



# ASX ANNOUNCEMENT

16<sup>th</sup> February 2022

## \$3.5 OVER-SUBSCRIBED PLACEMENT TO ACCELERATE EXPLORATION

- Firm commitments received to raise \$3.5 million (before costs) to fund continued exploration
- Proceeds to expediate exploration across Burbanks to guide future development decisions
- Additional 6,500m diamond & reverse circulation program underway at Burbanks North & Main Lode
- Burbanks Nth drilling targeting several high-grade plunges supported by historical drilling, including<sup>1</sup>:
  - BBAC038: 5.0m @ 24.82g/t Au from 17m
  - BBAC055: 2.0m @ 20.50g/t Au from 14m
  - BBAC206: 2.0m @ 12.22g/t Au from 23m
- Main Lode drilling targeting extensions to known high-grade plunges & previous intercepts, including:
  - BBUD329: 4.7m @ 462.1 g/t Au from 244m<sup>2</sup>
  - BBUD299B: 6.0m @ 39.8 g/t Au from 163m<sup>3</sup>
  - BBUD313: 6.0m @ 27.1 g/t Au from 154m<sup>4</sup>
- Drill program expected to take 3-4 months to complete, with results to be periodically released

Greenstone Resources Limited (**ASX:GSR**) (**Greenstone** or the **Company**) is pleased to confirm it has received firm commitments from professional and sophisticated investors for a placement to raise approximately \$3,500,000 (before costs) (the Placement) through the issue of 109,375,000 fully paid ordinary shares at \$0.032 per share (Placement Shares).

Proceeds from the Placement will principally be used by Greenstone to fund the current exploration campaign at the Burbanks Gold Project (historical underground production of 324,479 ounces at an average grade of 22.7g/t Au) where 6,500 metres of combined Reverse Circulation (RC) and Diamond Drilling (DD) is currently underway. The current drill program is initially targeting extensions to known high-grade structures at Main Lode where there has been minimal exploration completed below 250 metres (Figure 2). Following the completion of the initial four northern holes at Main Lode, the drill rig will then shift to Burbanks North, where a recent re-interpretation of shallow historic drilling has identified the development of three high-grade plunges near surface, directly analogous to those plunges observed within the Burbanks Mining Centre (Figure 1). The focus of this targeted drilling across the Main Lode and Burbanks North deposits will be to extend zones of known high-grade mineralisation to support later phases of infill drilling required for subsequent resource updates.

<sup>1</sup> ASX: GSR 02/08/2019

<sup>2</sup> ASX: GSR 21/12/2007

<sup>3</sup> ASX: GSR 15/11/2007

<sup>4</sup> ASX: GSR 01/08/2019



**Managing Director & CEO, Chris Hansen, commented:** *“The past six months have been a transformational period for the Company, including new Board, new Management, and a new strategy. These changes have collectively resulted in two new discoveries at Burbanks South and Burbanks North, serving to validate the new exploration model. Leveraging off these recent high-grade discoveries the Company has planned an additional 6,500 metres of drilling to test several other targets at depth.*

*The over-subscribed placement demonstrates the support we continue to generate in the market and the untested prospectivity of the Burbanks Gold Project. I would like to thank existing shareholders for their continued support, and reiterate that the Board and Management make every effort to minimise dilution, however in this instance the Company needs to expediate the discovery process to guide future production decisions.”*

## BURBANKS NORTH DRILLING

Outside of the Burbanks Mining Centre, Greenstone controls over 5.0 kilometres of the highly prospective Burbanks Shear Zone which has seen limited exploration below 150 metres, despite hosting known mineralisation, including the Burbanks North Deposit of 359,998 tonnes @ 1.8g/t Au for 20,400 ounces (Inferred). This under explored horizon below 150 metres formed the basis of the recently completed drill campaign at Burbanks North, which has now served to confirm the continuity of high-grade mineralisation beyond the Northern Fault which was previously thought to terminate north of Main Lode (Figure 1).

Following from this recent drill campaign at Burbanks North late last year, a comprehensive geological reinterpretation of the previously completed shallow drilling supporting the Burbanks North resource was subsequently undertaken. While the previous resource estimation remains robust, the analysis served to identify the development of three high-grade and near surface plunges. These high-grade plunges are directly analogous to those observed within the Burbanks Mining Centre which formed the principal focus of historical mining activities. The funded exploration campaign at Burbanks North will principally target the projected extensions of these recently identified high-grade plunges at depth with 10 holes planned for a total of 3,400 metres (Figure 1).

Significant drill incepts from the Burbank’s North Resource, include<sup>5</sup>:

- Plunge One
  - BBAC038: 5.0 metres @ 24.82g/t Au from 17 metres
  - BBAC091: 3.0 metres @ 11.91g/t Au from 10 metres
  - BBAC055: 2.0 metres @ 20.50g/t Au from 14 metres
- Plunge Two
  - BBAC189: 1.0 metres @ 9.52g/t Au from 32 metres
  - BBRC152: 4.0 metres @ 4.42g/t Au from 52 metres
  - BBAC206: 2.0 metres @ 12.22g/t Au from 23 metres
- Plunge Three
  - BBRC072: 2.0 metres @ 12.02g/t Au from 68 metres
  - BBRC163: 1.0 metres @ 9.55g/t Au from 75 metres

<sup>5</sup> ASX: GSR 02/08/2019

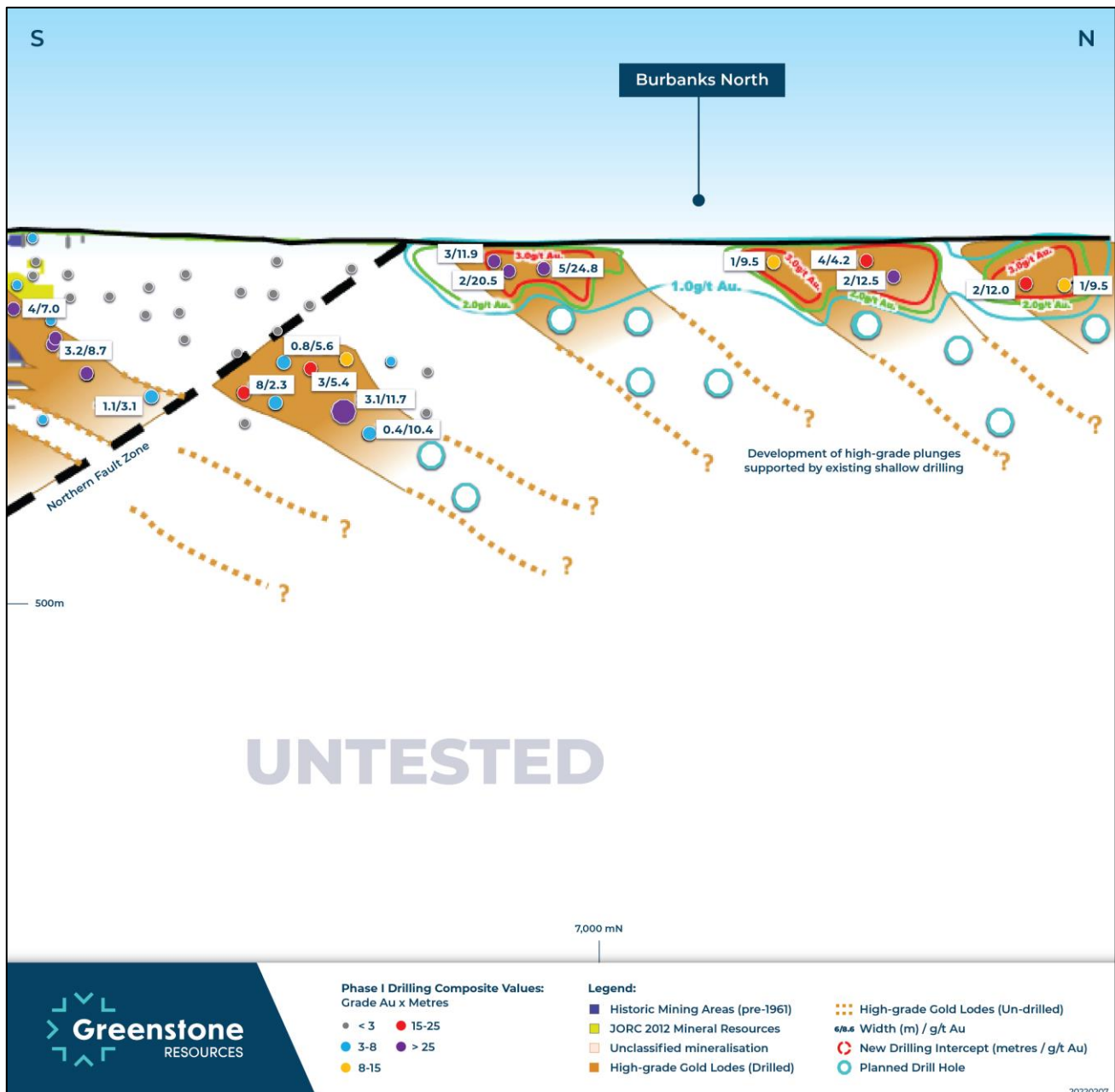


Figure 1: Long section showing the development of several shallow high-grade plunges, recent drilling and planned drilling

## MAIN LODE DRILLING

The Burbanks Gold Project includes the Burbanks Mining Centre, as well as 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 both the Birthday Gift and Main Lode underground deposits which recorded historic underground production totalling 324,479 ounces, at an average grade of 22.7g/t Au from predominantly the upper 140 metres.

Crucially, mineralisation remains open at shallow depths below the historic mine workings where there has been limited exploration completed below 250 metres, and no exploration completed below 350 metres. This under explored horizon below 250 metres forms the basis of the current 3,100 metre extensional drill campaign targeting



extensions to known high-grade plunges at both Birthday Gift and Main Lode, outside of the Trial Mining Area (Figure 2). The multipurpose drill rig is currently completing the northern four holes at Main Lode, two of which have existing (Figure 2) having been drilled in advance late last year.

Previously drilled intercepts from within the Burbanks Mining Centre, include:

- BBUD329: 4.7 metres @ 462.1 g/t Au from 244 metres <sup>6</sup>
- BBUD299B: 6.0 metres @ 39.8 g/t Au from 163 metres <sup>7</sup>
- BBUD313: 6.0 metres @ 27.1 g/t Au from 154 metres <sup>3</sup>

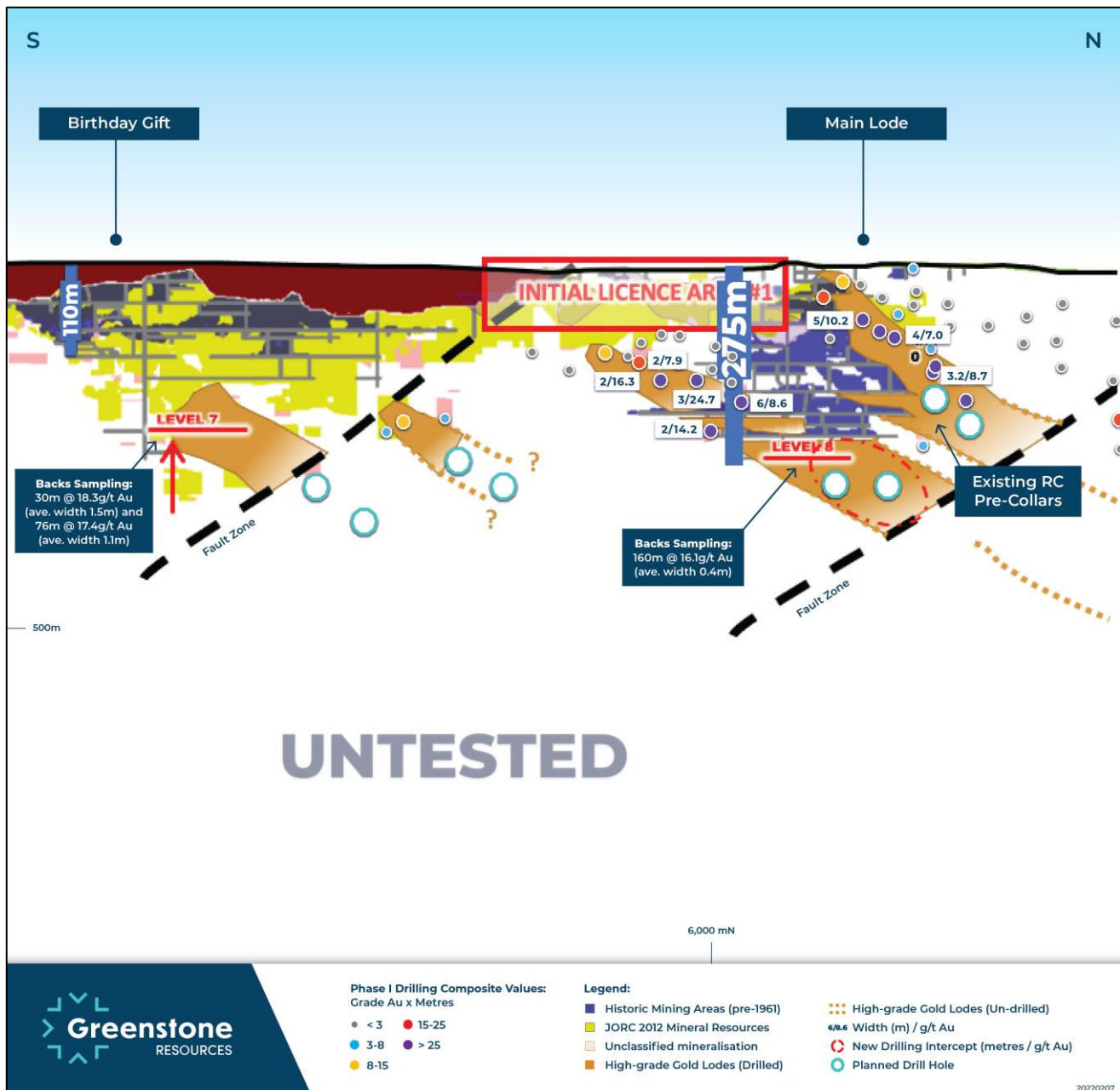


Figure 2: Long section showing recent drilling and planned drilling at the Burbanks Mining Centre

<sup>6</sup> ASX: BAR 21/12/2007

<sup>7</sup> ASX: BAR 15/11/2007

<sup>7</sup> ASX: BAR 01/08/2019



## **PLACEMENT SUMMMARY**

The Placement Shares to be issued under the Placement will rank pari passu with existing fully paid ordinary shares. The Company will issue 109,375,000 Placement Shares using its 15% placement capacity under ASX Listing Rule 7.1, on or about Monday, 21 February 2022.

The issue price of \$0.032 per Placement Share under the Placement is a 7.4% discount to the 15-day VWAP of the trading price of the Company's shares prior to the stock being placed in a trading halt on Monday, 14 February 2022.

A fee of 6.0% was paid to all brokers who supported the Placement.

This announcement is intended to lift the current trading halt placed on the Company's securities and has been authorised by the Board of Directors of the Company.

For further information visit [www.greenstoneresources.com.au](http://www.greenstoneresources.com.au) or contact:

*This announcement is authorised by the Board of Directors.*

**- END -**

Chris Hansen

**Managing Director & Chief Executive Officer**

**Greenstone Resources Limited**

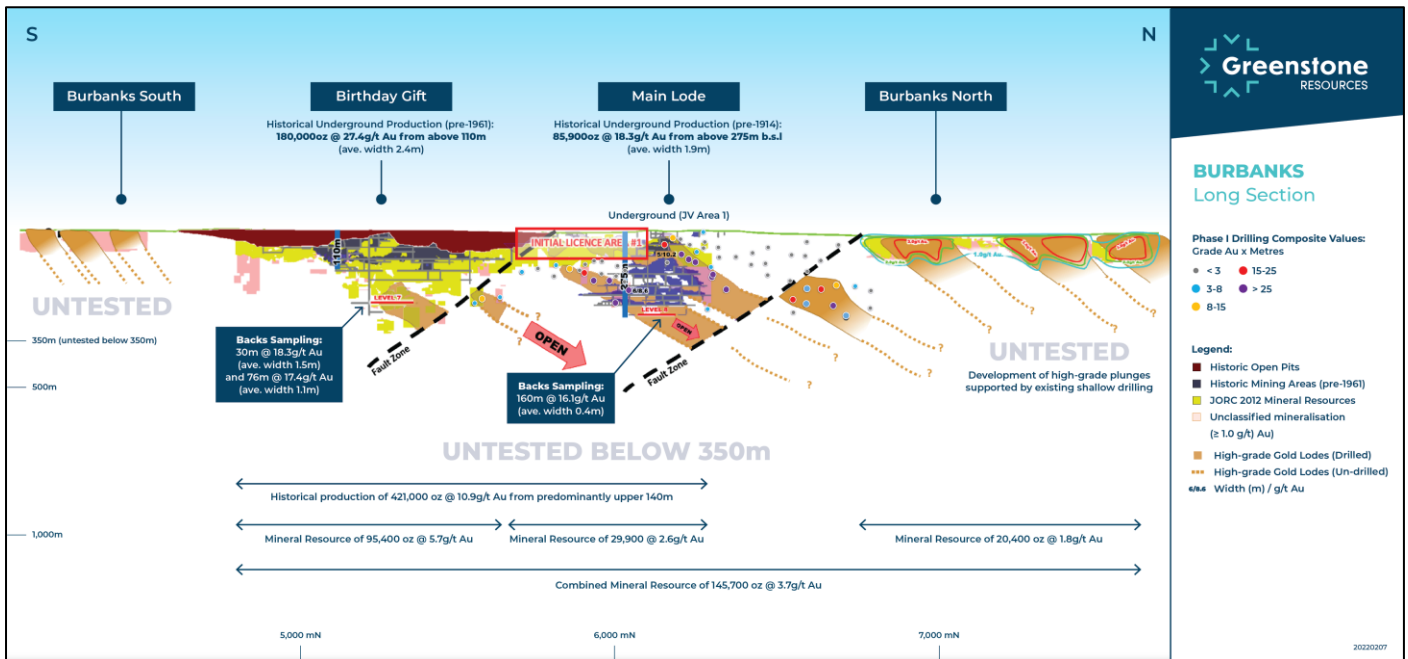
E: [chris.hansen@greenstoneresources.com.au](mailto:chris.hansen@greenstoneresources.com.au)



## 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 Goldfields.

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.



**Figure 3: Schematic long section of Burbanks Mining Centre and Burbanks Shear Zone**

The total Indicated and Inferred Mineral Resource for the Burbanks Gold Project is 1.2 Million tonnes (Mt) at 3.7 g/t Au for 145,700 ounces of gold (Table 3).

Deposit	Cut-Off g/t Au	Indicated			Inferred			Total		
		kt	Grade g/t Au	Ounces	kt	Grade g/t Au	Ounces	kt	Grade g/t Au	Ounces
Christmas Open Pit	1.0	5.7	6.2	1,100	4.0	7.8	1,050	9.7	6.9	2,150
Birthday Gift Underground Mine	2.5	180	6.0	34,750	325	5.6	58,500	505	5.7	93,250
Main Lode Deposit	1.0	106	2.8	9,700	254	2.5	20,200	360	2.6	29,900
Burbanks North	1.0				360	1.8	20,400	360	1.8	20,400
<b>Total</b>	<b>1.0/2.5</b>	<b>291</b>	<b>4.9</b>	<b>45,550</b>	<b>943</b>	<b>3.3</b>	<b>100,150</b>	<b>1235</b>	<b>3.7</b>	<b>145,700</b>

All tonnages reported are dry metric tonnes. Minor discrepancies may occur due to rounding to appropriate figures. For full details of the Birthday Gift and Christmas Pit Mineral Resources, refer to ASX:BAR 23/9/19. For full details of the Main Lode Resource, refer to ASX:BAR Release dated 30/10/18, and for Burbanks North 2/08/19.

**Table 3 – Burbanks Global Mineral Resource**



## DISCLAIMER

The interpretations and conclusions reached in this report are based on current geological theory and the best evidence available to the authors at the time of writing. It is the nature of all scientific conclusions that they are founded on an assessment of probabilities and, however high these probabilities might be, they make no claim for complete certainty. Any economic decisions that might be taken based on interpretations or conclusions contained in this report will therefore carry an element of risk. This report contains forward-looking statements that involve several risks and uncertainties. These forward-looking statements are expressed in good faith and believed to have a reasonable basis. These statements reflect current expectations, intentions or strategies regarding the future and assumptions based on currently available information. Should one or more of the risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary from the expectations, intentions and strategies described in this report. No obligation is assumed to update forward-looking statements if these beliefs, opinions, and estimates should change or to reflect other future developments.

## COMPETENT PERSONS' STATEMENT

The information in this report which relates to Exploration Results and geological interpretation at Burbanks is based on information compiled by Mr Glenn Poole an employee of Greenstone Resources Limited who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Poole consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

The information in this report which relates to Mineral Resources at Main Lode and Burbanks North is based on information compiled by Mr Andrew Bewsher full-time employee of BM Geological Services Pty Ltd who is a Member of the Australian Institute of Geoscientists. The information in this report which relates to Mineral Resources at Birthday Gift and Christmas Pit is based on information compiled by Mr Richard Buerger, a full-time employee of Mining Plus Pty Ltd who is a Member of the Australian Institute of Geoscientists. Messer's Harvey, Bewsher and Buerger has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Persons as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (the JORC Code).

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 announcements.