



# GOLDSTREAM MINING NL

ABN 67 009 129 560

REPORT FOR THE QUARTER ENDED  
30<sup>TH</sup> SEPTEMBER 2004

*Anglo increases  
shareholding to 8%*

## CORPORATE

On 15 September 2004 Goldstream issued 2,361,534 shares to Anglo American Investments (Anglo) as consideration for the acquisition of nickel sulphide projects in Australia and India. The issue of shares lifts Anglo's shareholding in Goldstream to 8.0%.

## OPERATIONS

### TANZANIA

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

Multiple programmes are now underway at Mibango. A ground geophysical survey to detect massive sulphide conductors has been completed with geological mapping, soil and trench sampling, regolith studies and diamond drilling of PGE and nickel sulphide targets ongoing.

Drilling of the primary PGE mineralisation in the Lubalisi zone continues to show variable but promising grades and widths. Drill hole KPD072 on section 18000 returned **3.05g/t PGE (Pt+Pd+Au) over 1.5m** within a broader zone of **5.5m @ 1.52g/t**. Results to-date indicate the variable nature of the PGE horizons in the northern Lubalisi section of the intrusive where potentially economic mineralisation appears to be more podiform in nature rather than in a classical uniform thin sheet.

Several strong EM conductors have been drill tested intersecting broad zones of disseminated and matrix sulphide with narrow zones of massive sulphide. Assays at this stage have only been received from a low priority conductor intersected in hole KPD075. A narrow massive sulphide vein returned an encouraging 0.30m intersection of **1.03% Cu with 0.82% Ni**.

#### **Diamond drilling**

Diamond drilling is continuing with two diamond rigs on site. A total of 14 holes for 4,295m have been completed during the quarter. Assays for the first 6 holes have been received with several returning plus 1.5g/t PGE intersections.

Diamond drill focus has currently shifted to testing selected EM conductors and on establishing the stratigraphy and geometry of the southern side of the Lubalisi zone. The main PGE mineralisation on this side of the zone has not been tested to date.

*Promising PGE  
results*

**Mibango diamond drillhole intersections  
using a 1.5g/t 2E+Au cut-off**

Drillhole	Depth downdip (m)	Length (m)	PGE g/t (2E+Au)	Cu %	Ni %
KPD069	267.50	0.50	1.55	0.13	0.24
KPD071	160.00	0.50	2.16	0.10	0.30
KPD072	149.50	1.00	1.76	0.10	0.30
incl	150.00	0.50	2.09	0.13	0.32
KPD072	262.50	4.00	1.92	0.03	0.22
incl	262.50	1.50	3.05	0.04	0.23
incl	263.50	0.50	4.06	0.02	0.20
KPD075	403.00	1.00	1.50	0.17	0.38
KPD075	425.00	2.00	1.60	0.06	0.22
KPD075	436.00	3.00	1.60	0.06	0.20
incl	437.00	1.00	1.95	0.05	0.19
KPD075	507.90	0.30	0.19	1.03	0.82

**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 has been completed. A total of 43.7 line kilometers of surveying were positioned over the Makambo and Lubalisi zones. Eight conductors were identified in the Makambo area extending north from the massive sulphide intersected in KPD063 (2.10m @ 3.03%Ni). A series of deep conductors are associated with the interpreted Lubalisi keel area and also on the south western margin.

Three of these conductors have been drill tested with all holes intersecting disseminated to matrix sulphides. Assays have not yet been received.

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

The PGE mineralisation discovered in diamond drill hole NDH03 (9m @ 1.56g/t PGE) has been traced to the surface and exposed in shallow trenches.

Channel samples from weathered bedrock in trench NTR-J returned values of **1.7g/t PGE over 8.80m** which is of a similar grade and width to that intersected 200m down dip in the drill hole NDH03. The mineralisation appears to dip at 45 degrees with similar lithologies and disseminated sulphide being intersected on the same section at a down dip depth of 425m in recently completed drill hole NDH05 (assays pending).

*Confirmation that  
EM conductors  
represent  
disseminated to  
massive sulphides*

*Trenching locates  
PGE/Nickel  
Mineralisation*

<b>Trench/ Drillhole</b>	<b>Width (m)</b>	<b>Depth downdip (m)</b>	<b>Ni %</b>	<b>PGE g/t (2E+Au)</b>
NTR-J	8.80	Surface	0.31	1.70
NDH03	9.00	200	0.33	1.56
NDH05		425		Assays pending

The mineralisation is palladium dominant with a Pd:Pt ratio of 2.9:1 in the primary zone and 2.6:1 in the trench samples.

Diamond drilling is continuing with 606m of the planned 3,000m programme completed during the quarter. Geological mapping has located further in-situ chromite layers in the Northern Arc of the Nkenja Intrusive. A strong spatial association of PGE values in soil and rock float with chromite and meta-pyroxenite is observed at several locations. Selected drill sections under the most anomalous geochemistry and favourable geology will be the focus of the diamond drill programme for the remainder of the field season.

A RAB drill programme of 36 shallow geochemical holes for a total of 657m was completed. The rig had difficulty in penetrating the surface wet clays and will be modified before finishing the 5,000m programme over the southern 20km of interpreted strike of the Nkenja intrusive.

#### ***Morogoro Platinum Project (Goldstream 100%)***

Two tenements totaling 1,448km<sup>2</sup> in the Kilosa area west of Morogoro have been granted.

Initial reconnaissance sampling has returned strong PGE values which potentially represent a third greenfield platinum discovery for Goldstream in Tanzania.

Values to 3.28g/t PGE (2E+Au) are associated with 30.2% Cu. Copper showings extend over a 2km strike of mapped ultramafics rocks. The nature and extent of the mineralisation is currently being investigated.

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

The operator Randgold Resources has not reported any activity for the quarter.

## AUSTRALIA

### SOUTH AUSTRALIA

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

A 13 hole drilling programme was completed at EL2781 Cairn Hill and EL2760 Kangaroo Dam during August and September 2004. A total of 1,816m in 12 holes were completed at the Cairn Hill prospect to further test significant Cu and Au mineralisation intersected in work by earlier explorers.

A series of percussion holes were planned to test down-dip and along strike from Cu-Au mineralisation encountered by previous explorers. Mineralisation is hosted within a "magnetite quartzite" horizon that forms a regional linear magnetic high. Due to the very high magnetism the modeling by previous explorers assumed an incorrect dip and most of the earlier drilling was angled to the south. Subsequent drilling and more detailed modeling showed the unit dips to the south, and as a result the area was not tested sufficiently.

Holes were drilled on 5 sections spaced 200m apart over a strike-length of 800m. They tested the main magnetite zone to a maximum vertical depth of 200m. The drilling intersected significant Cu-Au mineralisation and confirmed the dip of the main magnetite zone. Significant downhole intersections are given in the following table:

Hole	East	North	From (m)	Width (m)	Gold (g/t)	Copper %
CHRC002	511400	6758670	20	32	0.19	0.46
incl			25	10	0.49	0.81
incl			26	1	1.70	0.45
incl			27	5	0.37	1.17
CHRC003	511400	6758620	105	17	0.17	0.70
incl			111	10	0.25	0.87
incl			111	3	0.23	1.56
CHRC006	511200	6758542	49	3	0.08	1.54
CHRC006	511200	6758542	104	9	0.10	0.93
CHRC007	511200	6758442	217	8	0.39	0.80
incl			219	5	0.47	1.07
CHRC011	511200	6758381	85	11	0.48	0.72
incl			94	2	1.35	1.56

### Conclusions

The 2004 drilling campaign at Cairn Hill intersected significant Cu-Au mineralisation. It confirmed the southerly dip of the magnetite horizons and similar widths to that in previous drilling. The best grades and thicknesses are located in the western end of the prospect which is still open, as are the main and southern zones. Hole CHRC011 showed significant gold mineralisation in the southern zone on the western end of the prospect. Previous drilling had not indicated gold in this zone.

*Significant Copper-Gold intercepts*

*Intersections remain open*

Further drilling is required to in-fill between the current sections and to test the western extension of both zones.

### **Positives**

- The orebody at Cairn Hill has very little cover (12m) presenting open cut potential to 150-200m depth.
- The magnetite host rocks have a high iron content generally in excess of 50%. The commercial potential of the high-grade magnetite ore will be investigated.
- The prospect is located in close proximity to a national highway and railway.

## **NORTHERN TERRITORY**

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

Percussion drill testing of nickel targets at Bynoe in the Northern Territory has intersected disseminated sulphides in ultra-mafic intrusives.

A total of 11 drill holes for 1,545m were drilled before drill rig problems prevented completion of the planned 2,500m programme.

Targets drilled included a selection of EM, magnetic and or geochemical anomalies. Best assay returned was 1.0m @ 0.48% Ni, 0.10% Cu, 0.21g/t PGE and included fragments of massive sulphide. These anomalous results are encouraging and confirm that mineralised ultramafics are present within the 442km<sup>2</sup> tenement package.

Further work is warranted on the Bynoe project. A programme of shallow air-core drilling and ground EM is planned to generate further targets for drill testing.

### ***Arunta Nickel-Copper Project - 2,000km<sup>2</sup> (Goldstream 100%)***

Goldstream continues to progress access negotiations with the Central Land Council.

## **VICTORIA**

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

Bottom hole samples from a previous drilling campaign along the belt were re-logged and sampled. The holes were drilled through the Murray basin cover sediments and intersected basement at depths varying from 30 to 70m. The purpose of this work was to determine if the basement lithologies were associated with nickel related mineralisation.

Results from this work were negative and as a consequence the Stavelly tenement package was excluded from the projects acquired from Anglo.

## INDIA

### *Jharkhand and West Bengal - 14,000km<sup>2</sup> (Goldstream 100%)*

The monsoon season is drawing to a close and preparations are underway to commence filed investigations.



**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 September 2004

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (3 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	(1,574)	(1,574)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	55	55
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other – Security Deposit	(22)	(22)
<b>Net Operating Cash Flows</b>	<b>(1,606)</b>	<b>(1,606)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a)prospects (b)equity investments (c) other fixed assets	(96)	(96)
1.9 Proceeds from sale of: (a)prospects (b)equity investments (c)other fixed assets		
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>(96)</b>	<b>(96)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(1,702)</b>	<b>(1,702)</b>

+ See chapter 19 for defined terms.

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

1.13	Total operating and investing cash flows (brought forward)		
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.		
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>	0	0
	<b>Net increase (decrease) in cash held</b>	(1,702)	(1,702)
1.20	Cash at beginning of quarter/year to date	8,290	8,290
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	6,588	6,588

**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

+ 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	2,551
4.2 Development	
<b>Total</b>	<b>2,551</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	1,699	3,435
5.2 Deposits at call	4,889	4,855
5.3 Bank overdraft		
5.4 Other (provide details)		
<b>Total: cash at end of quarter</b> (item 1.22)	<b>6,588</b>	<b>8,290</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	EL4763	Non Transfer	Nil	Nil
	EL4761	Non Transfer	Nil	Nil
	EL4760	Non Transfer	Nil	Nil
	EL4762	Non Transfer	Nil	Nil
	EL4759	Non Transfer	Nil	Nil
	EL4802	Non Transfer	Nil	Nil
	EL4801	Non Transfer	Nil	Nil
	EPM4791	Non Transfer	Nil	Nil
	PLR1907/2002	Expired	90%	Nil
	7482/M/2001	Non Transfer	Nil	Nil
	7483/M/2001	Non Transfer	Nil	Nil
	6394/M/2001	Non Transfer	Nil	Nil

+ See chapter 19 for defined terms.

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

6.2	Interests in mining tenements acquired or increased	EL23545	Transfer	Nil	100%
		EL24081	Transfer	Nil	100%
		EL24024	Transfer	Nil	100%
		EL23070	Transfer	Nil	100%
		EL12071	Transfer	Nil	100%
		EL23915	Transfer	Nil	100%
		EL23917	Transfer	Nil	100%
		EL24019	Transfer	Nil	100%
		EL24020	Transfer	Nil	100%
		EL24021	Transfer	Nil	100%
		876/R/MO	Transfer	Nil	100%
		JKO1/2001	Application	Nil	Nil
		JKO2/2001	Application	Nil	Nil
		RP01/2003	Application	Nil	Nil
		WB01/2002	Application	Nil	Nil
		WB02/2002	Application	Nil	Nil
		WB01/2003	Application	Nil	Nil
		PLR 2684/2004	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.*

	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>	116,708,636		
	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

+ See chapter 19 for defined terms.

7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	2,361,534	2,361,534	44	
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:



(Managing Director)

Date: 27 October 2004

Print name:

GEORGE S KENWAY

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+ 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.

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