

Goldstream Acquires New Nickel Sulphide Province 20 July 2005

Goldstream has identified and obtained title to a highly prospective nickel sulphide province near Nachingwea in southern Tanzania.

Reconnaissance exploration by Goldstream has located copper bearing ultramafic outcrops and gossans with strongly anomalous nickel/copper/Platinum Group Elements (PGE) geochemistry. Historic records from 1950 show that one of the malachite stained gossans was diamond drilled intersecting sulphides assaying up to 1.70% nickel, 0.59% copper. Goldstream has secured 100% title to the province with granted tenements covering 7,269 km² (Figure 1).

The 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, a low ridge of meta-pyroxenite exhibits abundant copper showings and workings over a width of 650m and north-south strike extent of 1300m (Photo 1). Broad spaced soil geochemistry with samples composited over 100m intervals highlight the eastern margin of the ridge where values to 7760ppm nickel, 6932ppm copper and 1.3g/t PGE are associated with the main gossan trend and copper workings (Photo 2).

Besides recent artisan extraction of malachite samples for gem stone usage, prior exploration of the area has been limited to two phases, 10 and 55 years ago. In the mid 1990's surface geochemistry and airborne magnetic surveys were directed at Lead-Zinc exploration but no drilling was undertaken.

In 1950, a series of 6 diamond drill holes were concentrated along a 400m strike length under the main gossan zone. Approximately 5% of the core, presumably the higher sulphide zones, was assayed for copper and nickel only. Records show that two holes returned values greater than 1% nickel with hole No 3 intersecting **3.66m @ 1.6% nickel, 0.56% copper**. No PGE assays were undertaken although our soil samples show high PGE values (1.3g/t PGE over 100m across strike).

Drill logs describe a fine grained chilled margin to the intrusive with increasing biotite and graphite contamination near the contact with footwall quartz-biotite gneiss. The attitude of the mineralisation is interpreted at 60 degrees to core axis suggesting the true width is 86% of the stated intersection.

Hole	sample	Depth (feet)	Interval (feet)	Interval (m)	Cu %	Ni %
No 3	M13	108	2.5	0.76	0.46	1.45
	M17	639	6	1.83	0.59	1.70
	M18	645	6	1.83	0.52	1.50
	combined	639	12	3.66	0.56	1.60
No 5	NT4	137	3	0.91	-	1.31

This exploration confirms the presence of significant nickel sulphide mineralised ultramafic within the province. Aeromagnetic data suggests that the Ntaka outcrops form the northern tip of a 60km² intrusion that extends south and west under shallow cover.

Initial sampling of other ultramafic outcrops within the province also shows anomalous geochemistry. A dunite hill 20km south of Ntaka returned rock chips to 8997ppm copper and 1883ppm nickel. Sampling is currently concentrating on ultramafic outcrops 25km to the north east.

Exploration concepts, models and technology have advanced significantly since 1950. Recent discoveries such as Voisey's Bay, which is also hosted by graphitic gneisses, have greatly expanded the terrains now considered prospective for massive nickel sulphides. It is planned to fly a state of the art helicopter VTEM survey over the Ntaka area within the next four weeks. Drill testing of potential massive sulphide conductors will follow later in the field season. Ntaka will also be explored as a potential large tonnage disseminated deposit as the extent of surface copper showings suggests a broadly dispersed sulphide envelope associated with the higher grade intersections.



GEORGE S KENWAY
MANAGING DIRECTOR

The information in this report as it related to ore reserves, mineral resources or mineralisation is reported in accordance with the Aus IMM "Australian Code for reporting of Identified Mineral Resources and Ore Reserves" and is based on information compiled by Competent Persons as defined by the Code. "Significant" drill results refer to results that are indicative of potentially economic mineralisation or that warrant follow up work.



Figure 1 - Project Location



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



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