

**GOLDSTREAM FURTHER EXPANDS AFRICAN NICKEL INTERESTS
NEW NICKEL SULPHIDE PROVINCE ACQUIRED IN TANZANIA**

Goldstream Mining NL (**ASX: GDM**) has further expanded its African nickel interests announcing today (Wednesday) it had identified and obtained title to a highly prospective new nickel sulphide province near Nachingwea in southern Tanzania where copper bearing ultramafic outcrops and gossans with highly anomalous nickel/copper/PGE geochemistry had been identified by reconnaissance exploration.

The company said it had secured 100% title to the province which had granted tenements covering 7,269 square kilometres. (Figure 1)

Goldstream's Managing Director, Mr George Kenway, said historic records from 1950 showed that diamond drilling of one of the malachite stained gossans had intersected sulphides assaying up to 1.7% nickel and 0.59% copper.

"We have secured title to what we believe is truly a new frontier nickel province," he said. "Results from the limited exploration carried out in what is an area of generally poor exposure highlight the substantial mineral potential of the area."

"We are very comfortable working in Tanzania with its stable political and social systems and well established mining laws and Nachingwea represents excellent exposure to numerous greenfields nickel sulphide targets which warrant an immediate and robust exploration program," he said. "We look forward to the results of the initial program of airborne geophysics and follow up drilling."

The Nachingwea province forms part of the Mozambique metamorphic belt which comprises mid-proterozoic paragneiss, schist and marble with ultramafic and mafic intrusives. The terrain is typically flat with outcrop limited to river bed or isolated hills.

At the Ntaka prospect, abundant copper showings and old workings are evident over a width of 650 metres and north-south strike extent of 1,300 metres on a low ridge of meta-pyroxenite (Photo 1). Broad spaced soil geochemistry with samples composited over 100 metre intervals highlight the eastern margin of the ridge where values of up to 7,760ppm copper and 1.3 g/t PGE are associated with the main gossan trend and copper workings (Photo 2).

Apart from recent artisan extraction of malachite samples for gemstone usage, previous exploration at Nachingwea has been limited to two phases, 10 and 55 years ago. In the mid-1990s, surface geochemistry and airborne magnetic surveys were directed at lead-zinc exploration but no drilling was undertaken, while in 1950 a series of six diamond drill holes were concentrated along a 400 metre strike length under the main gossan zone. Records show that two holes returned values greater than 1% nickel with Hole No 3 intersecting 3.66 metres @ 1.6% nickel and 0.56% copper.

No PGE assays were undertaken at that time, however, soil samples taken by Goldstream returned high PGE values of 1.3 g/t PGE over 100 metres across strike.

Goldstream's Exploration Manager, Rob Edwards said: "The Nachingwea province is not a classical nickel terrain, which has led to its being previously overlooked."

“However, with the recent discovery of the massive Voiseys Bay deposit, which is also hosted by non-traditional basement gneiss and metasedimentary rocks, nickel exploration worldwide has taken on a new lease of life. In spite of this, few new provinces have actually been discovered and Goldstream is extremely fortunate to have gained title to this entire area with demonstrated nickel sulphide mineralisation,” he said.

A state of the art helicopter VTEM survey over the Ntaka area is scheduled to be flown within the next four weeks with drill testing of potential massive sulphide conductors to follow later in the field season. Goldstream will also explore Ntaka as a potential large tonnage, disseminated deposit in light of the extent of the surface copper showings which suggest a broadly dispersed sulphide envelope associated with the higher grade intersections.

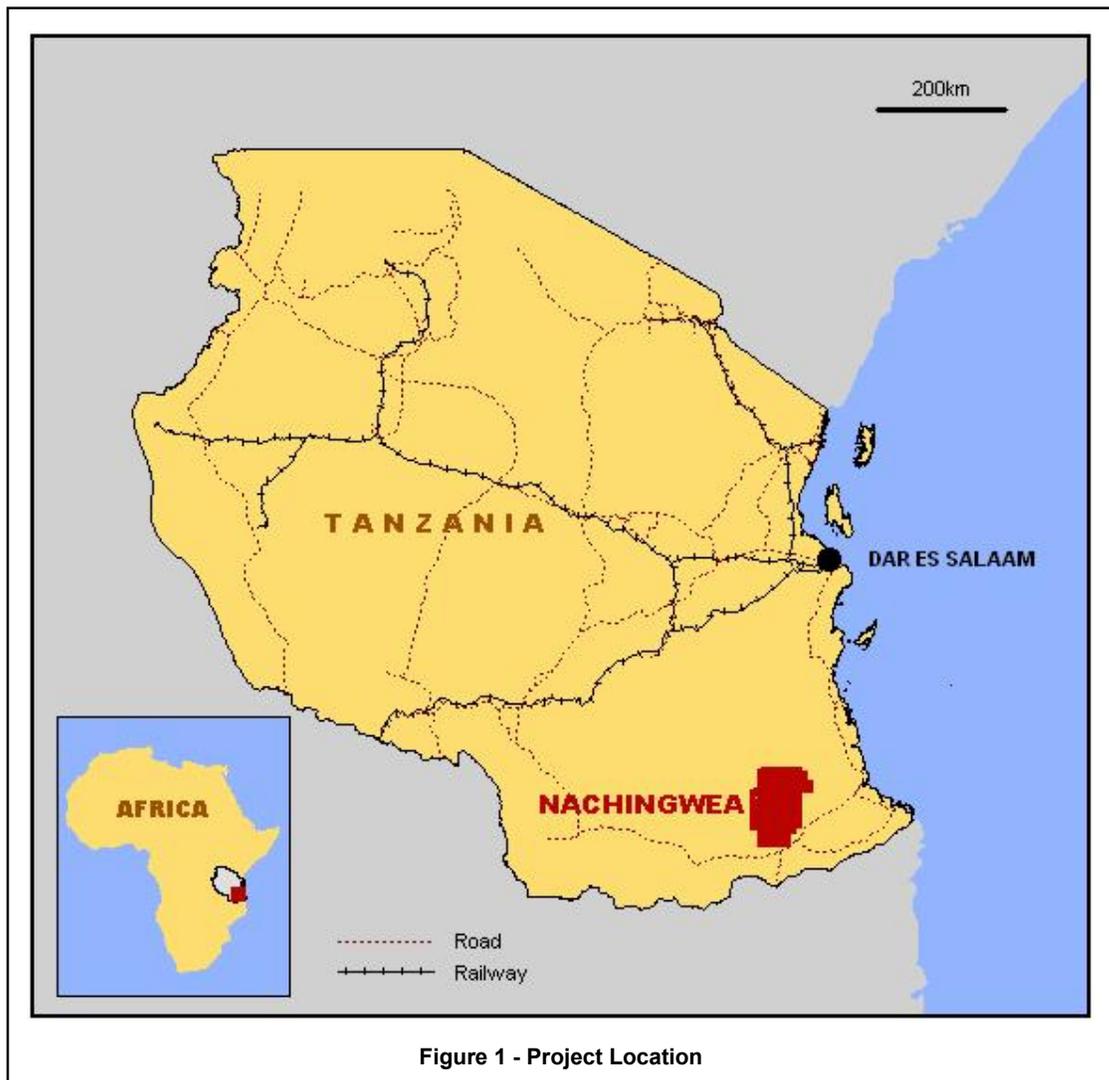




Photo 1 - Ntaka, typical copper showing from within the pyroxenite intrusive



Photo 2 - Ntaka, main copper workings above the 'hole 3' nickel sulphide intersection.

- ENDS -

| | |
|-------------------------------------|--|
| Released by: | On behalf of: |
| Jan Hope / Nicholas Read | Mr George Kenway |
| Jan Hope & Partners | Managing Director |
| Telephone: (+61-8) 9388-1474 | Goldstream Mining NL |
| | Telephone: (+61-8) 9486-8688 |
| | Web: www.goldstreammining.com.au |