



GOLDSTREAM MINING NL

ABN 67 009 129 560

REPORT FOR THE QUARTER ENDED
30TH JUNE 2004

*Share purchase
plan raises
\$1,651,000*

*Share price
increase - 21%*

*New gold
tenements granted*

*US\$2.5 million field
season underway*

*Diamond drilling
in progress*

CORPORATE

During the quarter the Company initiated and completed a Share Purchase Plan (SPP). This enabled shareholders to subscribe for new shares in Goldstream at a discount of 15% to the market, each shareholder being limited to a maximum investment of \$5,000.

The SPP was well received and raised a total of \$1,651,000. Shares issued pursuant to the Share Purchase Plan have shown a share price increase of 21%, since the issue.

OPERATIONS

TANZANIA

Field operations have now commenced on all projects.

Two new tenements totaling 3,396km² have been granted in south eastern Tanzania at Nachingwea. These tenements are prospective for gold and base metals with recorded alluvial gold concentrations. Reconnaissance and sampling of mineral occurrences will be completed during the next quarter.

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

Summary

A budget of US\$2.5 million has been allocated to the project by joint venture partner Lonmin plc. Field operations continue to be managed and operated by Goldstream Mining NL.

This year's field programme has commenced with diamond drilling and EM geophysical surveys currently in progress. The base camp has been re-established and access tracks and grid lines completed. Permits for the 2000m x 100m airstrip next to the camp have been obtained and construction has commenced.

Diamond drilling

The first of 18 planned diamond drill holes has been completed. Hole KPD069, located on section 16000E, was drilled to a depth of 526.30m. This hole was designed to undercut the high grade intersection in last years hole KPD044 (0.9m @ 6.25g/t Pt+Pd+Au) and give stratigraphic information. A 28m interval with multiple chromite layers and 2-12% disseminated sulphide from 242m depth is equated to the mineralisation in hole KPD044. Samples are in transit to Australia for assay determination.

Drill hole KPD070 located above KPD044 has commenced and is designed to give a shallower intersection of the same zone of mineralization.

Geophysics

A Natural Source Audio Magneto Telluric (NSAMT) survey designed to locate conductors indicative of massive nickel sulphide and potential PGE rich massive sulphide veins in the footwall embayment structure has commenced.

Metallurgy

In order to investigate the most effective metallurgical route to extract oxidized PGE mineralization from the surface laterite blanket nine samples from hole KPD022 have been sent to Canada for specialist mineralogical study. The study will identify the form and nature of the oxidized PGE minerals and document their transition from the underlying primary sulphide mineralization.

In addition to the PGE mineralogical study, 6 large diameter diamond drill holes are planned to enable metallurgical testing of the extensive laterite nickel mineralization. All holes are located on section 18800E cutting across the full width of the laterite body to give a range of typical mineralization styles present. The planned holes will duplicate vertical aircore holes and so validate existing grades and widths, categorise mineralization and enable future resource calculation. Aircore holes to be duplicated on section 18800E are:

Hole	Northing	Depth(m)	Interval(m)	Ni (%)	Cu (%)	Co (%)	PGE (g/t)
KAC337	5650	10	8	1.02	0.03	0.09	0.17
KAC333	5525	12	12	1.36	0.01	0.07	0.19
KAC329	5425	4	18	0.86	0.26	0.10	2.08
	includes	14	12	1.18	0.26	0.08	0.87
KAC326	5350	8	20	1.31	0.29	0.09	1.08
KAC317	4775	20	12	1.10	0.52	0.08	0.22
KAC678	4300	8	16	1.16	0.02	0.06	0.27

A number of these holes bottomed in mineralisation where the less weathered saprolite prevented further aircore penetration. The proposed large diameter diamond core will give a complete section through to primary bed rock.

Wansisi Region

Tracks from Mibango camp into the surrounding Wansisi tenements have been commenced. A trenching programme testing PGE soil geochemical anomalies has commenced.

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

Following the greenfield discovery of PGE mineralization in the Nkenja intrusion earlier this year, joint venture partner Lonmin plc, has increased the exploration budget to US\$960,000. The programme will include 3,000m of diamond drilling and 5,000m of shallow RAB drilling.

Field operations have resumed with geological mapping and test pitting in preparation for the drill programmes which are scheduled to commence in August.

Two stratigraphic fences of diamond drilling will be completed across PGE anomalous geochemical trends and as follow-up to the discovery intersection of 9m @ 1.56g/t in reconnaissance drill hole NDH03.

Access tracks are being constructed along the 30km of potential strike of the intrusive to give access for the broad spaced RAB drilling.

Buhemba Gold Project (Goldstream 92%, Randgold earning 65%)

Joint Venture manager Randgold reports that during the quarter work completed included selective soil sampling, pitting, permit scale mapping and follow-up trenching and detailed mapping.

INDIA

It is currently the monsoon season in India so no field work has been completed.

AUSTRALIA

A drill rig has been secured and is now on site at Bynoe in the Northern Territory. On completion of the Bynoe drilling programme the rig will proceed onto the Mt Woods project in South Australia.

NORTHERN TERRITORY

Bynoe Nickel-Copper Project (Goldstream 100%)

A Reverse Circulation Percussion (RC) drill rig is now on site and preparing to commence operations. Twelve drill holes totaling 2,300m are planned to test a variety of nickel-copper targets defined by EM conductors, magnetic anomalies and coincident nickel-copper geochemistry.

Three further tenements have been granted bringing the total granted tenement area to 142km².

Arunta Nickel-Copper Project (Goldstream 100%)

A second tenement has now been granted and three new applications have been added to the tenement package which now covers 7,004Km².

No field work was undertaken during the period.

SOUTH AUSTRALIA

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

All permits and clearances are now in place and drilling will commence following the release of the drill rig from the company's Bynoe drilling programme in the Northern Territory.

*Drilling underway
on nickel targets*

*Drill programme to
commence shortly*

Initial drilling will concentrate on the Cairn Hill magnetite hosted copper-gold mineralization and on the Kangaroo Dam platinum target. A total of 3,200m of RC drilling is planned in this phase.

VICTORIA

Stavelly Nickel-Copper Project (Goldstream 100%)

Bottom hole samples from a previous drilling campaign along the belt have been re-logged and sampled. The holes were drilled through the Murray basin cover sediments and intersected basement at depths varying from 30 to 70m. Approximately 7% of the holes intersected ultramafics lithologies from within the Stavelly magnetic/gravity trend. No assays have been received at this stage.



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 June 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	(556)	(4,565)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	55	215
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other – Joint Venture Contributions	3,115	6,611
Net Operating Cash Flows	2,374	1,435
Cash flows related to investing activities		
1.8 Payment for purchases of: (a)prospects (b)equity investments (c) other fixed assets	(9)	(41)
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	(9)	20
1.13 Total operating and investing cash flows (carried forward)	2,365	1,455

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	2,365	1,455
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	1,656	1,672
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	1,656	1,672
Net increase (decrease) in cash held			
		4,021	3,127
1.20	Cash at beginning of quarter/year to date	4,271	5,165
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	8,292	8,292

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

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

Randgold Resources has spent approximately \$55,000 during the quarter on the Buhemba Tanzania Project.

+ 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	2,300
4.2 Development	
Total	2,300

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	3,437	949
5.2 Deposits at call	4,855	3,322
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	8,292	4,271

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			

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

6.2	Interests in mining tenements acquired or increased	PLR2515/2004	Granted	Nil	100%
		PLR2516/2004	Granted	Nil	Nil
		EL23546	Subject to Transfer	Nil	Nil
		EL23544	Subject to Transfer	Nil	Nil
		EL23547	Subject to Transfer	Nil	Nil
		EL23545	Subject to Transfer	Nil	Nil
		EL23673	Subject to Transfer	Nil	Nil
		EL24023	Subject to Transfer	Nil	Nil
		EL24080	Subject to Transfer	Nil	Nil
		EL24081	Subject to Transfer	Nil	Nil
		EL24024	Subject to Transfer	Nil	Nil
		EL23070	Subject to Transfer	Nil	Nil
		EL12071	Subject to Transfer	Nil	Nil
		EL23915	Subject to Transfer	Nil	Nil
		EL23917	Subject to Transfer	Nil	Nil
		EL24019	Subject to Transfer	Nil	Nil
		EL24020	Subject to Transfer	Nil	Nil
		EL24021	Subject to Transfer	Nil	Nil
		EL24022	Subject to Transfer	Nil	Nil
		EL4763	Subject to Transfer	Nil	Nil
		EL4761	Subject to Transfer	Nil	Nil
		EL4760	Subject to Transfer	Nil	Nil
		EL4762	Subject to Transfer	Nil	Nil
		EL4759	Subject to Transfer	Nil	Nil
		EL4802	Subject to Transfer	Nil	Nil
		EL4801	Subject to Transfer	Nil	Nil
		EPM4791	Subject to Transfer	Nil	Nil
		876/R/MO	Subject to Transfer	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	Preference + securities <i>(description)</i>				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				

+ See chapter 19 for defined terms.

7.3	+Ordinary securities	114,347,105	114,347,105		
		200,000		6	1
		120,000		7	1
		250,000		11	1
		450,000		12	1
		595,000		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
7.4	Changes during quarter				
	(a) Increases through issues	4,880,356	4,880,356	33.83	
	(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>Exercise price</i>	<i>Expiry date</i>
	<i>(description and conversion factor)</i>				
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures				
	<i>(totals only)</i>				
7.12	Unsecured notes				
	<i>(totals only)</i>				

Compliance statement

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

- 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: 26 July 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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