

Half-year Report

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Goldstone Resources Ltd
30 September 2024

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GOLDSTONE RESOURCES LIMITED

("GoldStone" or the "Company")

Interim Results for the six months ended 30 June 2024

GoldStone Resources Limited (AIM: GRL), the AIM quoted gold exploration and development company focused on bringing the Homase Mine within its Akrokeri-Homase Gold Project ("AKHM") in Ghana into production, announces its unaudited interim results for the six-month period ended 30 June 2024 (the "Period").

HIGHLIGHTS

Ramping up gold production at Homase Mine:

- Produced 1,333.81 ounces of gold in H1 2024.
- Significant infrastructure upgrades have enhanced long-term capacity.
- Focus on delivering gold production target of 1,000 ounces of doré a month from January 2025.

Continued to strengthen position in H1 2024:

- Recovery supported by additional funding and the deferral of a secured gold loan repayment to December 2025 and a successful fundraising initiative.
- Board strengthened with the appointment of Campbell Smyth, who brings over 30 years of experience in fund management, capital markets, and corporate finance.
- Ramp-up in production comes at an opportune time as the gold market continues to show resilience and strength.

CHIEF EXECUTIVE'S STATEMENT

I am pleased to report that GoldStone has made significant progress in advancing its gold projects in Ghana, which span the full development spectrum from exploration to production.

Our primary focus remains the production from, and exploration of, the Homase Mine, located within the highly promising Ashanti Gold Belt. While 2023 brought its challenges, particularly in meeting production targets, we have emerged in 2024 in a much stronger position. This recovery has been supported by the deferral of our secured gold loan repayment to December 2025 and a successful fundraising initiative.

At the producing Homase Mine, significant infrastructure upgrades have been implemented, enhancing the mine's long-term capacity. Accordingly, I am pleased to report that H1 2024, we produced 1,333.81 ounces of gold (2023: 124.80). Post period end, the Company has continued to produce approximately 250 troy ounces per month, with latest full month

production in August 2024 being 236 ounces of doré.

Our optimisation strategy at Homase continues to progress well as we look to deliver 48,000 tonnes of stacked and agglomerated ore by the end of the year. The Company is currently stacking some 150tph on a single 12 hour shift , and towards the end of 2024, will be running two shifts, for a 24 hour operation, as we build up to 48,000 tpcm, which is expected to facilitate production of approximately 1,000 oz doré per month from the beginning of 2025, based on the current recovery rate of 68% and at a stacked grade of 1g/t.

The strategy also includes the development of additional heap leach pads, which are on track and within budget; Pad 5 was completed post period end, and earthworks for Pads 6 and 7 are underway.

A key pillar of the Company's strategy is to add additional gold resources to our portfolio. In line with this, we will continue exploration efforts along the Homase Trend, that will include core infill drilling to explore the deeper ore zones of Homase, and further explore the parallel zones that have been identified within the mining lease as announced on 8 July 2024. The Company does plan for further exploration programmes within the prospecting licences of Akrokeri and Homase, which enclose the Homase Mine, that includes the recent consolidation and review of all the historical data, at the former Akrokeri Underground Mine and its surrounding areas and develop other underexplored areas that hold potential for further mineral discoveries.

During the period, Bill Trew stepped down from the Board and Campbell Smyth has joined as a Non-Executive Director. Campbell brings over 30 years of experience in fund management, capital markets, and corporate finance, particularly within the venture capital and resource sectors.

Looking ahead, we are optimistic about GoldStone's growth prospects in the years to come as we improve both production and exploration at the Akrokeri-Homase project and unlock its full potential. Notably, our production ramp-up aligns with a gold market that continues to demonstrate remarkable resilience and strength, supported by diverse factors driving its long-term success.

The Board would like to thank shareholders for their continued support as we work towards fully realising the value of our assets and delivering long-term shareholder returns.

Emma K Priestley
Chief Executive Officer

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Consolidated statement of financial position
as at 30 June 2024

| | | 30 June | 30 June | 31 December |
|--|-------|----------------|---------|-------------|
| | notes | 2024 | 2023 | 2023 |

in united states dollars

| | | unaudited | unaudited | audited |
|-------------------------------------|---|-------------------|-------------------|-------------------|
| Assets | | | | |
| property, plant and equipment | 6 | 17,696,604 | 19,466,506 | 19,429,551 |
| total non-current assets | | 17,696,604 | 19,466,506 | 19,429,551 |
| inventory | | 1,385,096 | 167,246 | 2,189,375 |
| trade and other receivables | | 477,817 | 774,968 | 407,455 |
| cash and cash equivalents | | 788,802 | 265,092 | 121,432 |
| total current assets | | 2,651,715 | 1,207,306 | 2,718,262 |
| total assets | | 20,348,319 | 20,673,812 | 22,147,813 |
| Equity | | | | |
| share capital - ordinary shares | | 8,774,897 | 6,865,393 | 6,865,393 |
| share capital - deferred shares | | 6,077,013 | 6,077,013 | 6,077,013 |
| share premium | | 35,218,946 | 35,218,946 | 35,218,946 |
| foreign exchange reserve | | (8,318,013) | (6,488,757) | (6,910,817) |
| capital contribution reserve | | 555,110 | 555,110 | 555,110 |
| accumulated deficit | | (34,998,642) | (33,608,471) | (32,584,552) |
| total equity | | 7,309,311 | 8,619,234 | 9,221,093 |
| Liabilities | | | | |
| provision for rehabilitation | | 1,178,158 | 821,622 | 821,622 |
| non-current liabilities | | 1,178,158 | 821,622 | 821,622 |
| trade and other payables | | 2,992,523 | 3,882,359 | 3,972,329 |
| borrowings | 7 | 8,868,327 | 7,350,597 | 8,132,769 |
| current liabilities | | 11,860,850 | 11,232,956 | 12,105,098 |
| total liabilities | | 13,039,008 | 12,054,578 | 12,926,720 |
| total equity and liabilities | | 20,348,319 | 20,673,812 | 22,147,813 |

**Consolidated statement of comprehensive income
for the 6 months ended 30 June 2024**

| | | 6 months ended | 6 months ended | year ended |
|--|-------|--------------------|--------------------|--------------------|
| <i>in united states dollars</i> | notes | 30 June 2024 | 30 June 2023 | 31 December |
| | | unaudited | unaudited | 2023 |
| | | | | audited |
| continuing operations | | | | |
| revenue | | 2,606,521 | 245,425 | 2,197,660 |
| cost of sales | | (1,346,181) | (1,521,157) | (936,480) |
| gross profit | | 1,260,340 | (1,275,732) | 1,261,180 |
| expenses | | (2,267,398) | (1,829,101) | (2,559,369) |
| operating loss | | (1,007,058) | (3,104,833) | (1,298,189) |
| finance expense | | (1,407,032) | (606,416) | (1,389,141) |
| loss before and after tax from continuing operations | 5 | (2,414,090) | (3,711,249) | (2,687,330) |
| <i>Items that may be reclassified subsequently to profit and loss:</i> | | | | |
| foreign exchange translation movement | | (1,407,196) | (558,703) | (980,763) |
| total comprehensive loss for the period | | (3,821,286) | (4,269,952) | (3,668,093) |

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 (0.005) (0.010) (0.005)

**Consolidated statement of changes in equity
for the 6 months ended 30 June 2024**

| <i>in united states dollars</i> | share capital ordinary shares | share capital deferred shares | share premium | foreign exchange reserve | capital contribution reserve | accumulated deficit | total equity |
|---|--|--|-------------------|--------------------------------|------------------------------------|------------------------|-------------------|
| balance as at 1 January 2023 | 6,836,778 | 6,077,013 | 35,143,117 | (5,930,054) | 555,110 | (29,897,222) | 12,784,742 |
| total loss for the period | - | - | - | - | - | (3,711,249) | (3,711,249) |
| translation movement | - | - | - | (558,703) | - | - | (558,703) |
| share issue in period | 28,615 | - | 75,829 | - | - | - | 104,444 |
| balance as at 30 June 2023 | 6,865,393 | 6,077,013 | 35,218,946 | (6,488,757) | 555,110 | (33,608,471) | 8,619,234 |
| total gain for the period | - | - | - | - | - | 1,023,919 | 1,023,919 |
| translation movement | - | - | - | (422,060) | - | - | (422,060) |
| share issue in period | - | - | - | - | - | - | - |
| balance as at 31 December 2023 | 6,865,393 | 6,077,013 | 35,218,946 | (6,910,817) | 555,110 | (32,584,552) | 9,221,093 |
| total loss for the period | - | - | - | - | - | (2,414,090) | (2,414,090) |
| translation movement | - | - | - | (1,407,196) | - | - | (1,407,196) |
| share issue in period | 1,909,504 | - | - | - | - | - | 1,909,504 |
| balance as at 30 June 2024 | 8,774,897 | 6,077,013 | 35,218,946 | (8,318,013) | 555,110 | (34,998,642) | 7,309,311 |

**Consolidated statement of cash flow
for the 6 months ended 30 June 2024**

| <i>in united states dollars</i> | 6 months ended 30 June 2024 unaudited | 6 months ended 30 June 2023 unaudited | year ended 31 December 2023 audited |
|---|--|---|--|
| cash flow from operating activities | | | |
| operating loss for the period/year | (2,414,090) | (3,711,249) | (2,687,330) |
| adjusted for: | | | |
| - finance costs | 1,407,032 | 606,417 | 1,389,141 |
| - depreciation | 182,912 | 100,137 | 288,653 |
| - gold loan settlement | (671,474) | - | (10,529) |
| - director and senior management fees | - | 104,444 | 104,444 |
| - foreign exchange differences | 202,931 | 465,554 | 452,145 |
| - changes in working capital | 110,647 | 267,662 | (1,287,006) |
| net cash generated (used in)/by operating activities | (1,182,042) | (2,167,035) | (1,750,482) |
| cash flow from investing activities | | | |
| acquisition of property, plant and equipment | (65,567) | (623,313) | (1,183,526) |
| disposals of property, plant and equipment | 5,475 | - | - |
| net cash used in investing activities | (60,092) | (623,313) | (1,183,526) |
| cash flow from financing activities | | | |
| proceeds from loan notes | - | 2,942,128 | 2,942,128 |
| proceeds from share issue | 1,909,504 | - | - |
| net cash received from financing activities | 1,909,504 | 2,942,128 | 2,942,128 |
| net decrease in cash and cash equivalents | 667,370 | 151,780 | 8,120 |
| cash and cash equivalents at beginning of the period/year | 121,432 | 113,312 | 113,312 |
| cash and cash equivalents at end of the period/year | 788,802 | 265,092 | 121,432 |

Notes to the unaudited consolidated financial statement

1. General information

The financial statements present the consolidated results of the Company and its subsidiaries (the "Group") for each of the periods ending 30 June 2024, 30 June 2023 and 31 December 2023.

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 2023, which have been prepared in accordance with UK-adopted International Accounting Standards.

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 UK-adopted International Accounting Standards. 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 2023 audited financial statements. Statutory financial statements for

the year ended 31 December 2023 were approved by the Board of Directors on 28th June 2024 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 28th June 2024.

There are no IFRSs or IFRIC interpretations that are effective for the first time for the financial year commencing 1 January 2024 that would be expected to have a material impact on the Group.

The financial information for the 6 months ended 30 June 2024 and the 6 months ended 30 June 2023 have not been audited.

The business is not subject to seasonal variations. No dividends have been paid in the period (2023: 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 2023 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 2023 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. Earnings per share

| | 6 months ended | 6 months ended | year ended |
|---|-----------------------|----------------|-------------|
| | 30 June | 30 June | 31 December |
| <i>in united states dollars</i> | 2024 | 2023 | 2023 |
| | unaudited | unaudited | audited |
| loss attributable to shareholders (in USD) | (2,414,090) | (3,711,249) | (2,687,330) |
| weighted average number of ordinary shares | 524,811,666 | 368,618,154 | 498,744,043 |
| basic and diluted earnings per share (in USD) | (0.005) | (0.010) | (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 results are then subsequently shared with the Board. The Group's reportable segments are:

Exploration, Evaluation and production: the exploration operating segment is presented as an aggregation of the Homase and Akrokeri licences (Ghana). 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 2023

| <i>in united states dollars</i> | exploration | corporate | total |
|--|--------------------|--------------------|---------------------|
| reportable segment revenue | 2,197,660 | - | 2,197,660 |
| reportable segment cost of sales | (936,480) | - | (936,480) |
| reportable segment expenditure | (1,543,271) | (2,405,239) | (3,948,510) |
| reportable segment loss | (282,091) | (2,405,239) | (2,687,330) |
| reportable segment non-current assets | 19,429,551 | - | 19,429,551 |
| reportable segment assets | 2,650,999 | 67,263 | 2,718,262 |
| reportable segment liabilities | (4,387,551) | (8,539,169) | (12,926,720) |

information about reportable segments for the period ended 30 June 2023

| <i>in united states dollars</i> | exploration | corporate | total |
|--|--------------------|--------------------|---------------------|
| reportable segment revenue | 245,425 | - | 245,425 |
| reportable segment cost of sales | (1,521,157) | - | (1,521,157) |
| reportable segment expenditure | (1,026,325) | (1,409,192) | (2,435,517) |
| reportable segment loss | (2,302,057) | (1,409,192) | (3,711,249) |
| reportable segment non-current assets | 19,466,506 | - | 19,466,506 |
| reportable segment assets | 983,706 | 223,600 | 1,207,306 |
| reportable segment liabilities | (4,385,246) | (7,669,332) | (12,054,578) |

information about reportable segments for the period ended 30 June 2024

| <i>in united states dollars</i> | exploration | corporate | total |
|--|--------------------|--------------------|--------------------|
| reportable segment revenue | 2,606,521 | - | 2,606,521 |
| reportable segment cost of sales | (1,346,181) | - | (1,346,181) |
| reportable segment expenditure | (1,233,449) | (2,440,981) | (3,674,430) |
| reportable segment profit / (loss) | 26,891 | (2,440,981) | (2,414,090) |
| reportable segment non-current assets | 17,696,604 | - | 17,696,604 |

| | | | |
|--------------------------------|-------------|-------------|--------------|
| reportable segment assets | 2,175,523 | 476,192 | 2,651,715 |
| reportable segment liabilities | (6,716,086) | (6,322,922) | (13,039,008) |

6. Property, plant and equipment

| <i>in united states dollars</i> | gold samples | plant and equipment and motor vehicles | producing mines | total |
|---------------------------------|--------------|--|-------------------|-------------------|
| Cost | | | | |
| 1 January 2023 | 4,570 | 1,413,438 | 19,170,297 | 20,588,305 |
| additions | - | 765,205 | 418,321 | 1,183,526 |
| disposals | - | (107,580) | - | (107,580) |
| exchange movement | - | (76,301) | (1,356,608) | (1,432,909) |
| 31 December 2023 | 4,570 | 1,994,762 | 18,232,010 | 20,231,342 |
| additions | - | 64,232 | 1,335 | 65,567 |
| disposals | - | (6,817) | - | (6,817) |
| exchange movement | - | (164,920) | (1,445,207) | (1,610,127) |
| 31 June 2024 | 4,570 | 1,887,257 | 16,788,138 | 18,679,965 |

| <i>in united states dollars</i> | gold samples | plant and equipment and motor vehicles | producing mine | Total |
|---------------------------------|--------------|--|----------------|----------------|
| Depreciation | | | | |
| 1 January 2023 | - | 478,118 | 142,600 | 620,718 |
| charge for the year | - | 273,131 | 15,522 | 288,653 |
| eliminated | - | (107,580) | - | (107,580) |
| 31 December 2023 | - | 643,669 | 158,122 | 801,791 |
| charge for the period | - | 182,912 | - | 182,912 |
| eliminated | - | (1,342) | - | (1,342) |
| 31 June 2024 | - | 825,239 | 158,122 | 983,361 |

| Net Book Value | | | | |
|-------------------------|--------------|------------------|-------------------|-------------------|
| 31 December 2023 | 4,570 | 1,351,093 | 18,073,888 | 19,429,551 |
| 31 June 2024 | 4,570 | 1,062,018 | 16,630,016 | 17,696,604 |

7. Borrowings

| <i>in united states dollars</i> | 6 months ended 30 June 2024 unaudited | 6 months ended 30 June 2023 unaudited | year ended 31 December 2023 audited |
|---------------------------------|--|--|--|
| shareholder loan | - | - | - |
| gold loan | 3,399,853 | 3,128,766 | 3,399,853 |
| derivative | 2,299,319 | 1,279,703 | 1,563,761 |

| | | | |
|---------------------------|------------------|------------------|------------------|
| loan notes | 3,169,155 | 2,942,128 | 3,169,155 |
| current borrowings | 8,868,327 | 7,350,597 | 8,132,769 |
| total borrowings | 8,868,327 | 7,350,597 | 8,132,769 |

Gold Loan

The Company entered into a loan agreement with Asian Investment Management Services Limited ("AIMSL") in June 2020, for a gold loan of up to 2,000 troy ounces of gold at a price of US\$1,500 per troy ounce, equating to a value of US\$3.0 million before expenses. There have been approved extensions to the Gold Loan, which have culminated in a Standstill Agreement, announced on 3 January 2024, with AIMSL who provided the Company with the potential to defer repayment of the gold loan until 29 June 2024, this has subsequently been extended to 31 December 2025.

The outstanding principal of the Gold Loan stands at 1,871.31oz at 30 June 2024, with accrued interest of 440 oz.

As part of the fundraise, in 23 May 2024, AIMSL agreed to convert and settle the interest accrued to 31 December 2023 by the issue of Ordinary Shares of £0.01 each in the capital of the Company (the "Conversion Shares"), 52,800,000 Conversion Shares were allotted, representing approximately 300 oz of the 578.4 oz of gold interest accrued on the Gold Loan to 31 December 2023. This is in order to ensure AIMSL's interest in the Company remains below 30% of the Company's issued share capital on Admission. The balance of the Conversion Shares will be issued to AIMSL in due course on the same terms at such time as this can be achieved without increasing AIMSL's interest in the Company's Ordinary Shares above 30%.

Loan Note

On 27 January 2023 the parent Company, Goldstone Resources Limited ("GRL"), issued convertible loan notes to Blue Gold International Limited, ("BGL") in the nominal amount of £2,400,000 (the "Loan Notes") which are due for redemption on 30 November 2024. At the election of BGL, the Loan Notes (together with accrued interest to date) may be converted (in whole or in part) at any time prior to redemption into new ordinary shares of 1 penny each in the capital of the Company Ordinary Shares at a conversion price of £0.0325 per share. BGL also received warrants to subscribe for up to 60,000,000 Ordinary Shares at a price of £0.04 per share exercisable at any time until 26 January 2025.

8. Post Period End

The Company received funds in respect of its subscription to raise total gross proceeds of £600,000, and accordingly, issued 57,142,857 subscription shares. The net proceeds of the fundraising will be used to advance development at the Homase Mine in Ghana and towards delivering the planned 50,000 tonnes of stacked and agglomerated ore, in able to achieve the Group's gold-production target of 1,000oz per calendar month from January 2025, and for general working capital purposes.

9. Availability of interim report

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

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