



ASX ANNOUNCEMENT

24th July 2023

\$1.7 MILLION PLACEMENT TO FUND PHASE-2 DRILLING

- Firm commitments received from professional & sophisticated investors to raise \$1.7 million (the **Placement**)
- Share Purchase Plan to eligible shareholders to raise up to an additional \$0.25 million (the **SPP**)¹
- Proceeds from the Placement and SPP to fund Phase-2 drilling & completion of the MTJV scoping study
- Phase-2 drilling underway at Burbanks targeting high-grade extensions beneath historic mining centre
- Underground mining centre historically produced 324koz @ 22.7g/t Au from largely the upper 140m
- Ten holes planned drilling immediately down-dip of historical high-grade intercepts, including:
 - BBUD329: **4.7 metres @ 462.1g/t Au from 244.0 metres**
 - BBRC299: **3.0 metres @ 24.7g/t Au from 167.0 metres**
- MTJV scoping study on schedule for completion in late-August to support a **potential consolidation & IPO**

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 \$1,709,602 (before costs) (the **Placement**) through the issue of 131,507,808 fully paid ordinary shares at \$0.013 per share (**Placement Shares**).

Proceeds from the Placement will principally be used by the Company to fund the continuation of aggressive exploration activities across the Burbanks Gold Project (100% Greenstone), the completion of the Scoping Study for the Mt Thirsty Ni-Co-Mn-Sc Project (Greenstone 50%: Conico Limited 50%), and ongoing working capital requirements.²

Upcoming events and news at the Burbanks Gold Project are expected to include:

- Receipt and periodic release of gold assays from the ongoing Phase-2 drill campaign over the coming quarter
- Preparations to support future development opportunities, including metallurgical test work & scoping study
- Updated mineral resource estimate on the completion of a further ~10,000 metres of drilling

Upcoming events and news at the Mt Thirsty Ni-Co-Mn-Sc Battery Metals Project are expected to include:

- Update on key inputs for the upcoming Scoping Study, including assessing the ability to produce pCAM on site
- Completion of the Scoping Study incorporating a number of the recently identified optimisation opportunities
- Update on the potential consolidation of the MTJV ownership structure to support a future IPO

Managing Director & CEO, Chris Hansen, commented: *"The recently updated resource has served to validate our longstanding conviction for the Burbanks Gold Project, with this placement providing the Company with the necessary funding to continue growing the resource base and assess future development scenarios."*

Over the past 18-months the exploration strategy at Burbanks has been focussed on near-surface resource additions to provide the critical mass required for the future resumption of operations. The next phase of exploration at Burbanks

¹ The Company reserves the right in its sole discretion to accept oversubscriptions and/or scale back applications pursuant to the SPP. The SPP is not underwritten.

² The proposed goals and proposed uses of funds are indicative only and will be subject to modification on an ongoing basis depending on the results obtained from the Company's activities and other factors relevant to the Greenstone Board's discretion as to usage of funding.



will initially target high-grade extensions beneath the historic mine workings, which remain open from shallow depths. Despite historical underground production exceeding 324,000oz @ 22.7g/t gold from largely the upper 140 metres, this area remains underexplored with further extensions at depth supported by limited drilling and underground sampling.

The longer-term strategic significance of Burbanks cannot be understated, there are only seven ASX listed high-grade preproduction gold projects in Australia³, with Burbanks being the only project located within the epicentre of the Australian gold mining industry. The Project is surrounded by a network of existing infrastructure, including processing plants, grid power, and sealed roads, all of which will serve to expedite our path to aspiring to sustainable commercial production.

The placement demonstrates the support we continue to generate in the market and the latent value within our portfolio of assets which is yet to be realised, including Mt Thirsty. I would like to thank existing shareholders for their continued support and also welcome new investors to our Company for the first time."

PLACEMENT SUMMARY

The Placement Shares will, upon their issue, rank equally with existing fully paid ordinary shares in Greenstone (**Shares**). The Placement Shares (other than in respect of the Greenstone director participation detailed below) will be issued utilising the Company's existing placement capacity under ASX Listing Rule 7.1A, with 121,892,423 Placement Shares proposed to be issued utilising that capacity (**Tranche 1 Placement Shares**). The Company expects to issue the Tranche 1 Placement Shares under the Placement on or around Friday, 28 July 2023.

The Placement also includes the proposed participation of Greenstone directors (or their nominees) in the remaining 9,615,385 Placement Shares (**Tranche 2 Placement Shares**), which is subject to prior Greenstone shareholder approval. The Company anticipates convening a shareholder meeting on or around 6 September 2023 to seek this shareholder approval (amongst other matters) (**General Meeting**).

The Placement also includes the offer, to be made pursuant to a prospectus, of one (1) free attaching option to subscribe for a Share, exercisable at \$0.025 and expiring 24-months from the date of issue, for every two (2) Placement Shares issued under the Placement (**Placement Options**). The issue of Placement Options is subject to Greenstone shareholder approval proposed to be sought at the General Meeting. The Company proposes to seek quotation of the Placement Options subject to satisfying the quotation requirements of ASX.

The issue price of \$0.013 per Placement Share represents a 18.8% discount to the last closing price of \$0.016 on 19 July 2023, a 24.5% discount to the 5-day volume weighted average price (**VWAP**) of Shares, and a 23.1% discount to the 15-day VWAP of Shares. A cash fee of 6.0% of the funds to be raised pursuant to the issue of the Tranche 1 Placement Shares will be paid in aggregate to all brokers who supported the Placement. A total of 20,000,000 options are proposed to be issued, at a nominal issue price and otherwise on the same terms at the Placement Options (**Broker Options**), to assisting cornerstone brokers, subject to Greenstone shareholder approval which is proposed to be sought at the General Meeting. The Company proposes to seek quotation of the Broker Options subject to satisfying the quotation requirements of ASX.

The Placement is not underwritten.

³ ASX:GSR 05/07/2023



SHARE PURCHASE PLAN SUMMARY

The Company is also pleased to announce its intention to offer a Share Purchase Plan (**SPP Offer**) to existing eligible shareholders, being shareholders of the Company with a registered address in Australia or New Zealand recorded on the Company's share register at 5.00pm (AWST) on Friday, 21 July 2023 (**Eligible Shareholders**).

Pursuant to the SPP, Eligible Shareholders in the Company will have the opportunity, irrespective of the size of their shareholding, to apply (without incurring brokerage fees) pursuant to a prospectus for up to \$30,000 worth of new Shares (**SPP Shares**), at an issue price of \$0.013 per SPP Share, and one (1) free attaching option for every two (2) SPP Shares issued under the SPP, on the same terms as the Placement Options (**SPP Options**). The Company proposes to seek quotation of the SPP Options subject to satisfying the quotation requirements of ASX. The SPP is not underwritten.

The Company proposes to raise a total of \$250,000 (before costs) pursuant to the SPP, but reserves the right in its sole discretion to accept oversubscriptions up to \$500,000 (ie an additional \$250,000) and/or scale back applications (in whole or in part) pursuant to the SPP (or withdraw the SPP). Any scale back will be applied to the extent and in the manner Greenstone sees fit, which may include taking into account a number of factors such as the size of an Eligible Shareholder's shareholding at the Record Date (defined below), the extent to which the Eligible Shareholder has sold or purchased shares since the Record Date, whether the Eligible Shareholder may have multiple registered holdings, the date on which the application was made, and the total applications received from Eligible Shareholders. Proceeds from the SPP Offer are indicatively proposed to be utilised for the same purposes as those proceeds raised under the Placement.

The issue of SPP Shares and SPP Options will be subject to Greenstone shareholder approval proposed to be sought at the General Meeting. The Company intends to seek a waiver from ASX Listing Rule 7.3.9 to include a voting exclusion statement in relation to the resolution at the General Meeting to approve those issues and a waiver of ASX Listing Rule 10.11 to permit the directors of the Company and their associates to participate in the SPP on the same terms as other Eligible Shareholders, without a separate shareholder approval. The SPP Shares will rank equally with existing Shares from the date of issue.

The terms and conditions of the SPP will be detailed in a prospectus, which is expected to be dispatched to Eligible Shareholders and released to the ASX on or about 9 August 2023. Eligible Shareholders should consider the prospectus in full before deciding whether to apply for SPP Shares and SPP Options under the SPP pursuant to the prospectus. The Placement Options and Broker Options are also proposed be offered under the prospectus.

KEY TIMELINE OF EVENTS

The intended timetable for the Placement and SPP is as follows:

| Event | Indicative Date |
|--|---|
| Record Date | 5.00pm (AWST) on 21-Jul-23 (Record Date) |
| Announcement of Placement and SPP and lodgement of Appendix 3B with ASX | 24-Jul-23 |
| Issue of Tranche 1 Placement Shares and lodgement of Appendix 2A and cleansing notice with ASX | 28-Jul-23 |
| Lodgement of Prospectus for SPP Offer and offer of Placement Options and Broker Options | 9-Aug-23 |
| Opening Date of the SPP Offer | 9-Aug-23 |
| Closing Date of the SPP Offer | 8-Sep-23 |



| Event | Indicative Date |
|---|-----------------|
| Announcement of the results of the SPP (conditional upon Greenstone shareholder approval at the General Meeting) | 12-Sep-23 |
| Date of General Meeting to approve issue of Tranche 2 Placement Shares, SPP Shares, SPP Options, Placement Options and Broker Options | 13-Sep-23 |
| Issue of Tranche 2 Placement Shares, Placement Options, SPP Shares, SPP Options, and Broker Options (to the extent approved at the General Meeting) and lodgement of Appendix 2A with ASX | 15-Sep-23 |
| Quotation of SPP Shares and (if approved by ASX) quotation of SPP Options, Placement Options and Broker Options | Sep-23 |

Note: This timetable is indicative only and is subject to change at the Company's discretion. The commencement of trading and quotation of Placement Shares, Placement Options, SPP Shares, SPP Options and Broker Options is subject to confirmation from the ASX. Subject to the requirements of the Corporations Act, the ASX Listing Rules and other applicable rules, the Company reserves the right to amend this timetable at any time, without notice.

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



IMPORTANT INFORMATION

This announcement is not a prospectus or offering document under Australian law or under any other law. It is for information purposes only and does not constitute an offer, invitation or recommendation to subscribe for, retain or purchase any securities in the Company in any jurisdiction. This announcement does not constitute financial product advice and does not and will not form part of any contract for the acquisition of securities in the Company.

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No representation or warranty is given as to the accuracy or likelihood of achievement of any forward-looking statement in this announcement, or any events or results expressed or implied in any forward-looking statement. These statements can generally be identified by the use of words such as "anticipate", "believe", "expect", "project", "forecast", "estimate", "likely", "intend", "should", "could", "may", "target", "predict", "guidance", "plan" and other similar expressions.

Such forward-looking statements are not guarantees of future performance and are by their nature subject to significant uncertainties, risks and contingencies.

Actual results or events may differ materially from any expressed or implied in any forward-looking statement and deviations are both normal and to be expected. Past performance is not a reliable indicator of future performance. Except as required by law or regulation (including the ASX Listing Rules), the Company undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise.

COMPETENT PERSONS' STATEMENTS

The information in this announcement which relates to Exploration Results and geological interpretation at Burbanks is based on information compiled by Mr Glenn Poole, BSc, a Competent Person and a current Member of the Australasian Institute of Mining and Metallurgy (AusIMM 317798). Mr Poole is Technical Director and Chief Geologist at Greenstone and has sufficient experience relevant to the style of mineralisation and deposit type under consideration and to the activities being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Poole consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

The information in this announcement that relates to the estimation and reporting of gold Mineral Resources at the Burbanks deposits is based on information compiled by Mr Glenn Poole, BSc, a Competent Person and a current Member of the Australasian Institute of Mining and Metallurgy (AusIMM 317798). Mr Poole is Technical Director and Chief Geologist at Greenstone and has sufficient experience relevant to the style of mineralisation and deposit type under consideration and to the activities being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Poole consents to the inclusion in this announcement of matters based on his information in the form and context in which it appears.



REFERENCES TO PREVIOUS ANNOUNCEMENTS

For information on the Exploration Results included in this announcement, see Greenstone's ASX announcements of 21/12/2007 (being "Highest grading intersection at Burbanks") and 12/12/2019 (being "High-grade gold results augment Burbanks mining opportunity"). Greenstone confirms that it is not aware of any new information or data that materially affects the information included in that announcement. The Competent Person for these announcements were Dean Goodwin and Gary Harvey, respectively. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

For information on the Greenstone Mineral Resource Estimates, see Greenstone's ASX announcements dated 26 April 2023 (being "Mt Thirsty Mineral Resource Increases By Over 145%") and 5 July 2023 (being "Global Gold Resource Increases 57% to 520,134oz"). Greenstone confirms that it is not aware of any new information or data that materially affects the information included in those announcements and that all material assumptions and technical parameters underpinning the Mineral Resource Estimates in those announcements continue to apply and have not materially changed. The Competent Persons for the announcements were Richard Gaze and Glen Poole. 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.

