



Formerly Barra Resources Limited

Interim Financial Report

Period Ended 31st December 2021

ASX:GSR

greenstoneresources.com.au



TABLE OF CONTENTS

	Page
Directors' Report.....	1
Auditor's Independence Declaration.....	9
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income.....	10
Condensed Consolidated Statement of Financial Position.....	11
Condensed Consolidated Statement of Changes in Equity	12
Condensed Consolidated Statement of Cash Flows	13
Notes to the Condensed Consolidated Financial Statements	14
Directors' Declaration	21
Independent Auditor's Review Report.....	22

Directors

Non-Executive Chairman

Michael Edwards BBus BEc

CEO & Managing Director

Christopher Hansen BSc MSc

Executive Director & Chief Geologist

Glenn Poole

Non-Executive Director

Jonathan Young CA F Fin

Joint Company Secretaries

Matt Worner

Tom O'Rourke

Registered Office & Principal Place of Business

Ground Floor, 6 Thelma Street

West Perth, WA 6005

Phone: +61 8 9481 3911

Fax: +61 8 9481 3283

Website: www.greenstoneresources.com.au

Share Register

Automic Group Pty Ltd

Perth Office

Level 2, 267 St Georges Tce

Perth WA 6005

Phone: 1300 288 664

Email: hello@automicgroup.com.au

Website: www.automicgroup.com.au

Auditors

HLB Mann Judd (W.A. Partnership)

Level 4, 130 Stirling Street

Perth, WA 6000

Securities Exchange

The Company's securities are quoted on the Official List of the Australian Securities Exchange Limited (ASX)

2 The Esplanade

Perth, WA 6000

ASX Code

Shares: GSR

DIRECTORS' REPORT

The Directors present their report together with the interim financial report of Greenstone Resources Limited ("Greenstone" or "the Company") and its subsidiaries ("Group" or "Consolidated Group") for the half-year ended 31 December 2021. In order to comply with the provisions of the Corporations Act 2001, the Directors Report is as follows:

DIRECTORS

- Mr Michael Edwards, Non-Executive Chairman, Appointed 18 August 2021
- Mr Christopher Hansen, CEO & Managing Director, Appointed 17 May 2021
- Mr Glenn Poole, Technical Director & Chief Geologist, Appointed 18 August 2021
- Mr Jonathan Young, Non-Executive Director, Appointed 5 January 2015
- Mr Garry Berrell, Non-Executive Chairman, Resigned 18 August 2021
- Mr Grant Mooney, Non-Executive Director, Resigned 18 August 2021

OPERATING RESULTS

The loss from ordinary activities of the Company for the half-year ended 31 December 2021 after income tax was \$754,168 (2020: \$292,905).

REVIEW OF OPERATIONS

The Company undertook the following activities during the half-year ended 31 December 2021.

BURBANKS GOLD PROJECT

ABOUT BURBANKS

The Burbanks Gold Project is located 9.0 kilometres southeast of Coolgardie, Western Australia. The Project includes the Burbanks Mining Centre and over 5.0 kilometres of the highly prospective Burbanks Shear Zone, historically the most significant gold producing structure within the Coolgardie Goldfield.

The Burbanks Mining Centre comprises the Birthday Gift and Main Lode underground gold mines. The recorded historic underground production at Burbanks (1885-1961) totalled 444,600t at 22.7 g/t Au for 324,479oz predominantly from above 140 metres below the surface. Intermittent open pit and underground mining campaigns between the early 1980's to present day has seen total production from the Burbanks Mining Centre now exceed 420,000oz. The total Indicated and Inferred Mineral Resource for the Burbanks Gold Project is 1.2Mt at 3.7 g/t Au for 145,700 ounces of gold (Table 2).

ACTIVITIES

During the period, the Company completed a 4,000 metre exploration campaign designed to validate the new exploration model, and demonstrate the untested prospectivity of the broader Burbanks Gold Project outside of the central Burbanks Mining Centre, where recorded historic underground production totalled 324,479 ounces, at an average grade of 22.7g/t Au from predominantly the upper 140 metres. These recent exploration programs at both Burbanks North and Burbanks South exceeded all expectations, serving to extend the known mineralised strike horizon to over 3.0 kilometres.

DIRECTORS' REPORT (CONTINUED)

At Burbanks North, drilling completed during the period served to open up an additional 1.5 kilometres of strike between Main Lode and the northern extents of the shallow Burbanks North deposit (359,998 tonnes @ 1.8g/t Au for 20,400 ounces (Inferred)), which has historically only been drilled to 100 metres below surface. Importantly, a recent re-interpretation of this previously completed shallow drilling has identified the potential development of three high-grade plunges near surface (Figure 1), directly analogous to those plunges observed within the Burbanks Mining Centre. Significant intercepts from the recently completed drill campaign at Burbanks North include¹:

- BBDD0025: 3.1 metres @ 11.72g/t Au from 282.4 metres, including:
 - 1.1 metres @ 29.48g/t Au from 283.7 metres

At Burbanks South, drilling completed during the period served to validate a number of historical drill holes and, importantly, confirm a new near-surface discovery which has never been mined. The Burbanks South discovery lies 400 metres directly along strike from the Birthday Gift and Main Lode Deposits, in doing so extending the strike of known mineralisation at the Burbanks Gold Project to over 4.5 kilometres. The recent drill campaign, in combination with over 2,500 metres of historical reverse circulation (RC) drilling, has identified a zone of mineralisation with a strike extent of over 400 metres which remains open in all directions. Importantly, all historical exploration in this area has been limited to the top 100 metres below surface. Despite the shallow nature of exploration completed to date, the development of three high grade plunges have now been identified, plunges which are a typical feature observed at both the Birthday Gift and Main Lode Deposits. Significant intercepts from the recently completed drill campaign at Burbanks South include²:

- BSRC0066: 12.0 metres @ 4.51g/t Au from 50.0 metres, including:
 - 6.0 metres @ 7.28g/t Au from 54.0 metres
- BSRC0065: 4.0 metres @ 7.13g/t Au from 71.0 metres, including:
 - 1.0 metres @ 22.10g/t Au from 72.0 metres
- BSRC0081: 8.0 metres @ 4.42g/t Au from 52.0 metres, including:
 - 1.0 metres @ 11.70g/t Au from 52.0 metres

Stage I Trial Mining activities within the Main Lode Initial Licence Area remain on schedule, with lateral development continuing across all three levels and stoping activities now underway (Figure 2). During the course of underground development, several adjacent mineralised lodes have since been intersected on all three levels (1345RL, 1330RL and 1315RL), with an underground diamond drill rig having now been mobilised to site. These adjacent lodes have the potential to extend the Stage I Trial Mine by adding additional high-grade and near surface tonnes to the mine plan which can be readily accessed through the existing underground decline and infrastructure. The Stage I Trial Mining Joint Venture is expected to materially de-risk the project through the provision of invaluable technical and financial information which will guide future long-term production decisions.

On 28 December 2021 the first processing campaign through the neighbouring Greenfields Mill commenced, with 20,500 tonnes of low-grade development ore (diluted ore from underground development drives) processed over nine days, resulting in a maiden gold pour of 840 ounces (unreconciled) worth \$2.1 million³. Processed grades through the mill were in line with expectations, with final production from the initial campaign to be reported on completion of a full reconciliation, including Gold in Circuit (GIC), and refining adjustments.

With high-grade underground ore stoping activities now underway, a further 2-3 processing campaigns are expected over the coming months, totalling between 60,000-75,000 tonnes.

¹ ASX:GSR 15/12/2021

² 9/12/2021

³ ASX:GSR 11/01/2022

DIRECTORS' REPORT (CONTINUED)

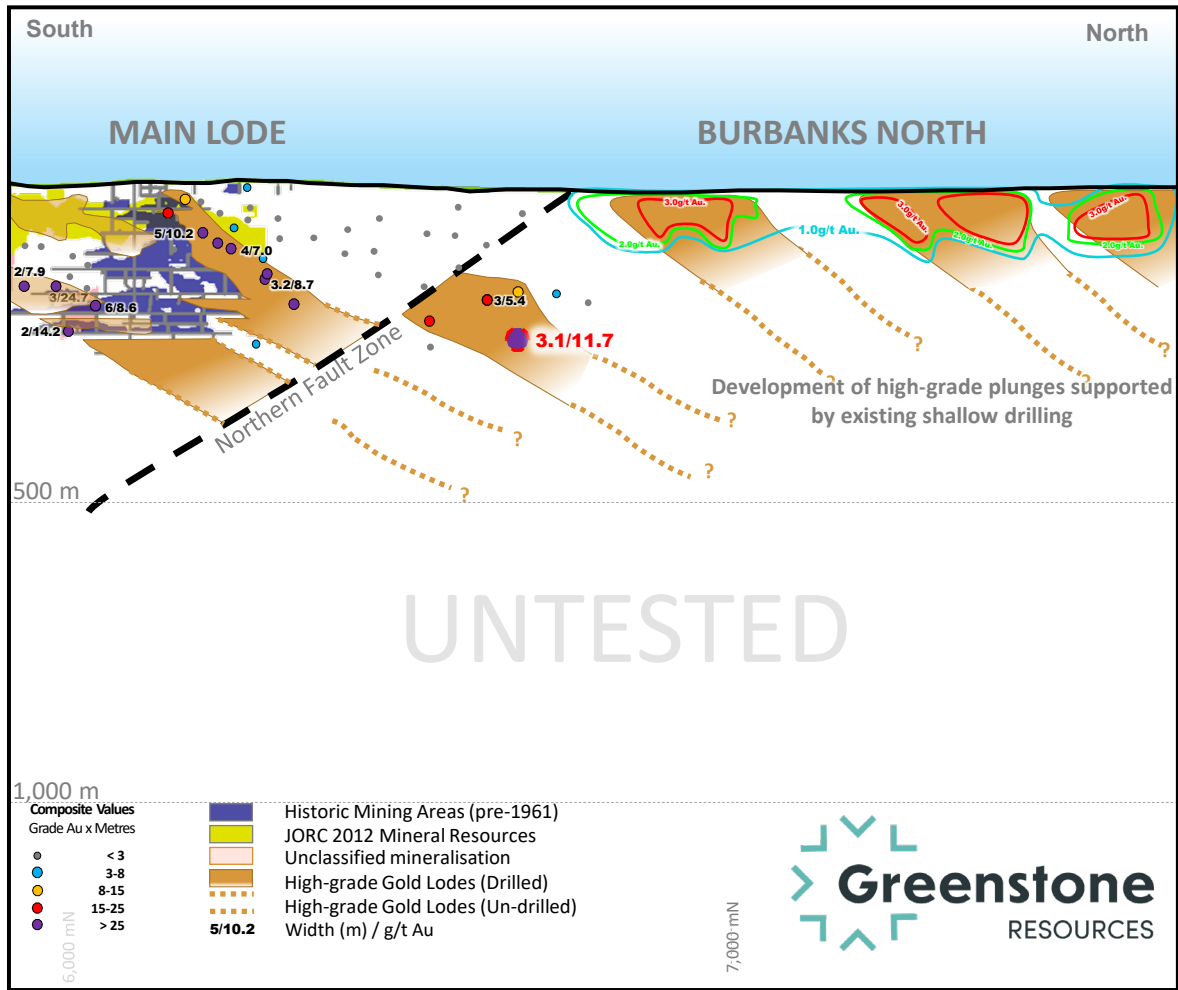


Figure 1: Long section showing the development of shallow high-grade plunges at Burbanks North

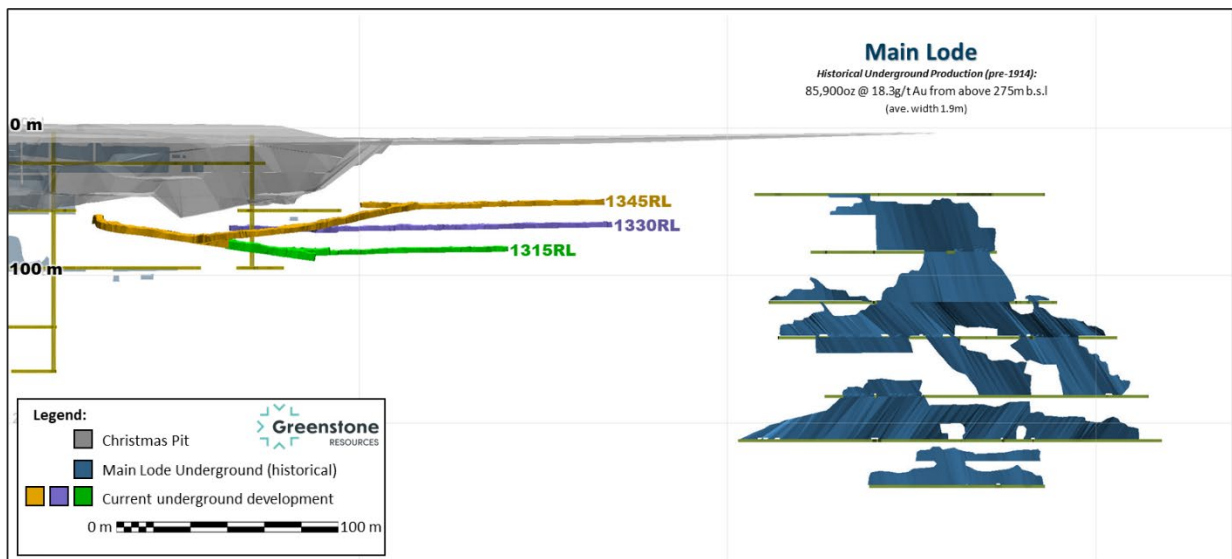


Figure 2: Long-section of current underground development as part of the Stage I Trial Mining JV (Nov-21)

DIRECTORS' REPORT (CONTINUED)

PHILLIPS FIND GOLD PROJECT

ABOUT PHILLIPS FIND

Greenstone's 100% owned Phillips Find Gold Project is located 50 kilometres North of Coolgardie, Western Australia.

The project covers over 10 kilometres in strike of prospective greenstone stratigraphy, and includes the Phillips Find Mining Centre (PFMC) where approximately 33,000oz of gold was produced between 1998 and 2015 from three open-pit operations: Bacchus Gift, Newhaven and Newminster. Exploration potential within the project is excellent, with numerous targets defined by auger geochemical anomalism, mapping, and drilling.

ACTIVITIES

During the period a 620 metre RC drill campaign was completed at the PFMC and results received. The intention of the program was to meet expenditure requirements, while also following-up on encouraging RC drill intercepts from the previous 2016 drill campaign, which included⁴:

- PFRC097: 5.0 metres @ 11.0g/t Au from 117 metres
- PFRC098: 8.0 metres @ 6.3g/t Au from 100 metres
- PFRC099: 5.0 metres @ 7.5g/t Au from 70 metres

The program was designed to target both economic extensions to the main zone of high-grade mineralisation (Central Lode) extending beneath the existing Newminster pit and also test the projected intersection between the primary controlling fault and mineralised sediment unit at depth.

Significant intercepts from the three previously completed RC drill holes include:

- PFRC101: 17 metres @ 2.09g/t Au from 95 metres, including:
 - 2.0 metres @ 8.93g/t Au from 110 meters.
- PFRC103: 8.0 metres @ 1.84g/t Au from 179 metres, including:
 - 2.0 metres @ 3.26g/t Au from 183 metres.

⁴ ASX:GSR 20/05/2016

DIRECTORS' REPORT (CONTINUED)

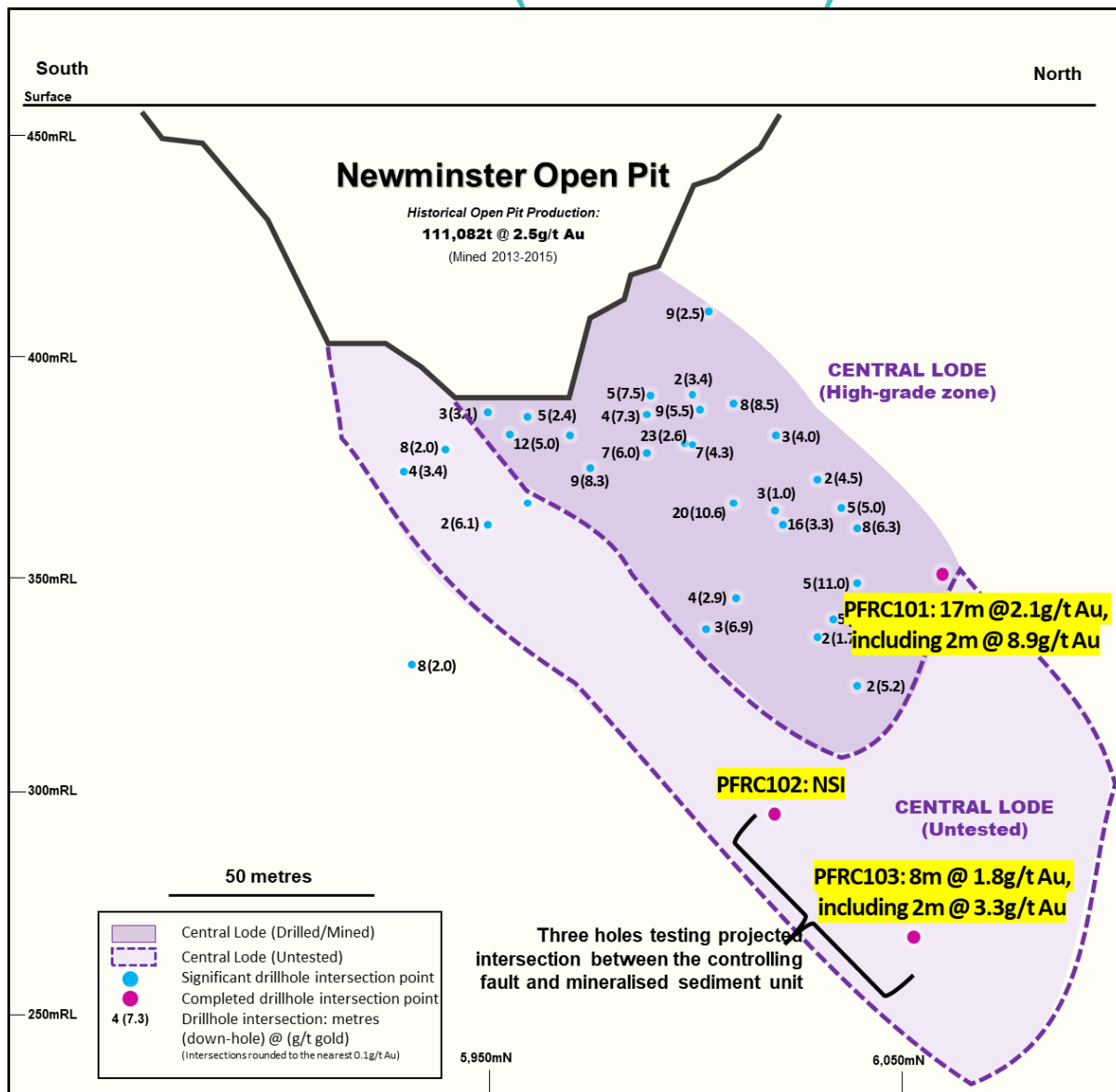


Figure 2: Newminster schematic long-section showing recent drilling and Central Lode

MT THIRSTY COBALT-NICKEL PROJECT

ABOUT MT THIRSTY

The Mt Thirsty Joint Venture (MTJV) is located 16 kilometres North-Northwest of Norseman, Western Australia (50% Greenstone Resources, 50% Conico Limited).

The Project contains the Mt Thirsty cobalt-nickel oxide deposit with a reported mineral resource of 26.9Mt at 0.126% cobalt, and 0.54% nickel⁵. A Pre-Feasibility Study (PFS) of the Project was completed and announced to the ASX on 20 February 2020. In addition to the Co-Ni oxide deposit, the Project also hosts nickel sulphide mineralisation potential.

⁵ ASX:GSR 09/09/2019

DIRECTORS' REPORT (CONTINUED)

ACTIVITIES

Discussions were ongoing during the period with respect to various development and optimisation options for the Mt Thirsty Joint Venture ("MTJV") including the potential simplification of the ownership structure to support the next development phase of the project. Given the increase in both cobalt (over US\$70,000/tonne) and nickel prices (over US\$22,000/tonne) over the period, the project economics have been significantly enhanced and the Company believes that Mt Thirsty has the potential to add significant shareholder value over 2022.

CORPORATE

BOARD RENEWAL AND NEW APPOINTMENTS

On 19 August 2021, the Company advised the appointment of Mr Michael Edwards as Non-Executive Chairman of the Company, and the appointment of Mr Glenn Poole as initially a Non-Executive Director and on 8 November 2021, the Technical Director & Chief Geologist of the Company. As part of the continued Board renewal process, Mr Gary Berrell and Mr Grant Mooney resigned with immediate effect.

CAPITAL RAISE

On 30 August 2021, the Company completed an over-subscribed placement to professional and sophisticated investors raising \$2,150,000 (before costs) through the issue of 126,470,588 fully paid ordinary shares at \$0.017 per share. Firm commitments received also included management and director participation of \$220,000, which was subject to shareholder approval at the Company's Annual General Meeting.

COMPANY NAME CHANGE AND NEW ASX CODE "GSR"

On 2 November 2021, the Company advised that following shareholder approval at the Company's Annual General Meeting held on 29 October 2021, the Company's name had officially been changed with the Australian Securities and Investments Commission (ASIC) from Barra Resources Limited to Greenstone Resources Limited and subsequently registered for trading as ASX:GSR on the Australian Stock Exchange (ASX).

APPOINTMENT OF JOINT COMPANY SECRETARIES

On 30 November 2021, the Company advised the appointment of both Matt Worner and Tom O'Rourke as Joint Company Secretaries effective immediately.

Mr Worner is a former lawyer with 20 years' experience in corporate governance and company secretarial functions, with experience spanning initial public offerings, capital raising, ASX Listing Rules and Corporations Act 2001 issues. Mr Worner has held management, company secretarial and board positions with various ASX and AIM listed companies in the resources sector. Mr Worner holds a Bachelor of Laws and a Bachelor of Business from the University of Notre Dame, Australia.

Mr O'Rourke is a chartered accountant with over 12 years' experience in both private and public companies. More recently, Mr O'Rourke has specialised in corporate advisory, company secretarial and financial management services for ASX listed companies. Mr O'Rourke is a member of Chartered Accountants Australia and New Zealand, holding a Bachelor of Commerce from the University of Western Australia, and a Masters in Project Management from Curtin University.

DIRECTORS' REPORT (CONTINUED)

COMPLETION OF UNMARKETABLE PARCEL SHARE SALE

On 24 December 2021, the Company advised the completion of the sale of unmarketable parcels under the Share Sale Facility. Pursuant to the terms of the Facility, the shares of 966 shareholders who did not respond, or elected not to retain their shares, and held unmarketable parcels as at 5.00pm (AWST) on 21 October 2021 were sold. These holdings total 6,876,307 shares, with the Company now having 2,299 shareholders representing a reduction of over 28% and providing significant administrative savings.

EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

On 23 February 2022, the Company completed a \$3.5 million (before costs) capital raise through the issue of 109,375,000 fully paid ordinary shares at \$0.032 per share. The proceeds will be principally used to fund the current exploration campaign at the Burbanks Gold Project.

Other than noted above, there has been no additional matter or circumstance that has raised after balance date that significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future reporting periods.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 9 and forms part of this Directors' Report for the half-year ended 31 December 2021. Signed on 14 March 2022 in accordance with a resolution of the directors made pursuant to Section 306(3) of the Corporations Act 2001.

On behalf of the Directors:



Michael Edwards

Non-Executive Chairman

DIRECTORS' REPORT (CONTINUED)

COMPETENT PERSON'S STATEMENT

Project and Discipline	JORC Section	Competent Person	Employer	Professional Membership
Coolgardie Gold Projects Geology	Exploration Results and Mineral Resources	Glenn Poole	Greenstone Resources Ltd	MAIG
Main Lode and Burbanks North Resource Estimation	Mineral Resources	Andrew Bewsher	BM Geological Services Pty Ltd	MAIG
Birthday Gift and Christmas Pit Resource Estimation	Mineral Resources	Richard Buerger	Mining Plus Pty Ltd	MAIG
Mt Thirsty Geology	Exploration Results and Mineral Resources	Michael J Glasson	Tasman Resources Ltd; Consultant to MTJV; holds shares in Conico Ltd	MAIG
Mt Thirsty Resource Estimation	Mineral Resources	David Reid	Golder Associates Pty Ltd	MAusIMM
Mt Thirsty Metallurgy	Exploration Results and Ore Reserves	Peter Nofal	AMEC Foster Wheeler Pty Ltd trading as Wood	FAusIMM
Mt Thirsty Mining	Ore Reserves	Frank Blanchfield	Snowden Mining Industry Consultants Pty Ltd	FAusIMM

The information in this report that relates to Exploration Results, Mineral Resources and Ore Reserves for the Mt Thirsty Cobalt-Nickel Project and Coolgardie Gold Projects is based on and fairly represents information compiled by the Competent Persons listed in the table above. The Competent Persons have sufficient relevant experience to the style of mineralisation and type of deposits under consideration and to the activity for which they are undertaking to qualify as a Competent Person as defined in the JORC Code (2012 Edition). For new information, the Competent Persons consent to the inclusion in the report of the matters based on their information in the form and context in which it appears. Previously announced information is cross referenced to the original announcements. In these cases, the company is not aware of any new information or data that materially affects the information presented and that the material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from the original market announcement.

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Greenstone Resources Limited for the half-year ended 31 December 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.

Perth, Western Australia
14 March 2022



M R Ohm
Partner

hl**b.com.au**

HLB Mann Judd (WA Partnership) ABN 22 193 232 714

Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849

T: +61 (0)8 9227 7500 **E:** mailbox@h**l**bwa.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd (WA Partnership) is a member of HLB International, the global advisory and accounting network.

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME**
for the half-year ended 31 December 2021

	Note	Half-Year Ended 31 Dec 2021	Half-Year Ended 31 Dec 2020
		\$	\$
CONSOLIDATED			
Other income		6,192	116,405
Total income		6,192	116,405
Employee benefits expense		(177,113)	(33,294)
Exploration and evaluation costs written off	6	(157,623)	(100)
Depreciation and amortisation expense		(37,611)	(55,538)
Marketing expenses		(15,743)	-
Consulting expenses		(57,672)	(54,413)
Administration expenses		(129,784)	(91,832)
Share-based payments	10	(184,394)	(254,200)
Gain on revaluation of equity instrument through profit or loss		(420)	175
Total expenses		(760,360)	(489,202)
Loss before income tax		(754,168)	(372,797)
Income tax benefit		-	79,892
Loss after related income tax		(754,168)	(292,905)
Other comprehensive income, net of tax		-	-
Total comprehensive loss for the period		(754,168)	(292,905)
		Cents	Cents
Loss per share:			
Basic loss per share (cents per share)		(0.10)	(0.05)
Diluted loss per share (cents per share)		(0.10)	(0.05)

The accompanying notes form part of these financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

	Note	31 Dec 2021	30 June 2021
		\$	\$
CONSOLIDATED			
CURRENT ASSETS			
Cash and cash equivalents		1,443,553	838,677
Trade and other receivables	3	71,973	5,599
Other		47,593	21,990
TOTAL CURRENT ASSETS		1,563,119	866,266
NON-CURRENT ASSETS			
Financial assets	4	21,330	21,750
Other assets		17,038	17,757
Right-of-use assets	5	5,767	40,372
Property, plant and equipment		4,429	5,549
Exploration and evaluation expenditure	6	13,737,774	12,860,436
TOTAL NON-CURRENT ASSETS		13,786,338	12,945,864
TOTAL ASSETS		15,349,457	13,812,130
CURRENT LIABILITIES			
Trade and other payables		162,342	55,186
Lease liability	7	5,767	40,372
TOTAL CURRENT LIABILITIES		168,109	95,558
NON-CURRENT LIABILITIES			
Provisions		182,500	182,500
TOTAL NON-CURRENT LIABILITIES		182,500	182,500
TOTAL LIABILITIES		350,609	278,058
NET ASSETS		14,998,848	13,534,072
EQUITY			
Issued capital	8	59,843,666	57,743,166
Reserves		637,332	518,888
Accumulated losses		(45,482,150)	(44,727,982)
TOTAL EQUITY		14,998,848	13,534,072

The accompanying notes form part of these financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the half-year ended 31 December 2021

	Issued capital	Employee equity-settled benefits reserve	Accumulated losses	Total attributable to equity holders of the entity
	\$	\$	\$	\$
BALANCE AT 1 JULY 2020	56,400,266	537,700	(44,359,047)	12,578,919
Loss for the half year	-	-	(292,905)	(292,905)
Total comprehensive loss for the year	-	-	(292,905)	(292,905)
Issue of shares	1,483,756	-	-	1,483,756
Payment for share issue costs	(289,356)	184,500	-	(104,856)
Exercise of options	148,500	(58,500)	-	90,000
Options expensed	-	254,200	-	254,200
Expiry of options	-	(479,200)	479,200	-
BALANCE AT 31 DECEMBER 2020	57,743,166	438,700	(44,172,752)	14,009,114
BALANCE AT 1 JULY 2021	57,743,166	518,888	(44,727,982)	13,534,072
Loss for the half year	-	-	(754,168)	(754,168)
Total comprehensive loss for the year	-	-	(754,168)	(754,168)
Issue of shares	2,150,000	-	-	2,150,000
Payment for share issue costs	(121,500)	6,000	-	(115,500)
Conversion of performance rights	72,000	(72,000)	-	-
Performance rights expensed	-	118,412	-	118,412
Options expensed	-	66,032	-	66,032
BALANCE AT 31 DECEMBER 2021	59,843,666	637,332	(45,482,150)	14,998,848

The accompanying notes form part of these financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the half-year ended 31 December 2021

	Half-Year Ended 31 Dec 2021	Half-Year Ended 31 Dec 2020
	\$	\$
CONSOLIDATED		
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	5,460	-
Payments to suppliers and employees	(401,431)	(248,243)
Interest received	463	15,159
Government grants received	-	95,300
NET CASH FLOWS (USED IN) OPERATING ACTIVITIES	(395,508)	(137,784)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(2,075)	-
Payments for exploration and evaluation expenditure	(997,436)	(849,148)
Proceeds for loan repayments	-	393,050
NET CASH FLOWS (USED IN) INVESTING ACTIVITIES	(999,511)	(456,098)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	2,150,000	1,573,755
Payments for share issue costs	(115,500)	(104,856)
Repayment of lease liabilities	(34,605)	(43,302)
NET CASH FLOWS PROVIDED BY FINANCING ACTIVITIES	1,999,895	1,425,597
Net increase/(decrease) in cash and cash equivalents	604,876	831,715
Cash and cash equivalents at the beginning of the half-year	838,677	383,704
CASH AND CASH EQUIVALENTS AT THE END OF THE HALF-YEAR	1,443,553	1,215,419

The accompanying notes form part of these financial statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

NOTE 1: SUMMARY OF ACCOUNTING POLICIES

The significant accounting policies, which have been adopted in the preparation of this financial report, are:

(a) Going Concern

The financial report has been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The Group incurred a loss before tax of \$754,168 for the half-year ended 31 December 2021, and a net cash outflow from operating and investing activities amounting to \$1,395,019. The Directors are of the opinion that the Group is a going concern as an equity raising of \$3,500,000 was completed in February 2022 in order to meet planned expenditure commitments.

(b) Statement of compliance

These interim financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134 'Interim Financial Reporting', Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

These interim half-year financial statements do not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Company as in the full financial report.

It is recommended that these financial statements be read in conjunction with the annual financial report for the year ended 30 June 2021 and any public announcements made by Greenstone Resources Limited during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

(c) Basis of preparation

The interim half-year financial statements have been prepared on a historical cost basis, except for the revaluation of certain financial instruments to fair value. Cost is based on the fair value of the consideration given in exchange for assets. The Company is a for-profit entity domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

For the purpose of preparing the interim report, the half-year has been treated as a discrete reporting period.

The accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding interim reporting period.

(d) Adoption of new and revised Accounting Standards

In the period ended 31 December 2021, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the current reporting period. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations in issue not yet adopted on the Group and, therefore, no change is necessary to Group accounting policies.

Standards and Interpretations in issue not yet effective

The Directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet adopted for the period ended 31 December 2021. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations in issue not yet adopted on the Group and, therefore, no change is necessary to Group accounting policies.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

NOTE 1: SUMMARY OF ACCOUNTING POLICIES (continued)

(e) Significant accounting judgements and key estimates

The preparation of interim financial reports requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim half-year report, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial report for the year ended 30 June 2021.

NOTE 2: SEGMENT REPORTING

Operating segments are identified on the basis of internal reports about components of the Group that are reviewed by the chief operating decision maker in order to allocate resources to the segment and assess its performance. The chief operating decision maker (being in this instance the Board) of Greenstone Resources Limited reviews internal reports prepared as financial statements and strategic decisions of the Group are determined upon analysis of these internal reports. During the period, the Group operated predominately in one business and geographical segment being the minerals exploration sector in Western Australia. Accordingly, under the 'management approach' outlined only one operating segment has been identified and no further disclosure is required in the notes to the financial statements.

NOTE 3: RECEIVABLES

	Half-Year 31 Dec 2021	Year ended 30 June 2021
	\$	\$
Trade debtors	70,059	3,931
Other debtors	1,914	1,668
Total current trade and other receivables	71,973	5,599

NOTE 4: FINANCIAL ASSETS

	Half-Year 31 Dec 2021	Year ended 30 June 2021
	\$	\$
<i>Financial assets – non-current</i>		
Mining tenement bond	21,000	21,000
Equity investments	330	750
Total financial assets	21,330	21,750

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

NOTE 5: RIGHT-OF-USE ASSETS

	Premises \$	Equipment \$	Total \$
Cost	146,448	6,790	153,238
Accumulated amortisation	(140,681)	(6,790)	(147,471)
Total right-of-use assets	5,767	-	5,767

Reconciliation

	Premises \$	Equipment \$	Total \$
Opening balance 1 July 2020	107,936	4,549	112,485
Amortisation expense	(67,564)	(4,549)	(72,113)
Opening balance 30 June 2021	40,372	-	40,372
Amortisation expense	(34,605)	-	(34,605)
Closing balance 31 December 2021	5,767	-	5,767

NOTE 6: EXPLORATION AND EVALUATION EXPENDITURE

Mineral exploration and evaluation expenditure costs carried forward

	Half-Year 31 Dec 2021 \$	Year ended 30 June 2021 \$
Opening balance	12,860,436	12,039,792
Less: expenditure written off ¹	(157,623)	(236,213)
Add: expenditure for the period	1,034,961	1,056,857
Total exploration and evaluation expenditure	13,737,774	12,860,436

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases is dependent upon the successful development and commercial exploitation or sale of the respective areas.

¹ Relates to expenditure on tenements where rights to tenure is no longer current.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

NOTE 7: LEASE LIABILITY

The leases that have been accounted for are as follows:

	Premises \$	Equipment \$	Total \$
Current liabilities	5,767	-	5,767
Total lease liability	5,767	-	5,767

Reconciliation

	Premises \$	Equipment \$	Total \$
Opening Balance 1 July 2021	107,936	4,980	112,916
Reduction in lease liability	(67,564)	(4,980)	(72,544)
Opening Balance 1 July 2021	40,372	-	40,372
Reduction in lease liability	(34,605)	-	(34,605)
Closing balance 31 December 2021	5,767	-	5,767

NOTE 8: ISSUED CAPITAL

	Number of shares	\$
Opening balance 1 July 2020	596,515,740	56,400,266
Share placement 17 September 2020	78,092,361	1,483,755
Exercise of options 17 November 2020	3,000,000	148,500
Less share issue costs	-	(289,355)
Closing balance 30 June 2021	677,608,101	57,743,166
Opening balance 1 July 2021	677,608,101	57,743,166
Share placement 3 September 2021	113,529,412	1,930,000
Share placement 29 October 2021	12,941,176	220,000
Performance rights converted 17 November 2021	3,000,000	72,000
Less share issue costs	-	(121,500)
Closing balance 31 December 2021	807,078,689	59,843,666

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

NOTE 9: RELATED PARTY

During the half-year, a company associated with Grant Mooney was paid for company secretarial services provided to the Company totaling \$15,000 (30 June 2021: \$36,000).

Arrangements with other related parties continue to be in place. For details of these arrangements, refer to the 30 June 2021 annual financial report.

NOTE 10: SHARE-BASED PAYMENTS

Options

During the period, the Company made the following share-based payments 10,000,000 Lead Manager options exercisable at \$0.035 and expiring 3 September 2024. Options are valued and using the Black & Scholes methodology. The fair value of the options issued were calculated using the following inputs:

During the period an expense of \$72,033 was recognised in relation to the following share-based payment arrangements:

Input	Director Options exercisable at \$0.035	Employee Options exercisable at \$0.035	Lead Manager Options exercisable at \$0.03 ⁽¹⁾	Director Options exercisable at \$0.035	Director Options exercisable at \$0.045	Director Options exercisable at \$0.065	Lead Manager Options exercisable at \$0.035 ⁽¹⁾
Share price	\$0.034	\$0.034	\$0.03	\$0.024	\$0.024	\$0.024	\$0.024
Grant date	23-Nov-2020	23-Nov-2020	03-Dec-2020	10-May-2021	10-May-2021	10-May-2021	1-Nov-2021
Expected volatility	75%	75%	75%	75%	75%	75%	75%
Expiry date	19-Nov-2023	19-Nov-2023	02-Dec-2022	10-May 2023	10-May 2023	10-May 2024	03-Sep-2024
Risk free interest rate	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Value per option	\$0.0164	\$0.0164	\$0.0123	\$0.0071	\$0.0055	\$0.0058	\$0.0006
Number of options	18,000,000	3,500,000	15,000,000	8,000,000	8,000,000	8,000,000	10,000,000
Value of options	\$295,200	\$57,400	\$184,500	\$56,800	\$44,000	\$46,400	\$6,000
Total expensed in half year to 31 December 2021	\$49,786	-	-	\$2,541	\$8,016	\$5,639	\$6,051
Total Expensed to 31 Dec 2021	\$286,054	\$57,400	\$184,500	\$18,285	\$14,964	\$9,949	\$6,051

⁽¹⁾ Options issued to the Lead Manager forms part of the share issue costs (refer to Note 8).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

NOTE 10: SHARE-BASED PAYMENTS (CONTINUED)

Performance Rights

During the period \$118,412 was recognised for performance rights in relation to the options as noted below:

Input	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 5	Tranche 6	Tranche 7	Tranche 8
Grant Date	10/5/2021	10/5/2021	18/8/2021	18/8/2021	18/8/2021	18/8/2021	18/8/2021	18/8/2021
Number	3,000,000	3,000,000	1,750,000	1,750,000	4,000,000	3,000,000	3,000,000	6,000,000
Expiry date	10/5/2022	10/5/2022	18/8/2024	18/8/2024	18/8/2024	18/8/2024	18/8/2024	18/8/2024
Fair Value per right	\$0.024	\$0.016	\$0.020	\$0.020	\$0.014	\$0.020	\$0.020	\$0.014
Total Fair Value at grant date	\$72,000	\$48,000	\$35,000	\$35,000	\$56,000	\$60,000	\$60,000	\$84,000
Total expensed in half year to 31 December 2021	\$61,940	\$16,087	\$4,283	\$4,283	\$6,853	\$7,343	\$7,343	\$10,280
Total Expensed to 31 Dec 2021	\$72,000	\$20,546	\$61,940	16,087	\$4,283	\$4,283	\$6,853	\$7,343

One performance criteria had been met and the rest had not been met at the end of the half year and relate to:

- Tranche 1 - Corporate Rejuvenation which includes any two of the following: (i) Appointment of 2 new Non-Executive Directors, (ii) corporate rebranding and (iii) acquisition of new mineral asset - this was met on 17 November 2021 and converted into 3,000,000 shares.
- Tranche 2 - volume weighted average market capitalisation of Company's shares on ASX being at least \$30 million for over 30 consecutive days asset
- Tranches 3 & 6 - Upon announcement by the Company on the ASX market announcements platform of a minimum of 250,000 ounces of Inferred, Indicated and/or Measured Resources, at a minimum gold or gold Equivalent grade¹ of 1.5g/t for Resources potentially amendable to open pit extraction methods or 3.0g/t for Resources potentially amendable to underground extraction methods, reported in accordance with the JORC Code on any one or more of the Tenements held by the Company
- Tranches 4 & 7 - Upon announcement by the Company on the ASX market announcements platform of a minimum of 350,000 ounces of Inferred, Indicated and/or Measured Resources, at a minimum gold or gold Equivalent grade¹ of 1.5g/t for Resources potentially amendable to open pit extraction methods or 3.0g/t for Resources potentially amendable to underground extraction methods, reported in accordance with the JORC Code on any one or more of the Tenements held by the Company
- Tranches 5 & 8 - Upon the volume weighted average market price of the Company's Shares trading on ASX over 20 consecutive trading days on which the Shares have traded being at least \$0.060

3,000,000 performance rights were exercised during the half year.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

NOTE 11: FINANCIAL INSTRUMENTS

The Company has financial investments in listed securities (level 1) which are measured at fair value at the end of the reporting period. These are valued with reference to the closing market price at balance date.

In relation to other financial assets and liabilities held at balance date, the Directors consider the carrying value recognised in the financial statements approximate their fair value.

NOTE 12: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There have been no changes in contingent liabilities or contingent assets since the most recent annual report.

NOTE 13: SUBSEQUENT EVENTS

There are no significant events have occurred subsequent to the reporting date.

NOTE 14: COMMITMENTS

Exploration Expenditure Commitments

The Company has minimum statutory commitments as conditions of tenure of certain mining tenements. Whilst these obligations may vary, a reasonable estimate of the minimum commitment projected to 31 December 2021 if it is to retain all of its present interests in mining and exploration properties, is \$303,480 (June 2021: \$303,480).

DIRECTOR'S DECLARATION

In the opinion of the Directors of Greenstone Resources Limited ("the Company"):

- (a) the financial statements and notes of the Company are in accordance with the *Corporations Act 2001*, including:
 - i. giving a true and fair view of the Company's financial position as at 31 December 2021 and of its performance for the half-year ended; and
 - ii. complying with Australian Accounting Standards (AASB 134 *Interim Financial Reporting*);
- (b) In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Directors

Michael Edwards

Non-Executive Chairman



Dated in Perth this 14th day of March 2022

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Greenstone Resources Limited

Report on the Condensed Interim Financial Report

Conclusion

We have reviewed the accompanying interim financial report of Greenstone Resources Limited ("the company") which comprises the condensed consolidated statement of financial position as at 31 December 2021, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration, for the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Greenstone Resources Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's responsibilities for the review of the financial report* section of our report. We are independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibility of the directors for the financial report

The directors of the company are responsible for the preparation of the interim financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the interim financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the interim financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including

hlb.com.au

HLB Mann Judd (WA Partnership) ABN 22 193 232 714

Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849

T: +61 (0)8 9227 7500 E: mailbox@hlbwa.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

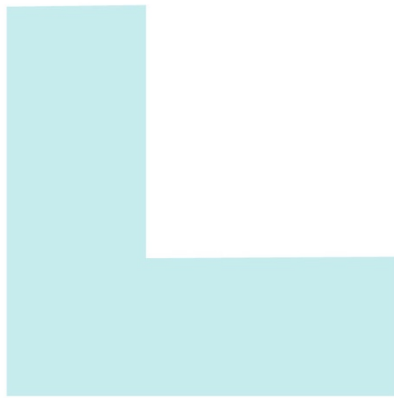
HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Perth, Western Australia
14 March 2022



M R Ohm
Partner



ASX:GSR

greenstoneresources.com.au