

## Nachingwea Nickel - Copper Discovery Intersections

17 August 2006

Further to the announcement of the discovery of exceptionally high grade nickel - copper sulphide mineralisation of **3m at 11.23% Ni and 1.74% Cu** (ASX release 17 July 2006) within its 100% owned Nachingwea Nickel-Copper Project in Tanzania, Goldstream has now received complete assay results from the initial 17 hole diamond drilling program.

The diamond drill program was designed to target EM conductors with coincident regional nickel-copper geochemical anomalies. Twenty-five EM conductors were identified from initial airborne and ground EM surveys (Attachment 1). The program tested 17 of the EM targets with a single diamond drill hole each. Fifteen of the holes successfully intersected zones of disseminated, matrix and/ or massive sulphide mineralisation. The remaining two holes intersected zones graphite with disseminated sulphide outside the main geochemical anomaly.

A total of 13 holes returned significant anomalous nickel-copper intersections greater than 0.4% Ni and 0.1% Cu from quarter core and composite grind samples. Of these holes, 7 intersected mineralisation greater than 1% Ni, including hole NAD013 which returned an outstanding intersection of **3m at 11.23% Ni and 1.74% Cu** including 0.75m at 16.76% Ni and 2.99% Cu (ASX release 17 July 2006). Several wide zones of Ni mineralisation over 0.5% Ni up to 23m thick were also intersected

In addition, platinum and palladium were generally anomalous but not significant, with the values reaching 0.49g/t Pt and 0.32g/t Pd over 1.68m in the high grade zone in NAD013.

Significant results from the 2006 Nachingwea drilling program (>0.40% Ni) are as follows:

Hole	From	Interval	Co (%)	Cu (%)	Ni (%)
NAD001	46.00	2.00	0.02	0.16	0.45
	120.00	3.00	0.02	0.13	0.45
NAD002	51.00	3.00	0.05	0.22	0.80
	incl 52.50	1.50	0.06	0.22	<b>1.04</b>
NAD003	13.10*	9.00	0.02	0.19	0.48
	69.00*	10.00	0.03	0.15	0.65
NAD004	33.15*	7.00	0.02	0.14	0.56
	37.15*	3.00	0.03	0.13	0.70
	56.00	6.00	0.03	0.17	0.84
	incl 56.00	2.00	0.05	0.25	<b>1.36</b>

Hole	From	Interval	Co (%)	Cu (%)	Ni (%)
NAD005	48.00	10.00	0.02	0.12	0.44
	78.50	11.50	0.03	0.20	0.57
incl	79.00	1.00	0.05	0.19	<b>1.04</b>
incl	84.50	5.50	0.03	0.26	0.68
	84.50	1.00	0.06	0.63	<b>1.14</b>
NAD007	40.20*	3.00	0.03	0.22	0.59
	125.00	3.50	0.05	0.17	0.52
NAD008	71.20	0.50	<b>0.11</b>	0.24	<b>1.07</b>
NAD009	34.00	23.00	0.04	0.19	0.63
	incl 41.00	3.00	0.06	0.34	<b>1.27</b>
	77.50	1.00	<b>0.11</b>	0.28	<b>1.40</b>
NAD010	107.50	0.50	0.07	0.14	0.78
	143.50	3.00	0.01	0.12	0.41
NAD011	68.50	1.00	0.06	0.15	0.65
	93.75	0.50	0.05	0.14	0.54
	135.35	2.5	0.03	0.19	0.51
	142.10	2.15	0.03	0.16	0.46
NAD012	78.75	1.00	0.08	0.21	<b>1.64</b>
	111.24	2.00	0.05	0.17	<b>1.23</b>
	117.00	1.00	0.02	0.16	0.65
NAD013	71.59	3.00	<b>0.15</b>	<b>1.74</b>	<b>11.23</b>
	incl 71.59	1.68	<b>0.21</b>	<b>2.61</b>	<b>15.87</b>
NAD016	56.17	3.83	-	0.13	-

\* denotes intervals containing composite grind core samples

Holes NAD015, - NAD017 were located 8km to the south of the main geochemical anomaly close to another open ended nickel / copper soil geochemistry anomaly. These holes intersected zones with anomalous nickel and copper values.

The greenfields discovery of the Nachingwea nickel / copper sulphide province is an outstanding result.. The area tested by the EM and soil geochemistry represents around 5% of Goldstream's tenement holding at Nachingwea.

The drilling has demonstrated that coincident EM and Ni -Cu soil geochemistry are providing a powerful predictive tool for exploration at Nachingwea. Follow up exploration at Nachingwea will include the resampling of anomalous composite grind drill samples, the acquisition of an additional 100km<sup>2</sup> of airborne VTEM to define EM conductors associated with a second open ended nickel - copper soil geochemical anomaly located 8km to the south of the main Ntaka mineralisation in September / October, an extension of the soil geochemical coverage, and additional ground EM surveys in the mineralised area to assist with follow-up drillhole targeting.

The Board of Goldstream has implemented steps to accelerate exploration this field season within its highly prospective 100% owned Nachingwea tenements to follow-up these outstanding results.

The Board is also reviewing the best means to provide for an aggressive future exploration program and how to maximise shareholder value from this rare opportunity.

A handwritten signature in black ink, appearing to read 'D. McBain', with a horizontal line underneath.

**DUNCAN MCBAIN**  
**MANAGING DIRECTOR**

Information in this announcement relating to exploration results is based on data compiled by Bianca Manzi who is a Member of the Australian Institute of Geoscientists, and who is a full-time employee of the Company. Bianca Manzi has sufficient relevant experience to qualify as a Competent Person under the 2004 Edition of the Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves. Bianca Manzi consents to the inclusion of the data in the form and context in which it appears.

