

Letter to Shareholders

Wednesday 4th October 2023

ASX:GSR

Dear Greenstone Resources Shareholders,

On behalf of the Board of Greenstone, we wish to extend our gratitude to all current shareholders for their unwavering support over the past twelve months. Your commitment has been instrumental in Greenstone achieving a number of critical milestones, within both our base and precious metals portfolios.

Despite these recent operational successes, the Board acknowledges and empathises with shareholders in the frustration caused by the recent decline in share price. While it was disappointing we were unable to define extensions to the Callisto orebody at Mt Thirsty, the exploration campaign undertaken was overwhelmingly warranted given the close spatial proximity. Nonetheless we assure you that, despite recent share price performance, we firmly believe the company's asset position has never been stronger.

Nevertheless, we wish to emphasise that the team at Greenstone has tirelessly and diligently worked to unlock the latent value within our portfolio with over 30,000m of drilling completed in the last 12 months alone. Recent highlights include:

220% growth in mineral resources at Burbanks

Which now totals 6.1Mt @ 2.4g/t gold for 465,567 ounces of contained gold (Indicated & Inferred). This serves to position Burbanks as one of only seven high-grade pre-development gold projects >450,000oz listed on the ASX.¹

145% growth in mineral resources at Mt Thirsty

Which now totals 66.2 million tonnes @ 0.06% cobalt, 0.43% nickel and 0.45% manganese (Indicated & Inferred). This serves to position Mt Thirsty as having the second highest Co-Ni ratio for predevelopment Co-Ni projects in Australia.²

Burbanks recorded the tenth best gold intercept in Australia for 2022

With BBRC371D returning an impressive 1.00 metre @ 375.00g/t Au from 90.0 metres.³

Mt Thirsty recorded the sixth best cobalt intercept in Australia for 2022

From drillhole MTRC011DA, 78.0 metres @ 0.11% Co, 0.50% Ni, 1.38% Mn & 46.4g/t Sc from 3.0 metres.⁴

1. ASX: GSR 05/07/2023 2. ASX: GSR 26/04/2023 3. ASX: GSR 01/12/2022 4. ASX: GSR 23/01/2023

Comparable Share Price Performance (Indexed)⁵



Gold Price (\$A/OZ)



Importantly, at Burbanks alone, this represents a low discovery cost of A\$23/oz. Given that MinEx Consulting estimated in 2019 that the discovery cost for the global gold industry between 2009-2018 was A\$97/oz Au (US\$62/oz Au)⁶, this places Burbanks well below the cost curve for discovering gold resources. With mineralisation remaining open in all directions at Burbanks, we are confident of further extensions in the future.

Despite these recent successes, Greenstone and comparable predevelopment gold explorers have traded down 57% and 46%, respectively. This is in contrast to Australian gold prices nearing record highs and a track record of delivering continued mineral resource growth across the portfolio.

The Board also understands that a number of our shareholders may have received an unsolicited letter from an anonymous shareholder, principally stating that the Company should immediately resume gold mining operations to avoid future equity raisings.

With the Company having only recently achieved a critical mineral resource mass at Burbanks of 6.1Mt @ 2.4g/t gold for 465koz (Indicated & Inferred), we are now prudently and systematically accessing a number of options to support the potential resumption of operations in the near future.

Past mining activities at Burbanks had largely been focussed on short term and intermittent cashflow opportunities, whereas any future restart will be leveraging off this materially larger mineral resource base and seeking to utilise the extensive network of existing regional infrastructure, targeting a long-term and sustainable mining operation.

Given the capital requirements required to resume commercial operations, and the Board's desire to minimise future shareholder dilution, the Company must first declare a maiden Ore Reserve to support any future debt and equity funding discussions. This will require the completion of a pre-feasibility or feasibility study, as required under the JORC and ASX listing rules.

Importantly, the Board of Greenstone brings collective industry experience across exploration, project development, mining and finance of over 75 years. This provides a robust understanding of both what is required to commercialise a mining project and the cyclicity of the resources sector.

5. Refer to appendix 1 for further information

6. MinEx Consulting, Long term trends in gold exploration November 2019. USD:AUD 1.56

In order to provide clarity, it is important to note that Resolution One, as proposed at the recent General Meeting held on September 20, 2023, was not carried. Consequently, the Company's ASX Listing Rule 7.1a placement capacity was not refreshed. The approval of the LR7.1a capacity would have allowed the Company an additional 10% placement capacity on top of the ASX Listing Rule 7.1 capacity of 15%. There seems to have been some misunderstanding around this and it is important to acknowledge that this circumstance does not require the return of the placement proceeds amounting to \$1.7 million to the participating investors.

Furthermore, it leaves the Company with a remaining LR 7.1 placement capacity of 15%. It is also important to note that the Company made the decision to include a Share Purchase Plan (SPP) as part of the recent placement. This was done in an effort to allow all shareholders, regardless of the size of their shareholding, to participate at the same level.

While we may have faced challenges with regards to share price performance, our commitment to creating long-term shareholder value remains unwavering. We are steadfast in our mission to deliver positive outcomes for our shareholders, and we appreciate your continued trust and support as we work towards this.

We eagerly anticipate providing regular updates to our valued shareholders in the forthcoming weeks, with drilling on going at Burbanks, and the Mt Thirsty Scoping Study nearing completion. The Mt Thirsty Scoping Study will provide the foundation for future studies and a potential consolidation of the joint-venture ownership structure into a single entity to support a potential future IPO.

If you have any enquiries or require additional information, please do not hesitate to contact us using the provided contact details below.

Regards,

Greenstone Resources Board of Directors

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Appendix 1

Entity Name	Measured & Indicated			Inferred			Total Ounces (Au)	Stage	Source
	Tonnes	Grade (g/t Au)	Ounces (Au)	Tonnes	Grade (g/t Au)	Ounces (Au)			
Alice Queen Limited	8,900,000	0.970	277,000	7,800,000	0.990	247,000	524,000	Pre-Development	(ASX:AQX) 11/11/2021
Austral Gold Limited	14,918,000	1.030	493,000	2,383,000	1.180	90,100	583,100	Pre-Development	(ASX:AGD) 03/29/2022
Black Dragon Gold Corp.	8,210,000	4.570	1,208,000	3,120,000	3.469	348,000	1,556,000	Pre-Development	(ASX:BDG) 12/31/2022
Dateline Resources Limited	15,192,000	1.200	578,000	5,745,000	1.300	234,000	812,000	Pre-Development	(ASX:DTR) 07/06/2022
Gateway Mining Limited	2,148,000	2.100	142,000	7,925,000	1.507	384,000	526,000	Pre-Development	(ASX:GML) 09/27/2022
GBM Resources Limited	11,069,000	1.480	537,000	34,914,000	1.100	1,229,300	1,766,300	Pre-Development	(ASX:GBZ) 10/28/2022
Geopacific Resources Limited	44,030,000	1.020	1,443,000	3,850,000	1.000	1,541,000	2,984,000	Pre-Development	(ASX:GPR) 12/23/2023
Greenstone Resources Limited	2,092,892	2.200	151,159	4,692,957	2.400	368,975	520,134	Pre-Development	(ASX:GSR) 07/05/2023
Kalamazoo Resources Limited	9,699,000	2.918	910,000	6,491,000	2.500	252,000	1,162,000	Pre-Development	(ASX:KZR) 08/31/2023
Korab Resources Limited	2,322,194	1.590	350,000	98,404,000	0.900	2,953,000	3,303,000	Pre-Development	(ASX:KOR) 07/16/2013
Labyrinth Resources Limited	0	0	0	3,000,000	5.000	500,000	500,000	Pre-Development	(ASX:LRL) 06/30/2023
LCL Resources Limited	9,300,000	2.820	840,000	70,693,000	0.789	1,794,100	2,634,100	Pre-Development	(ASX:LCL) 06/30/2023
Mako Gold Limited	0	0	0	22,500,000	1.205	868,000	868,000	Pre-Development	(ASX:MKG) 06/14/2022
Marvel Gold Limited	9,200,000	1.217	360,000	17,300,000	1.200	665,000	1,025,000	Pre-Development	(ASX:MLV) 12/31/2022
Matador Mining Limited	3,500,000	3.150	356,000	9,400,000	1.600	481,000	837,000	Pre-Development	(ASX:MZZ) 01/30/2019
Medallion Metals Limited	12,110,000	2.000	790,000	7,370,000	2.200	510,000	1,300,000	Pre-Development	(ASX:MM8) 09/25/2023
Prodigy Gold NL	4,900,000	1.500	230	10,700,000	1.800	607,000	607,230	Pre-Development	(ASX:PRX) 08/15/2023
Siren Gold Limited	3,290,000	2.800	295,600	6,876,000	3.160	698,400	994,000	Pre-Development	(ASX:SNL) 03/28/2023
Tesoro Gold Ltd	22,600,000	1.110	802,000	11,200,000	1.340	479,000	1,281,000	Pre-Development	(ASX:TZO) 03/09/2023
Yandal Resources Limited	2,140,976	1.323	91,062	7,835,231	1.323	333,353	424,415	Pre-Development	(ASX:YRL) 11/04/2020
Brightstar Resources Limited	3677000	1.67	227000	5267000	1.6	268000	495,000	Pre-Development	(ASX:BTR) 10/03/2022

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that all material assumptions and technical parameters underpinning the estimates in the market announcements continue to apply and have not materially changed. The Company confirm that the form and context in which the Competent Person's finding are presented have not been materially modified from the original market announcements.