



# GOLDSTREAM MINING NL

ABN 67 009 129 560

## REPORT FOR THE QUARTER ENDED 30<sup>th</sup> December 2005

### **CORPORATE**

---

Goldstream has entered into an agreement with Terrain Minerals Ltd (Terrain) whereby Terrain may acquire the Company's Euro gold prospect near Laverton in Western Australia.

In consideration Terrain will issue to Goldstream 200,000 fully paid 20¢ shares in Terrain within 7 days of Terrain listing on the ASX. The issue of these shares provides Terrain with a 12 month option, from the date of Terrain listing on the ASX, to complete the purchase of the Euro prospect. Exercise of the option by Terrain will require a further 300,000 fully paid 20¢ shares to be issued to Goldstream.

This transaction is consistent with Goldstream's policy of leveraging non-core exploration projects.

### **OPERATIONS**

---

#### **HIGHLIGHTS**

##### **Tanzania**

- Luwumbu – Outstanding PGE diamond drill intersection.
- Nachingwea – Strong VTEM anomalies associated with extensive Ni-Cu geochemistry

##### **South Australia**

- Cairn Hill – Early metallurgical testing positive.
- Kangaroo Dam – Further PGE mineralisation intersected

## TANZANIA

### Luwumbu Platinum-Nickel Project (Goldstream reducing to 27%, Albidon reducing to 3%, Lonmin earning 70%)

Goldstream Mining NL, in joint venture with Lonmin plc, is exploring for Platinum Group Element (PGE) mineralisation at Luwumbu in southern Tanzania. The Luwumbu Joint Venture enables Lonmin to earn a 70% interest from both Goldstream (90%) & Albidon (10%) by funding all exploration to the completion of a feasibility study.

On the 11<sup>th</sup> January Goldstream announced to the ASX that a significant Platinum Group Element (PGE) drill intersection had been made at Luwumbu. A new high grade zone of PGE mineralisation was intersected by drill hole NDH014 which returned **16.14m @ 5.36g/t Pt+Pd+Au (2PGE+Au)** including **1.67m @ 26.82g/t 2PGE+Au**.

#### Background

Goldstream's initial interest in the Luwumbu area arose from pre-independence reports of platinum near the village of Nkenja, in the Livingstone Ranges of southern Tanzania. Field investigation by Goldstream located favourable host geology for PGE mineralisation and resulted in the Company being granted prospecting licences over 5000km<sup>2</sup>.

Exploration in the Nkenja area is hampered by lack of bedrock exposure of the ultramafic complex. A blanket of volcanic ash from recently extinct volcanos overlies the bedrock geology and severely limits the effectiveness of geochemical sampling. This recent cover is mostly shallow and in places has been washed away by streams exposing bedrock. Consequently progress has been slow in elucidating the complex geology, stratigraphy and structure of the intrusion. Limited diamond drilling has been conducted on targets generated from high-resolution magnetic data and geochemistry where applicable. A total of 17 holes have been drilled during the past 3 years' exploration seasons resulting in encouraging PGE intersections in the various settings around Nkenja.

#### High grade PGE Discovery

The project took a large step forward earlier this month when assay results from NDH014 were received. This hole was drilled to test a structure with an interpreted seven kilometre strike length as defined by geophysics and some rock chip sampling (Figure 1 and 2).

The mineralised section from hole NDH014 was also assayed for the associated Platinum Group Elements of Iridium (Ir), Osmium (Os), Rhodium (Rh) and Ruthenium (Ru). The average content of these metals expressed as a percentage of the total PGE from the 16.14m mineralised interval is given below.

Pt (%)	Pd (%)	Rh (%)	Ru (%)	Ir (%)	Os (%)
22.8	66.5	3.4	5.5	0.9	0.9

Of these additional metals, Rhodium is particularly valuable with a current price of US\$3,300 per oz.

High grade PGE  
discovery

Large tenement  
holding

Strong rhodium  
values a bonus

*Impressive  
nickel targets to  
be drill tested*

*Potential for  
layered PGE  
mineralisation*

All of the data from the year 2005 field season at Luwumbu is currently being assessed. A programme to further investigate the exciting potential presented by the intersection in hole NDH014, will be finalised in the next quarter.

### **Nachingwea Nickel-Platinum Project (Goldstream 100%)**

Soil geochemistry completed over the Ntaka area delineates a strong, coherent copper/nickel/PGE anomaly extending over 4.5 square kilometres. The anomaly extends beyond the mapped extent of ultramafic units and encompasses numerous late channel EM conductors (Figure 3). A further group of conductors with associated copper/nickel geochemistry is located 6km to the south west.

A programme to drill test a selection of these impressive EM targets is being formulated and is scheduled to commence at the start of the dry season in May/June.

### **Mibango Platinum Group Elements (PGE) - Nickel Project (Goldstream 100% - Lonmin earning 65%)**

The project is a joint venture between Goldstream Mining and London based platinum group metal producer Lonmin Plc. Lonmin may earn 65% equity in the project by sole funding exploration to completion of a feasibility study and by arranging Goldstream's share of development finance

Field operations closed down in early November due to the onset of the seasonal rains.

During the 2005 field season activities were directed towards discovery of massive nickel sulphide with associated PGE mineralisation.

Several narrow high tenor nickel sulphide veins were intersected associated with broader zones of disseminated and matrix sulphide. A possible PGE-mineralised layer was also intersected at shallow depth. This preliminary work may indicate that there is potential for layered PGE mineralisation at shallow depth.

The nickel laterite that overlies the south eastern part of the intrusion was defined as an Inferred Resource of 113Mt at 0.82% Ni (using a 0.5% Ni cut-off) by independent consultants according to the guidelines of the JORC Code.

### **Massive Nickel Sulphide**

The use of geophysics was fundamental to the massive sulphide exploration programme. Down Hole EM (DHEM), surface fixed loop EM (FLEM), and helicopter EM surveys were conducted. This was followed up by 8,600m of diamond drilling targeting the anomalies.

The significance of these intersections in relation to the geophysical and geological datasets is currently being assessed.

Intersections returned from the drilling programme include:

Hole KPD	North	East	Depth (m)	width (m)	Pt g/t	Pd g/t	PGE+Au g/t	Cu %	Co %	Ni %
101	4840	20050	268.27	0.57	0.95	6.21	<b>7.37</b>	<b>1.06</b>	<b>0.25</b>	<b>7.08</b>
			367.60	0.09	1.43	0.86	2.36	0.67	0.10	<b>3.03</b>
103	4742	19960	388.95	0.05	2.79	0.51	<b>3.35</b>	0.23	0.08	<b>2.32</b>
104	4730	20025	482.77	0.37	0.99	1.44	2.62	<b>1.14</b>	0.16	<b>5.00</b>
			524.35	0.08	0.45	0.27	0.78	0.20	0.13	<b>4.50</b>
			539.05	0.11	1.50	2.04	<b>3.65</b>	0.34	0.17	<b>5.43</b>
105	4770	19900	499.00	0.50	0.27	0.27	0.74	0.19	0.07	<b>1.83</b>
			531.85	0.19	0.63	0.89	1.59	0.45	0.07	<b>1.88</b>
106	4790	20000	454.25	0.12	0.99	0.12	1.14	<b>1.02</b>	0.11	<b>3.07</b>
			456.16	0.08	0.11	0.16	0.72	0.17	<b>0.48</b>	<b>12.15</b>

### Laterite Nickel

The Inferred Mineral Resource defined according to the guidelines of the JORC Code comprises:

- **113.1 Mt grading 0.82% Ni, 0.054% Co** at a 0.5% Ni cut-off grade which contains,
- **55.1 Mt grading 0.96% Ni, 0.06% Co** at a higher cut off grade of 0.8% Ni.

This resource contains 967,000t of nickel metal and 61,000 of cobalt nickel.

An independent study of the laterite nickel resource is being conducted to determine options for further testing and economic assessment.

### 2006 Programme

All data derived from the 2005 season is currently being assessed and interpreted in conjunction with the data compiled from the previous years programmes. This interpretation will be used to define a proposed 2006 exploration programme.

### Other Projects

#### Morogoro, Muipa, Kondoa, Buhemba

No field work was undertaken.

### AUSTRALIA

#### SOUTH AUSTRALIA

#### Mt Woods Project - Coober Pedy (Goldstream 100%)

#### Cairn Hill Iron-Oxide-Copper-Gold Project

Five composite bulk samples have been collected from various sections of the deposit and submitted for metallurgical testing. These samples are currently being processed with highly encouraging preliminary results indicating that a >70% magnetite product can be obtained from a coarse 150 micron grind.

Early metallurgy  
results positive

More PGE  
mineralisation

The bulk sample head grades are as follows;

Hole	From (m)	To (m)	Width (m)	Au (g/t)	S %	Cu %	Fe %
CHRC013	53.0	62.0	10.0	0.03	2.57	0.41	<b>61.47</b>
CHRC022	50.0	59.0	10.0	0.07	2.96	0.43	<b>60.07</b>
CHRC024	40.0	49.0	10.0	0.21	1.56	0.60	<b>58.41</b>
CHRC025	115.0	124.0	10.0	0.60	2.21	1.24	<b>59.67</b>
CHRC030	65.0	74.0	10.0	0.00	0.34	0.01	<b>61.35</b>

Details of the testing, deposit modeling and resource calculation will be completed during the next quarter.

### Kangaroo Dam PGM Prospect

A programme of five NQ2 diamond drill holes totaling 1,740m was completed at the Kangaroo Dam Platinum project, 50km south of Coober Pedy. The drilling was undertaken in collaboration with the South Australian Government's 'Plan for Accelerated Exploration' (PACE) which partly funded the programme.

A total of 1,401 samples comprising 27 aircore precollar samples and 1,374 quarter core samples were collected and dispatched to Genalysis in Adelaide and Perth for preparation and analysis. To date results have been received for four of the five holes.

Encouraging assays have been received from hole KDD003 which intersected **22m @ 0.95g/t** Pt+Pd+Au from 149m. This mineralisation is hosted within brecciated mafic gneiss with disseminated to massive Pyrrhotite aggregates up to 10cm in size.

Hole ID	From (m)	To (m)	Interval (m)	Pt+Pd+Au g/t
KDD003	149.0	171.0	22.0	0.95
includes	152.0	153.0	1.0	2.71

The mineralisation in hole KDD003 is palladium dominant with a Pd:Pt ratio of 26:1.

### Regional Targets

Several Iron Oxide Copper Gold (IOCG) targets have been delineated for drill testing.

Testing of the Penrhyn gravity/magnetic target will be assisted by partial funding from the South Australian Government's 'Plan for Accelerated Exploration' (PACE) programme.

Also in collaboration with PACE a series of interpreted drainage channels, defined by Goldstream's propriety detailed gravity data, will be tested for roll front uranium mineralisation.

The commencement of these programmes is dependent on securing suitable drill rigs.

## **NORTHERN TERRITORY**

### **Arunta Nickel-Copper Project (Goldstream 100%)**

No field work was undertaken.

## **INDIA**

---

No field work was undertaken pending processing and granting of tenements.

## **URANIUM ASSETS**

---

Goldstream's uranium assets were acquired by Uranex NL which has now listed on the ASX.

Goldstream holds 33.1m shares (50.2%) in Uranex.

### **Summary**

The Uranex portfolio consists of advanced and greenfields uranium projects in Australia and Tanzania. The two country approach to uranium exploration means that Uranex is able to rapidly advance its projects in Tanzania where there are no political hurdles to exploration and development of uranium resources. Uranex's projects in Australia, particularly Thatcher Soak, are more advanced and can be accelerated in tune with increasing favourable sentiment towards uranium mining.

### **Operations**

Exploration work has already commenced in Tanzania at the Lake Bahi project. Pit sampling and RAB drilling were completed during the quarter:

### **Pit Sampling**

A total of 126 pits were excavated by hand to an approximate depth of 3m below surface to follow up airborne uranium radiometric anomalies associated with clay-rich channels (mbugas). Radiometric measurements taken down the sides of the pits showed strongly elevated count rates. Values of between 2,000 and 6,000 counts per second (cps) associated with calcrete clays and nodules were detected. Some of the pits displayed visible encrustations of yellow carnotite mineralisation which appears to be concentrated between 1 and 2 metres below the surface. This mineralisation is associated with the transition from surface clay to calcareous silts and gravels. The results are encouraging and highlight the potential for shallow uranium mineralisation associated with the development of calcrete in the fluvial drainage systems tested. Secondary uranium mineralisation was observed in a number of pits.

*Visual results  
encouraging*

## **RAB Drilling**

A single traverse of seven RAB drillholes was completed across the southern margin of the Lake Bahi salt pan in a successful attempt to identify a sand-filled paleo-channel. These sand-filled channels are up to 30m thick and are considered to represent an important pathway for uranium-enriched ground water to infiltrate the lake environment and precipitate uranium. Sand-filled channels peripheral to the salt pan are considered prime sites for the precipitation of uranium in the presence of organic-rich detritus in redox controlled chemical delta environments.

An historical diamond drillhole toward the centre of the lake intersected 0.15m of 2.3kg/t U<sub>3</sub>O<sub>8</sub>.

A further 41 RAB holes were drilled to follow up drill targets identified by the pitting programmes in the lake margin areas in the northern, western and southern parts of the Bahi Project.

Approximately 1,721 samples were collected from the pits and the RAB drill cuttings and these have been sent for uranium analysis. Results are expected shortly.

## **Next Quarter**

The drilling and pitting programme will continue at Lake Bahi in the first quarter of 2006 and diamond drilling is planned on the lake once the ground is dry enough following the completion of the rains.

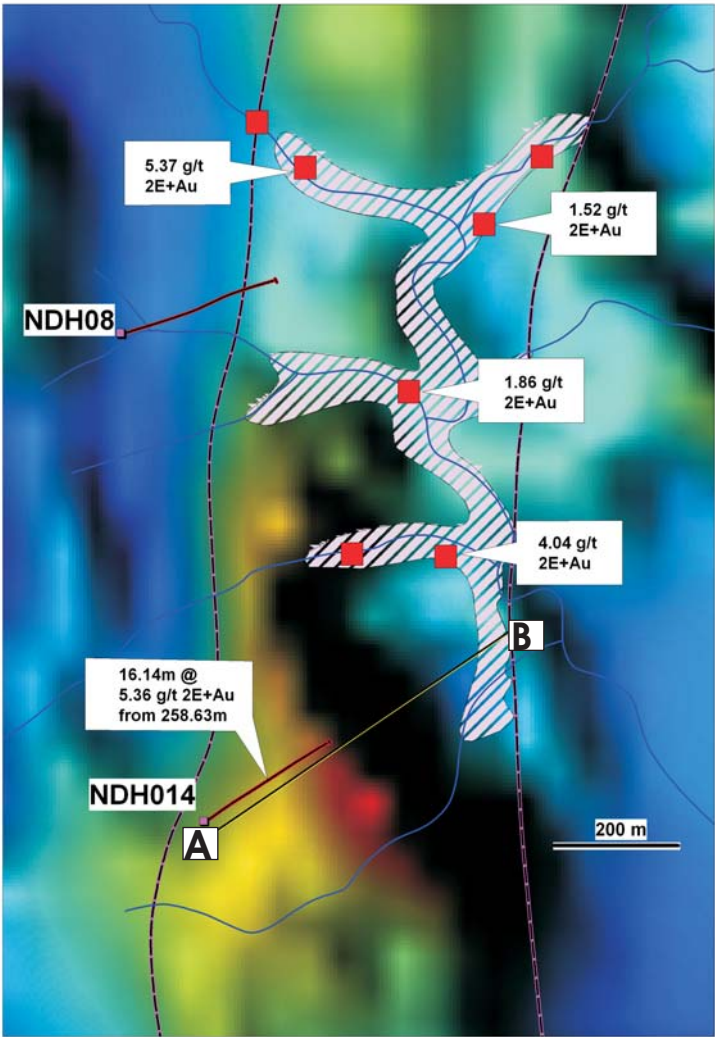


**GEORGE S KENWAY**  
**MANAGING DIRECTOR**

Information in this report 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.

# Luwumbu Project

## East Nkenja Geology & Magnetics






-  Serpentinised Dunite (under Cover)
-  Serpentinised Dunite (Outcropping)
-  Rockchip >1.0g/t 2E+Au

Figure 1. Luwumbu Project - Geology & Magnetics

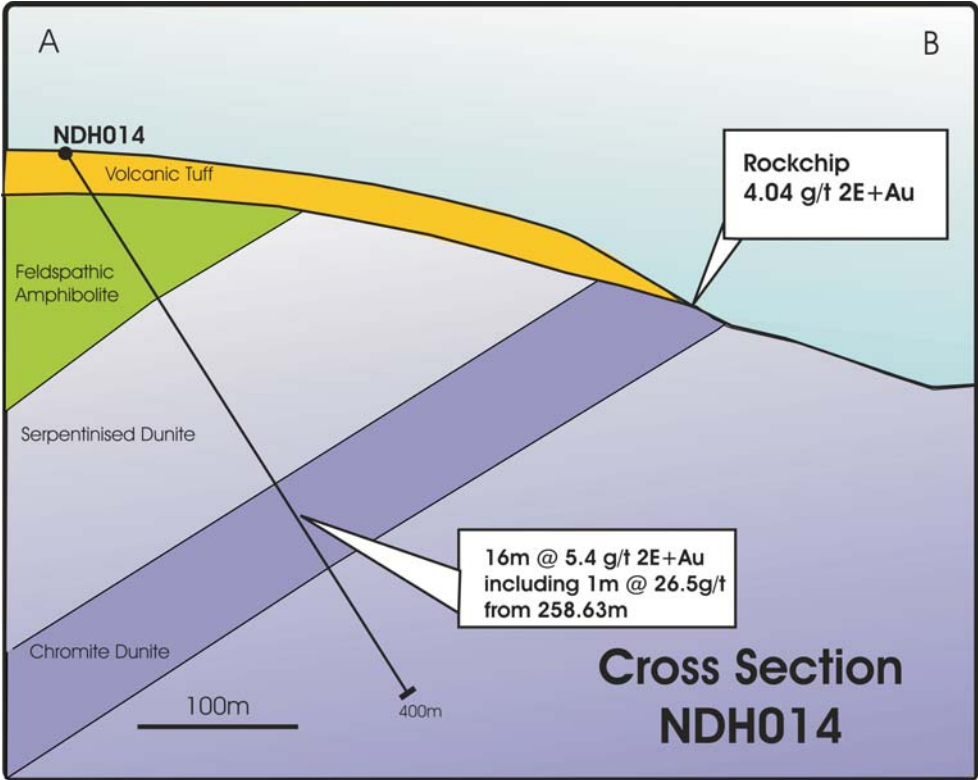
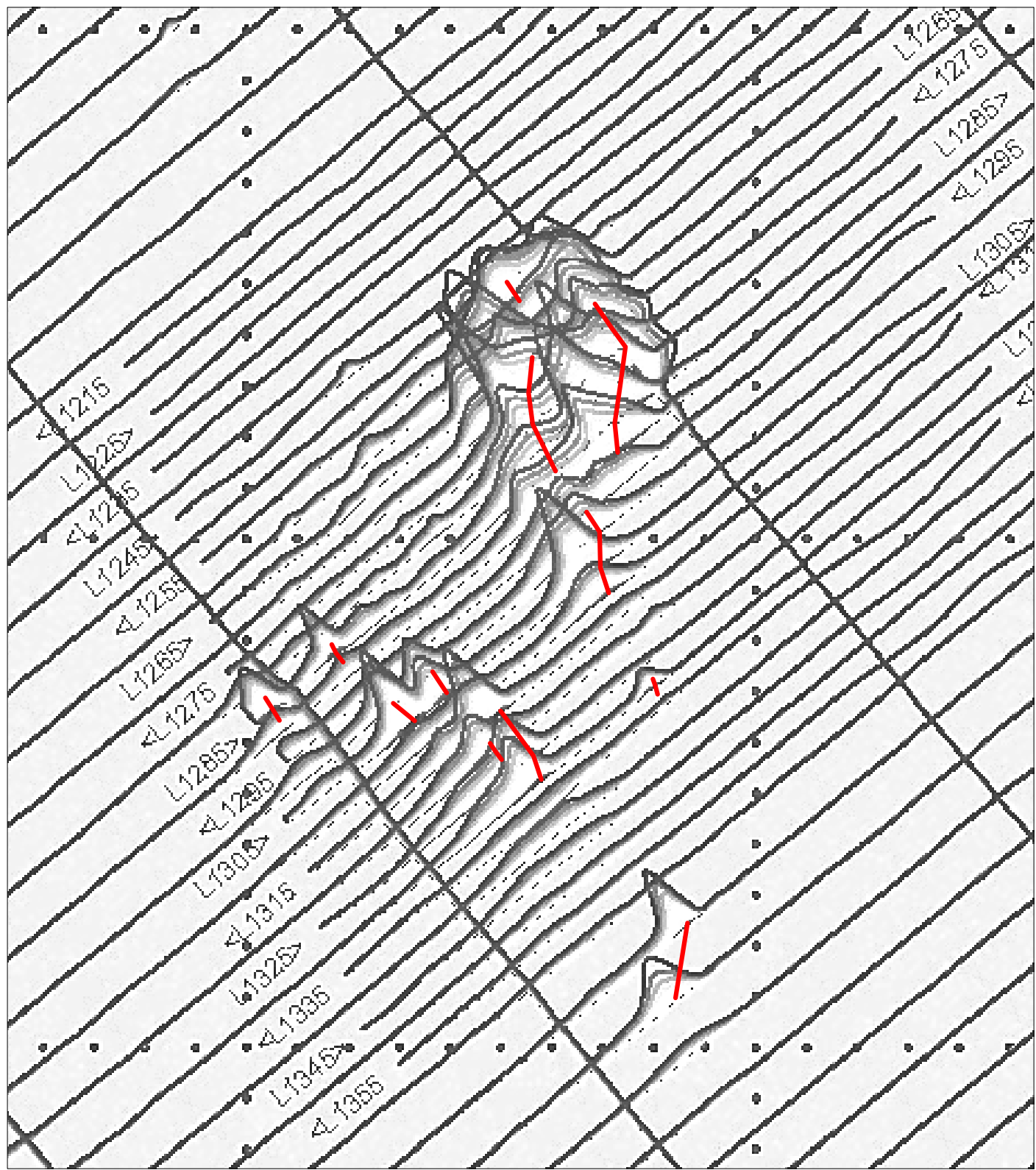


Figure 2. Luwumbu Project - East Nkenja Interpreted Drill Section

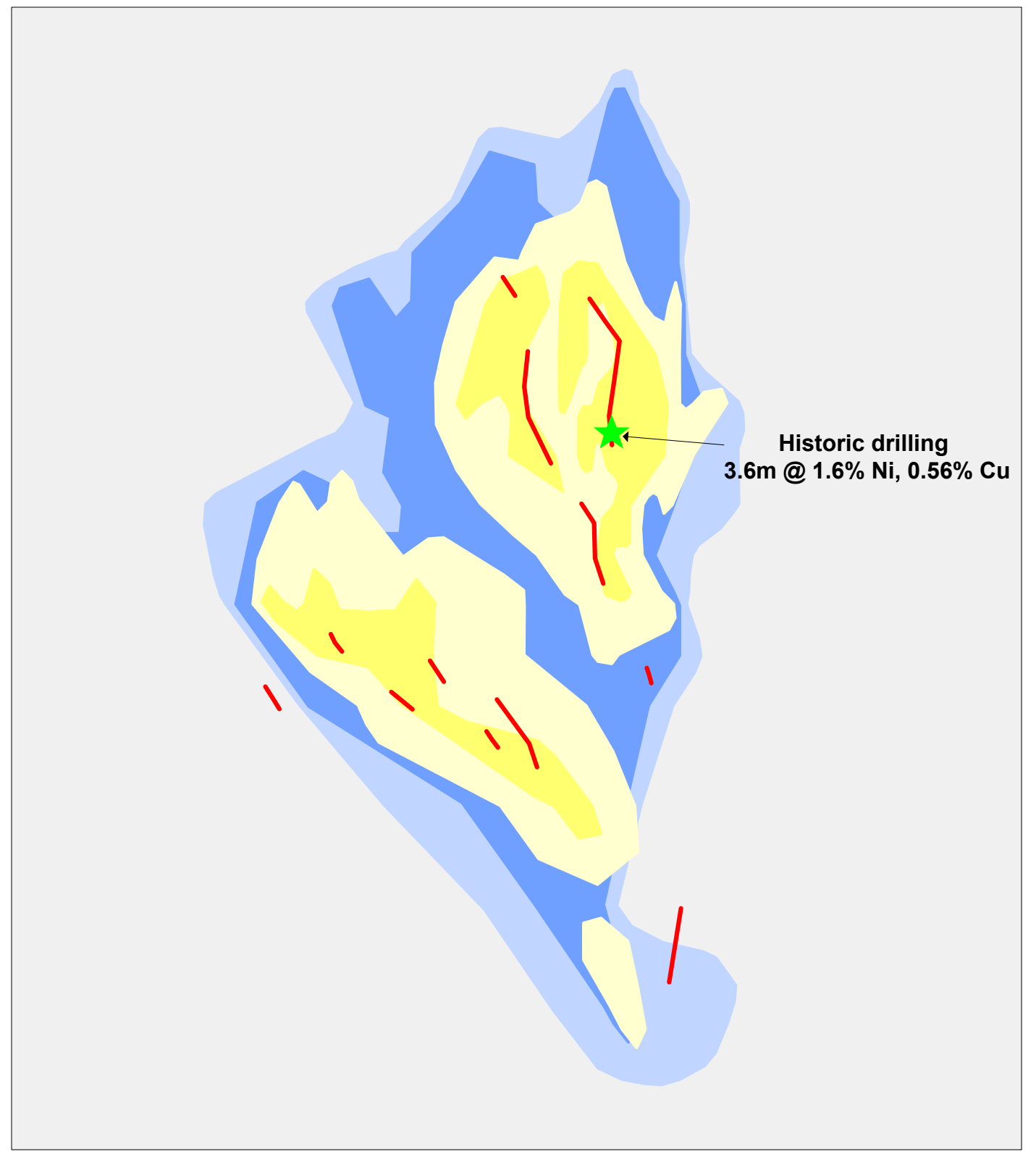




— Late Channel VTEM Anomalies



1 km



Historic drilling  
3.6m @ 1.6% Ni, 0.56% Cu

**Ni Geochemistry**

>1000 ppm

>500 ppm

**Cu Geochemistry**

>1000 ppm

>500 ppm

Figure 3. Nachingwea Ni-Pt Project - Ntaka VTEM Profiles and Anomalous Geochemistry

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

GOLDSTREAM MINING NL

ABN

67 009 129 560

Quarter ended ("current quarter")

31 December 2005

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration and evaluation (b) development (c) production (d) administration	(3,360)   (486)	(4,580)   (868)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	90	192
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other – Joint Venture contributions – Security Deposit	1,449 (22)	3,541 (22)
<b>Net Operating Cash Flows</b>	<b>(2,329)</b>	<b>(1,737)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a)prospects (b)equity investments (c) other fixed assets	   (64)	   (81)
1.9 Proceeds from sale of: (a)prospects (b)equity investments (c)other fixed assets	252 4	348 4
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (provide details if material)		
<b>Net investing cash flows</b>	<b>192</b>	<b>271</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(2,137)</b>	<b>(1,466)</b>

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(2,137)	(1,466)
<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares – Uranex	6,560	6,560
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other – share issue expenses by Uranex	(577)	(577)
	<b>Net financing cash flows</b>	5,983	5,983
<b>Net increase (decrease) in cash held</b>			
		3,846	4,517
1.20	Cash at beginning of quarter/year to date	6,358	5,687
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	10,204	10,204

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	147
1.24	Aggregate amount of loans to the parties included in item 1.10	N/A

1.25 Explanation necessary for an understanding of the transactions

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

None

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

+ See chapter 19 for defined terms.

### Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	Nil	
3.2 Credit standby arrangements	Nil	

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation Less Joint Venture Contributions	1,451 (333)
4.2 Development	
<b>Total</b>	<b>1,118</b>

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	204	276
5.2 Deposits at call	10,000	6,082
5.3 Bank overdraft		
5.4 Other (provide details)		
<b>Total: cash at end of quarter</b> (item 1.22)	<b>10,204</b>	<b>6,358</b>

### Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	EL23545	Surrendered	100%	Nil
	EL2679	Expired	100%	Nil
	EL2760	Expired	100%	Nil
	EL2781	Expired	100%	Nil

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

6.2 Interests in mining tenements acquired or increased	PLR3453/2005	Granted	Nil	50.2%
	PLR3454/2005	Granted	Nil	50.2%
	PLR3455/2005	Granted	Nil	50.2%
	PLR3457/2005	Granted	Nil	50.2%
	PLR3549/2005	Granted	Nil	50.2%
	PL3318/2005	Granted	Nil	90%
	PL3319/2005	Granted	Nil	90%
	PL3448/2005	Granted	Nil	100%
	PL3450/2005	Granted	Nil	100%
	PL3451/2005	Granted	Nil	100%
	PL3456/2005	Granted	Nil	100%
	MLA38/585	Option	100%	100%
	EL3318	Granted	Nil	100%
	EL3387	Granted	Nil	100%
	EL3445	Granted	Nil	100%
	EL2005/918	Application	Nil	Nil

**Issued and quoted securities at end of current quarter**

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	122,078,639	122,078,639		
	120,000		7	1
	250,000		11	1
	200,000		12	1
	595,000		18	1
	709,000		22	1
	600,000		25	1
	160,000		43	1
	750,000		57	1
	1,000,000		61	1
	950,000		31	1
	1,420,000		39	1
	350,000		52	1
	600,000		52	1
	1,000,000		42	1
	100,000		34	1
	30,000		36	1

+ See chapter 19 for defined terms.

7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5	<b>+Convertible debt securities</b> <i>(description)</i>				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	<b>Options</b> <i>(description and conversion factor)</i>			<i>Exercise price</i>	<i>Expiry date</i>
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	<b>Debentures</b> <i>(totals only)</i>				
7.12	<b>Unsecured notes</b> <i>(totals only)</i>				

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:

(Director/Company Secretary)

Date: 31 January 2006

Print name:

GEOFFREY J WALLACE

---

+ See chapter 19 for defined terms.

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

== == == == ==