

**REPORT FOR THE QUARTER ENDED  
31 December 2003**

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**CORPORATE**

**ACQUISITION OF NICKEL PROJECTS FROM ANGLO AMERICAN PLC**

Goldstream has entered into an Exclusive Right to Negotiate Agreement with Anglo American plc (Anglo) with regard to the possible purchase of a large portfolio of exploration properties.

The properties are located in Australia and India and have been generated by Anglo specifically targeting nickel sulphide deposits.

Goldstream will have a period of ninety days in which to conclude due diligence and agree acquisition terms. Anglo have undertaken not to negotiate or enter into third party agreements with respect to any of the properties during the period of exclusivity.

Goldstream's due diligence and discussions with Anglo on the terms of the acquisition are proceeding satisfactorily.

**RANDGOLD FARMS IN TO BUHEMBA GOLD PROJECT IN TANZANIA**

Goldstream has entered into an agreement with Randgold Resources Limited (Randgold) whereby Randgold may earn a majority equity interest in its Buhemba gold project.

Randgold Resources is Africa's largest independent gold producer. Randgold is listed on both the London Stock Exchange and NASDAQ and has a market capitalisation of US\$750 million.

The Buhemba licence is located in the Mara goldfields in a region where substantial colonial gold workings are located.

Under the terms of the Agreement, Randgold may earn a 65% equity interest on the licence by sole funding exploration to completion of a pre-feasibility study. Randgold may earn a further 5% by completing a bankable feasibility study.



Randgold has committed to a minimum annual expenditure of US\$100,000 and may not withdraw prior to fulfilling the first year's obligations. Randgold will have five years to complete the pre-feasibility study and a further two years to complete the bankable feasibility study. Randgold will manage the project.

Goldstream welcomes Randgold's participation in its Buhemba gold project. Randgold has an exceptional gold discovery record, having discovered and built the Morila mine in Mali, and their long experience in Africa will benefit this project.

## **SALE OF WEST MUSGRAVE TENEMENTS**

Discovery Nickel has exercised its option to acquire from Goldstream four tenements in the West Musgrave region in Western Australia.

Discovery Nickel has issued Goldstream with 1,000,000 ordinary securities in the issued capital of Discovery Nickel at 20 cents per share.

Goldstream also has an entitlement to receive a 2% Net Smelter Return Royalty from any mineral product processed from or recovered from the tenements.

## **OPERATIONS**

### **TANZANIA**

#### **Mibango Platinum Project (Goldstream 100% - Lonmin earning 65%)**

##### **Summary**

The 2003 field season concluded in the middle of November with the onset of the wet season. During the December quarter, a further 13 diamond drillholes for a total of 3,446 metres (m) were completed within the Kapalagulu Intrusion bringing the total for the year to 35 drillholes for 9,171m.

Compilation of the results of this seasons drilling, geological mapping and detailed aeromagnetic data combined with previous work has allowed the construction of a new stratigraphic-structural model for the Kapalagulu intrusion. This model indicates that to-date the main Platinum Group Elements (PGE) horizons have been intersected over 5.2km of strike, are faulted out along a 10km section but remain untested for a further 12km of strike where drilling has been targeting mineralisation higher in the sequence. Where intersected the main mineralised horizon shows marked variability on drill sections spaced at 400m intervals with intersections varying from 14m @ 1.5gram per tonne (g/t) platinum (Pt)+palladium (Pd)+gold (Au) (2E+AU) to 0.9m @ 6.25g/t 2E+Au.

The massive nickel sulphide potential of the Kapalagulu intrusion and the region has been highlighted with the intersection of 2.1m @ 3.03% nickel (Ni) and the recognition of a large footwall embayment structure. Associated PGE values to 3.2g/t indicate potential for high tenor remobilised vein style PGE mineralisation.



Global resource calculations for the regolith mineralisation at Mibango indicate that substantial quantities of PGE and nickel are concentrated in a near surface lateritic blanket.

### **Primary PGE mineralisation**

The main PGE mineralised chromite-sulphide horizons are now grouped within a 100m wide stratigraphic succession located within the ultramafic portion of the 3500m thick intrusive.

The southern section (Lubalisi) of the linear intrusive is traversed by three longitudinal faults dividing the stratigraphic succession into four elongate blocks (fig 1). The PGE-bearing Mineralised Chromite-Sulphide Succession (MCSS) is present in the two central structural blocks which form a synclinal structure. All drill intersections of the MCSS occur on the northern limb of the syncline whilst the southern limb remains untested. Fourteen diamond drill holes define the MCSS over 5.2km of strike of the northern limb with significant intersections presented below;-

#### **Northern Lubalisi Limb, MCS Diamond Drill Intersections**

<b>Hole</b>	<b>Section</b>	<b>From (m)</b>	<b>Length (m)</b>	<b>Pt+Pd+Au g/t</b>	<b>Ni %</b>
KPD020	20300	33.32	0.30	<b>2.41</b>	0.31
KPD023	19100	47.92	7.85	<b>1.40</b>	0.25
	includes	47.92	0.90	<b>3.63</b>	0.31
	includes	48.52	0.30	<b>6.55</b>	0.39
KPD023	19100	54.72	0.30	<b>2.45</b>	0.39
KPD023	19100	55.62	0.15	<b>2.32</b>	0.45
KPD024	19900	53.00	13.96	<b>1.56</b>	0.30
	includes	53.00	6.46	<b>2.27</b>	0.35
	includes	53.00	0.30	<b>6.11</b>	0.32
	includes	54.51	0.90	<b>3.00</b>	0.32
	includes	56.01	0.30	<b>4.33</b>	0.39
	19900	57.06	2.40	<b>2.51</b>	0.42
KPD024	includes	57.21	0.15	<b>4.05</b>	0.27
	includes	58.56	0.90	<b>3.98</b>	0.64
KPD024	19900	61.41	0.30	<b>2.07</b>	0.46
KPD024	19900	66.36	0.60	<b>2.17</b>	0.30
KPD026	19900	171.62	1.20	<b>1.56</b>	0.56
KPD038	19600	76.50	2.00	<b>1.45</b>	0.25
		217.00	0.30	<b>2.30</b>	0.33
KPD039	19200	104.08	0.30	<b>2.13</b>	0.57
		224.20	4.80	<b>1.29</b>	0.28
	includes	228.10	0.60	<b>2.68</b>	0.30
	includes	228.10	0.30	<b>3.15</b>	0.27
KPD040	18800	122.00	1.00	<b>1.77</b>	0.36
KPD041	18300	102.00	0.50	<b>1.80</b>	0.48



Hole	Section	From (m)	Length (m)	Pt+Pd+Au g/t	Ni %
KPD042	17600	150.20	0.30	<b>1.62</b>	0.23
KPD043	17200	124.25	0.30	<b>2.04</b>	0.26
KPD044	16000	169.30	0.90	<b>6.25</b>	0.41
	includes	169.30	0.60	<b>8.32</b>	0.45
	includes	169.30	0.30	<b>12.14</b>	0.46
KPD051	18000	190.50	7.20	<b>1.38</b>	0.19
	includes	192.50	1.00	<b>2.66</b>	0.21
	includes	193.00	0.50	<b>3.31</b>	0.18
KPD052	20400	75.80	0.30	<b>1.30</b>	0.18
KPD056	21200	291.30	1.50	<b>1.04</b>	0.56
KPD056	21200	293.70	1.20	<b>1.07</b>	0.30

The highest grade mineralisation on the northern limb occurs in hole KPD044 (0.9m @ 6.25g/t 2E+Au), at the western end and remains open. The average dip of the mineralised sheet is 45 degrees to the south and the projected surface areal extent of the MCSS on the northern limb is 1.4 square kilometres. Quoted drillhole intercepts are interpreted as approximate true widths. All drill core samples were analysed in Perth, Australia for base and precious metals.

Diamond drill holes drilled into the southern limb intersected several zones of mineralisation from the sequence **above** the MCSS but did not extend deep enough to intersect the MCSS. The current interpretation suggests that for the southern limb the MCSS forms a shallow north dipping sheet 300m below the surface and extends untested over an area of 9.9 square kilometres (fig 1)

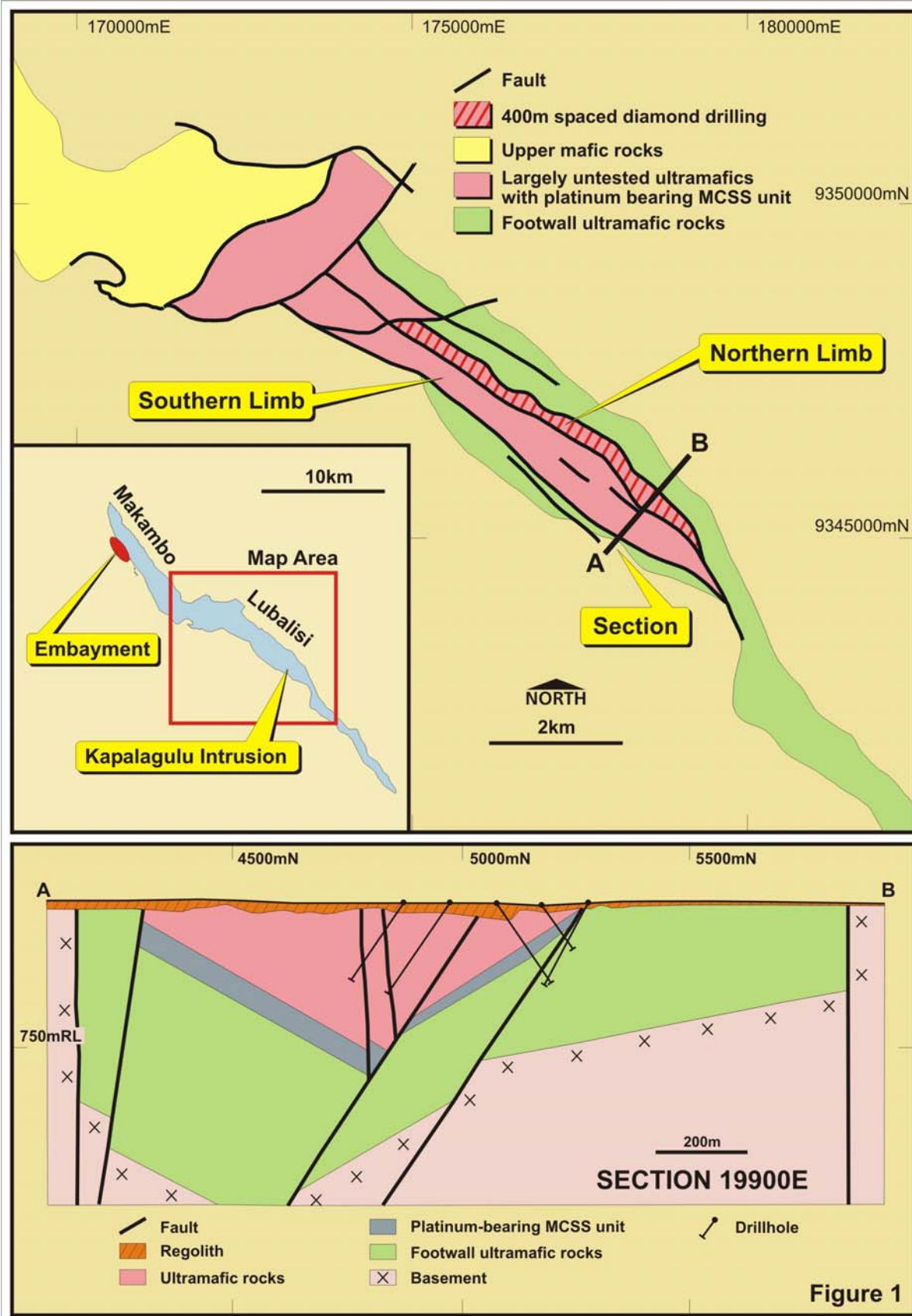
The MCSS in the north western portion of the Kapalagulu intrusive (Makambo zone) appears to be sheared out by a major strike thrust zone. Surface soil geochemical anomalies along the trend relate to weak hanging wall mineralisation or represent disseminated and massive nickel sulphide.

A further 1,795 core grind samples were collected over 3 metre intervals over previously un-sampled drill core intervals to ensure that no mineralisation had been missed in the initial selective core saw diamond sampling program. Assay results from this exercise show that further detailed drill core sampling is required in several drillholes where less obvious mineralised sections have been detected by the qualitative core grind assays.

Ninety-nine higher-grade sample pulps from ten drillholes were resubmitted for nickel sulphide fire assay to determine rhodium contents.

A mineralogical investigation of four of the higher PGE grade samples from KPD044 and 024 is being undertaken in order to identify the PGE minerals, their size and relationship to the sulphide, silicate and chromite host rock.





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## ***Nickel Sulphide Mineralisation***

In addition to the disseminated nickel sulphide that accompanies the PGE mineralisation two diamond drill holes have intersected massive high grade nickel sulphides.

Hole KPD028 intersected 0.30m @ 4.95% Ni in the Lubalisi zone on section 19100. The mineralisation persists at least 300m to the west where, on section 18800, hole KPD049 intersected disseminated sulphides assaying 1.51% Ni over 1.00m.

Also on the south west margin of the intrusion, some 12.5km to the north, hole KPD063 intersected massive sulphide over 2.10m assaying 3.03% Ni. This intersection enhances the massive sulphide potential of the intrusion and is of particular significance due to its proximity to a recently identified embayment/feeder structure in the footwall. The embayment structure extends over 2.0 x 1.0 km as defined by airborne radiometric data and includes three discrete magnetic features. One of the magnetic features outcrops as ultramafic (hartzburgite) with olivine rich gabbroic phases. Soil geochemistry was extended over this outcrop and one of the covered magnetic features with both targets returning highly anomalous Ni-Cu-PGE values. Peak soil values were;-

Ni	0.37%
Cu	0.4%
PGE	793ppb

These results are considered indicative of magmatic nickel sulphide and represent prime targets for Voisey Bay-style massive sulphide mineralisation hosted by a potential feeder conduit to the Kapalagulu Intrusion.

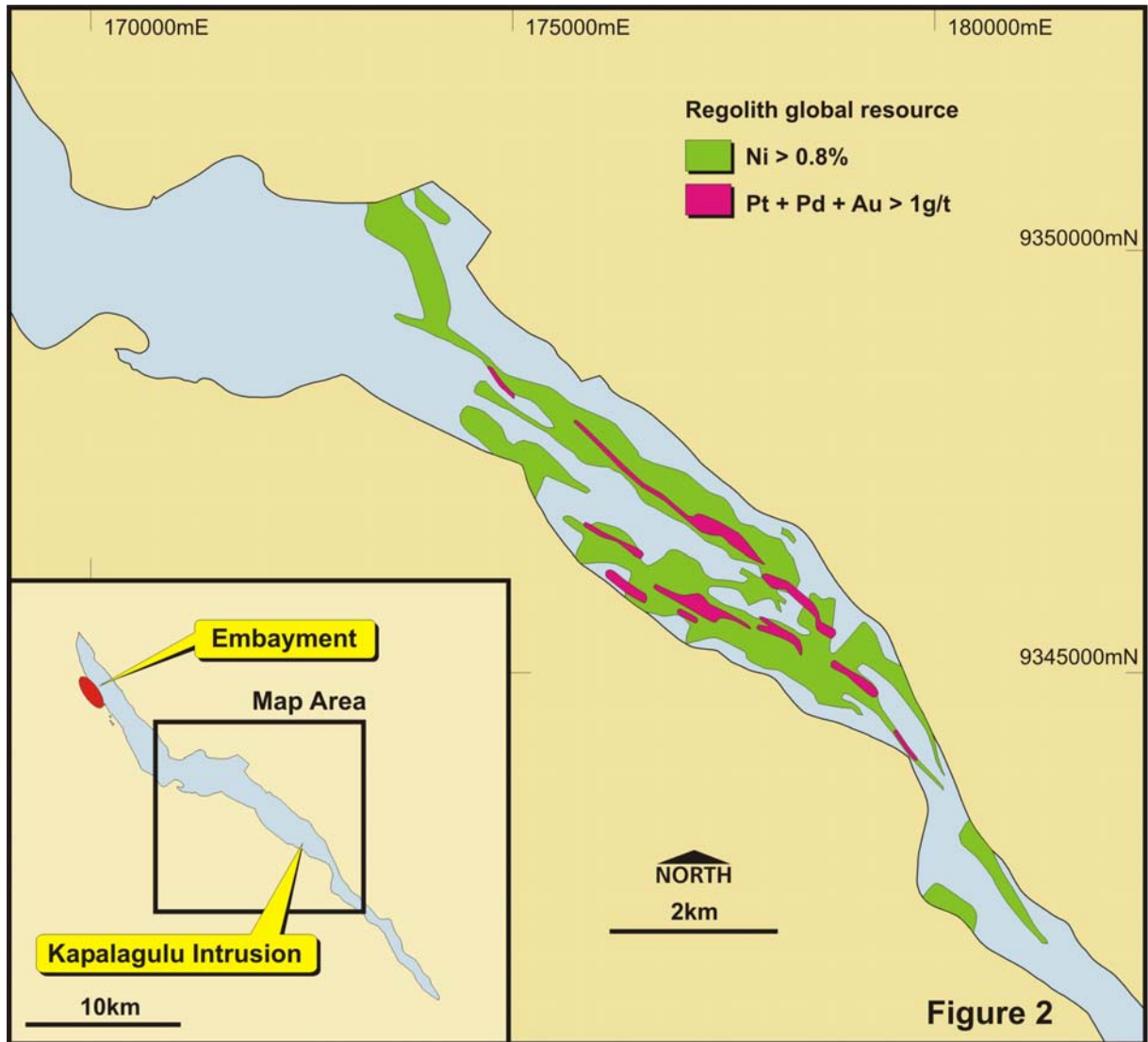
Hole	Section	From (m)	Length (m)	Ni (%)	Cu (%)	Pt+Pd+Au (g/t)
KPD028	19100	193.27	0.30	4.95	0.44	0.80
KPD049	18800	126.00	1.00	1.51	0.18	0.59
KPD063	mg14560	257.20	2.10	3.03	0.46	0.85
	includes	257.50	0.90	5.01	0.52	0.53
	includes	258.40	0.30	2.04	0.25	3.22

## ***Regolith Mineralisation***

A pre-resource model and estimation of the Mibango regolith PGE and nickel mineralisation has been completed (fig 2).

	Tonnes (million)	PGE g/t 2E+Au	Nickel (%)	Copper (%)	Cobalt (%)
<b>PGE</b>	<b>9.3</b>	<b>1.60</b>	0.85	0.22	0.065
<b>NICKEL</b>	<b>89.2</b>	0.45	<b>1.08</b>	0.14	0.058





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Separate polygonal wire frame models were constructed for the near surface oxidised PGE mineralisation and for the underlying lateritic nickel. The PGE is hosted by weathered bedrock in the upper part of the laterite profile and also in the overlying ferruginous clays. The nickel is concentrated in the lower laterite profile and overlaps partially with the PGE mineralisation.

The estimates are based on 810 vertical Aircore and RAB drill holes totalling 15,715m. Holes were drilled at 25 and 50m spacing on traverses 200 to 800m apart. Samples were composited over 2m intervals and assayed in Australia. Specific gravity values of 2.0 for the PGE and 2.5 for the nickel have been used in the above calculations. A cut-off grade of 1.0g/t 2E+Au was used for the PGE and 0.8% for the nickel with overall grades calculated using the from-to weighting method.



These pre-resource estimates have been calculated to assist in planning further work programmes necessary to bring the deposit to resource compliance. No metallurgical or economic viability studies have been undertaken and the estimate does not currently comply with JORC Resource and Reserve reporting standards.

## **Wansisi Regional**

A soil geochemistry survey over the north eastern extension of the Katobala intrusive has outlined a linear copper and PGE anomaly that extends over a distance of 6000m. Peak soil values are 340ppb PGE and 1451ppm Cu.

### ***2004 Work Programme***

Technical assessment of the 2003 field results is ongoing in order to formulate work programmes and budgets for this years operations.

## **Luwumbu Platinum Nickel-Copper Project (Goldstream reducing to 27% - Lonmin earning 70%)**

PGE mineralisation has been intersected in the first two diamond drill holes completed at Nkenja.

Hole	End of hole	Depth (m)	Interval (m)	Pt+Pd+Au g/t
NHD01	229.70	51.00	24.00	0.20
	includes	63.00	1.00	0.60
		113.00	12.00	0.31
	includes	117.00	1.00	0.70
		163.20	1.80	0.43
		199.00	1.00	0.45
NHD02	92.30	54.00	7.00	0.41
	includes	54.00	1.00	0.75

Hole NHD01 was inclined at 50 degrees to undercut a 2.5g/t PGE soil anomaly and intersected several 1 to 2m wide zones of 0.2 to 0.7g/t PGE. Two other holes were planned to investigate the mineralisation along strike however the intensity of the wet season precluded further drill rig movement from its initial drill pad. A second short hole, NHD02, was drilled vertically from the same location to confirm dip information. Hole NHD02 intersected 7 @ 0.41g/t PGE 35m down dip from the stratigraphically equivalent zone in hole NHD01 which assayed 4m @ 0.14g/t PGE showing considerable grade variation over a short strike interval.





The 1,000m drill program will resume in early February to take advantage in a predicted lull in the rainy season.

## AUSTRALIA

### SOUTH AUSTRALIA

#### **Coober Pedy - Warrina/Mt Woods Copper-Gold Project (Goldstream 100%)**

A re-appraisal of the tenement package following the receipt new data sets generated by Anglo American has commenced. The information includes extensive detailed ground gravity, and EM data, a new geological framework, alteration mapping and drill hole records. A number of targets types have been defined including IOCG Prominent Hill/Olympic Dam style, BHT lead zinc style and a new magmatic Platinum play.

Of immediate interest is further drill testing of the Cairn Hill copper magnetite deposit. This mineralisation extends from near-surface over 600m strike and is open to the west. It is defined by four, 200m spaced drill sections with each section having 1 to 3 holes. Historic intersections include;-

Hole	Depth (m)	Interval (m)	Cu (%)	Au (g/t)
CR92016	110.00	60.00	0.67	0.17
includes	164.00	6.00	2.75	1.17
CD93007	216.52	9.03	0.95	1.02
includes	222.52	1.00	1.30	4.70

It is proposed to complete infill and extension drilling to further assess this deposit.

One of Anglo's reconnaissance drill holes located on a 5km long gravity feature intersected highly anomalous Platinum values. Hole ARC025 intersected increasing platinum at the end of the hole with the bottom 4m assaying 0.3g/t (148-152m) and the bottom one meter sample assaying 0.44g/t Pt. The zone is accompanied by anomalous Cu and Ni and will be followed up by diamond drilling.



## **WESTERN AUSTRALIA**

### **Fraser Complex - Mt Malcolm Nickel-Copper-Cobalt Project (Goldstream 100%)**

A key part of the tenement package remains to be granted after 2.5 years since its application. A decision has been made to terminate the project and the two granted tenements will be relinquished.



**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 AusIMM "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



# 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")

30 December 2003

### 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	(2,063)	(3,380)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	53	99
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other – Joint Venture Contributions	-	2,526
<b>Net Operating Cash Flows</b>	<b>(2,199)</b>	<b>(1,204)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a)prospects (b)equity investments (c) other fixed assets	-	(21)
1.9 Proceeds from sale of: (a)prospects (b)equity investments (c)other fixed assets	61	61
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>61</b>	<b>40</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(2,138)</b>	<b>(1,164)</b>

+ See chapter 19 for defined terms.

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

1.13	Total operating and investing cash flows (brought forward)	(2,138)	(1,164)
<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc.	16	16
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 (provide details if material)		
	<b>Net financing cash flows</b>	16	16
<b>Net increase (decrease) in cash held</b>			
		(2,122)	(1,148)
1.20	Cash at beginning of quarter/year to date	6,139	5,165
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	4,017	4,017

**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	65
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

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	400
4.2 Development	
<b>Total</b>	<b>400</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	234	2,383
5.2 Deposits at call	3,783	3,756
5.3 Bank overdraft		
5.4 Other (provide details)		
<b>Total: cash at end of quarter</b> (item 1.22)	<b>4,017</b>	<b>6,139</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	EL69/1662	Sold	100%	Nil
	EL69/1663	Sold	100%	Nil
	EL69/1790	Sold	100%	Nil
	EL69/1791	Sold	100%	Nil
	PL1605/00	Expired		Nil
	PL1606/00	Expired		Nil
	PL1607/00	Expired		Nil
	PL1680/00	Expired		Nil
	PLR1743/01	Expired		Nil
	PLR1781/01	Expired		Nil
	PLR1782/01	Expired		Nil
	PLR1783/01	Expired		Nil

+ See chapter 19 for defined terms.

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

6.2 Interests in mining tenements acquired or increased	PL2337/03	Granted	Nil	90%
	PL2338/03	Granted	Nil	90%
	PL2339/03	Granted	Nil	90%
	PL2340/03	Granted	Nil	90%
	PL2341/03	Granted	Nil	90%
	PL2342/03	Granted	Nil	90%
	PL2376/03	Granted	Nil	100%
	PL2377/03	Granted	Nil	100%
	PL2378/03	Granted	Nil	90%
PL2387/03	Granted	Nil	90%	

**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	109,436,749	109,436,749		
(a) Increases through issues	200,000		6	1
(b) Decreases through returns of capital, buy-backs, redemptions	120,000		7	1
	250,000		11	1
	450,000		12	1
	625,000		18	1
	709,000		22	1
	720,000		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
7.3 <b>+Ordinary securities</b>				
7.4 Changes during quarter				
(a) Increases through issues	600,000		52	1
(b) Decreases through returns of capital, buy-backs	1,000,000		42	1
7.5 <b>+Convertible debt securities</b> <i>(description)</i>				

+ See chapter 19 for defined terms.

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: 30 January 2003

Print name:

GEOFFREY J WALLACE

## 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.

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+ See chapter 19 for defined terms.

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

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- 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.

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