

**REPORT FOR THE QUARTER ENDED  
30 June 2003**

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**CORPORATE**

Goldstream announced on June 30<sup>th</sup>, the signing of a second agreement with Lonmin plc (Lonmin) to further evaluate Goldstream's Luwumbu platinum project in south-west Tanzania. Lonmin is a publicly listed British mining company capitalized at some US\$1.8 billion, with its major asset being its platinum group metals operations in South Africa. Lonmin is the world's third largest primary producer and is the South African platinum industry's lowest cost producer.

Under the terms of the agreement Lonmin may earn up to 70% equity in the Luwumbu Area of Interest. Lonmin is committed to expenditure of US\$500,000 (AUD\$750,000) in the first year, and may earn a 51% controlling interest by defining at its sole cost an Indicated Mineral Resource within the Area of Interest within a four (4) year time frame. Lonmin may earn a further 19% equity interest by electing to sole fund all work required to complete a Feasibility Study on the Indicated Mineral Resource within a further two (2) year period. Lonmin has the right to withdraw at any time after the first year commitment.

Goldstream will be the Operator during the exploration phase however, Lonmin may elect to operate at any time. Lonmin will provide technical services to the Joint Venture.

The Luwumbu project covers an area of 5,800 square kilometres and is located in south-west Tanzania. The project area has international road and rail links, and is connected to the state electricity grid.

The area geology comprises an extensive, structurally disrupted, anorthosite complex of Bushveldian age (2.0 billion years) intruded by younger layered mafic bodies Kabanga/Kapalagulu (**Mibango**) age (1.2 to 1.4 billion years). Both suites intrude basement Paleoproterozoic gneisses at the junction of the Ubendian and Usagaran mobile belts. The combined complexes form a compound layered igneous province extending over 160 kilometres long and 80 kilometres wide.



Field work by Goldstream to date has identified four well-differentiated layered intrusions with associated drainage geochemistry anomalies within the igneous province.

The main focus for the 2003 field programme will be the Nkenja intrusion, which outcrops for 10km along strike, with regional magnetic evidence suggesting a total strike length of about 22 kilometres.

Ultramafic units include dunite, serpentinite and pyroxenite. Chromite occurs as concentrated reefs at several locations. A band of magmatic sulphide-bearing gabbro and pyroxenite about 20 to 30 metres thick has been located in streams draining the intrusion. The presence of magmatic sulphide textures and chromite reefs render this mafic-ultramafic body highly prospective for Platinum Group Element deposits and will be the main exploration target for the 2003 field season.

Field work is currently underway. A detailed aeromagnetic survey has been completed to assist in tracking the chromite stratigraphy. A programme of diamond drilling will follow to test platinum anomalous chromite reefs within the intrusion.

This second Goldstream/Lonmin Joint Venture in Tanzania follows the entry by Lonmin into Goldstream's Mibango Platinum Project in August last year. The total area now covered by the two Joint Ventures is 8,500 square kilometres and represents a dominant coverage of the geology favourable for the discovery of platinum and nickel deposits. Seven well-differentiated layered intrusions have been identified to date within the Joint Venture area. The combined budget for the Mibango and Luwumbu Joint Venture projects for 2003 is US\$3.21 million (AUS\$4.8 million) and field programmes for both projects have commenced.

The Board of Goldstream has welcomed the further participation by Lonmin in Goldstream's platinum projects in Tanzania. Goldstream's exploration skills combined with Lonmin's expertise in project evaluation, development and mining, metallurgy, refining and marketing, provide a strong platform to deliver the Joint Venture objectives.

## **OPERATIONS**

### **TANZANIA**

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

Field operations resumed at the Mibango Platinum Project in early May with the re-opening of the base camp at Kapalagulu and rehabilitation of the access tracks and Mwesi airstrip. Diamond drilling has commenced and the helimagnetic survey is 70% completed.



## ***Diamond Drilling***

Diamond drilling has recommenced with two holes completed to date for a total 729.60m in the northern Makambo section of the Kapalagulu Intrusive. Both holes intersected target disseminated sulphide zones beneath pronounced PGE (platinum group elements) soil geochemical anomalies. Diamond drill holes KPD 035 and KPD036 are respectively located 16km and 13km, north-west along strike from the Mibango discovery trenches. Drilling started in this section to capitalise on the local availability of water from seasonal creeks which are still flowing after the cessation of the wet season.

Hole KPD035 (479.60m, azimuth grid west) penetrated troctolite, harzburgite, sulphide harzburgite and basal gabbro.

Hole KPD036 (250.00m, azimuth grid east) penetrated basal gabbro, sulphide harzburgite, harzburgite and troctolite.

Samples have been despatched to Perth, Australia, for assay. In addition, more complete sampling of holes drilled last season is being undertaken to infill the sections not previously sampled between mineralised reefs. Sampling of KPD024 has already disclosed disseminated chromite and sulphide rich reefs not recognised by the initial logging which was directed at massive chromite layers and stringers.

Diamond drilling is now concentrating on the Lubalisi section near the Mibango trenches.

## ***Air core drilling***

Twenty one line kilometres were cut and cleared in preparation for the 6,000 metre air core drilling program which is due to commence at the end of July. Three hundred and sixty one proposed air core drill sites were marked out and prepared for the air core drilling program.

## ***Makambo Grid soil samples***

Three hundred and thirty three -80 mesh soil samples were collected on a 400 x 25m grid in the area between the Kangol River and Makambo Hill PGE-in-soil anomalies targeted by Diamond drill holes KPD035 and KPD036. Soil sampling will be extended over the remainder of the 11km long Makambo zone during the next quarter.

## **Katobala Intrusive - Wansisi Regional**

A new 48km long track was constructed from Lake Tanganyika to the Katobala Intrusion located 10 to 20km to the south of the Kapalagulu Intrusion. A base camp was erected and 39 line kilometres of grid established over the Katobala prospect. The grid is being geologically mapped and soil sampled.



Follow-up of one of the PGE/Ni/Cu anomalous drainages flowing off the intrusion has located a 20m wide zone of olivine pyroxenite and dunite with bands and disseminations of magnetite/chromite. This horizon has now been confirmed over 1200m strike as the mapping continues. PGE mineralisation is spatially associated with chromite layers at the nearby Mibango project. Representative rock samples and an initial 623 soil samples have been sent to Australia for analysis.

### ***Helimag survey***

The detailed and regional helimagnetic surveys are currently being flown with 7000 line kilometres now completed. Preliminary data indicates a third intrusive complex in the province south of Katobala. This 50 square kilometre magnetic feature shows concentric layering and is associated with an isolated gabbro-norite outcrop and will be investigated later in the season.

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

Geochemical sampling and geological mapping was conducted within the Nkenja Intrusive Complex (NIC). A number of ironstone, gossanous rocks and sulphidic gabbros were located and sampled. The helimagnetic survey of the Nkenja area was completed and the data is being processed.

Regional follow-up of drainage geochemical anomalies continued with the discovery of sulphidic peridotite near Lugarawa and extensive pyroxenite in the Block 3 tenement.

### **Nkenja Intrusive**

The layered nature of the intrusive complex and the widespread occurrence of sulphidic gabbro has been confirmed. The body dips at 20 to 35 degrees to the south west. It outcrops over a width of 4.0km with a quartz-mica metasediment footwall and has a massive syenogranite differentiate marking the upper contact. Outcrops are generally restricted to streams and parts of ridge crests protruding through a blanket of recent Neogene volcanic ash. This cover is of variable thickness but generally less than 10m.

A total of 418 ridge and spur soil sample and pit samples, 49 stream sediment samples, 119 rock chip samples and 28 lithological samples for petrological study have been collected.

### ***Helimag survey***

A detailed aeromagnetic survey totalling 3,300 line kilometres has been completed. The data is currently being processed and will be used to delineate the detailed structure of the intrusive with emphasis on the PGE stratigraphy and to highlight peripheral massive nickel sulphide targets.



## **AUSTRALIA**

### **SOUTH AUSTRALIA**

#### **Coober Pedy - Warrina/Mt Woods Copper-Gold Project (Goldstream 100%, Anglo American earning 65%)**

Project manager, Anglo American, have advised that work on the tenements for the period has included gravity and magnetic surveying, ground TEM surveys, petrological evaluation and geochronology. A total of 66 line kilometres of ground magnetic surveying and 75 line kilometres of ground TEM were completed.

Proposed work for the next quarter includes;

- Infill TEM surveys
- Heritage clearance over potential drill targets
- Geophysical modelling of potential drill targets
- RC drilling of defined targets.

A statutory reduction of approximately 20% of the tenement areas was completed during the period.

### **WESTERN AUSTRALIA**

#### **Giles Complex - West Musgrave Nickel-Copper, Platinum Project (Goldstream 100%)**

No field work was conducted during the quarter.

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

No field work was conducted during the quarter.

### **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 2003

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 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	(573)	(2,252)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	59	208
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other – Reimbursement of Expenses	752	3,680
<b>Net Operating Cash Flows</b>	<b>(126)</b>	<b>448</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a)prospects (b)equity investments (c) other fixed assets	(190)	(236)
1.9 Proceeds from sale of: (a)prospects (b)equity investments (c)other fixed assets		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>(190)</b>	<b>(232)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(316)</b>	<b>216</b>

+ See chapter 19 for defined terms.

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

1.13	Total operating and investing cash flows (brought forward)	(316)	216
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	6
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>	-	6
	<b>Net increase (decrease) in cash held</b>	(316)	222
1.20	Cash at beginning of quarter/year to date	5,485	4,947
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	5,169	5,169

**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

Anglo American Exploration (Aust) Pty Ltd has spent approximately \$108,971 during the quarter on the Mt Woods South Australia joint venture tenements.

+ 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	2,400
4.2 Development	
<b>Total</b>	<b>2,400</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	218	217
5.2 Deposits at call	4,951	5,272
5.3 Bank overdraft	-	(4)
5.4 Other (provide details)		
<b>Total: cash at end of quarter</b> (item 1.22)	<b>5,169</b>	<b>5,485</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			
6.2	Interests in mining tenements acquired or increased	PLR 2240/2003 PLR 2241/2003 PL 2242/2003	Nil Nil Nil	100% 100% 100%

+ See chapter 19 for defined terms.



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

**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		
	(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
7.3	<b>+Ordinary securities</b>			
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>			

+ See chapter 19 for defined terms.

7.12	<b>Unsecured notes</b> ( <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: ..... Date: 28 July 2003  
(Managing Director)

Print name: GEORGE S KENWAY

## 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.