

REPORT FOR THE QUARTER ENDED 31 March 2004

CORPORATE

ACQUISITION FROM ANGLO AMERICAN OF NICKEL SULPHIDE PROJECTS IN AUSTRALIA AND INDIA

The Company announced on 19 April 2004 that it had acquired an extensive portfolio of nickel sulphide projects from Anglo American (Anglo).

The total tenement portfolio, comprising both grants and applications, covers 28,597km² and includes two projects in the Northern Territory in Australia, one in Victoria and two in the Indian states of Andhra Pradesh and Jharkand. They range from greenfields concept-based regional plays to advanced, ready-to-drill targets along strike from established nickel mineralisation.

Goldstream will initially focus its activities on the **Bynoe Project** near Darwin, a project area covering 442km² where Anglo has identified multiple nickel sulphide targets along 8km of strike of ultramafic/basal contact. Four strongly conductive anomalies are interpreted as having a nickel sulphide source, and permits are in place to test these quality targets on cessation of the wet season.

The scrip-based acquisition, which will see Anglo increase its existing stake in Goldstream of 6.59% to 8%, also includes claw-back provisions if a world-class ore body is delineated.

Key Terms

- Goldstream will issue to Anglo American Investments Ltd (a wholly-owned subsidiary of Anglo) sufficient shares to increase its shareholding to 8.00% from 6.59% currently;



- Anglo will have a once-only right to acquire a 70% interest in any prospect or prospects once an Indicated Mineral Resource is delineated by Goldstream. If Anglo elects to acquire a 70% interest, it may do so by sole funding exploration through to completion of a Bankable Feasibility Study and pay to Goldstream a cash amount equivalent to 200% of Goldstream's expenditure to the point of election. If Anglo does not exercise this right, Goldstream will have 100% of the resource and Anglo will be entitled to a 2% Net Smelter Royalty;
- Goldstream has undertaken to spend a minimum of A\$1.5 million on the tenements as long as they remain in existence.

Project Profile

Bynoe Nickel/Copper (Northern Territory, Australia)

Ready to drill massive sulphides targets have been defined by Anglo, in the Lichfield Block, 60km south west of the city of Darwin. Coincident EM/Magmatic/Geochemical targets associated with ultramafic and mafic intrusives extend over the 8km strike. Disseminated and massive nickel sulphide mineralization has previously been intersected in this zone by uranium explorers (values to 1.2%Ni).

The tenement package comprises 50km² of granted tenements with applications covering 362km².

All permits and clearances are in place and drilling will commence as soon as a drill rig can be mobilized to the project.

Airborne and ground surveys will be extended over the prospective strike extent on the granted tenements and extended throughout the tenement package as applications are granted and access approved.

Arunta Nickel/Copper (Northern Territory, Australia)

The Arunta province is an emerging nickel province currently being targeted by several major resource companies. Massive nickel sulphides have been intersected regionally associated with mafic intrusive bodies with distinct aeromagnetic characteristics. Targets within the Anglo tenement package have returned regolith values of Ni and Cu to 5,000 ppm.

The data package will be reviewed before targets are prioritized for follow up.

The tenement package of 4,637km² comprises one granted EL of 1,523km² and five applications.



Stavelly Nickel/Copper (Victoria, Australia)

A prominent 250km long gravity and magnetic feature beneath shallow Murray basin cover is interpreted as a mafic/ultramafic volcanic belt with similar characteristics to the Raglan Belt in Canada (28Mt @ 2.5% Ni). Bedrock drilling has established characteristic PGE anomalous 'Boninitic magmas'.

The tenement package of five granted tenements covering 1,422km² encompasses the portion of the belt where overlying cover is shallow making it amenable to testing with ground EM geophysics and reconnaissance drilling.

AP3 Nickel/Copper (Andhra Pradesh, India)

A 120x50km intrusive magmatic province located on a craton margin. Disseminated sulphides are associated with several of the mafic intrusives and olivine rich gabbros have been identified in feeder/conduit bodies will include geochemistry, magnetic and EM surveys to identify potential massive sulphide bodies for drill testing.

The project comprises three granted tenements covering 8,046km².

JK1 Nickel/Copper (Jharkand, India)

A 200km long mafic-ultramafic volcanic province on the northern margin of the Singhbhum Craton. Little exploration has been carried out at this stage although Cu/Ni anomalous gossans have been identified. The area is amenable to low cost geochemical drainage sampling.

A bounding shear zone to the province hosts several IOCG style Cu/Au workings and mines (Mosaboni 88Mt @ 1.37% Cu – not included in the tenement package) which have reported accessory nickel sulphide.

The project tenements cover 14,500km² of which 377km² have been granted.

Conclusion

This acquisition from Anglo provides Goldstream with an outstanding opportunity to become an established player in a commodity with excellent long-term market fundamentals.

The agreement has been structured to allow further properties to be added (at Anglo's and Goldstream's discretion) on a continuing basis. This in effect plugs Goldstream into the project generating capability of one of the largest mining groups in the world.



Anglo will continue to have long-term exposure to the exploration upside of the project portfolio by way of the claw-back provisions and their increased direct equity holding in Goldstream.

The acquisition is a good fit with Goldstream's activities in Tanzania. The knowledge gained in exploring for intrusion related platinum/nickel deposits in Tanzania will assist the Company's rapid evaluation of the new properties in Australia and India.

Shareholder Share Purchase Plan

Goldstream announced on 19 April 2004, the adoption of a Share Purchase Plan. The Share Purchase Plan has been designed to allow shareholders to subscribe for new shares in Goldstream at a price which is at a discount to the market, and without the requirement to pay brokerage or other costs that would normally apply to a purchase of shares. The Directors selected a discount of 15% to market for the offer which is intended to reward the Company's many long-term shareholders for their loyalty and continued support. Details of the offer, including key dates, eligibility and issue price formula has been dispatched to shareholders and is also available under the Announcements section of the Company's website www.goldstreammining.com.au.

OPERATIONS

TANZANIA

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

Summary

Preparations for the 2004 exploration season are well advanced with field operations due to commence in May. Principal personnel have been engaged, equipment and supplies are being acquired and the major diamond drill contract let.

This year's programme includes 8,000m of diamond drilling and 8,000 of RAB drilling. The main objectives of the drilling are;

- To complete reconnaissance drilling of the remaining 12km of untested potential strike of the main PGE reef stratigraphy.
- To further quantify the regolith NI/PGE mineralisation and obtain metallurgical samples.
- To investigate the massive nickel sulphide/PGE potential of the 'Embayment Structure'.



- To drill test the PGE soil geochemical anomalies defined on the regional Wansisi tenements.

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

A reconnaissance diamond drill programme comprising four holes for a total of 930m has been completed on the Nkenja prospect which is located in the northern section of the 3,802km² Luwumbu Project area. This drill programme successfully intersected PGE (platinum group elements) mineralisation in the Nkenja intrusive which constitutes a new greenfields PGE discovery.

As reported to the ASX on 1st April 2004, diamond drill hold NDH03 intersected **9m @ 1.56g/t PGE g/t (2E+Au) 0.33% Ni**, including **1m @ 3.27 g/t PGE (2E+Au) 0.38% Ni**. Drill holes NDH01 and NDH02, sited 250m to the south, intersected low grade mineralisation (7.0m @ 0.41g/t 2E + Au) stratigraphically above the mineralised zone in hold NDH03. A fourth hole, NDH04, completed one kilometre north along strike intersected un-mineralised intrusive rocks interpreted to underlie the mineralised stratigraphy of hole NDH03.

The overall structure and stratigraphy of the Nkenja Intrusive has not yet been resolved although aeromagnetic interpretation suggests a strike potential of 30km.

The PGE/Ni mineralisation encountered in Hole NDH03 has upgraded the potential of the entire Luwumbu project area. A drilling programme is being designed to test the grade and width of the Nkenja mineralisation and to investigate the potential for further mineralised positions higher in the stratigraphy.

AUSTRALIA

SOUTH AUSTRALIA

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

A 3,000m RC percussion drill programme has been designed to test the Cairn Hill magnetite hosted copper-gold mineralisation. Heritage and access clearances are progressing and it is hoped to commence drilling next quarter.



An ongoing review is prioritizing other IOCG style Cu/Au targets, lead zinc mineralisation and potential platinum targets for further drill campaigns. Included in the list of targets is carbonate/calc silicate hosted base metal mineralisation at the Eagle prospect where in historic broad spaced (250x100m) shallow RAB drilling returned strong zinc mineralisation. Zinc values to 1.76% at the base of RAB holes were not sourced and remain an attractive target.



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")

31 March 2004

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 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	(629)	(4,009)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	61	160
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other – Joint Venture Contributions	970	3,496
Net Operating Cash Flows	265	(939)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a)prospects (b)equity investments (c) other fixed assets	(11)	(32)
1.9 Proceeds from sale of: (a)prospects (b)equity investments (c)other fixed assets		61
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (provide details if material)		
Net investing cash flows	(11)	29
1.13 Total operating and investing cash flows (carried forward)	254	(910)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	254	(910)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.		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)		
	Net financing cash flows	-	16
Net increase (decrease) in cash held			
		254	(894)
1.20	Cash at beginning of quarter/year to date	4,017	5,165
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	4,271	4,271

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	
Total	400

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	949	234
5.2 Deposits at call	3,322	3,783
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	4,271	4,017

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	PLR1744/01	Expired	100%	Nil
	EL63/747	Relinquished	100%	Nil
	EL63/786	Relinquished	100%	Nil
6.2 Interests in mining tenements acquired or increased	PL2444/04	Granted	Nil	100%
	PL2457/04	Granted	Nil	100%

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.

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference + securities <i>(description)</i>			
7.2	109,436,749	109,436,749		
	200,000		6	1
(a) Increases through issues	120,000		7	1
(b) Decreases through returns of capital, buy-backs, redemptions	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	+Ordinary securities			
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs			
7.5	+Convertible debt securities <i>(description)</i>			
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted			
7.7	Options <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	Debentures <i>(totals only)</i>			

+ See chapter 19 for defined terms.

7.12	Unsecured notes (<i>totals only</i>)		
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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: 29 April 2004

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.
- 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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+ See chapter 19 for defined terms.