

## **Programs and Budgets for Goldstream/Lonmin Joint Ventures - Tanzania**

### **28 March 2006**

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Goldstream is pleased to announce that the 2006 programs and budgets for the Goldstream/Lonmin joint venture projects at Luwumbu and Mibango in Tanzania have been set at a combined total of US\$4.5 million (Aus\$6.2M). Lonmin has the right to earn 65% equity at Mibango and 70% at Luwumbu by sole funding expenditure to completion of feasibility.

The Luwumbu budget of US\$2.4million (Aus\$3.3M) is a three fold increase on the 2005 budget and reflects the significance placed on the high grade drill intersection made in hole NDH014 (ASX release: 11 January 2006), which intersected 16.14m @ 5.36g/t Pt+Pd+Au including 1.67m @ 26.82g/t Pt+Pd+Au). The planned program includes 7,500m of diamond drilling with two rigs initially focusing on defining the strike and near surface extent of the mineralisation encountered in drillhole NDH014.

The Mibango budget of US\$2.1million (Aus\$2.9M) includes provision for 5,500m of diamond drilling. The main emphasis will be on defining PGE rich massive nickel sulphide mineralisation based on EM geophysics and structural targets. Drill intersections of massive sulphide obtained during 2005 included 0.57m @ 7.1%Ni, 7.4g/t Pt+Pd+Au, 1.1%Cu and 0.25%Co.

Field operations will commence in May once the seasonal rains have finished. We look forward to what promises to be an exciting and very active 2006 field season in Tanzania.

### **Extension of Time to Complete Earn-In Requirements**

Goldstream agreed to enter into discussions with Lonmin (ASX release: 17 February 2006) with regard to an extension of the timeframe by which Lonmin may complete its earn-in requirements in the two Joint Venture Agreements (JVA's) in Tanzania.

The Mibango JVA currently requires Lonmin to complete a Feasibility Study by 31 March 2007 to earn a 60% equity interest. Lonmin may earn a further 5% equity interest by arranging Goldstream's share of development funding.

The Luwumbu JVA currently calls for Lonmin to define an Indicated Mineral Resource by 31 March 2007 to earn a controlling 51% equity interest. Lonmin may earn a further 19% equity interest by completing a Feasibility Study by 31 March 2009.

Goldstream has agreed with Lonmin to extend the timeframes of both JVA's and in doing so has taken into account a number of important issues:

- The joint venture project areas are located in an area of Tanzania that experiences seasonal monsoons. As a consequence the field season is restricted to six months from May to November.

Given the weather constraints the original timeframe of five years was not realistic for completion of a Feasibility Study.

- Lonmin has over the past four years demonstrated its willingness to commit substantial funds in order to continue to advance the projects. A cumulative total of US\$10.7m (A\$14.9) has been spent on the Mibango and Luwumbu project areas.
- Lonmin is the world's third largest Platinum Group Metals (PGM) producer. Their proven capability of operating successfully in Africa will provide strong support as the joint venture projects advance.
- The project areas in Tanzania continue to provide strong encouragement. The high grade PGM discovery at Luwumbu (ASX release: 11 January 2006) may not have been possible without Lonmin's support.

Accordingly, Goldstream and Lonmin have agreed the following amendments to the Joint Venture Agreements:

**Mibango:** The term of five years has been extended to 10 years, with the effect that, subject to Lonmin's right to withdraw, the Feasibility Study is now to be completed by 31 March 2012, or such longer period as agreed by the participants.

Lonmin has agreed, subject to its right to withdraw, to sole fund a minimum expenditure of US\$2.0M per annum during the earn-in period.

**Luwumbu:** The term of four years has been extended to six years with the effect that the earn-in period will now cease at 31 March 2009 or such longer period as agreed by the parties.

Lonmin has agreed, subject to its right to withdraw, to sole fund a minimum expenditure of US\$1.5M per annum during the earn-in period.

Goldstream welcomes Lonmin's continued involvement in both Tanzania projects and to further developing the good working relationship already established.



**GEORGE S KENWAY**  
**MANAGING DIRECTOR**