

**Cairn Hill
Drilling Underway
5 October 2005**

Goldstream is pleased to announce that it has re-commenced drilling on its Cairn Hill Iron-Copper-Gold deposit near Coober Pedy in South Australia. The 3000m RC Percussion drill program is designed to bring the deposit to 'JORC Resource' status.

The deposit comprises coarse grained magnetite with copper-gold mineralisation. A very high grade iron concentrate in excess of 70% Fe (iron) was obtained from preliminary metallurgical testing (ASX release 24 June 2005). This test work indicated the probability that separate iron magnetite and copper-gold products may be achievable which greatly enhances the value of the deposit.

The main northern body of mineralisation, as defined by geophysics and by drilling on 200m spaced sections extends over 800m in strike (Figure 1). It varies in width between 10m and 40m and has an overall base and precious metal grade that varies between 0.3% to 0.8% copper and 0.10g/t to 0.3g/t gold (Figure 2). Some higher grade shoots are indicated by intersections including 6m @ 2.75%Cu, 1.17g/t Au and 1m @ 1.3%Cu, 4.7g/t Au. A secondary southern lode identified in 2004 drilling parallels the main lode and remains open to the east and west.

The current drill programme is targeting the main and southern lodes with 80m to 100m spaced drill traverses. The first hole completed intersected strong magnetite/sulphide mineralisation between 45m and 100m down hole and has extended the southern lode 80m west of previous intersections. Drilling is continuing.

Goldstream considers that there is a strong potential to discover further mineralisation along the 18km long intense magnetic feature which characterises Cairn Hill and extends to the east.

Cairn Hill has favourable infrastructure being located 50km from the Darwin to Adelaide railway, 12km from the arterial Stuart Highway and 45km from the town of Coober Pedy.

The preliminary metallurgical results, proximity to infrastructure, open cut aspect to the Cairn Hill deposit and extensive exploration upside enhance the potential for a successful development.



GEORGE S KENWAY
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.

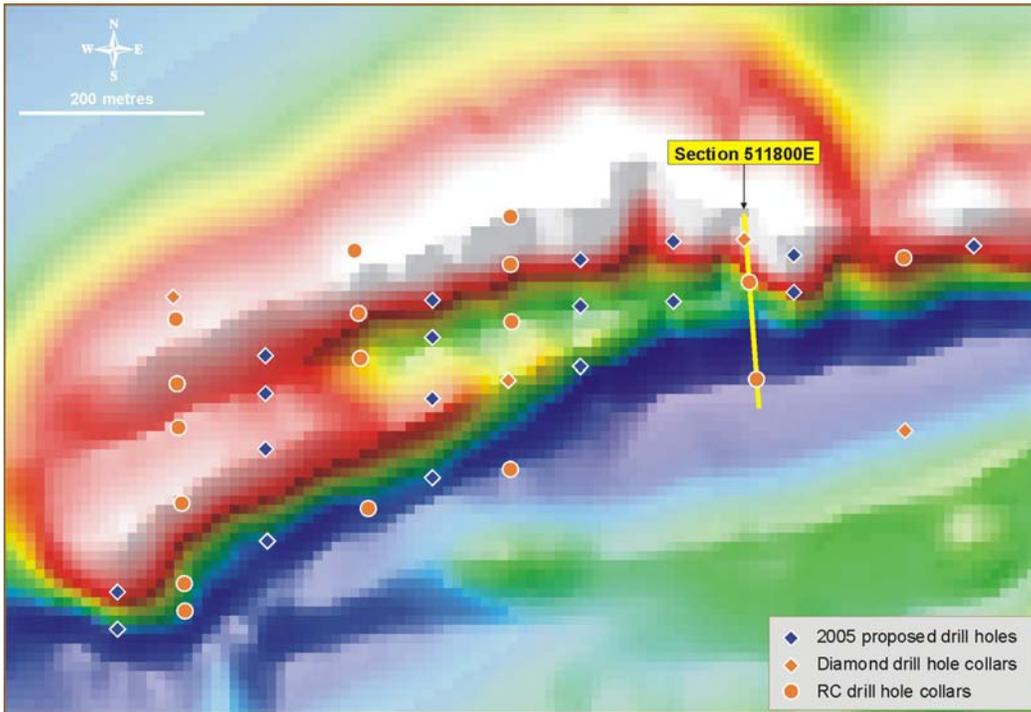


Figure 1: Cairn Hill - Ground magnetic image with drill hole locations

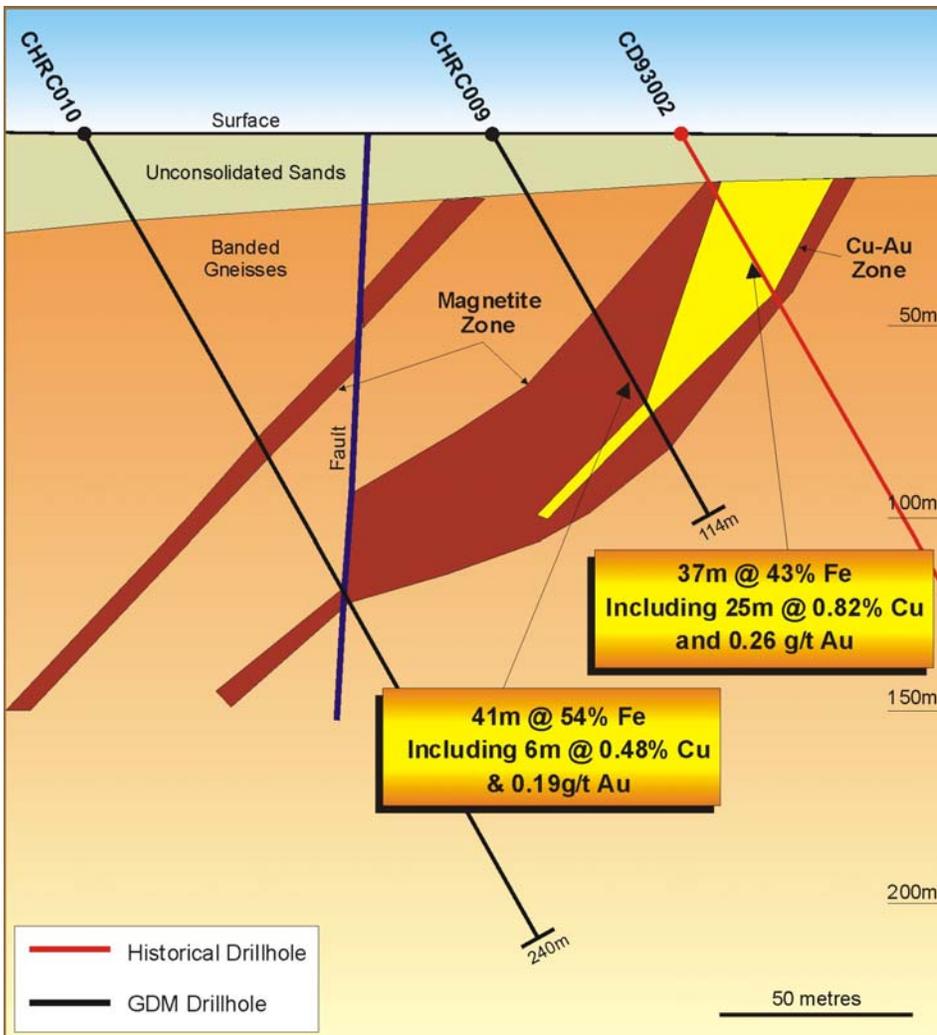


Figure 2: Cairn Hill - Interpreted Section 511800E