

Share Purchase Plan
27 February 2006

The following is being dispatched to shareholders:

1. Letter to Shareholders
2. Offer of New Goldstream Shares Under a Share Purchase Plan.

Key Dates:

Books Closing Date: 20 February 2006
Offer Closing Date: 15 March 2006

3. Application Form (not attached)
4. SPP Summary

Yours faithfully



GEOFFREY J WALLACE
DIRECTOR/COMPANY SECRETARY

27 February 2006

Dear Shareholder

GOLDSTREAM MINING NL - SHARE PURCHASE PLAN

The Board of Directors, are pleased to invite you to participate in Goldstream's Share Purchase Plan (details attached). The Share Purchase Plan has been designed to allow shareholders to subscribe for new shares in Goldstream at a price which is at a discount to market, and without you being required to pay brokerage or other costs that would normally apply to an on-market purchase of shares.

The Directors have selected a discount of 15% to the average volume weighted market price for this offer which is intended to reward the Company's many long-term shareholders for their loyalty and continued support. The implementation of the Share Purchase Plan now, is timed to position those shareholders that wish to participate, ahead of an active and exciting exploration programme planned for 2006.

At the forefront of that programme will be the resumption of drilling at Luwumbu in Tanzania where the Company recently announced a high-grade Platinum Group Elements (PGE) discovery.

The 2006 programme also includes:

- § Completion of a scoping study at the Cairn Hill iron-ore (magnetite) copper-gold deposit in South Australia.
- § Initial drill testing of the Nachingwea nickel/copper project in Tanzania where sixteen EM/geochem targets have been defined for drill-testing.
- § Further assessment of the Mibango platinum/nickel project in Tanzania.
- § Drill testing several iron-oxide, copper-gold targets in the Mt Woods project area in South Australia.

At a time when positive exploration results are likely to be well received by investors, the Company is well positioned to benefit from its most active and important year to date.

The Directors, recommend the Goldstream Share Purchase Plan to you, and welcome your ongoing support.

Patersons Securities Limited ("Patersons") has agreed to act as Lead Manager of the Share Purchase Plan and to underwrite the issue to the extent of \$3 million. The underwriting which is subject to certain conditions will work in the following way. Patersons will, to the extent of any shortfall between \$3 million and the money raised from acceptances by our shareholders of the offer contained in the Share Purchase Plan, place shares with institutional and sophisticated investors under s.708 of the Corporations Act, upon the same terms and conditions as offered in the purchase plan, to raise the shortfall. Patersons will be paid a management fee of \$50,000 and a commission of 5% on the underwritten amount of \$3 million for acting as the Lead Manager and Underwriter of the issue.

Any shareholder seeking further clarification of the offer, please contact:

Mr George Kenway
Goldstream Mining NL
Ph: 61 8 9486 8688
Fax: 61 8 9189 8699

or

Mr Geoffrey Wallace
Goldstream Mining NL
Ph: 61 8 9486 8688
Fax: 61 8 9486 8699
Email: gdm@goldstreammining.com.au

Yours sincerely



GEORGE KENWAY
MANAGING DIRECTOR

27 February 2006

Dear Shareholder

OFFER OF NEW GOLDSTREAM SHARES UNDER A SHARE PURCHASE PLAN

The Directors of Goldstream are pleased to extend an invitation to each Goldstream shareholder (an “**Eligible Shareholder**”) as at 5 pm WST on 20 February 2006 (the “**Record Date**”) to subscribe for additional fully paid ordinary shares in Goldstream (“**New Goldstream Shares**”) under the terms and the conditions of Goldstream’s Share Purchase Plan (“**Share Purchase Plan**”) (a copy of which is attached to this letter as Annexure “A”).

The Share Purchase Plan has been designed to allow Eligible Shareholders to subscribe for New Goldstream Shares at a price which, subject to market fluctuations, is at a discount to the market price. It also allows Eligible Shareholders to acquire the New Goldstream Shares without brokerage or other costs that would apply to an on-market purchase of shares.

If you currently hold an unmarketable parcel of shares (being less than \$500 worth of shares) this is a good means by which you can top up your shareholding and accordingly trade your shares on the ASX.

Participation in this offer is optional.

The offer under the Share Purchase Plan is non-renounceable. This means that you cannot transfer your right to subscribe for New Goldstream Shares under the offer to anyone else.

You are eligible to participate in the Share Purchase Plan as you were a registered holder of ordinary shares in Goldstream on the Record Date with a registered address in either Australia or New Zealand.

How Much Can You Invest?

As an Eligible Shareholder, you are entitled to subscribe for New Goldstream Shares up to a maximum value of \$5,000. **You may select only 1 of the following alternatives to subscribe for New Goldstream Shares under the Share Purchase Plan:**

| | Dollar Value of New Goldstream Shares |
|----------------|----------------------------------------------|
| Offer A | A\$5,000 |
| Offer B | A\$4,000 |
| Offer C | A\$3,000 |
| Offer D | A\$2,000 |
| Offer E | A\$1,000 |

Offer Price and Closing Date

The subscription price will be 85% of the volume weighted average price (“**VWAP**”) of existing fully paid ordinary shares in Goldstream Shares quoted on the ASX during the period of 5 days on which sales were recorded immediately prior to the offer closing date of 15 March 2006 (“**Closing Date**”).

How Many New Goldstream Shares Will You Receive?

The number of New Goldstream Shares that will be issued to you will depend on:

- (a) the amount you invest (\$1,000, \$2,000, \$3,000, \$4,000 or \$5,000); and
- (b) the subscription price for each New Goldstream Share.

The number of New Goldstream Shares that you will receive cannot be determined until the Closing Date at which time the subscription price can be calculated.

The market price of Goldstream Shares may rise or fall between now and the date when the New Goldstream Shares are issued in accordance with the Share Purchase Plan. As the final subscription price will not be known until the Closing Date, shareholders should be aware that if the market price rises in the period between the date of your application and the Closing Date, the number of New Goldstream Shares you will receive will decrease. On the other hand, if the market price falls, the number of New Goldstream Shares you will receive will increase.

While fluctuations in Goldstream’s share price between the date of your application and the Closing Date may affect the number of New Goldstream Shares that you receive, determining the subscription price based on the VWAP for Goldstream’s shares in the days prior to the Closing Date will minimise the potential fluctuations in the value of your New Goldstream Shares at the Closing Date. Setting the subscription price at a 15% discount to the VWAP in the days prior to the Closing Date will also help to protect the value of your investment against the changes in the market price of Goldstream’s shares between the date of your application and the Closing Date.

For illustrative purposes only the following table indicates how many shares you would expect to receive if you invest \$5,000. For example, if Goldstream’s share price on the date you make your application is 45 cents, based on a subscription of \$5,000 you would expect to receive 13,158 New Goldstream Shares ($13,158 \times 45 \text{ cents} \times 85\% = \$5,000$). However, if the market price changes between the date of your application and the Closing Date, the number of New Goldstream Shares issued to you would be:

| Example of VWAP 5 days before Closing Date | Subscription Price per share (85%) | Total Subscription Amount | Number of New Goldstream Shares to be Issued |
|---------------------------------------------------|-------------------------------------------|----------------------------------|-----------------------------------------------------|
| 50 cents | 42.5 cents | \$5,000 | 11,765 |
| 40 cents | 34 cents | \$5,000 | 14,706 |

The number of New Goldstream shares issued to you will be rounded to the whole number nearest to the subscription amount.

How Do You Apply for New Goldstream Shares Under This Offer?

To subscribe for New Goldstream Shares under this offer, you must:

- £ Carefully read the terms and conditions of the Share Purchase Plan (refer Annexure "A").
- £ Complete the attached Share Purchase Plan Acceptance Form specifying the dollar value of New Goldstream Shares you wish to apply for (being one of \$1,000, \$2,000, \$3,000, \$4,000 or \$5,000).
- £ Enclose a cheque made payable to **Goldstream Mining NL** and crossed **Not Negotiable** for the total subscription price for the New Goldstream Shares specified in the Share Purchase Plan Acceptance Form (\$1,000, \$2,000, \$3,000, \$4,000 or \$5,000).
- £ Return the Share Purchase Plan Acceptance Form together with payment to:

In Person:

Goldstream Mining NL
Level 2
28-42 Ventnor Avenue
WEST PERTH WA 6005

By Mail:

Security Transfer Registrars Pty Ltd
PO Box 535
APPLECROSS WA 6953

by 5.00pm WST on Wednesday 15 March 2006.

If you are unsure about any aspect of this offer, Goldstream Mining NL recommends you seek professional advice.

Please contact the Company Secretary, Geoffrey Wallace, on (08) 9486 8688 or by email to gdm@goldstreammining.com.au if you have any queries in relation to this offer or how to accept it.

Yours sincerely



GEORGE KENWAY
MANAGING DIRECTOR

Annexure "A"

Terms and Conditions of the Share Purchase Plan of Goldstream Mining NL

Purpose

The purpose of the Goldstream Mining NL Share Purchase Plan ("the **Plan**") is to offer shareholders of Goldstream Mining NL ("**Goldstream**") the opportunity to acquire additional fully paid ordinary shares in Goldstream ("**New Goldstream Shares**") up to a maximum of A\$5,000 in any 12 month period at a discount to the market price of fully paid ordinary shares in Goldstream on the financial market operated by Australian Stock Exchange Limited ("**ASX**") without the need to pay brokerage costs and without the need for Goldstream to issue a prospectus or other disclosure document.

Shareholders eligible to participate

All shareholders with an address in either Australia or New Zealand registered as holders of existing ordinary shares in Goldstream at the relevant record date may participate in the Plan. Those shareholders whose address in Goldstream's register of members is a country whose laws or regulations (in the reasonable opinion of the directors of Goldstream) make it unlawful or impracticable for Goldstream to offer and issue New Goldstream Shares to that person under the Plan are ineligible to participate.

Participation in the Plan is optional and is subject to these terms and conditions. Offers made under the Plan are not renounceable (ie eligible shareholders may not transfer their rights to any New Goldstream Shares offered under the Plan).

Offers will, at the discretion of the directors of Goldstream, be made under the Plan once a year. The previous offer under a Share Purchase Plan was made on 19 April 2004. The maximum amount which any shareholder may subscribe for in any consecutive 12 month period is \$A5,000. The directors of Goldstream may also determine in their discretion the specified amounts for participation or the multiples of New Goldstream Shares to be offered under the Plan.

Price of New Goldstream Shares

The price of New Goldstream Shares to be issued under the Plan will be determined by calculating a discount to the volume weighted average price ("**VWAP**") of existing fully paid ordinary shares in Goldstream quoted on the ASX during the period 5 days on which sales were recorded immediately prior to the relevant closing date specified by the directors of Goldstream as the date for determining the price of New Goldstream Shares under the Plan.

Issue of Goldstream Shares

New Goldstream Shares to be issued under the Plan will be issued as soon as reasonably practicable after the closing date specified by the directors of Goldstream in the relevant offer.

New Goldstream Shares issued under the Plan will rank equally in all respects with all other fully paid ordinary shares in Goldstream from the date of issue.

Shareholding statements will be issued in respect of all New Goldstream Shares issued under the Plan. Goldstream will, promptly after issue of New Goldstream Shares under the Plan, make application for those New Goldstream Shares to be admitted to quotation on the ASX and all other stock exchanges (if any) on which existing fully paid ordinary shares in Goldstream are listed.

Costs of Participation

No brokerage, commission, or other transaction costs will be payable by participants in respect of the application for, and issue of, New Goldstream Shares under the Plan. Goldstream may at its cost, hire consultants to help facilitate and explain the offer to eligible shareholders.

Applications and Notices

At the discretion of the directors of Goldstream, Goldstream will send eligible shareholders an offer, accompanied by an entitlement and acceptance form, inviting them to subscribe for New Goldstream Shares under the Plan.

Notices and statements to participants may be given by Goldstream in any manner prescribed by its Constitution.

Modification and termination of the Plan

Goldstream may modify or terminate the Plan at any time.

Goldstream will notify the ASX of any modification to, or termination of, the Plan. The omission to give notice of any modification to, or termination of, the Plan or the failure of the ASX to receive such notice will not invalidate the modification or termination.

Without limiting the above, Goldstream may issue to any person fewer New Goldstream Shares than the person applied for under the Plan if the issue of the New Goldstream Shares applied for would contravene any applicable law or the Listing Rules of the ASX.

Dispute Resolution

Goldstream may settle in any manner it thinks fit any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the Plan whether generally or in relation to any participant, application or New Goldstream Shares and the decision of Goldstream will be conclusive and binding on all shareholders and other persons to whom that determination relates.

Goldstream reserves the right to waive strict compliance with any provision of these terms and conditions. The powers of Goldstream under these conditions may be exercised by the directors of Goldstream or any delegate of the directors of Goldstream.



GOLDSTREAM MINING NL

SPP Summary

PATERSONS SECURITIES - LEAD MANAGER & UNDERWRITER

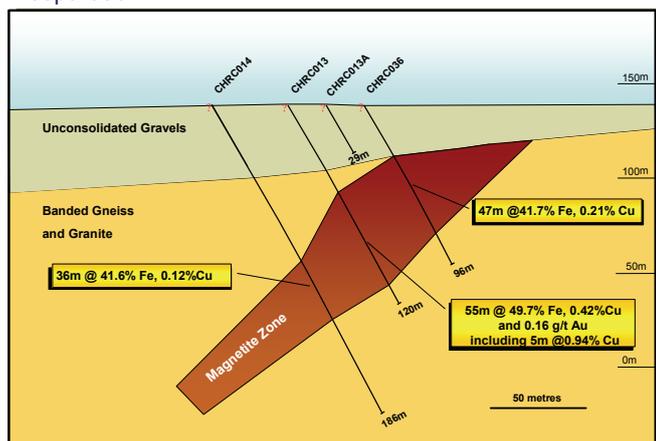


February 2006

Mt Woods (S Australia) – Magnetite / Copper (GDM 100%)

Cairn Hill Project (nr Coober Pedy)

- Advanced magnetite & Cu/Au project at scoping study stage – metallurgy & resource drilling
- Dual product - high grade magnetite concentrate (Fe>70%) & grind size >150µm & non magnetic fraction high Cu & Au
- Development concept 1-2mtpa simple grind & mag separation



Uranex NL (GDM 50.2%)

- Quality uranium projects in Tanzania & Australia

THE OFFER

Goldstream is looking to raise \$3m through an underwritten SPP, with shareholders being able to subscribe for one of five dollar amounts up to \$5,000 per shareholder.

Pricing of the SPP (& the number of shares to be issued) will be determined at the close of the offer, being a 15% discount to the VWAP for the last 5 days of the offer.

- Proceeds of the placement will be applied to:
 - the Ni – PGE projects in Tanzania
 - the Cairn Hill (S Australia) magnetite - Cu - Au project through to project scoping study
 - working capital

MAJOR SHAREHOLDERS

| | |
|---------------------|-------|
| Anglo American | 7.5% |
| Top 20 shareholders | 33.9% |
| No of shareholders | 2804 |

DIRECTORS

- George Kenway *Chairman & Managing Director*
- Geoff Wallace *Executive Director*
- Terrence Robson *Non Executive Director*
- Mark Stewart *Non Executive Director*

CAPITAL STRUCTURE & PRICE PERFORMANCE



For illustrative purposes, after the issue, and based on a 15% discount to the current 5 day VWAP the capital structure would be:

| | Shares | Unlisted Partly Paid Shares |
|----------------------------------|----------------|-----------------------------|
| Existing Shareholders | 122.08m | 8.83m |
| SPP @ 15% discount to 5 Day VWAP | 7.83m | |
| Total | 129.91m | 8.83m |

Partly Paid Shares \$ variously 6c to 60c to pay

Following the placement Goldstream will have a market capitalisation of \$49.8m assuming a SPP/placement price of 38.9c, with \$8m in cash, \$8.5m in listed investments and no debt, giving Goldstream a modest Enterprise Value (EV) of \$33.3m.

INDICATIVE TIMETABLE

2006

| | |
|-----------------------|-------------|
| Record Date..... | 20 February |
| SPP opens | 27 February |
| SPP closes | 15 March |
| Shares Allotted | 29 March |

* *Timetable is subject to change*

Patersons Securities Limited ABN 69 008 896 311 AFSL No. 239 052
Participant of ASX Group
Securities & Derivatives Industry Association Principal Member
Financial Planning Association Principal Member

Important Notice: Copyright 2005. The contents contained in this report are owned by Patersons Securities Limited (Patersons) and are protected by the Copyright Act 1968 and the Copyright Laws of other countries. The material contained in this report may not be copied, reproduced, republished, posted, transmitted or distributed in any way without prior written permission. Modification of the materials or use of the materials for any other purpose is a violation of the copyrights and other proprietary rights of Patersons.

Disclaimer: Patersons believes that the information contained in this report has been obtained from sources that are accurate, but it has not checked or verified that information. Except to the extent that liability cannot be excluded, Patersons accepts no liability for any loss or damage caused by any error in or omission from this report. You should make and rely on your own independent inquiries.

If not specifically disclosed otherwise, investors should assume that Patersons is seeking or will seek corporate finance business from the companies disclosed in this report.

Warning: This report is intended to provide general securities advice, and does not purport to make any recommendation that any securities transaction is appropriate to your particular investment objectives, financial situation or particular needs. Prior to making any investment decision, you should assess, or seek advice from your adviser, on whether any relevant part of this report is appropriate to your individual circumstances.

Disclosure: Patersons may have a pecuniary or other interest relating to these securities. Patersons as principal, its directors and/or staff may hold securities in the companies the subject of this report, as at the date of the publication. These interests did not influence it in giving the advice contained in this report. Details may be obtained from your adviser. Patersons or its employees may trade in these securities in a manner which may be contrary to recommendations given by authorised representative to clients. They may sell shares the subject of a general "Buy" recommendation, or buy shares the subject of a general "Sell" recommendation.

Stock Recommendations: Our recommendations are based on a 3 month (short term) and 12 month (long term) investment objective, relative to the S&P 300 benchmark. Patersons uses the following short term rating system: BUY [Catalyst expected to see stock re-rated within next 3 months. Undervalued on all investment criteria.] ACCUMULATE [Catalyst seen in next 6 months, wait for stock to weaken before buying.]

HOLD [Stock fundamentals sound but catalyst not expected in next six months. Stock to drift until then.] SELL [Stock over-valued on all investment criteria, better opportunities elsewhere.] SPECULATIVE BUY [Stock may not be of investment grade due to market cap, high level of debt or significant risks in business model, but appears attractively priced.] Patersons uses the following long term rating system: Outperform [Stock expected to outperform S&P 300 by +5% in next 12 months.]

Marketperform [Stock expected to match S&P 300 by -5% to +5% in next 12 months.] Underperform [Stock expected to underperform S&P 300 by -5% in next 12 months.]

This Document is not to be passed on to any third party without our prior written consent.

**Patersons Securities Limited is acting as Lead Manager and Underwriter to the SPP.
For these services it is being paid gross fees of 200,000.**