurisdiction, in a recognised high-grade mineral district with established infrastructure and large scale mining skills. We have, subject to funding, a defined path to production and cash flow, and a relationship with Paracale Gold Ltd and BCM Investments Limited, both major shareholders in the Company, who provide the relevant technical experience, local presence and knowledge to construct a mine in a timely and cost effective level which will improve the financial performance of the operation.

The Board is committed to realising the unique potential that AKHM holds and I look forward to providing updates as we move towards production.

William (Bill) Trew
Non Executive Chairman

Chief Executive Officer's Report

Principal Activities

During the first six months of this financial year, GoldStone continued to concentrate on the development of its principal asset, the Akrokeri and Homase Project ("AKHM" or the "Project"), in Ghana, which houses two former mines, the Akrokeri Underground Mine, abandoned in 1909, and the Homase Pit, closed in 2003.

During the period we completed a Definitive Economic Plan for the Project (the "DEP"), as announced on 27 June 2019, which has assessed the capital requirements, operating costs and timelines for the development of an operational mine on the Homase Trend. The DEP has been submitted to the Minerals Commission of Ghana ("Minerals Commission") as part of the process for a mining lease ("ML") application for the Project. The Environmental Scoping Study has now been completed, which is part of the process for the Environmental Permit application ("EP") and following the ML application and grant, the Company will apply for the EP for the Project.

The DEP, which GoldStone has defined as Phase 1 of the development of AKHM, proposed shallow, free dig mining of the oxide/weathered ore zones only at three satellite open pits, lying along the known Homase Trend either side of the previously mined Homase Pit (the "Proposed Open Pits"). It is proposed that the ore can be treated by establishing a cyanide heap leach processing facility and recommends using a contract mining method. The total initial capital cost (including pre-stripping and contingency) for this operation is estimated to be US$6.95 million, for which the Company will be seeking funding for.

The DEP indicated:

- After-tax Net Present Value of US$19.5 million (at a 10% discount rate)
- After-tax IRR of 143% at a gold price of US$1,300 per oz
- After-tax payback of the initial capital cost within 1 year

The DEP estimated that the mineable resource from the Proposed Open Pits is approximately 82,000 oz of contained gold in the oxide ore with a projected 82% recovery from 2.17 million tonnes of oxide ore at an average grade of 1.2 g/t gold (the "Mineable Resource"). The recovery is based on column leach testing at University of Mines and Technology, Tarkwa. It should be noted that this Mineable Resource is part of the existing AKHM JORC Code Compliant 602,000 oz gold resource.

The Company is proposing to use the tailings from the former Akrokeri Underground Mine ("Akrokeri Tailings") as the base/cushion layer for the heap leach pads, which the Company estimates to include approximately 91,000 tonnes at an average grade of 2.27 g/t gold, equating to approximately 6,500 oz of contained gold with a recovery of 73%. The recovery rate is based on bottle roll test-work completed by ALS Laboratories Kumasi.

The total plant feed from the Proposed Open Pits and the Akrokeri Tailings will be approximately 2.26 million tonnes with an average grade of just above 1.2 g/t gold giving total ounces to the plant of approximately 88,500 oz of gold. The DEP estimated that the heap leach facility will recover, in total, approximately 72,000 oz of gold, giving an overall Life of Mine ("LOM") recovery of approximately 81%.

The proposed LOM is projected to be five years, with an average all-in cost, that includes capital, corporate tax plus cash costs, of US$852/oz, with a capital cost, including sustaining capital costs, estimated to be

US$8.45 million.

The Board currently proposes to invest part of the proceeds from Phase 1 to fund a large and detailed exploration programme across AKHM, which would include soil sampling, trenching and drilling programmes. This programme will seek to not only replace the mined ounces from Phase 1 but also prove up a greater resource along strike and down dip at both Homase and Akrokeri with the aim of being able to expand and extend the Group's mining operations .

As with any new mining venture, there will be direct and indirect employment associated with the construction period of this project, which includes service providers. It is expected that when the Proposed Mine is in production, the majority of the mine personnel will be employed from within Ghana.

Work continues to re-open the historic Akrokeri Mine, and our developments are focused on re-accessing the old workings at the mine. Development of the drift continues, at approximately 30 metres below surface to the north east of Norton Shaft, to intersect the mineralised zone, which is estimated to be approximately 20 metres from Norton Shaft. 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.

Licence Information

Further to the Company's announcement of 18 May 2018, the Company has had confirmation from the Minerals Commission that the Akrokeri prospecting licence, PL6/87, 100% owned is valid until 23 May 2021 and that the Homase prospecting licence, RL6/96, 90% owned is valid until 4 June 2022.

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.

Former Director Claim

As announced on 13 October 2016, there is a claim against the Company by a former director of the Company, Mr Schloemann. In December 2018, the Board was disappointed to announce that the South African Labour Court had ruled in favour of Mr Schloemann and awarded him damages of US$140k plus interest and legal costs. Although provided for in the financial statements, the Company is considering its options, whilst it is in discussion with the lawyers acting for Mr Schloemann.

Corporate Update

The Board was pleased to announce the appointment of Dr Orrie Fenn on the 2 September 2019 as an Independent Non-Executive Director of the Company. Dr Fenn brings a wealth of experience in mine development and engineering advisory and his insights and expertise will be highly valuable as we advance AKHM.

Mr Richard Lloyd stepped down from the Board on 2 August 2019 in order to pursue his other business interests. The Board wishes to thank Richard for his contributions and support to the Company during his appointment and we wish him every success with his new business venture.

Outlook

Since June, the Company continues to monitor the key deliverables for our path to achieving production, with the focus being on completing the application for the ML and EP and securing the requisite funding to bring the Project into production.

In tandem, we continue to monitor the Company's cash position and maintain a tight grip on our budget. We currently have cash resources of approximately US$67,000 and will draw down the final tranche of the Paracale loan of US$300,000 later this month.

We remain confident that the development of AKHM, subject to securing the requisite funding, will drive the growth of the Company as it looks to commence production and deliver first revenues in 2020.

Emma Priestley
Chief Executive Officer

Consolidated statement of financial position
as at 30 June 2019

in united states dollars	notes	**30 June 2019 unaudited**	30 June 2018 unaudited	31 December 2018 audited
Assets				
property, plant and equipment		29,822	5,722	35,454
intangible assets – exploration	6	8,070,448	7,353,496	7,769,721
non-current assets		**8,100,270**	**7,359,218**	**7,805,175**
trade and other receivables		196,494	3,220	229,688
cash and cash equivalents		136,748	735,044	337,468
current assets		**333,242**	**738,264**	**567,156**
total assets		**8,433,512**	**8,097,483**	**8,372,331**
Equity				
share capital – ordinary shares		3,480,430	3,480,430	3,480,430
share capital – deferred shares		6,077,013	6,077,013	6,077,013
share premium		27,219,262	27,219,262	27,219,262
capital contribution reserve		555,110	555,110	555,110
share options reserve		229,688	90,650	229,688
accumulated deficit		(30,259,987)	(29,392,611)	(29,970,036)
total equity		**7,301,516**	**8,029,854**	**7,591,467**
Liabilities				
borrowings		781,523	-	324,000
non-current liabilities		**781,523**	**-**	**324,000**
trade and other payables		350,473	67,629	456,864
current liabilities		**350,473**	**67,629**	**456,864**
total liabilities		**1,131,996**	**67,629**	**780,864**
total equity and liabilities		**8,433,512**	**8,097,483**	**8,372,331**

Consolidated statement of comprehensive income
for the 6 months ended 30 June 2019

in united states dollars	notes	**6 months ended 30 June 2019 unaudited**	6 months ended 30 June 2018 unaudited	year ended 31 December 2018 audited
continuing operations				
administrative expenses	5	(276,071)	(346,253)	(1,014,322)
operating loss		**(276,071)**	**(346,253)**	**(1,014,322)**
finance income		6	6	-
finance expense		(13,886)	-	**-**
net finance cost		**(13,880)**	**6**	**-**
loss before and after tax from continuing operations		**(289,951)**	**(346,247)**	**(1,014,322)**
total comprehensive loss for the period		**(289,951)**	**(346,247)**	**(1,014,322)**
loss per share from operations				
basic and diluted earnings per share attributable to the equity holders of the company during the period (expressed in cent per share)	4	(0.001)	(0.002)	(0.004)

Consolidated statement of changes in equity
for the 6 months ended 30 June 2019

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 2018	**3,480,430**	**6,077,013**	**27,219,262**	**555,110**	**90,650**	**(29,046,364)**	**8,376,101**
total comprehensive loss 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**
total comprehensive loss for the period	-	-	-	-	-	(668,075)	**(668,075)**
options/warrants expired or lapsed in the period	-	-	-	-	(90,650)	90,650	**-**
share warrants granted in the period	-	-	-	-	229,688	-	**229,688**
balance as at 31 December 2018	**3,480,430**	**6,077,013**	**27,219,262**	**555,110**	**229,688**	**(29,970,036)**	**7,591,467**
total comprehensive loss for the period	-	-	-	-	-	(289,951)	**(289,951)**
balance as at 30 June 2019	**3,480,430**	**6,077,013**	**27,219,262**	**555,110**	**229,688**	**(30,259,987)**	**7,301,516**

Consolidated statement of cash flow
for the 6 months ended 30 June 2019

in united states dollars	**6 months ended 30 June 2019** **unaudited**	6 months ended 30 June 2018 unaudited	year ended 31 December 2018 audited
cash flow from operating activities			
loss for the period	(289,951)	(346,247)	(1,014,322)
adjusted for:			
- depreciation	5,632	-	11,151
- finance income	(6)	(6)	-
- finance expense	13,886	-	-
changes in working capital:			
- trade and other receivables	33,194	-	3,220
- trade and other payables	(106,391)	7,904	397,138
net cash used in operating activities	(343,636)	(338,349)	(602,813)
cash flow from investing activities			
finance income	6	6	-
capitalisation of exploration costs	(300,727)	(552,670)	(968,894)
acquisition of property, plant and equipment	-	-	(40,882)
net cash used in investing activities	(300,721)	(552,664)	(1,009,776)
cash flow from financing activities			
proceeds from issue of ordinary share capital	-	-	-
proceeds from loan	443,637	-	324,000
net cash received from financing activities	443,637	-	324,000
net decrease in cash and cash equivalents	(200,720)	(891,013)	(1,288,589)
cash and cash equivalents at beginning of the year	337,468	1,626,057	1,626,057
cash and cash equivalents at end of the period	136,748	735,044	337,468

Notes to the unaudited consolidated financial statement

1. General information

The financial statements present the consolidated results of the Group for each of the periods ending 30 June 2019, 30 June 2018 and 31 December 2018.

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 2018, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

The unaudited 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 2018 audited financial statements. Statutory financial statements for the year ended 31 December 2018 were approved by the Board of Directors on 27 June 2019 and delivered to the Registrar of Companies. The report of the auditors on those financial statements was unqualified. The Directors approved these unaudited condensed interim financial statements on 20 September 2019.

There are no IFRSs or IFRIC interpretations that are effective for the first time for the financial year commencing 1 January 2019 that would be expected to have a material impact on the Group.

The financial information for the 6 months ended 30 June 2019 and the 6 months ended 30 June 2018 have not been audited.

The business is not subject to seasonal variations. No dividends have been paid in the period (2018: 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 2018 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 the unaudited 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 2018 Annual Report and Financial Statements. The nature and amounts of such estimates have not changed significantly during the interim period. The unaudited 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 2019 unaudited**	6 months ended 30 June 2018 unaudited	year ended 31 December 2018 audited
loss attributable to shareholders	(289,951)	(346,247)	(1,014,322)
weighted average number of ordinary shares	249,707,991	154,385,042	249,707,991
basic loss per share	(0.001)	(0.002)	(0.004)

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 and Development: the exploration operating segment is presented as an aggregation of the Homase and Akrokeri licences (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 2018

in united states dollars	**exploration**	**corporate**	**total**
reportable segment expenditure	**-**	**(1,014,322)**	**(1,014,322)**
reportable segment (loss)	**-**	**(1,014,322)**	**(1,014,322)**
reportable segment assets	**7,827,398**	**544,933**	**8,372,331**
reportable segment liabilities	**(30,247)**	**(750,617)**	**(780,864)**

information about reportable segments for the period ended 30 June 2018

in united states dollars	exploration	corporate	total
reportable segment expenditure	**-**	**(346,247)**	**(346,247)**
reportable segment (loss)	**-**	**(346,247)**	**(346,247)**
reportable segment assets	**7,353,496**	**743,986**	**8,097,483**
reportable segment liabilities	**-**	**(67,629)**	**(67,629)**

information about reportable segments for the period ended 30 June 2019

in united states dollars	exploration	corporate	total
reportable segment expenditure	**-**	**(289,951)**	**(289,951)**
reportable segment (loss)	**-**	**(289,951)**	**(289,951)**
reportable segment assets	**8,141,994**	**291,518**	**8,433,512**
reportable segment liabilities	**(123,071)**	**(1,008,925)**	**(1,131,996)**

6. Intangible assets - exploration

The Group's intangible assets comprise wholly of exploration assets in respect of the Homase-Akrokeri project in Ghana.

in united states dollars	Total
balance as at 31 December 2017	**6,800,827**
additions	552,670
balance as at 30 June 2018	**7,353,496**
additions	416,225
balance as at 31 December 2018	**7,769,721**
additions	300,727
balance as at 30 June 2019	**8,070,448**

7. Availability of interim report

The interim report is available on the Company's website www.goldstoneresources.com.