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**NEWS RELEASE**  
**For Immediate Release**

**TSX: GSL**

**Greystar Awards Contracts and Sets Time Line for Angostura Feasibility Study**

Greystar Resources Ltd. ("the Company" or "Greystar") is pleased to announce that technical contracts have been awarded and a time line has been established to complete a feasibility study for an underground only operation at its Angostura gold-silver project in northeastern Colombia.

Since the Annual Meeting on June 3, 2011, the new management team and Board of Directors have focused their efforts on the Angostura underground gold-silver project, including in particular the technical and regulatory milestones that must be achieved. In furtherance of these efforts, the Board of Directors has also decided to change the name of the Company, which announcement is forthcoming pending the finalization of regulatory approvals.

**Highlights:**

- Optimized preliminary economic assessment on the Angostura deposit to be complete during the fourth quarter of 2011;
- Audited Mineral Resource estimate for an underground only operation on the Angostura deposit to be complete during the fourth quarter 2011;
- Initial Mineral Resource estimate for the Mongora deposit to be complete during the fourth quarter 2011;
- Prefeasibility Study on the Angostura deposit to be complete during the third quarter of 2012;
- Feasibility Study on the Angostura deposit to be complete during the fourth quarter of 2012;
- Schlumberger Water Services, a global consulting company specializing in the development, management, and environmental protection of water resources has been engaged for the hydrology and hydrological studies;
- Implementation of sustainable social responsibility model aimed at enhancing the relationship between Greystar and the surrounding communities is underway; and
- Open dialogue has been established between the new Greystar management, the local communities and the Colombian Ministry of Mines to move the Angostura gold-silver project forward in a mutually beneficial fashion.

"Greystar has evolved considerably in the past few months and the new management team is focused on meeting our projected time lines as we steadily add value to our key gold assets in Colombia," said Rafael Nieto Loaiza, Greystar's President and Director. "Technical studies for an underground operation at Angostura have been awarded and open communication regarding permitting is advancing in a timely manner."

**Angostura Underground Gold-Silver Project**

On March 18, 2011 Greystar announced its intention to reformulate the Angostura mine plan as an underground only project based on the results of a Preliminary Economic Assessment, which is available for viewing on the Company's website or at the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com). The

underground project has many advantages over the previously contemplated open pit mine including:

- Protection of the Paramo (3750-4300 m.a.s.l.), sub-Paramo (3600-3750 m.a.s.l) and Andean forest (2800-3600 m.a.s.l) ecosystems;
- Greatly reduced impact on the environment compared to an open pit project with a smaller project footprint, minimal and controllable impact on the sub-surface aquifer and minimal water consumption;
- No requirement for a large open pit;
- No requirement for leach pads;
- Dramatically reduces the amount of earth moving and mine waste material (less than 2% of open pit project earth moving requirements);
- Reduces plant and infrastructure size as well as lowering reagent and chemical consumption which in turn reduces capital investment.

### **Technical Studies Awarded**

Following a lengthy and diligent tender process, the following contracts have been awarded:

A review of the Angostura exploration program and audit of the Angostura mineral resource estimate has been awarded to Golder Associates Inc ("Golder"). Golder is an internationally recognized consulting firm with 7,000 people operating from 160 offices worldwide. This study is scheduled for completion during the fourth quarter of 2011.

The Angostura mine design and production scheduling has been awarded to Golder.

Geotechnical design for mine excavations and waste rock dump design has been awarded to Golder.

Geotechnical design for the tailings dam and impoundment for oxide, transitional and concentrate residues has been awarded to Knight Piesold Consulting Ltd. ("Knight"). Knight is an international company of consulting engineers, scientists and technicians offering specialized services related to mining, environment, power, water resources, transportation and construction with offices in North and South America, Australia, Africa, and Asia.

Hydrology and hydrological studies have been awarded to Schlumberger Water Services, a global consulting company specializing in the development, management, and environmental protection of water resources. Benefit will be gained from previous studies performed by Schlumberger for the Angostura project.

Concentrate plant, bio-oxidation, pressure oxidation and roaster plant design, concentrate sales market study, oxide plant and other project infrastructure requirements including power supply, water, communications and sanitation has been awarded to TWP Mining ("TWP"). The entire TWP group staff complement exceeds 1,000 multi-disciplinary professionals and administrative personnel and has a project portfolio with a capital value of more than US\$10-billion.

Greystar will complete the mine plant and mining equipment studies directly with the plant and equipment manufacturers.

All the studies will be consolidated on a systematic basis with three distinct milestones; a conceptual/preliminary economic assessment to be completed during the fourth quarter of 2011, the prefeasibility report to be completed during the third quarter of 2012 and the definitive feasibility study to be completed during the fourth quarter of 2012.

### **Diamond Drilling**

Exploration and infill diamond drilling aimed at better defining the mineable underground mineral resource and block model will be on going throughout 2011 and 2012. Drill results from the Los Laches area of the Angostura gold-silver deposit indicate the potential of higher-grade mineralization at depth below the previously envisioned open pit. At the Cristo Rey area of the Angostura gold-silver deposit, drill results indicate good potential to outline higher-grade mineralization along strike and downdip of the previously defined northern limits of the envisioned open pit. In the core of the Angostura deposit in the Diamante and La Alta areas, 39 additional holes comprising 16,793 meters of infill drilling on 25 metre centres have been completed to better define high grade structures.

Outside of the Angostura mineral resource area, the Company will continue to evaluate its wholly-owned La Plata property. The La Plata concession comprises 78 hectares of mineral rights contiguous on the majority of its borders with existing Greystar holdings. Drilling, comprising 18 drill holes and 7,162 meters as of March 2011, has intersected anomalous gold and silver grades, and additional work is in process to define the geometry of the mineralization. The La Plata property lies within a mineralized belt related to the northeast-southwest trending La Baja Fault, which has given rise to a number of mineralized occurrences where gold and silver mineralization is associated with flexures along the main fault. This mineralization, which has traditionally been mined by local artisanal miners, is now the focus of more modern exploration methods.

### **Mongora Deposit**

The Mongora prospect is located three kilometers to the south of the Angostura gold-silver deposit and similar to the it hosts higher-grade gold mineralization including 116 grams gold over 2.0 metres, 22.2 grams gold per tonne over 2.0 metres and 12.35 grams gold over 1.6 metres within broader zones of lower-grade gold mineralization (Press Release August 19, 2010). Since this Press Release, the company has completed another 10 diamond drill holes bringing the total to 54 drill holes and 20,276.2 meters of drilling. An initial mineral resource estimate for Mongora is scheduled to be completed before the end of 2011.

### **Regional Exploration outside of the Angostura Project Area**

Greystar has applied for mineral property rights over 20,000 hectares in other jurisdictions around Colombia, in the departments of Nariño, Cauca, Tolima, Caldas, Santander, Norte de Santander and Cesar with only one having been granted by INGEOMINAS to date. INGEOMINAS is evaluating the other applications to define the free areas to be granted. Prospecting activities are being carried out to identify other mineral potential in Colombia.

### **Sustainable Social Responsibility**

A sustainable social responsibility model has been implemented for the Angostura project. This model lays out a framework to create small business opportunities, education, financing equipment & infrastructure to the benefit of both the local community and Greystar. The model includes the award of service contracts and business monitoring and control until the Company is satisfied that the business is sustainable.

The initial investment in equipment and infrastructure paid for by Greystar is depreciated/amortized over a period of time after which the ownership is transferred to small businesses, cooperative or government. At the same time, provision is made to replace the equipment and infrastructure once it is fully depreciated/amortized. The sustainable business model is founded on three pillars; Core Business (mining operations), Support Business (services to be provided for the mining operations) and the Foundation (provides education, training, formation and capacitation for both the Core Business and the Support Business). Further information on Greystar's sustainable social responsibility model is available at [www.greystarresources.com](http://www.greystarresources.com)

## **Conference Call**

Greystar will host a telephone conference call for investors and analysts on Tuesday, August 16, 2011, at 10:00 a.m. PDT (1:00 p.m. EDT). Rafael Nieto Loaiza, President & CEO, David Heugh, Chief Operating Officer and David Newbold, Interim Chief Financial Officer of Greystar will take questions.

The conference call may be accessed by dialing the following numbers:

1-877-240-9772 in Canada and the United States  
1-416-340-8530 in the Toronto area and internationally

The conference call will be archived for later playback and may be accessed by dialing 1-905-694-9447 or 1-800-408-3053 and entering the pass code 8544542. The archived playback will be available until August 30, 2011 at 11:59 p.m. EDT.

## **Qualified Persons**

David Heugh FAusIMM, FSAIMM, Chief Operating Officer of Greystar and a qualified person as defined by National Instrument 43-101, has reviewed, verified and takes responsibility for the technical information contained in this news release.

## **About Greystar Resources Ltd.**

Greystar Resources Ltd. is a precious metals exploration and development company currently working its wholly owned, multi-million ounce Angostura gold-silver deposit in northeastern Colombia. Greystar is committed to developing the project in an economically viable and socially responsible manner.

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*The Toronto Stock Exchange has not reviewed  
and does not accept responsibility for the adequacy or accuracy of this news release.*

## **Forward-Looking Statements**

*Certain statements in this news release are "forward-looking" within the meaning of Canadian securities legislation. They include statements about estimated timelines for completion of the feasibility study for an underground only option at Angostura, and the initial resource estimate for Mongora, and the potential for higher-grade mineralization at Angostura. Forward-looking statements are necessarily based upon the current belief, opinions and expectations of management that, while considered reasonable by the Company, are inherently subject to significant business, economic, competitive, political and social uncertainties and other contingencies. Many factors could cause the Company's actual results to differ materially from those expressed or implied in the forward-looking statements. These factors include, among others, unexpected delays in completion of the work required for the above-noted feasibility study and/or resource estimate, the actual results of exploration activities, possible variations in ore grade or recovery rates, fluctuations in the price of gold and silver, risks relating to additional funding requirements, political and foreign risks, production risks, environmental regulation and liability, government regulation as well as other risk factors set out under the heading "Risk Factors" in the Annual Information Form dated March 25, 2011 which is available on SEDAR at [www.sedar.com](http://www.sedar.com). Investors are cautioned not to put undue reliance on forward-looking statements due to the inherent uncertainty therein.*