



# Quarterly Activities Report

Period ended 31 March 2023

**ASX:GSR**

[greenstoneresources.com.au](http://greenstoneresources.com.au)

## MARCH 2023 QUARTER HIGHLIGHTS

Greenstone Resources Limited (ASX: **GSR**) ('**Greenstone**' or the '**Company**') is pleased to provide the following report on its activities during the March 2023 quarter. The Company's primary activities during the reporting period were the continuation of exploration activities at its Coolgardie Mining Centre and Mount Thirsty Joint Venture.

### COOLGARDIE MINING CENTRE

- Continuation of 10,000m drill campaign targeting unclassified mineralisation at Burbanks, including:
  - BBRC384DA: 1.49 metres @ 12.40g/t Au from 335.0 metres, including:
    - 0.59 metre @ 26.30g/t Au from 335.9 metres
  - BBRC382D: 1.50 metres @ 10.56g/t Au from 166.20 metres, including:
    - 0.70 metre @ 15.60g/t Au from 167.0 metres
  - BBRC405D: 3.00 metres @ 7.28g/t Au from 131.0 metres, including:
    - 1.00 metre @ 19.20g/t Au from 132.0 metres
- Phase-1 drilling (10,000m) to be completed by end of April 2023, with updated Resource thereafter

### MT THIRSTY JOINT VENTURE

- During the quarter outstanding cobalt, nickel, manganese, and scandium assay results received
- Three zones identified, upper Ni-Co-Mn-Sc horizon; middle PGE horizon & lower Ni horizon
- Upper zone of high-grade nickel, cobalt & scandium mineralisation intercepted, including:
  - MTRC011DA: 15.0 metres @ 0.45% Co, 0.91% Ni, 5.42% Mn & 40.9g/t Sc from 45.0 metres
- Lower zone of thick and continuous nickel mineralisation intercepted in recent drilling, including:
  - MTRC009D: 21.8 metres @ 0.28% Ni & 49.8g/t Sc from 268.2 metres
- Middle zone of highly anomalous PGE mineralisation intercepted in recent drilling, including:
  - MTRC006D: 9.0 metres @ 0.14g/t 3E, 0.09% Ni & 0.02% Cu from 223.0 metres
- Subsequent to period end the Company released an updated Mineral Resource Estimate ('**MRE**')
- MRE (Indicated & Inferred) at Mt Thirsty Cobalt-Nickel project increases by 146%, for:
  - 66.2 million tonnes @ 0.06% cobalt; 0.43% nickel and 0.45% manganese<sup>1</sup>
- Deposit hosts the second highest Co-Ni ratio for similar predevelopment Co-Ni projects in Australia
- Deposit uniquely positioned to potentially produce pCAM, containing all three necessary elements
- Precursor Cathode Active Material (pCAM) is a high-value product made of Co, Ni & Mn
- Scoping Study underway leveraging of materially larger resource to support a longer life operation
- Scoping Study to access the adoption of HPAL & production of pCAM (expected early-July 2023)
- Addition of HPAL and pCAM to the Mt Thirsty project could potentially transform project economics
  - Comparable HPAL projects typically receive Co & Ni recoveries of 90% & 92%, respectively<sup>1</sup>
  - pCAM typically receives a ~50% pricing premium over intermediary products (MHP / MSP)<sup>1</sup>
- Updated Scoping Study to provide foundation for future studies & potential consolidation for an IPO

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<sup>1</sup> See ASX:GSR 26/04/2023

### CORPORATE

- Cash at bank as at 31 March 2023 was \$4.03 million
- A Placement of Shares was completed by the Company during the Quarter.
  - 131,900,000 shares issued at \$0.025 per share (a discount of 8.0% to the last traded price)
  - Proceeds from the Placement will principally be used by the Company to continue exploration activities and to review project optimisations at the Mt Thirsty JV project.
- The Company entered into a “Drill for Equity” agreement with United Drill Services Pty Ltd to satisfy up to 70% of the drilling costs for a second drill rig, up to a maximum of 20,000,000 Shares, or \$500,000. The issue price will be \$0.025 per share. As at the date of this announcement 5,589,439 shares have been issued under this arrangement.
- The Company acquired P15/6314 for total consideration of \$40,000, including equity component of 1,200,000 shares.

### PLANNED ACTIVITIES FOR JUNE 2023 QUARTER

- Completion of 10,000m Phase-1 drilling at Burbanks by late-April with assays results thereafter
- Completion of updated Mineral Resource Estimate for Burbanks expected early-June
- Continued extensional drilling at Burbanks targeting additions outside of resource area
- Resumption of near-mine and regional exploration at Phillips Find
- Continued updates for Mt Thirsty Scoping Study, including MHP and pCAM test work

## 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 3,436,970t @ 2.5g/t gold for 277,547 ounces of contained gold (Table 4).

### ACTIVITIES

During the Quarter the results from the Phase-1 drill campaign continued to return multiple high-grade drill intercepts, including:

- BBRC384DA: 1.49 metres @ 12.40g/t Au from 335.0 metres, including:
  - 0.59 metre @ 26.30g/t Au from 335.9 metres
- BBRC382D: 1.50 metres @ 10.56g/t Au from 166.20 metres, including:
  - 0.70 metre @ 15.60.20g/t Au from 167.0 metres
- BBRC405D: 3.00 metres @ 7.28g/t Au from 131.0 metres, including:
  - 1.00 metre @ 19.20g/t Au from 132.0 metres

The Company has defined a three-phase drill campaign to test the true geological potential of the Burbanks Gold project across the entire 5.5km strike of the Burbanks Shear Zone (Figure 1).

- Phase 1: 10,000m infill drill campaign targeting unclassified mineralisation as defined by the Exploration Target
- Phase 2: 15,000m targeting down dip & along strike extensions of known mineralised lodges
- Phase 3: 25,000m targeting greenfields targets and extensions down to 500 metres

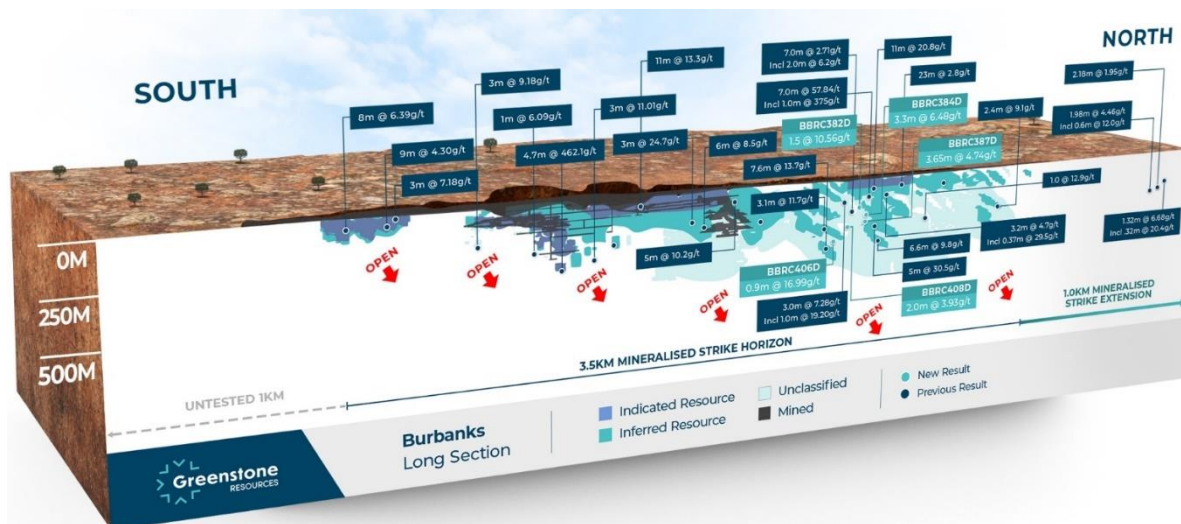


Figure 1: Burbanks long section showing recently discovered high-grade mineralisation

## 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. The total Indicated and Inferred Mineral Resource for the Phillips Find Gold Project is 732,960t @ 2.3g/t gold for 54,567 ounces of contained gold (Table 4).

### ACTIVITIES

A comprehensive geological review was initiated during the quarter, assessing both down-dip extensions at the Phillips Find Mining Centre (Bacchus Gift, Newhaven and Newminster), as well as a number of regional targets.

Exploration is expected to resume in the next quarter.

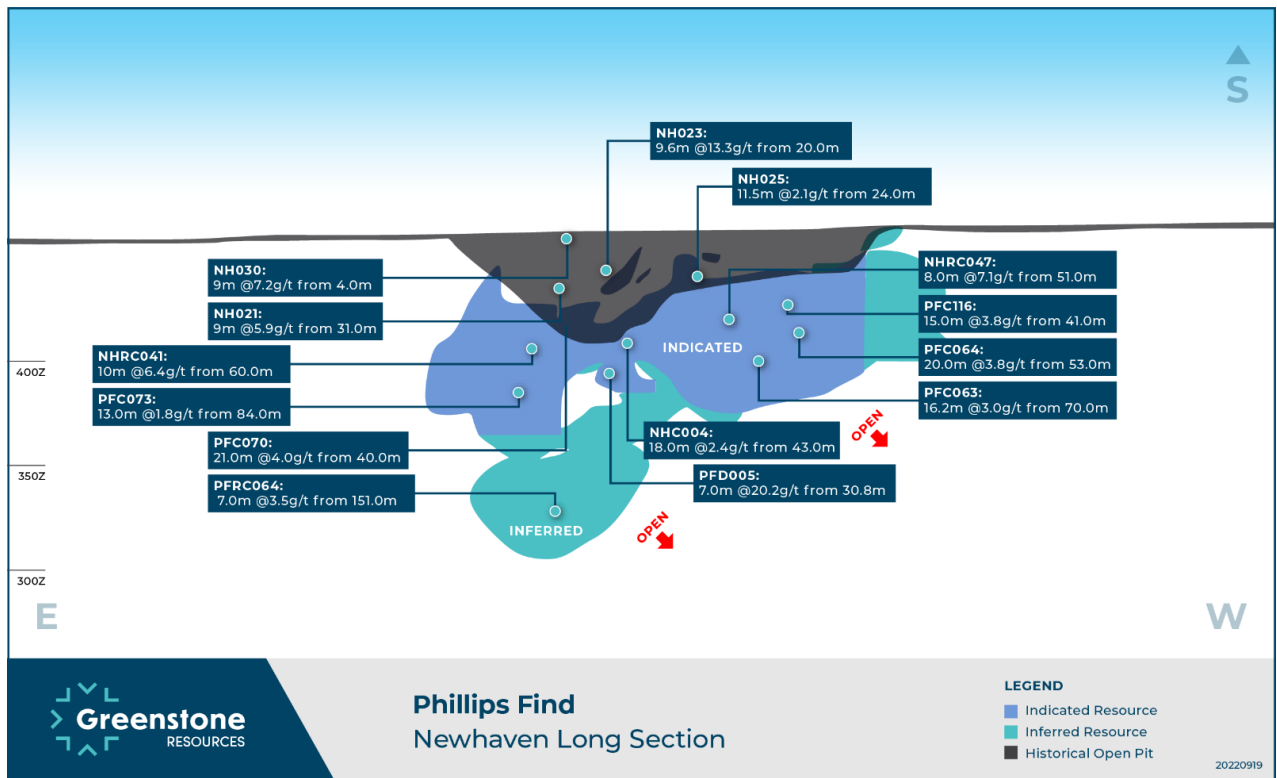


Figure 2: Geological long-section for Newhaven (Phillips Find) showing resource classification and significant intercepts

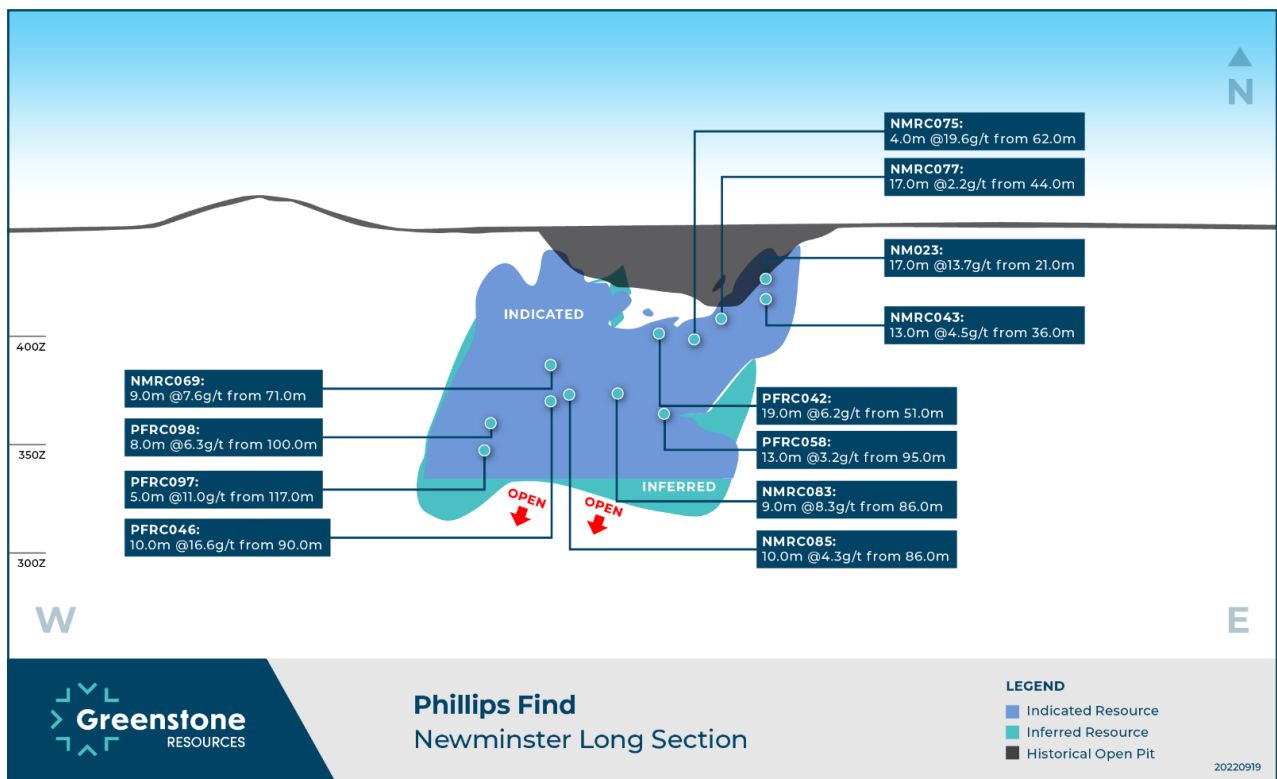


Figure 3: Geological long-section for New Minster (Phillips Find) showing resource classification and significant intercepts

## 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 66.2Mt at 0.06% cobalt, 0.43% nickel and 0.45% manganese<sup>2</sup>. 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 and PGE potential.

### ACTIVITIES

#### PGE-NI-CU-CO EXPLORATION

During the period the Company, in conjunction with its joint venture partner Conico Limited (ASX: CNJ), continued Phase-I exploration activities at Mt Thirsty. The current Phase I drill campaign was principally focussed on testing the deeper ultramafic sill horizons at Mt Thirsty, including any potential extensions to the recent palladium-platinum-gold-copper-nickel (PGE) Callisto discovery by Galileo Mining Ltd (ASX:GAL) (Galileo), located less than 200 metres from the MTJV's northern tenement boundary

During the period, assays were reported for an additional 22 drill holes targeting Ni-Co-Sc-PGE (11 holes) and LCT mineralisation (11 holes), including MTRC011DA returning the sixth (6th) best cobalt intercept in Australia for 2022 (Table 1<sup>3</sup>).

Owner	Drill Hole ID	Cobalt (%)	Interval (m)	Grade x Width
1. Aeon Metals Limited	WFDH548	0.170%	98.0m from 319.0m	16.7
2. Aeon Metals Limited	WFDH548	0.330%	48.0m from 319.0m	15.8
3. Aeon Metals Limited	WFDH510	0.200%	62.0m from 134.0m	12.4
4. A-Cap Energy Limited	WCN22RC295	1.000%	11.0m from 33.0m	11.0
5. Ardea Resources Limited	AHID0001	0.470%	22.0m from 38.0m	10.3
6. Greenstone Resources / Conico (50:50)	MTRC011DA	0.113%	78.0m from 3.0m	8.8
7. Antipa Minerals Limited	21MYC0283	0.152%	56.0m from 63.0m	8.5
8. Aeon Metals Limited	WFDH518	0.190%	44.0m from 210.0m	8.4
9. Emmerson Resources Limited	HERCDD010	0.079%	94.4m from 85.0m	7.5
10 Antipa Minerals Limited	21MYCD0340	0.023%	319.6m from 219.0m	7.4

Table 1: Best cobalt intercepts of 2022<sup>5</sup>

Three distinct zones of horizontal mineralisation were intersected across the eastern licence area, namely:

#### 1. Upper Zone: Nickel-Cobalt-Manganese-Scandium (Ni-Co-Mn-Sc)

The upper zone consists of a weathered ultramafic peridotite rock hosting Nickel-Cobalt-Manganese-Scandium mineralisation. Importantly, the most recent drilling has confirmed the presence of a lower, and potentially higher-grade, Ni-Co-Mn-Sc zone, most recent intercepts include:

- MTRC011DA: 78.0m @ 0.11% Co, 0.50% Ni, 1.38% Mn & 46.4g/t Sc from 3.0 metres, incl:
  - 15.0 metres @ 0.45% Co, 0.91% Ni, 5.42% Mn & 40.9g/t Sc from 45.0 metres
- MTRC065D: 45.0m @ 0.03% Co, 0.33% Ni, 0.23% Mn & 35.9g/t Sc from 5.0 metres, incl:
  - 8.0 metres @ 0.08% Co, 0.54% Ni, 0.43% Mn & 40.3g/t Sc from 19.0 metres

The most recent drill campaign utilised a combination of both reverse circulation and diamond drilling methods which allowed holes to be extended to an average depth of ~350 metres below surface, significantly deeper than the air-core methods typically utilised at Mt Thirsty in the past. As a result of this shallow air-core drilling, large areas beneath the existing resource still remain untested.

<sup>2</sup> ASX:GSR 26/04/2023

<sup>3</sup> Source: ASX:AML 09 November 2022; ASX:AML 09 November 2022; ASX:AML 28 January 2022; ASX:ACB 23 November 2022; ASX:ARL 11 February 2022; ASX:AZY 03 February 2022; ASX:AML 28 January 2022; ASX:ERM 17 August 2022; ASX:AZY 10 November 2022.

Additionally, the current drill campaign employed a comprehensive multi-element assay suite, serving to identify the presence of scandium which had not previously been assayed for, and is not included within the existing resource estimate. The potential addition of scandium to the existing Co-Ni Mt Thirsty Project (see PFS released ASX:GSR 20/02/2020) may provide a valuable by-product revenue stream.

The current price of scandium oxide is US\$930,930/t; cobalt is US\$44,700/t; nickel is US\$32,125/t and manganese is US\$2,290/t<sup>4</sup>.

## 2. Lower Zone: Nickel (Ni)

The lower zone consists of a chromium rich basalt hosting a thick zone of continuous nickel mineralisation. Importantly, nickel mineralisation has been intersected in 8 out of 14 holes for which assays have been received, with the most recent results including:

- MTRC009D: 21.8 metres @ 0.28% Ni & 49.8g/t Sc from 268.2 metres, incl:
  - 7.8 metres @ 0.34% Ni & 57.2g/t Sc from 268.2 metres
- MTRC007D: 33.5 metres @ 0.26% Ni & 35.8g/t Sc from 237.5 metres, incl:
  - 11.0 metres @ 0.37% Ni & 49.7g/t Sc from 238.0 metres
- MTRC012D: 19.8 metres @ 0.28% Ni & 49.7g/t Sc from 313.2 metres, incl:
  - 8.0 metres @ 0.38% Ni & 49.3g/t Sc from 316.0 metres

The current drilling has defined a continuous nickel horizon with a strike extent of 1,000 metres, across strike of 400 metres and an average thickness of ~15.0 metres.

## 3. Middle Zone: Palladium-Platinum-Gold-Nickel (PGE)

The middle zone consists of an intrusive gabbro sill hosting anomalous palladium-platinum-gold-copper-nickel mineralisation (Callisto style). Importantly, highly anomalous mineralisation has been intersected in all 15 holes for which assays have been received, with the most recent results including:

- MTRC006D: 9.0 metres @ 0.14g/t 3E, 0.09% Ni & 0.02% Cu from 223.0 metres
- MTRC005D: 6.5 metres @ 0.12g/t 3E, 0.09% Ni & 0.02% Cu from 292.0 metres
- MTRC012D: 3.0 metres @ 0.10g/t 3E, 0.06% Ni & 0.01% Cu from 247.0 metres

Having intersected both the target horizon and anomalous PGE mineralisation in all holes for which results have been received, it is likely that secondary structural controls are influencing the spatial distribution of high-grade Callisto style mineralisation in the region.

Based on currently available information, it is believed that regional folding has created structural traps serving to create localised zones of sulphide accumulation. Initial results from the Phase 1 campaign have been instrumental in refining this exploration model, and have been utilised to further constrain the later phases of the Phase I drill campaign to areas which exhibit a similar structural signature as Callisto.

Assay results from the maiden Lithium-Caesium-Tantalum (LCT) reverse-circulation drill campaign were reported during the period. The initial 11-hole geochemical program was principally aimed at assessing the western margin of the Mt Thirsty licences for LCT potential, with historical drilling and mapping previously documenting pegmatites within the MTJV licence area. Importantly, 150 metres to the west of licences held by the MTJV is the Mt Thirsty pegmatite where Galileo previously reported a series of steeply dipping, north-south trending pegmatites. Six grab samples of micaceous (lepidolite) pegmatite were sampled by Galileo returning an average assay grade of 2.3% Li<sub>2</sub>O, 1.87% Rb and 476 ppm Ta<sub>2</sub>O<sub>5</sub>.

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<sup>4</sup> Shanghai Metals Market (SMM)

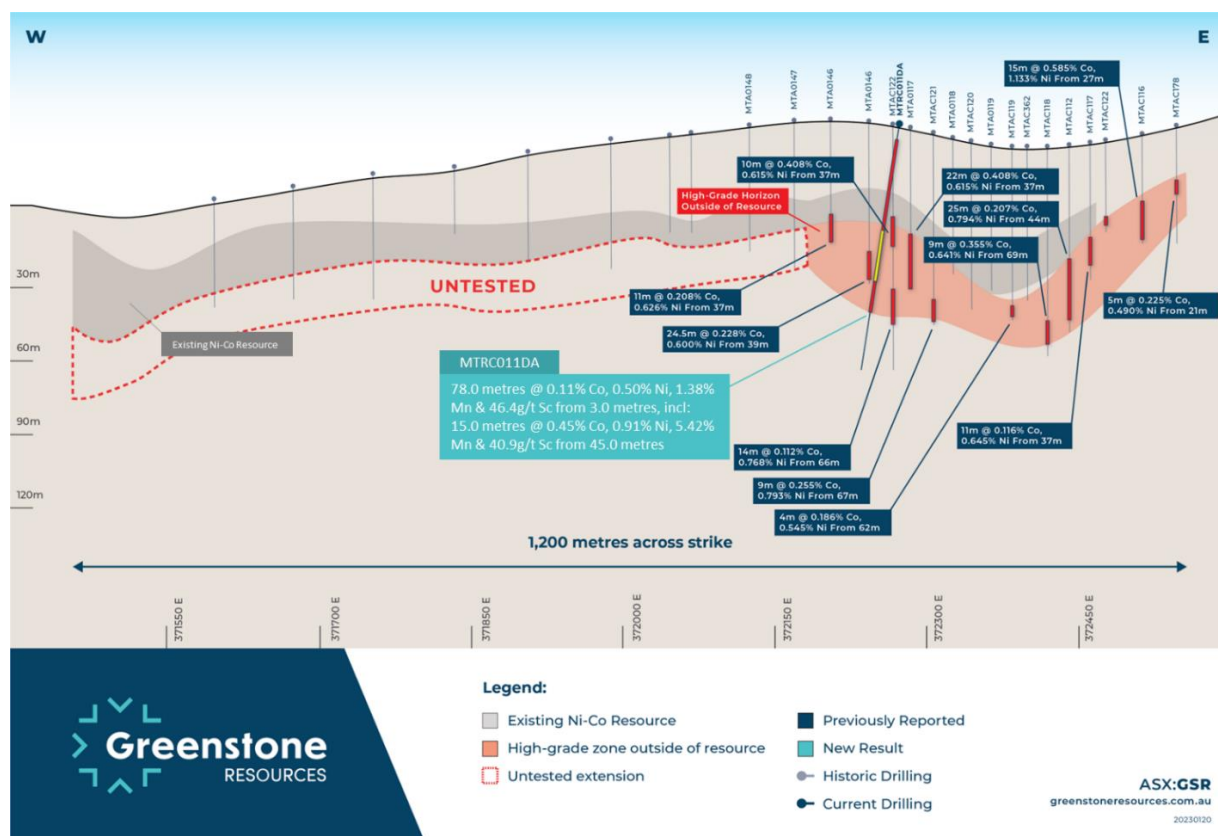


Figure 4: Cross-section showing MTRC011DA, including 15.0 metres @ 0.45% Co, 0.91% Ni, 5.42% Mn & 40.9g/t Sc from 45.0 metres which is outside of the current resource.

Preliminary geological mapping in the area had identified eight pegmatite outcrops on the western most margin of the Mt Thirsty licences over a strike extent of 1,000 metres, however many of the historically documented pegmatites are undercover and, as such, the initial LCT program is focused on gathering important geochemical data to support future targeting.

No significant intercepts were received as part of the initial LCT drill campaign, however a more detailed geochemical review of these results is ongoing given the known regional prospectivity for high fractionated and mineralised pegmatites.

### MINERAL RESOURCE ESTIMATE

Subsequent to the period end the Company announced an updated Mineral Resource Estimate for the Mt Thirsty deposit which now totals 66.2 million tonnes @ 0.06% cobalt; 0.43% nickel and 0.45% manganese (Indicated and Inferred), representing an increase of 39.3Mt (146%) over the previous MRE.

Importantly, large areas of the resource remain open at depth, and Scandium has not been included in current resource estimation, both of which will be assessed post the completion of the Scoping Study which is expected in early-July 2023.

The deposit hosts the second highest Co-Ni ratio for similar predevelopment Co-Ni projects in Australia (Figure 5).



### COBALT : NICKEL RATIO FOR COMPARABLE AUSTRALIAN PROJECTS



Figure 5: Australian hosted laterite deposits >50Mt; Measured, Indicated & Inferred resource grade. See below for tonnes and grades.<sup>5</sup>

### MT THIRSTY MINERAL RESOURCE

	Cut-off Grade (NiEq%)	Dry Tonnes (Mt)	Grade			Contained Metal		
			Ni (%)	Co (%)	Mn (%)	Ni (kt)	Co (kt)	Mn (kt)
<b>Mt Thirsty Main (MTTM)</b>								
Indicated	0.25	30.2	0.51	0.10	0.69	154.7	29.3	207.8
Inferred	0.25	31.9	0.35	0.03	0.24	110.4	9.3	76.6
<b>Total</b>	<b>0.25</b>	<b>62.1</b>	<b>0.43</b>	<b>0.06</b>	<b>0.46</b>	<b>265.1</b>	<b>38.5</b>	<b>284.4</b>
<b>Mt Thirsty North (MTTN)</b>								
Indicated	0.25	0.0	0.00	0.00	0.00	0.0	0.0	0.0
Inferred	0.25	4.2	0.43	0.05	0.29	17.9	2.0	11.8
<b>Total</b>	<b>0.25</b>	<b>4.2</b>	<b>0.43</b>	<b>0.05</b>	<b>0.29</b>	<b>17.9</b>	<b>2.0</b>	<b>11.8</b>
<b>Total</b>	<b>0.25</b>	<b>66.2</b>	<b>0.43</b>	<b>0.06</b>	<b>0.45</b>	<b>283.0</b>	<b>40.5</b>	<b>296.2</b>

Table 2: Summary of 2023 Mineral Resource Estimate for Mt Thirsty

### SCOPING STUDY UPDATE

#### Overview

Following the completion of the Pre-Feasibility Study (PFS) in early 2020, a number of project optimisation opportunities have subsequently been identified which may have a material impact on the Project economics, including the adoption of High-Pressure Acid Leaching (HPAL) and the addition of a cathode precursor plant to produce a Precursor Cathode Active Material (pCAM).

A specialist team of independent consultants has subsequently been engaged to undertake a Scoping Study, including Simulus Pty Ltd (**Simulus**) and WSP Australia Pty Limited (**WSP**).

Simulus is a leading hydrometallurgy and mineral processing services group that specialises in metallurgical test work, process simulation, engineering studies and the development of hydrometallurgical flowsheets. Simulus bring extensive HPAL experience, having been involved in the

<sup>5</sup> Measured, Indicated & Inferred. ASX:CNQ 27/09/2020 (177.0 Mt @ 0.095% Co & 0.52% Ni); ASX:AUZ 18/10/2019 (115.8 Mt @ 0.065% Co & 0.634% Ni); ASX:JRV 24/05/2019 (93.3 Mt @ 0.05% Co & 0.63% Ni); ASX:NC1 30/06/2016 (215.8 Mt @ 0.07% Co & 0.91% Ni); ASX:ACB 18/03/2022 (90.0 Mt @ 0.051% Co & 0.73% Ni); ASX:ARL 15/11/2021 (553.9 Mt @ 0.037% Co & 0.575% Ni); ASX:AXN 02/08/2018 (85.2 Mt @ 0.065% Co & 1.03% Ni)

assessment, development, design, commissioning or operation of 22 nickel projects over the past 19 years.

WSP is a full-service mining consultancy with a global team of over 4,400 dedicated mining professionals covering geology, resource estimation, mining, processing and environmental. WSP's mining team (formally Golder Associates) have extensive experience with the Mt Thirsty project, having previously undertaken the most recent Mineral Resource estimates and tailings design. As part of the Scoping Study, WSP will be undertaking an updated mine design, tailings management plan and associated site infrastructure design.

### About Precursor Cathode Active Material (pCAM)

A precursor cathode active material (pCAM) is a substance that is used in the production of cathode materials for lithium-ion batteries, which are commonly used in electric vehicles. A pCAM is typically composed of a combination of cobalt, nickel, and manganese, along with other chemical additives that help to improve the performance and stability of the battery. Cathode materials are one of the key components of lithium-ion batteries required to decarbonise the global economy, as they determine the performance characteristics of the battery, such as energy density, power density, and cycle life.

The Mt Thirsty cobalt-nickel-manganese-scandium project is uniquely positioned containing all three of the principal constituents to produce the preferred 811 nickel-cobalt-manganese pCAM product (eight parts nickel, one part cobalt, and one part manganese). Importantly, the adoption of pCAM provides the ability to produce a significantly higher value product which typically receives a ~50% pricing premium over the intermediary product (MHP / MSP) that the Project was previously envisaged to produce (Figure 6). As such the production of pCAM has the potential to increase both payable metal content and as a result also increase revenue.

### NICKEL PRODUCT PAYABLE VS. SPOT PRICE

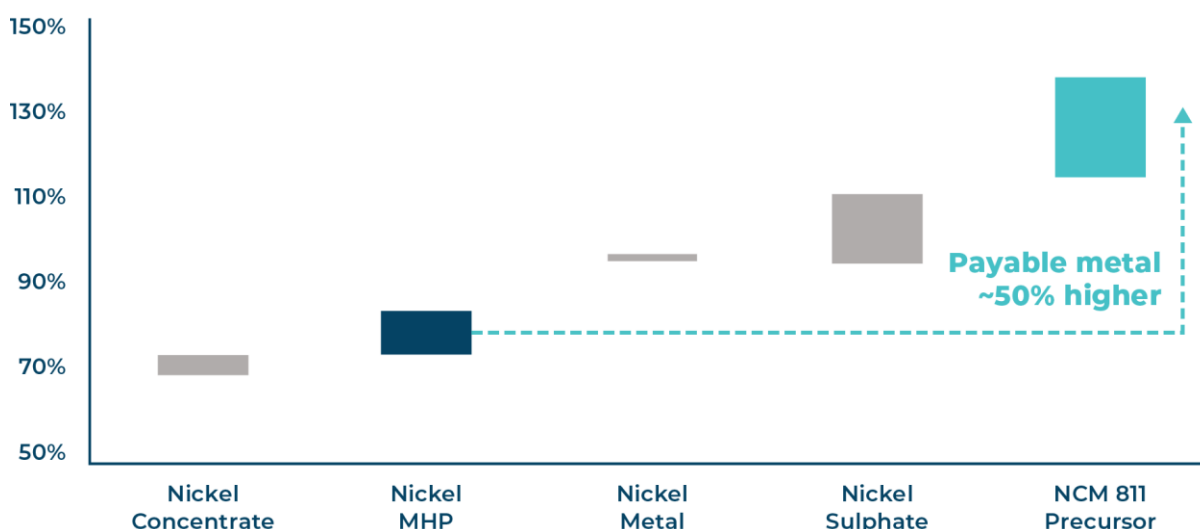


Figure 6: Illustration of nickel product payability vs metal spot price<sup>6</sup>

### About High pressure acid leaching (HPAL)

High pressure acid leaching (HPAL) is a process used to typically extract nickel, cobalt, manganese and scandium from oxide orebodies. During the HPAL process, the oxide ore is mixed with sulfuric acid and subjected to high temperatures and pressures in an autoclave vessel. The acid dissolves the metals from the ore, forming metal sulfate solutions, which are then subjected to a series of chemical and physical processes to separate and purify the respective metals.

Numerous improvements have in HPAL have been realised over the past five years following the rapid adoption in Indonesia following the export ban on unrefined nickel ores. The new fifth generation of HPAL operations in Indonesia are being constructed at US\$30-35,000 per annual tonne of nickel, compared to an average of closer to US\$100,000 per annual tonne of nickel for the previous generation

<sup>6</sup> ASX:BSX 16/09/2022; Greenstone Analysis (25th & 75th percentile, last three years, 22% contained nickel, Shanghai Metals Market)

four plants<sup>7</sup>. These later generation plants are now ramping-up to nameplate capacity in less than 12 months (Figure 7).

### TIMELINE OF HPAL RAMP-UP

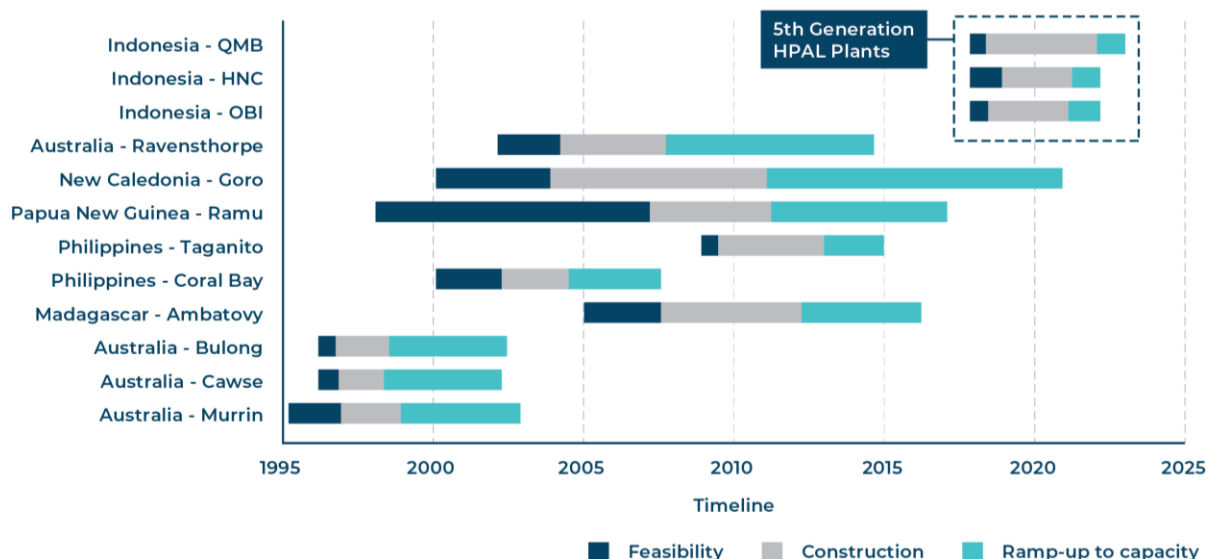


Figure 7: Timeline of HPAL plants from feasibility study to nameplate production<sup>8</sup>

The adoption of HPAL at Mt Thirsty is expected to materially improve both cobalt and nickel recoveries, serving to increase the amount of sellable metal and therefore increase life of mine revenue. The previously completed pre-feasibility study (ASX Announcement 20/2/2020) had elected to utilise atmospheric leaching, however despite extensive metallurgical test work, cobalt and nickel recoveries only averaged 74.3% and 22.3%, respectively. Comparable HPAL projects in Australia typical receive cobalt and nickel recoveries of 90.1% and 92.3%, respectively<sup>9</sup>.

The identification of scandium in the most recent drill campaign serves to highlight the potential to add a valuable by-product revenue stream, and while insufficient data currently exists to support the inclusion of scandium in the updated mineral resource estimate update, the HPAL test work will still assess the ability to produce a scandium oxide product.

Scandium is a rare earth metal that is highly valued for its unique properties, including high strength, light weight, and resistance to corrosion. It has a wide range of applications, including aerospace, defence, hydrogen fuel cells and electronics industries. In 2021 the global scandium market size was valued at US\$460.9 million, however this is projected to reach US\$977.3 million by 2030, growing at a forecasted Compounded Annual Growth Rate of 8.7% between 2022 to 2030<sup>10</sup>. The potential addition of scandium to the Co-Ni-Mn-Sc Mt Thirsty Project may provide a valuable by-product revenue stream. The current price of scandium oxide is A\$1,198,200/t; cobalt is A\$54,000/t; nickel is A\$34,700/t and manganese is A\$2,800/t<sup>11</sup>.

<sup>7</sup> <https://www.theassay.com/articles/analysis/the-rise-and-rise-of-indonesian-hpal-but-can-it-continue/>

<sup>8</sup> Wood Mackenzie

<sup>9</sup> ASX:NC1 22/12/2022; ASX:CLQ 25/06/2018

<sup>10</sup> <https://straitresearch.com/report/scandium-market>

<sup>11</sup> Shanghai Metals Market 04/04/2023; AUD:USD 0.68

### OVERVIEW OF PROPOSED FLOWSHEET

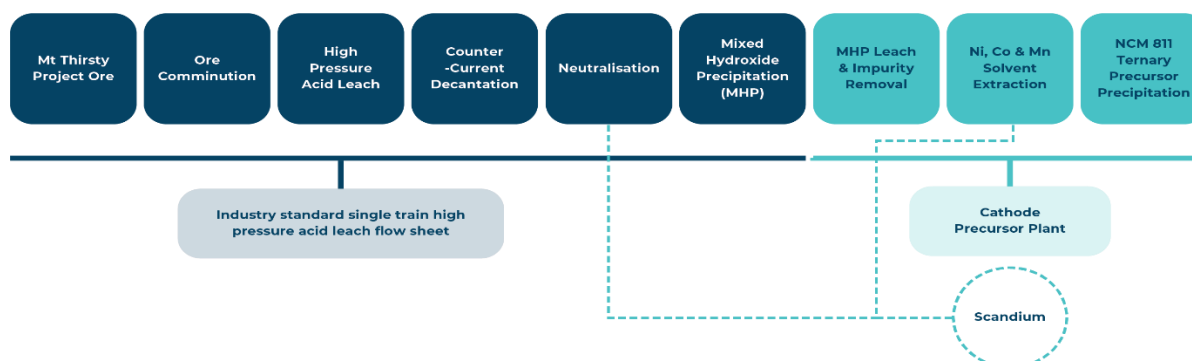


Figure 8: Overview of HPAL and pCAM flowsheet

The Scoping Study is underway and is expected to be completed by early-July (Figure 9). It is expected that the Scoping Study may provide a foundation for the potential future consolidation and IPO of the Mt Thirsty project later this year, followed by a Pre-Feasibility study, that will target a low-cost, ethical and sustainable source of cobalt and nickel outside of the Democratic Republic of the Congo and Russia.

### INDICATIVE SCOPING STUDY TIMELINE

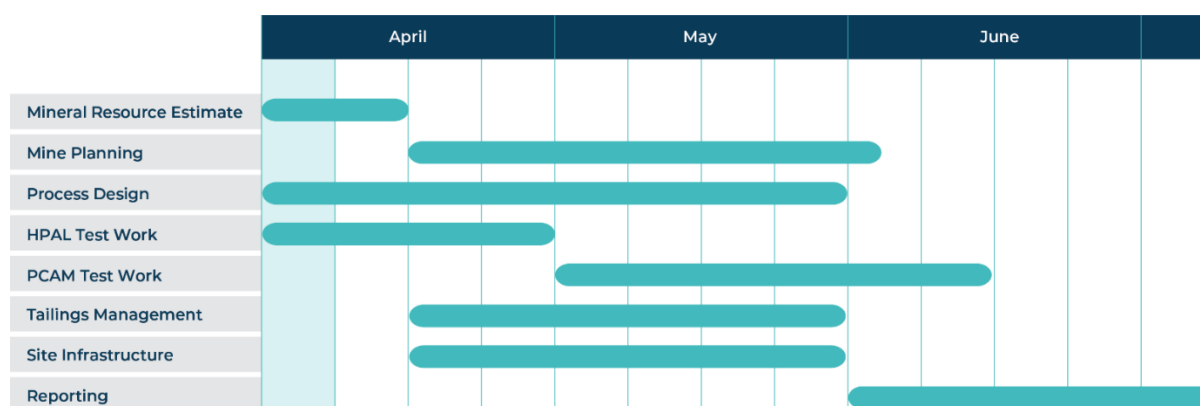


Figure 9: Indicative Scoping Study project timeline to completion.

## CORPORATE

### COMPLETION OF PLACEMENT

During the quarter, the Company completed a Share Placement to professional and sophisticated investors raising \$3,297,500 (before costs) through the issue of 131,900,000 fully paid ordinary shares at \$0.025 per share using its placement capacity under ASX Listing Rule 7.1.

The issue price of \$0.025 per share was an 8.0% discount to the last traded price of the Company's share prior to the stock being placed into a trading halt. A fee of 6.0% was paid to brokers who supported the Placement.

### DRILL FOR EQUITY AGREEMENT

On 16 March 2023 it was announced that the Company had entered into a "Drill for Equity" agreement with United Drill Services Pty Ltd to satisfy up to 70% of the drilling costs for a second drill rig, up to a maximum of 20,000,000 Shares, or \$500,000. The issue price will be \$0.025 per share. As at the date of this announcement 5,589,439 shares have been issued under this arrangement.

# ASX QUARTERLY REPORT

## Quarter Ending 31 March 2023



Shares issued under this arrangement will be subject to voluntary escrow for a period of 6 months.

### REGIONAL GOLD CONSOLIDATION

During the quarter the Company completed the acquisition of P15/6314 adjoining the Burbanks Mining Centre near Coolgardie from British Hill Pty Ltd to complement the existing gold portfolio at Burbanks.

Greenstone paid a total consideration of \$40,000 in cash and shares, being:

- \$10,000 cash; and
- 1,200,000 fully paid ordinary shares (voluntarily escrowed for 6 months) equivalent to \$30,000 calculated using a price of \$0.025.

Completion of the Acquisition occurred on 6 February 2023.

### FINANCIAL POSITION

As at the end of the March 2023 quarter, the Company had \$4.03 million in cash.

### EXPLORATION AND EVALUATION EXPENDITURE

Exploration and evaluation expenditure for the quarter ending March 2023 totalled \$967,000, with \$847,000 attributable to rent, rates, evaluation, exploration, assaying and drilling costs for the Coolgardie Mining Centre, and a further \$120,000 of expenditure attributable to the Company's share of joint venture expenditure at Mount Thirsty. Please note that minor discrepancies may occur due to rounding and cost allocation.

### RELATED PARTY PAYMENTS

Payments to related parties of the Company and their associates during the quarter totalled \$166,183. Payments were made to the Directors and Associates for salaries, superannuation and consulting fees.

*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)

### 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' STATEMENTS

Project and Discipline	JORC Section	Competent Person	Employer	Professional Membership
<b>Burbanks Gold Project</b>	Exploration Results and Mineral Resources	Glenn Poole	Employee of Greenstone Resources Ltd	MAusIMM
<b>Phillips Find Gold Project</b>	Exploration Results and Mineral Resources	Glenn Poole	Employee of Greenstone Resources Ltd	MAusIMM
<b>Mt Thirsty Exploration</b>	Exploration Results	Glenn Poole	Employee of Greenstone Resources Ltd	MAusIMM
<b>Mt Thirsty Resource Estimation</b>	Mineral Resources	Richard Gaze	WSP Australia Pty Limited	MAusIMM
<b>Mt Thirsty Metallurgy</b>	Exploration Results and Ore Reserves	Peter Nofal	AMEC Foster Wheeler Pty Ltd trading as Wood	FAusIMM
<b>Mt Thirsty Mining</b>	Ore Reserves	Frank Blanchfield	Snowden Mining Industry Consultants Pty Ltd	FAusIMM

Table 3: Competent Persons

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 announcements.

### ABOUT BURBANKS

The Burbanks Gold Project is located 9km southeast of Coolgardie, Western Australia. The Project includes the Burbanks Mining Centre and over 5km 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 140m 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 Coolgardie Mining Centre is 4,169,930t @ 2.5g/t gold for 332,114 ounces of contained gold (Indicated and Inferred) (Table 4). The position of the Mineral Resource within the strike of the Project is shown in Figure 6.

GLOBAL MINERAL RESOURCES										
	Cut-Off Grade (gpt)	Indicated			Inferred			Total		
		Tonnes (t)	Grade (gpt)	Ounces (oz)	Tonnes (t)	Grade (gpt)	Ounces (oz)	Tonnes (t)	Grade (gpt)	Ounces (oz)
<b>BURBANKS</b>										
Near Surface	0.5	877,674	2.4	66,845	2,082,686	2.0	132,934	2,960,360	2.1	199,779
Underground	2.0	106,508	4.4	14,901	370,102	5.3	62,867	476,610	5.1	77,768
<b>Total</b>		<b>984,182</b>	<b>2.6</b>	<b>81,746</b>	<b>2,452,788</b>	<b>2.5</b>	<b>195,801</b>	<b>3,436,970</b>	<b>2.5</b>	<b>277,547</b>
<b>PHILLIPS FIND</b>										
Near Surface	0.5	540,669	2.4	41,654	189,439	2.1	12,705	730,108	2.3	54,359
Underground	2.0	–	–	–	2,852	2.3	208	2,852	2.3	208
<b>Total</b>		<b>540,669</b>	<b>2.4</b>	<b>41,654</b>	<b>192,291</b>	<b>2.1</b>	<b>12,914</b>	<b>732,960</b>	<b>2.3</b>	<b>54,567</b>
<b>Total</b>		<b>1,524,851</b>	<b>2.5</b>	<b>123,400</b>	<b>2,645,079</b>	<b>2.5</b>	<b>208,714</b>	<b>4,169,930</b>	<b>2.5</b>	<b>332,114</b>

Table 4: Summary of Global Mineral Resource 2022 for Coolgardie Mining Centre. See ASX:GSR 20/09/2022

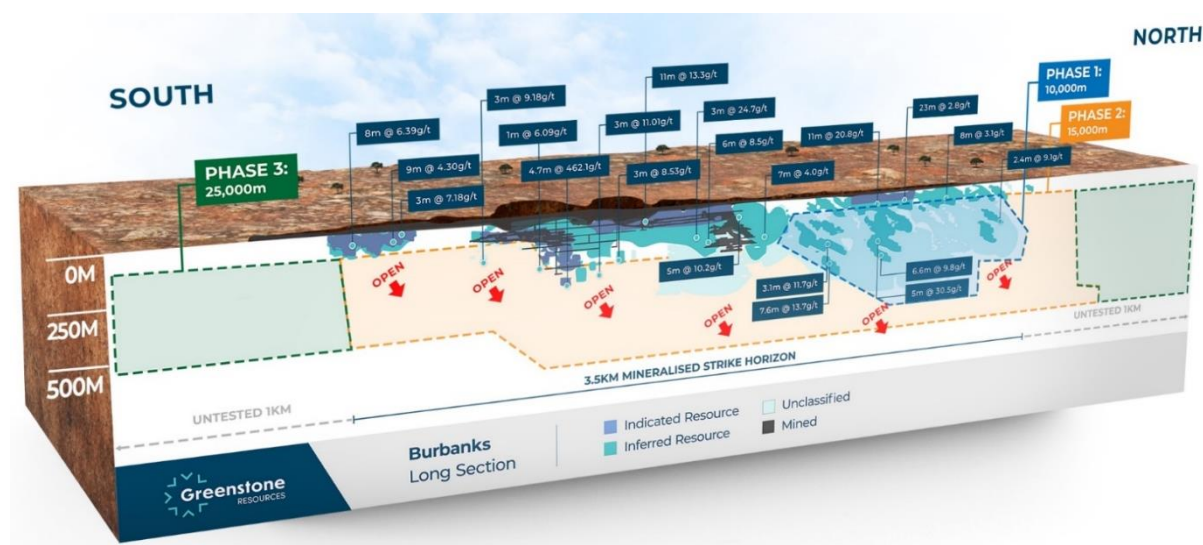


Figure 10: Schematic long section of Burbanks showing Phase-1, Phase-2 and Phase-3 drill areas

### ASX ANNOUNCEMENTS DURING THE QUARTER

- Burbanks Continues to Deliver High-Grade Drill Results, 16 March 2023
- Half Year Accounts, 14 March 2023
- Greenstone Placement, 13 February 2023
- Continued High-Grade Gold Intercepts from Burbanks, 30 January 2023
- Quarterly Activities/Appendix 5B Cash Flow Report, 27 January 2023
- Outstanding Cobalt, Nickel & Scandium Results, 23 January 2023

### TENEMENT LISTING

Tenement	Project	Location	Change in Interest (%) during Quarter		
			End of Quarter	Acquired	Disposed
E63/1267	Mt Thirsty	WA	50		
E63/1790		WA	50		
L63/80		WA	50		
L63/81		WA	50		
L63/91		WA	50		
P63/2045		WA	50		
R63/4		WA	50		
M15/161		Burbanks	WA	100	
P15/5249	WA		100		
P15/5412	WA		100		
M15/731	WA		100		
P15/6381	WA		100		
P15/6382	WA		100		
P15/6314	WA		100		
M15/119	Phoenix	WA	100		
M16/130	Phillips Find	WA	100		
M16/133		WA	100		
M16/168		WA	100		
M16/171		WA	100		
M16/242		WA	100		
M16/258		WA	100		
M16/550		WA	100		
P16/2985		WA	100		
P16/2986		WA	100		
P16/2987		WA	100		
P16/2988		WA	100		
P16/2998		WA	100		
P16/2999		WA	100		
P16/3037		WA	100		
P16/3038		WA	100		
P16/3039		WA	100		
P16/3040		WA	100		
P16/3041		WA	100		
P16/3042		WA	100		
P16/3043		WA	100		
P16/3084		WA	85		
P16/3085		WA	85		
P16/3086		WA	85		
P16/3087		WA	85		
P16/3088		WA	100		
P16/3358		WA	100		



## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Greenstone Resources Limited

ABN

76 093 396 859

Quarter ended ("current quarter")

31 March 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(246)	(700)
(e) administration and corporate costs	(192)	(1,098)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	5	21
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other – GST refund	285	285
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(148)</b>	<b>(1,492)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	(10)	(10)
(c) property, plant and equipment	(47)	(112)
(d) exploration & evaluation	(967)	(4,285)
(e) investments	-	-
(f) other non-current assets – Security deposit	-	15

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(1,024)</b>	<b>(4,392)</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	3,297	4,358
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(209)	(505)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>3,088</b>	<b>3,853</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	<b>2,118</b>	<b>6,065</b>
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(148)	(1,492)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,024)	(4,392)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	3,088	3,853

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>4,034</b>	<b>4,034</b>

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	2,998	2,051
5.2	Call deposits	1,036	67
5.3	Bank overdrafts	-	-
5.4	Other (term deposit)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>4,034</b>	<b>2,118</b>

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	166
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

*Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.*

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	<b>Total financing facilities</b>	-	-
7.5	<b>Unused financing facilities available at quarter end</b>		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	Not applicable		

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>8.</b>	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	(148)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(967)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(1,115)
8.4	Cash and cash equivalents at quarter end (item 4.6)	4,034
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	4,034
8.7	<b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	3.6
	<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: Not applicable	
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: Not applicable	
8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer: Not applicable	
	<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

## Compliance statement

- This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- This statement gives a true and fair view of the matters disclosed.

Date: 28 April 2023

Authorised by: the Board  
(Name of body or officer authorising release – see note 4)

### Notes

- This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
- If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: *Exploration for and Evaluation of Mineral Resources* and AASB 107: *Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
- Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
- If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
- If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.