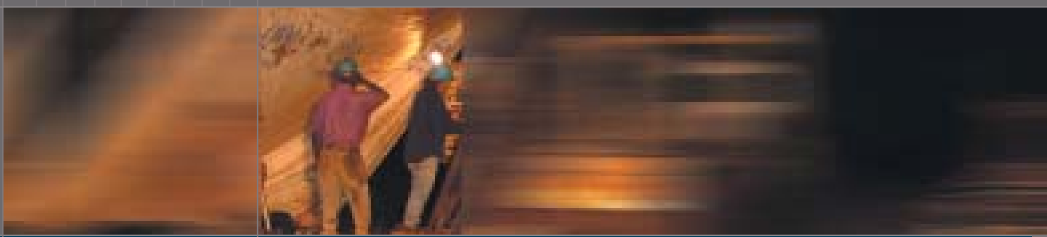

annual report 2003

Goldstream Mining

Corporate Directory

DIRECTORS
G.S. Kenway B.Sc.
(Chairman and Managing Director)
G.J. Wallace FCPA, FTIA, MAICD
T.A. Robson CA, ACIS, CPA, FTIA

SECRETARY
G.J. Wallace FCPA, FTIA, MAICD

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Telephone: +61 8 9315 0933
Facsimile: +61 8 9315 2233
Email: registrar@securitytransfer.com.au

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1254 Hay Street
West Perth WA 6005

STOCK EXCHANGE LISTING
Australia GDM
Germany GDM.BER

ABN: 67 009 129 560

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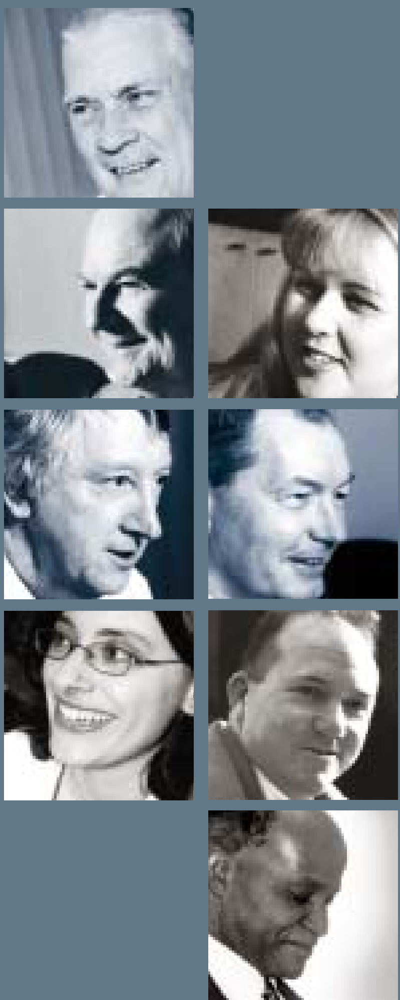


George Kenway
Geoff Wallace
Terry Robson
Bianca Manzi
Jackie Barry
Rob Edwards
Kim France
Sam Lwakatare

Overview

The commitment of Lonmin plc (Lonmin), our joint venture partner at the Mibango Platinum Project in Tanzania, to a US$2.71 million 2003 work programme and a second joint venture at the Luwumbu Project crystallised a very positive year for Goldstream.

The involvement by Lonmin follows Goldstream's discovery of substantial platinum mineralisation at the Mibango project within the Kapalagulu Layered Intrusion (KLI). This discovery represents the culmination of Goldstream's targeting and acquisition strategy in Tanzania, following its early recognition of the country's Western Rift Zone as having the potential to host economic PGE deposits. The Company's subsequent acquisition of 8,400 square kilometres of granted tenements represents a dominant and strategic land position covering a large portion of Tanzania's geology prospective for PGE and nickel sulphide mineralisation.

The entire land package is now in Joint Venture with Lonmin, and a total budget of US$3.21 million has been committed for the 2003 field season.

The exploration programme currently underway at Mibango is designed to test the variability of grade and thickness of the mineralised reefs over the potential 35km strike length of the intrusive.

A heli-magnetic geophysical survey has been completed over the KLI and the surrounding province within the joint venture tenements. The data from this survey has indicated the presence of at least two additional intrusive bodies, both substantially larger than the KLI (Mibango) currently being drilled.

The discovery of adjacent prospective intrusions underlines the importance of being first into an emerging mineral province. Further exploration success at Mibango will substantially increase the strategic importance and value of Goldstream's extensive land position in Tanzania.

Also in Tanzania, an exploration programme is underway at the Luwumbu project in south-west Tanzania. Lonmin is funding an initial programme at a cost of US$0.5 million to be completed by November 2003. Soil sample results of up to 2.5 g/t PGE attest the prospectivity of this region.

The Mt Woods project in the Gawler-Craton in South Australia is being advanced by joint venture partner Anglo American plc (Anglo). Several targets have been generated consistent with iron-oxide-copper-gold mineralisation. Anglo is planning to drill-test the largest of these targets in the second half of 2003.

The total exploration budget for Goldstream projects in Tanzania and Australia for the year 2003 is close to A$6 million. This positions Goldstream at the forefront of junior exploration activity in Australia, coinciding with a long-awaited recovery in sentiment in the resources sector.

Further Opportunities

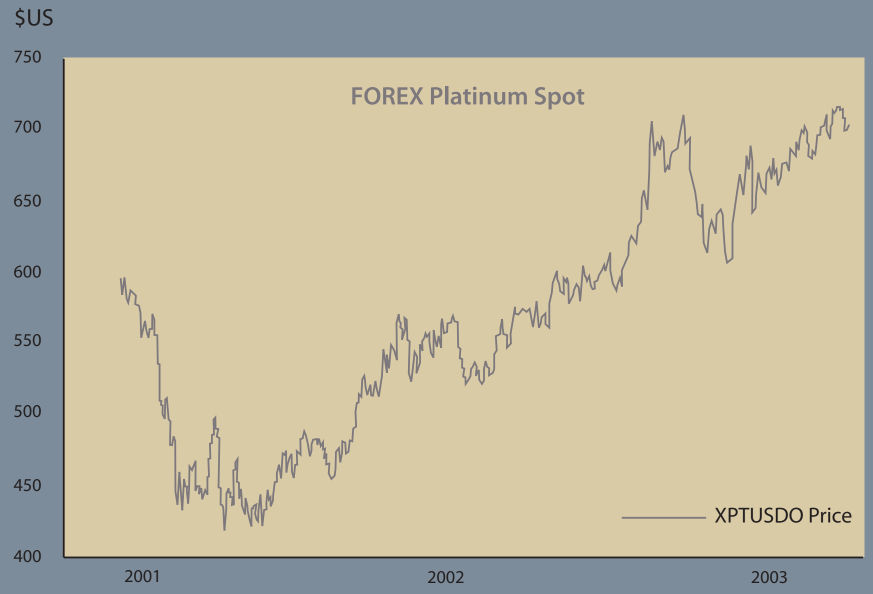
Goldstream is drawing on its considerable experience in Tanzania to further expand the Company's activities in that country. Goldstream will also export the knowledge it has gained from working in Tanzania's geological environments to other countries. A review of mineral opportunities in countries that meet the investment and sovereign risk requirements of the major mining companies is underway.

Looking Ahead

The Company is well placed to achieve, over time, its primary responsibility to maximise shareholder value. Goldstream believes this can be best achieved by participating in a world-class mineral discovery in partnership with a global mining house.

In addition to the advanced platinum project at Mibango, the Company has numerous discovery opportunities that will be further advanced and tested during the coming year. The Company is well funded and will receive further substantial funding for its projects from joint venture partners.

The long overdue return of investor interest to the resource sector coincides with the start of the most active year in the Company's history. Goldstream's management team is confident that the Company is well positioned to benefit from this resurgence of market interest as the flow of exploration results from its projects gathers momentum.



Executive Overview

Community Involvement and Social Responsibility

Survey control

Goldstream seeks to develop strong relationships with communities that are associated with the Company's exploration activities. The key considerations for the Company are environment, health and safety and community benefit.

The exploration efforts at Goldstream's lead project at Mibango in western Tanzania is already providing benefits for the local community. The Company has reestablished and maintains the airstrip at Mwesi, reducing the remoteness of the area. Roads constructed by the Company assist access and the movement of produce by the local communities.

Substantial seasonal employment benefits the local community during the field season. Goldstream is also providing opportunities for Tanzanians to develop skills associated with the exploration and mining industry.

The Company will continue to develop and fine tune its social objectives through regular engagements with the communities on issues that may affect them.

Core logging at Mibango project camp

Project airstrip at Mwesi (Mibango)


Hellen Kiondo – Administration (Dar es Salaam)


Stanley Masese – Administration (Dar es Salaam)

Operations Report

Tanzania

Operations Report **Tanzania**

Field operations in Tanzania are conducted during the dry season months of May to November. As the annual reporting period runs from July to June, this report focuses on the July to November 2002 field period and includes the start of the current 2003 programme.

Mibango – Platinum

(GDM 100%, Lonmin earning 65%)

An accelerated exploration programme conducted during the period has been rewarded with the discovery of a new magmatic PGE deposit with characteristics similar to the platiniferous horizons in both the Bushveld Complex of South Africa and the Great Dyke of Zimbabwe. The source of the extensive surface regolith PGE mineralisation identified in 2001 has now been confirmed by diamond drilling, to be derived from stratigraphic horizons of primary PGE mineralisation associated with chromite, and disseminated sulphide hosted by hartzburgite.

Exploration activities undertaken include diamond and aircore drilling, mineralogy, petrography, soil and drainage geochemistry, geological mapping (figure 1) and a heli-magnetic geophysical survey.

Diamond Drilling

During the 2002 field season 16 diamond drill holes were completed for a cumulative meterage of 3,661.3m.

Fourteen of the diamond drillholes were located in the Lubalisi Zone. The holes were drilled in four traverses spaced 400m to 800m apart in the vicinity of the discovery trenches (figure 2). The diamond drilling confirmed the presence of primary PGE mineralisation in a number of PGE-bearing chromite and sulphide rich horizons (reefs) hosted by a sequence of pyroxenite, harzburgite and dunite. Intersections assaying >3.0g/t platinum+palladium+gold (2E+Au), are listed in table 1. The highest grades are associated with the stratigraphically lowest reef, which was intersected by end of line holes on the northern limb on sections 19100E and 19900E (figure 3). The main reef position on the southern limb has not yet been drill tested.

Two other diamond holes were located approximately 10km to the north west of the Lubalisi Zone. A stratigraphic hole, KPD020 intersected mottled anorthosite and gabbro whereas hole KPD019 targeted a disseminated sulphide horizon within harzburgite. Hole KPD019 intersected increasing PGE values up to 1.05g/t 2E+Au adjacent to the sheared out sulphide position.

A total of 18 historic diamond drill holes completed in the 1950's are located in the northern Makambo area. These holes focused on the Sudbury massive nickel sulphide targets at the basal contact of the intrusive. To avoid hole identifier duplication, GDM drill holes commenced numbering from KPD019.

To date diamond drilling has partially investigated the Mibango mineralisation which comprises approximately 5% of the potentially mineralised extent within the KLI.

All intersections quoted are down hole lengths and not necessarily true widths. Core axis measurements are generally at high angles to core axis indicating that intersections approximate true widths on current interpretation.

Specialist Nickel Sulphide Fire Assay determinations on the full suite of PGE's indicate that there is an effective 10% increase in platinum + palladium grade with the addition of rhodium (Rh), ruthenium (Ru) and osmium values. Pt: Rh ratios are 10.63 : 1, and the average Pt:Pd ratios within both the weathered and fresh reefs are 1.05 : 1

Associated base metal mineralisation delivers a substantial byproduct credit in established PGE mining operations. The primary Mibango reefs contain variable base metal credits with the sulphide reefs in particular returning significant values in the range of Ni 0.5-0.9%, Cu 0.14-0.41% and Co 0.01-0.03%.

TABLE 1. **PGE intersections** >3g/t Pt+Pd+Au cut-off

HOLE	SECTION	FROM (m)	LENGTH (m)	2E+AU g/t
KPD022*	19100	8.5	11.5	4.12
KPD023	19100	47.92	0.90	3.64
	includes	48.52	0.30	6.55
KPD024	19900	53.00	0.30	6.10
		54.66	0.90	3.00
		56.01	0.30	4.27
		57.06	0.30	3.49
		58.41	1.05	3.79
KPD027	19900	64.52	0.30	3.64
KPD031	18700	161.05	0.15	3.28

*regolith intersection

Operations Report **Tanzania**

Mineralogy

A number of polished thin sections from a 30cm long sample that returned 6.55g/t 2E+Au from the chromite - sulphide reef in drill hole KPD023 were examined under a scanning electron microscope (SEM) by the CSIRO in Perth.

Results from a thin section of massive chromitite identified 44 PGE grains. Of these, 33 were platinum-telluride-bismuth minerals, 8 of the grains were platinum metal and 3 contained palladium. The grains occur within sulphide between chromite grains, or are attached to the edge of the chromite grains (figure 4 and 5).

An examination of pentlandite (nickel sulphide) grains from the sulphide dominant section of drill core stratigraphically below the chromitite showed that the sulphides contained up to 750g/t palladium, indicating that the palladium is preferentially partitioned into the nickel sulphides. This separation of platinum from palladium on a detailed layer/mineralogy basis is typical of magmatic processes. The grain size of the platinum group minerals vary between 5 and 30 microns and their preferred locations are within sulphides.

These preliminary mineralogical and grain size data results are considered to be very positive indicators for viable metallurgical recovery.

Nickel Potential

Diamond drill hole KPD028 (figure 2) on the southern limb of the Lubalisi syncline, intersected a 0.3m thick breccia vein of massive pyrrhotite and pentlandite assaying **4.95% nickel**. Above this sulphide vein a 38m interval (72 to 110m) of pyroxenite with disseminated and blebby sulphides (2 - 8%) containing low grade copper-nickel mineralisation was intersected. Consequently, the southern limb of the Lubalisi Zone is considered to have potential for semi-massive or massive base metal sulphides proximal to the feeder structure for the intrusion.

Shallow aircore drilling in the vicinity of KPD028 demonstrated increasing nickel, copper and PGE concentration. End of traverse drill hole KAC309 intersected **28m@ 1.43% nickel, 0.38% copper and 0.76g/t 2E+Au** indicating further bedrock mineralisation beyond the current drill traverses on the southern limb. This mineralisation may relate to the main basal PGE reef horizon which has yet to be diamond drill tested on the south limb.

2003 Exploration

Following the positive results from the 2002 field season an expanded 2003 programme was formulated in conjunction with joint venture partner, Lonmin.

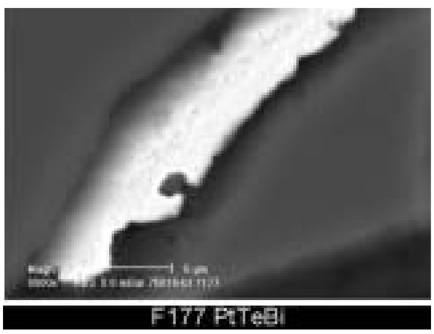
The prime objectives of this programme are to systematically investigate and broadly drill test the full 35km strike extent of the PGE horizons within the KLI in order to assess the grade and thickness variation of the mineralised reefs.

The exploration campaign for the 2003 field season commenced with the acquisition of 10,000 line kilometres of detailed heli-magnetic data over the KLI and adjacent Wansisi region. Preliminary interpretation of this data identifies two adjacent major layered intrusions. The Katobala Layered Intrusion, which returned anomalous PGE-Ni-Cu in drainage geochemistry in 2002 is estimated to be three times the size of the KLI.
This highly prospective intrusive is currently being investigated with new access roads constructed and a fly camp established.

Diamond drilling commenced in late June and assay results are expected to be available from September onwards. A total of **10,000m** of diamond drill core and 6,000m of shallow aircore drilling will be completed during the current field season.

FIGURE 4. Polished drill core section from KPD023 viewed as a Back Scattered Electron (BSE) image, showing a platinum-bismuth-telluride mineral grain sandwiched between grey chromite grains (courtesy of CSIRO Exploration and Mining, Magmatic Ore Deposits Group).

FIGURE 5. Crossed polarised view of petrographic thin section of mineralised hartzburgite from hole KPD023 (courtesy of CSIRO Exploration and Mining, Magmatic Ore Deposits Group.



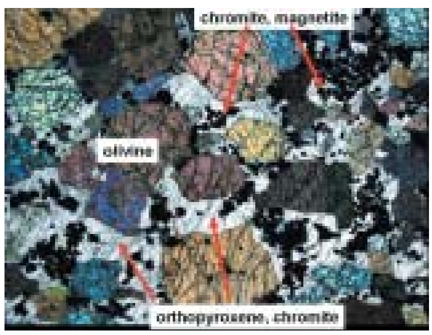
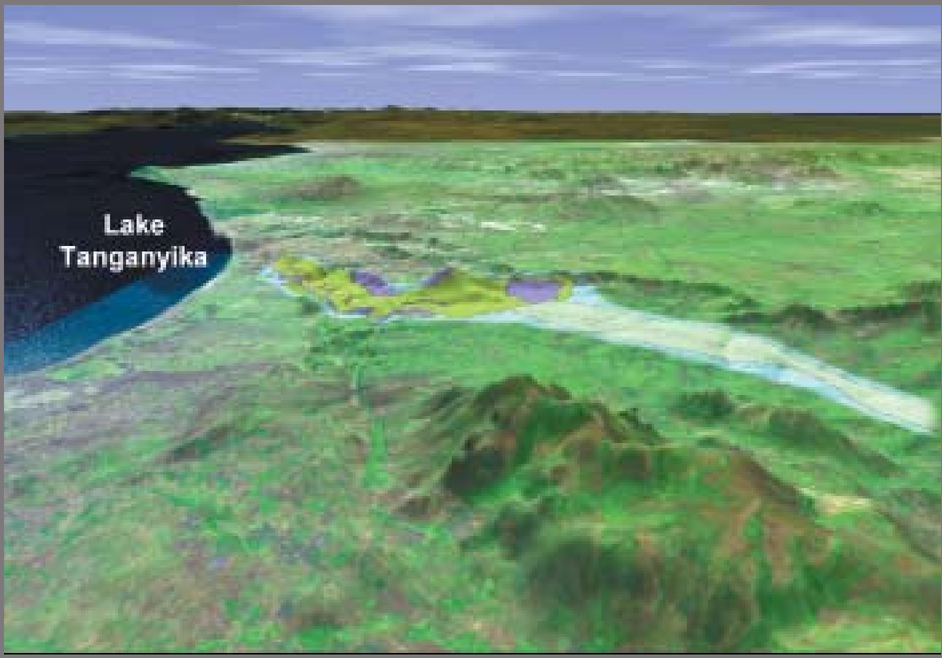
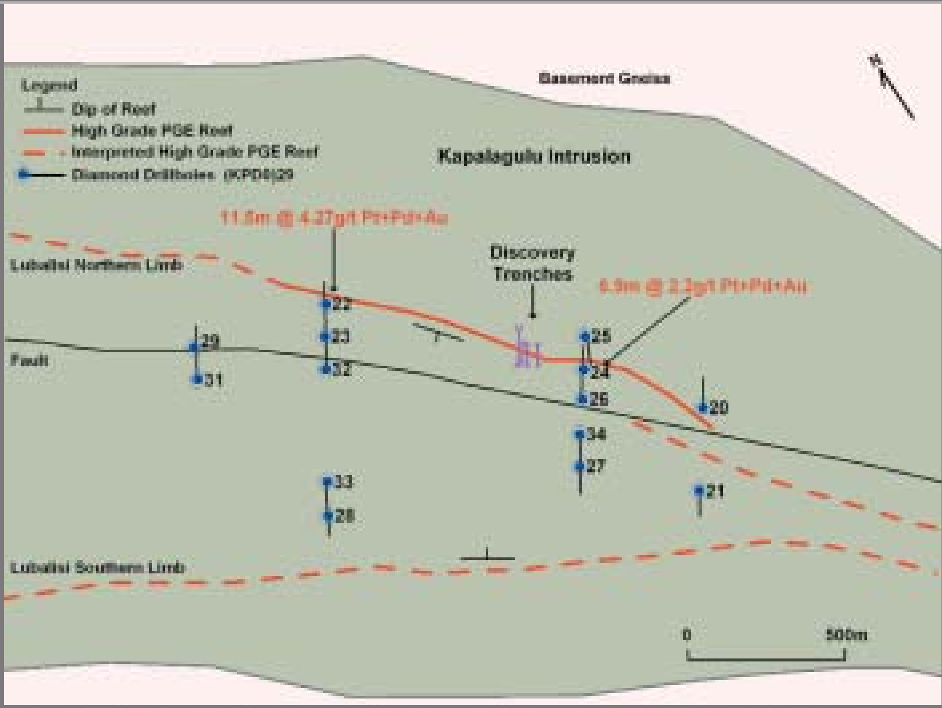


FIGURE 1. Mibango Project digital elevation model with draped geological interpretation of the Kapalagulu Layered Intrusive (KLI).

FIGURE 2. Mibango diamond drill hole location plan.

FIGURE 3. Interpreted drill section 19900E.





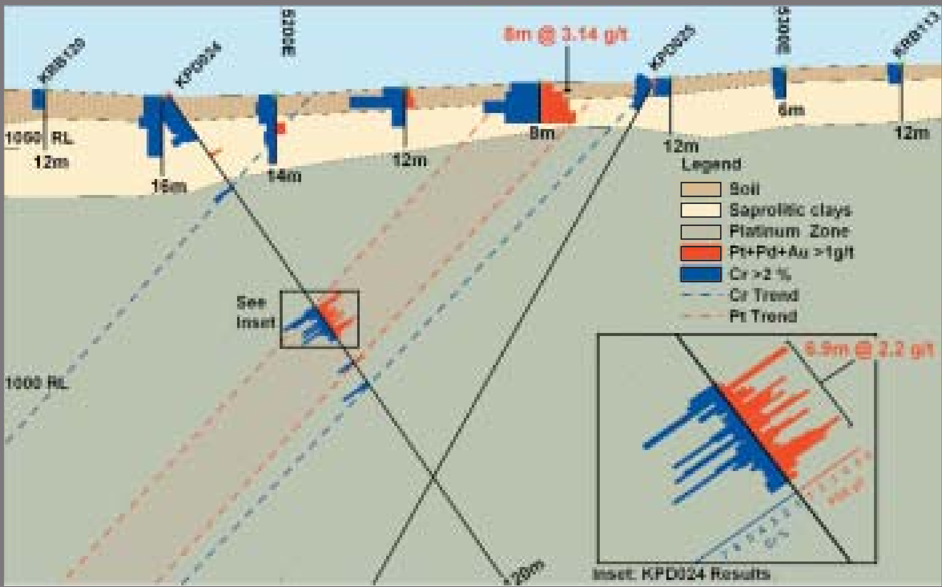
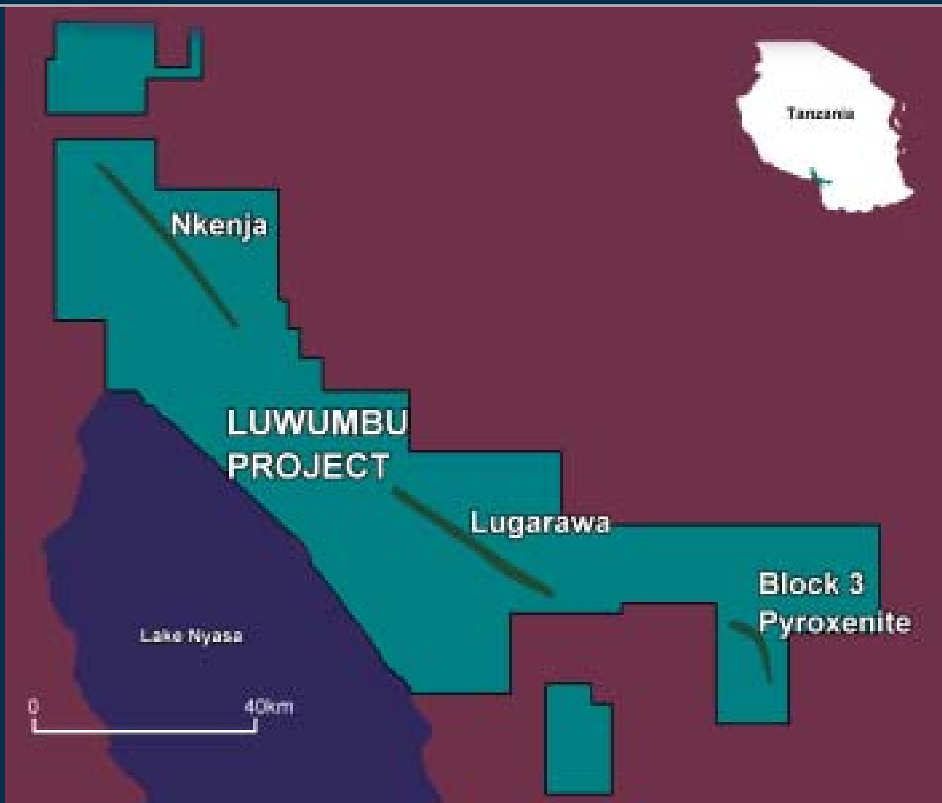


FIGURE 6. Luwumbu Project area showing mafic intrusion trends.



Operations Report **Tanzania**

Luwumbu Platinum Nickel Copper Project

(Goldstream reducing to 27% - Lonmin earning 70%)

Exploration activity was boosted during the year by the signing of a joint venture agreement with Lonmin plc which resulted in an increased 2003 budget of US$0.5 million.

Project work continued on the Nkenja Layered Intrusion (NLI) located in the north of the project area (figure 6), whilst regional reconnaissance continued to investigate other geochemical and geological targets within the 5,591 square kilometre tenement package. Soil sampling along a PGE-chromite horizon at Nkenja has returned highly encouraging PGE values to 2.5g/t 2E+Au. Drill testing of this zone is planned for late 2003.

Nkenja Layered Intrusive

Geological mapping of the NLI has confirmed that the body dips at 20 to 35 degrees to the south west. Serpentinite, pyroxenite and sulphidic gabbro outcrop over a width of 4km. The upper contact of the intrusive is marked by a massive syenogranite differentiate while the footwall is delineated with a quartz-mica metasediment.

Outcrops are generally restricted to streams and parts of ridge crests protruding through a blanket of recent Neogene volcanic ash generally less than 10m thick. The irregularly distributed tuff limits the effectiveness of geochemical sampling which has concentrated on ridge and spur soil geochemical traverses, and included rock and gossan sampling, and trenching.

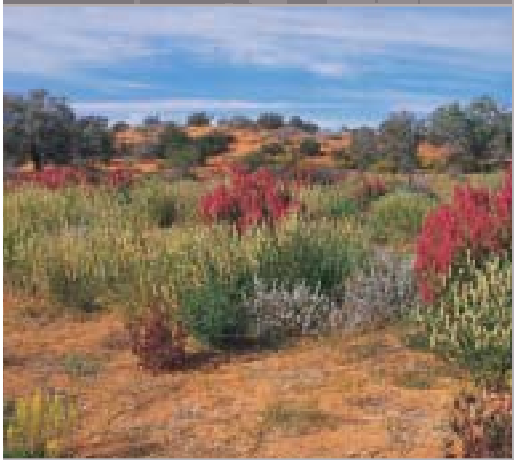
Highly anomalous soil values to 2.5g/t 2E+Au have been returned along strike from outcropping pyroxenite with PGE bearing chromite float. Rock samples returned values to 0.87g/t 2E+Au and 10.6% Cr with a Pt:Pd ratio of 2.25:1. This zone will be drill tested later in the season.

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

Regional

Follow-up of regional drainage geochemical anomalies has resulted in the discovery of sulphidic peridotite near Lugarawa, in the centre of the tenement holdings, and extensive pyroxenite in the eastern Block 3 tenement (figure 6). The Lugarawa zone extends over 35km in strike and shows anomalous Ni, Cu, Cr and PGE in drainage and rock chips. The Block 3 pyroxenite zone has a potential strike of 25km and initial sampling has identified anomalous PGE levels. Detailed mapping and sampling traverses are currently being extended over both trends.

Australia



Operations Report Australia

Mt Woods/ Warrina Project, Coober Pedy - Copper - Gold

(GDM - 100%, Anglo earning 65%)

Goldstream's Mt Woods / Warrina Project (5,800 square kilometres) covers approximately 50% of the highly prospective Mt Woods inlier on the Gawler Craton in South Australia (figure 7). The world class Olympic Dam Cu-Au deposit occurs in the same tectonic corridor, 160km to the south east. The Mt Woods Inlier has host rocks and styles of mineralisation similar to the Olympic Dam deposit. Compared to other parts of the Craton, regolith cover is minimal (< 250m thick) at Mt Woods indicating a greater potential for open cut mining.

The Project is being explored in joint venture with Anglo American plc, who as project managers can earn a 65% interest by discovering a deposit and taking it to the completion of a feasibility study. During the period, exploration completed by Anglo has included gravity surveying, integration of aeromagnetics, geology and alteration mapping, re-logging of historic drill core, ground traversing, geochemistry, ground EM geophysics, geochronology, aboriginal clearances and percussion drill testing.

A number of gravity and magnetic features indicative of iron oxide copper-gold mineralisation (IOGC) and other styles of mineralisation have been identified.

An RC Percussion drilling programme, comprising 25 holes for 3,194m, tested 8 targets on EL 2781 (Mt Woods) and EL 2760 (Kangaroo Dam). Six of the targets were prospective for IOCG mineralisation and the remaining two were prospective for low sulphur zinc mineralisation of the Broken Hill Type (BHT).

The Mt Paisley exploration licence EL 2708 has been excised from the Joint Venture and is now being managed and explored by Goldstream. A series of east north east trending linear gravity features paralleling the Prominent Hill mineralisation have been identified and will be further surveyed in preparation for drill testing.

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

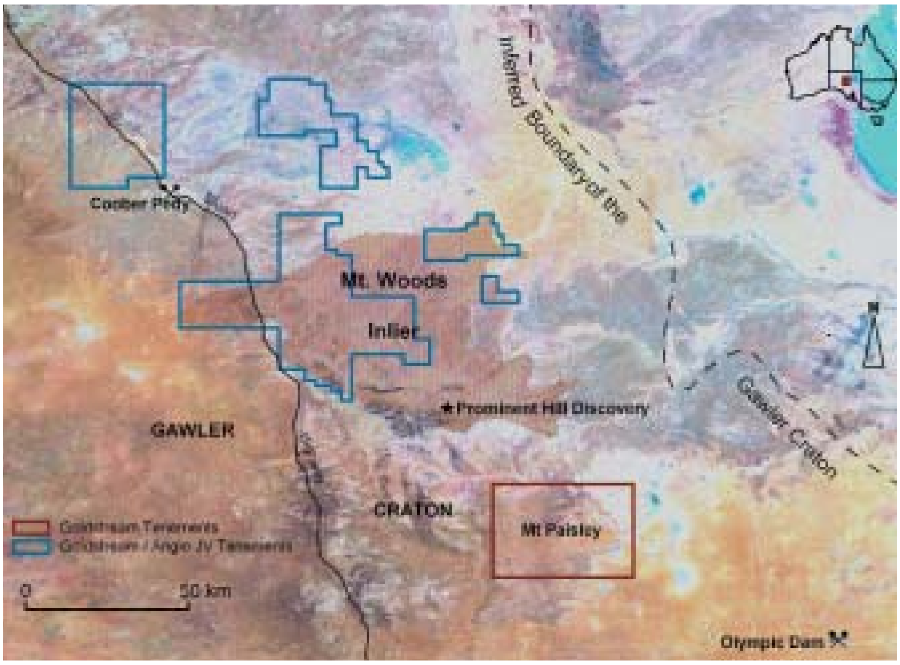


FIGURE 7. Mt Woods / Warrina Project tenements, South Australia.

Annual Financial Statements

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Director's Report

Your directors present their report on the company and its controlled entities for the year ended 30 June 2003.

The names and particulars of the qualifications, experience and special responsibility of the directors in office at the date of this report are:

George Spencer Kenway B.Sc.
Chairman and Managing Director

Mr Kenway has held the position of Chairman/Managing Director since 1988. George has a scientific background with specific skills in remote sensing techniques. He has spent over fifteen years in a management role and has been a director of several public companies.

Geoffrey Joseph Wallace FCPA, FTIA, MAICD
Director and Company Secretary

Mr Wallace is a Fellow of the Australian Society of Certified Practicing Accountants and a Fellow of the Taxation Institute of Australia. He has over thirty years experience in financial, corporate and management areas of the mining industry and formerly was a director of Australian Hanna Limited and Australian Mining and Petroleum Law Association Limited.

Terrence Arthur Robson CA, ACIS, CPA, FTIA
Non–Executive Director

Mr Robson has been involved in the accounting profession for over thirty years and in practice for the last twenty three years. He has considerable experience in financial and secretarial matters.

Principal Activities

The principal activities of the Group during the year was mineral exploration and development. There was no significant change in the nature of that activity during the year.

Operating Results

The Group incurred a loss of $1,178,993 after exploration expenditure write down of $274,277 for the year ended 30 June 2003 (2002: $1,977,500).

Dividends

Up until the date of this report, no dividend has been declared or paid by the Company and the directors do not recommend payment of a dividend.

Directors' Interests

As at the date of this report the interests of the directors in the ordinary shares of the company and related bodies corporate were:

	FULLY PAID SHARES	PARTLY PAID SHARES
G S Kenway	2,198,000	2,250,000
G J Wallace	1,252,816	920,000
T A Robson	70,000	620,000

Directors' Meetings

During the year seven directors' meetings and two audit committee meetings were held. The number of meetings at which directors were in attendance is as follows:

	Directors Meetings		Audit Committee Meetings	
	No. of meetings held while in office	Meetings Attended	No. of meetings held while in office	Meetings attended
G S Kenway	7	7	2	2
T A Robson	7	7	2	2
G J Wallace	7	7	2	2

As at the date of this report, the company has an audit committee of the Board of Directors. The members of the audit committee are G S Kenway, G J Wallace and T A Robson.

Indemnifying Officer or Auditor

The company has not, during or since the financial year, in respect of any person who is or has been an officer or auditor of the company or a related body corporate:

- indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings; or
- paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer for the costs or expenses to defend legal proceedings.

Review of Operations

A review of the Group's operations during the financial year and the results of these operations are set out in the section entitled "Review of Operations".

Environmental Regulation

The Group's exploration activities and those of its farm–in partners in both Australia and overseas are subject to environmental regulations and guidelines operating in the licence area. Failure to meet environmental conditions attaching to the Group's mining tenements could lead to forfeiture of the tenements. No environmental breaches have occurred or have been notified by any Government agencies during the year ended 30 June 2003.

DIRECTOR'S REPORT

State of Affairs

Directors are not aware of any significant change in the state of affairs of the Group occurring during the financial year other than as disclosed in the financial report.

Matters Subsequent to the Balance Date

Other than as referred to in the financial report, no matters or circumstances have arisen since the end of the financial year that have significantly affected or may significantly affect:

(i) the operations of the Group or the results of those operations;
(ii) the state of affairs of the Group

in the financial years subsequent to 30 June 2003.

Likely Developments

In the opinion of the directors, it would prejudice the interest of the Group to include additional information, except as reported in the Directors' Report, which relates to likely developments in the operations of the Group and the expected results of those operations in financial periods subsequent to 30 June 2003.

Share Options

There are no unissued ordinary shares under options at the date of this report.

Directors' Benefits

During or since the financial year, no director of the company has received or become entitled to receive a benefit, other than a benefit included in the aggregate amount of emoluments received or due and receivable by the directors shown in the consolidated accounts, by reason of a contract entered into by the company or an entity that the company controlled or a body corporate that was related to the company when the contract was made or when the director received, or became entitled to receive, the benefit with:

- a director, or
- a firm of which a director is a member, or
- an entity in which a director has substantial financial interest,

except the usual professional fees for their services paid by the company to Nown Pty Ltd, being a business in which Mr G S Kenway is beneficially interested.

Full details are provided in Note 18 – Related Party Transactions.

Directors and Executive Officers Emoluments

The company's policy for determining the nature and amount of emoluments of board members and senior executives of the company is assessed annually at the end of each calendar year and are set by reference to the mineral exploration industry market place and are not directly linked to the company's performance.

The emoluments of each director and Executive Officer are as follows:

Consolidated and Parent Entity	**Salary**	**Directors Fees**	**Consulting Fees**	**Superannuation Contributions**	**Other [1]**	**Total**
Directors						
Parent Entity						
GS Kenway	72,540	–	50,000	6,529	25,849	154,918
GJ Wallace	96,000	–	–	8,640	17,937	122,577
TA Robson	–	25,000	–	–	–	25,000
Controlled Entity						
SL Lwakatare		–	45,400	–	–	45,400
Executive Officer:						
RG Edwards	110,000	–	–	9,900	2,076	121,976

[1] Other compensation includes the 'package value' of motor vehicle inclusive of FBT, telephone and health management.

Corporate Governance

In recognising the need for the highest standards of corporate behaviour and accountability, the directors of Goldstream Mining NL support and have adhered to the principles of corporate governance. The company's corporate governance statement is contained in the Shareholders Information section of the annual report.

Signed in accordance with a resolution of the directors.

G J Wallace
Director

PERTH

25 September 2003

STATEMENTS OF FINANCIAL PERFORMANCE for the year ended 30 June 2003

	NOTE	CONSOLIDATED 2003 $	CONSOLIDATED 2002 $	PARENT ENTITY 2003 $	PARENT ENTITY 2002 $
Other Revenue					
Interest receivable from other persons		208,343	220,066	207,969	219,516
Gross proceeds from sale of fixed assets		4,071	35,575	4,071	35,575
Gross proceeds from sale of investments			8,605		8,605
Gross proceeds from sale of subsidiary company		–	260,000	–	260,000
Gross proceeds from sale of tenements		–	240,000	–	240,000
Joint Venture Cost Recovery		348,735	–	334,138	–
		561,149	764,246	546,178	763,696
Operating Expenses					
Diminution in value of shares		237,364	51,000	232,672	53,499
Provision for non recovery of loans		–	–	–	782,482
Exploration expenditure written off		274,277	1,636,144	120,425	679,352
Depreciation		55,646	44,959	45,548	44,959
Foreign Exchange Loss		223,543	–	211,976	–
Borrowing costs		–	13,389	–	13,389
Salaries and wages		343,853	247,744	343,853	247,744
Rental Expenses relating to operating leases		156,233	124,411	156,233	124,411
Other expenses from ordinary activities		449,226	624,099	449,226	802,127
		1,740,142	2,741,746	1,559,933	2,747,963
Operating loss before tax	2	1,178,993	1,977,500	1,013,755	1,984,267
Income tax attributable to operating loss	4	–	–	–	–
Net Loss attributed to members of the parent entity	3	1,178,993	1,977,500	1,013,755	1,984,267
Basic earnings per share (cents per share)		(1.00)	(1.79)		

The statements of financial performance should be read in conjunction with the accompanying notes.

STATEMENTS OF FINANCIAL POSITION as at 30 June 2003

	NOTE	CONSOLIDATED 2003 $	CONSOLIDATED 2002 $	PARENT ENTITY 2003 $	PARENT ENTITY 2002 $
Current Assets					
Cash	20	5,165,299	4,953,974	5,071,448	4,953,759
Receivables	5	63,678	93,999	47,207	93,999
Total Current Assets		5,228,977	5,047,973	5,118,655	5,047,758
Non–Current Assets					
Receivables	5	–	–	3,042,629	1,999,415
Investments accounted for using the equity method	6	–	–	–	–
Other financial assets	7	225,310	444,590	212,110	444,590
Property, plant & equipment	8	335,595	158,714	166,999	158,714
Exploration Expenditure	9	1,863,984	2,292,167	258,848	300,272
Total Non–Current Assets		2,424,889	2,895,471	3,680,586	2,902,991
TOTAL ASSETS		7,653,866	7,943,444	8,799,241	7,950,749
Current Liabilities					
Payables	10	1,038,783	135,061	152,639	135,061
Interest Bearing Liabilities	10	–	6,315	–	6,315
Provisions	11	19,990	22,742	19,990	22,742
Total Current Liabilities		1,058,773	164,118	172,629	164,118
Non–Current Liabilities					
Payables		–	–	1,858,976	–
Provisions	11	15,294	26,534	15,294	26,534
Total Non Current Liabilities		15,294	26,534	1,874,270	26,534
TOTAL LIABILITIES		1,074,067	190,652	2,046,899	190,652
NET ASSETS		6,579,799	7,752,792	6,752,342	7,760,097
Equity					
Contributed Equity	12	28,019,151	28,013,151	28,019,151	28,013,151
Accumulated losses	3	(21,439,360)	(20,260,367)	(21,266,809)	(20,253,054)
Parent Entity Interest		6,579,791	7,752,784	6,752,342	7,760,097
Outside Equity Interest		8	8	–	–
TOTAL EQUITY		6,579,799	7,752,792	6,752,342	7,760,097

The statements of financial position should be read in conjunction with the accompanying notes.

STATEMENTS OF CASH FLOWS for the year ended 30 June 2003

	NOTE	CONSOLIDATED		PARENT ENTITY	
		2003	2002	2003	2002
		$	$	$	$
Cash flows from operating activities					
Payments to suppliers and employees		(627,917)	(929,570)	(625,544)	(1,103,328)
Interest received		213,479	225,106	212,604	224,556
Interest Paid		–	(4,160)	–	(4,160)
Net cash (used) in operating activities	20(ii)	(414,438)	(708,624)	(412,940)	(882,932)
Cash flow from investing activities					
Purchase of investments		(18,084)	(590)	(192)	(590)
Payment of exploration expenditure		(2,000,024)	(1,691,882)	(18,892)	(237,426)
Joint venturer contributions		3,100,181	–	–	–
Proceeds on sale of investments		–	8,605	–	8,605
Advance to controlled entities		–	–	(1,043,214)	(1,280,147)
Acquisition of property, plant & equipment		(236,523)	(106,271)	(57,829)	(106,271)
Proceeds on sale of plant & equipment		4,071	35,575	4,071	35,575
Net cash (used) in investing activities		849,621	(1,754,563)	(1,116,056)	(1,580,254)
Cash flows from financing activities					
Proceeds from issue of shares		6,000	4,119,471	6,000	4,119,471
Advances from controlled entities		–	–	1,858,976	–
Repayment of hire purchase loans		–	(20,510)	–	(20,510)
Net cash from financing activities		6,000	4,098,961	1,864,976	4,098,961
Net (decrease)/increase in cash held		441,183	1,635,774	335,980	1,635,775
Add opening cash brought forward		4,947,659	3,311,885	4,947,444	3,311,669
Effect of exchange rates on cash holdings in foreign currencies		(223,543)	–	(211,976)	–
Cash on hand at the end of the year	20(i)	5,165,299	4,947,659	5,071,448	4,947,444

The statements of cash flows should be read in conjunction with the accompanying notes.

1. Summary of Significant Accounting Policies

This general purpose financial report has been prepared in accordance with Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Consensus Views and the Corporations Act 2001.

It is prepared on an accruals basis and in accordance with the historical cost convention, except for certain assets which, as noted, are at valuation. Unless otherwise stated, the accounting policies adopted are consistent with those of the previous year. Comparative information is reclassified where appropriate to enhance comparability.

a) Principles of Consolidation

The consolidated accounts incorporate the assets and liabilities of all entities controlled by Goldstream Mining NL as at 30 June 2003 and the results of all controlled entities for the year then ended. Goldstream Mining NL and its controlled entities together are referred to in this financial report as the Group. The effects of all transactions between entities in the Group are eliminated in full.

Where control of an entity is obtained during a financial year, its results are included in the consolidated statement of financial performance from the date on which control commences.

b) Vehicles, Plant and Equipment

Vehicles, Plant and Equipment are depreciated over their estimated useful lives using the straight line method.

The depreciation rates used for each class of depreciable asset are:

Class of Fixed Asset	Depreciation Rate
Vehicles	20%
Plant and Equipment	15–60%

c) Exploration and Development

Exploration and development costs are carried forward as an asset in the statements of financial position where:

i) such costs are expected to be recouped through successful development and exploitation of the area of interest, or by its sale; or

ii) exploration activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in relation to the area are continuing.

Where a project or area of interest has been relinquished or abandoned, the costs incurred there on are written off.

d) Employee Entitlements

The value of the employee share scheme described in Note 22 is not being charged as an employee entitlement expense. In respect of the Group's contributions to superannuation plans, any contributions made to superannuation funds are charged against profits when due. Provision for employees annual and long service leave are brought to account in accordance with the accounting standard on employee entitlements.

e) Recoverable Amount

The carrying value of non–current assets are reviewed to determine whether they are in excess of their recoverable amount at balance date. If the carrying amount of a non–current asset exceeds the recoverable amount, the asset is written down to the lower amount. In assessing recoverable amounts, the relevant cash flows have not been discounted to their present value.

f) Cash

For the purposes of the cash flow statement, cash includes cash on hand and in banks and short term deposits at call net of bank overdrafts.

g) Joint Venture

The Group's interest in joint ventures are brought to account by including in the respective classifications, the share of individual assets employed, and liabilities and expenses incurred.

h) Foreign Currency Transactions

Transactions in foreign currencies of entities within the consolidated entity are converted to local currency at the rate of exchange ruling at the date of the transaction. Amounts payable to and by the entities within the consolidated entity that are outstanding at the balance date and are denominated in foreign currencies have been converted to local currency using rates of exchange ruling at the end of the financial year. All resulting exchange differences arising on settlement or re–statement are brought to account in determining the profit or loss for the financial year.

i) Operating Leases

The minimum lease payments of operating leases, where the lessor effectively retains substantially all of the risks and benefits of ownership of the leased item, are recognised as an expense on a straight line basis. Contingent rentals are recognised as an expense in the financial year in which they are incurred.

j) Comparative Figures

Where necessary, comparatives have been reclassified and repositioned for consistency with current year disclosures.

	CONSOLIDATED		PARENT ENTITY	
	2003	2002	2003	2002
	$	$	$	$
2. Operating Loss				
Crediting as income:				
Interest receivable from other persons	208,343	220,066	207,969	219,516
Profit on sale of listed investments	–	(3,605)	–	(6,105)
Profit on sale of subsidiary company	–	(259,999)	–	(259,999)
Profit on sale of tenements	–	(198,769)	–	(198,766)
Profit on sale of fixed assets	72	–	72	–
Charging as expenses				
Provision for employee entitlements	(13,992)	(21,663)	(13,992)	(21,663)
Foreign Exchange Losses	223,543	–	211,976	–

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2003

	CONSOLIDATED		PARENT ENTITY	
	2003	2002	2003	2002
	$	$	$	$
3. Accumulated Losses				
Accumulated losses at the beginning of the financial year	20,260,367	18,282,867	20,253,054	18,268,787
Operating loss after tax	1,178,993	1,977,500	1,013,755	1,984,267
Accumulated losses at the end of the financial year	21,439,360	20,260,367	21,266,809	20,253,054
4. Income Tax				
Operating loss	1,178,993	1,977,500	1,013,755	1,984,267
Prima Facie tax credit at 30% (2002: 30%)	353,698	593,250	304,127	595,280
Tax effect on permanent differences:				
Non deductible expenditure	(93,635)	(48,887)	(92,227)	(283,632)
Exploration expenditure written off	(82,283)	(490,843)	(36,128)	(203,806)
Income tax benefit not brought to account	177,780	53,520	175,772	107,842
Future income tax benefit arising from tax losses not brought to account at balance date as realisation of the benefit is not regarded as virtually certain	3,767,000	3,150,000	3,767,000	3,200,000

The tax benefits relating to taxation losses are brought to account only when their recovery is assured beyond reasonable doubt. The benefits will only be obtained by the companies if:

i)they continue to comply with the provisions of the income tax legislation relating to the deduction of losses of prior years;

ii)they earn sufficient assessable income to enable the benefits of the deduction to be realised; and

iii)there are no changes in tax legislation adversely affecting the companies in realising the benefit.

	CONSOLIDATED		PARENT ENTITY	
	2003	2002	2003	2002
5. Receivables				
Current				
Trade debtors	61,282	86,967	44,811	86,967
Accrued Interest	2,396	7,032	2,396	7,032
	63,678	93,999	47,207	93,999
Non Current				
Loans to controlled entities	–	–	4,864,905	3,821,691
Less: provision for non recovery	–	–	(1,822,276)	(1,822,276)
	–	–	3,042,629	1,999,415

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2003

	CONSOLIDATED		PARENT ENTITY	
	2003	2002	2003	2002
	$	$	$	$
6. Non Current Assets – Investment				
Account for using the equity method				
Shares in controlled entities at cost (note 13)	–	–	650,144	649,952
Less: provision for diminution	–	–	(650,144)	(649,952)
7. Non Current Assets – Other Financial Assets				
Shares in listed companies, at cost	518,674	500,590	500,590	500,590
Less: provision for diminution	(293,364)	(56,000)	(288,480)	(56,000)
	225,310	444,590	212,110	444,590
Market Value of Listed Shares at 30 June	257,596	444,780	244,396	444,780
8. Non Current Assets – Property, Plant and Equipment				
Property, Plant and Equipment at cost	574,019	381,125	395,325	381,125
Less Accumulated Depreciation	(238,424)	(222,411)	(228,326)	(222,411)
	335,595	158,714	166,999	158,714
Reconciliations				
Reconciliations of the carrying amounts for each class of plant and equipment and motor vehicles are set out below:				
Property, Plant and equipment				
Carrying amount at beginning of year	158,714	139,857	158,714	139,857
Additions	236,525	106,271	57,831	106,271
Disposals	(3,998)	(42,455)	(3,998)	(42,455)
Depreciation	(55,646)	(44,959)	(45,548)	(44,959)
Carrying amount at end of year	335,595	158,714	166,999	158,714
9. Non Current Assets				
Exploration Expenditure				
Cost brought forward	2,292,167	2,300,746	300,272	806,516
Sale of Tenements	–	(41,233)	–	(41,233)
Expenditure incurred during the year	2,964,359	1,668,798	79,001	232,341
Expenditure written off during the year	(274,277)	(1,636,144)	(120,425)	(697,352)
Joint Venture contributions received	(3,118,265)	–	–	–
	1,863,984	2,292,167	258,848	300,272

The carrying value of the expenditure carried forward is dependent upon the discovery of commercially viable mineral reserves and the successful development and exploitation thereof, or alternatively, sale of the respective areas of interest at amounts at least equal to book values.

	CONSOLIDATED		PARENT ENTITY	
	2003	2002	2003	2002
	$	$	$	$
10. Payables and Interest Bearing Liabilities				
Current				
Bank overdraft	–	6,315	–	6,315
Payables (creditors and accruals)	1,038,783	135,061	152,639	135,061
	1,038,783	141,376	152,639	141,376
Non Current				
Loans from controlled entities	–	–	1,858,976	–
11. Provisions				
Current				
Employee entitlements	19,990	22,742	19,990	22,742
Non Current				
Employee entitlements	15,294	26,534	15,294	26,534
	35,284	49,276	35,284	49,276
There are seven employees at balance date.				
12. Contributed Equity				
Issued				
117,140,749 ordinary shares (2002: 117,140,749)	28,019,151	28,013,151	28,019,151	28,013,151

There are 7,704,000 (2002: 7,804,000) partly paid shares included in the 117,140,749 shares referred to above and uncalled capital totals $2,609,940 (2002: $2,615,940).

The increase in issued capital is due to the payment of uncalled capital on 100,000 ordinary shares to raise $6,000 being conversion of partly paid shares with the "Goldstream Mining Share Incentive Plan".

13. Investments in Controlled Entities

Name of Entity	Country of Incorporation	Class of Shares 2003	Equity 2002 %	Holding %
Frugal Mining Pty Ltd	Australia	Ord.	100*	–
Pan African Resources NL	Australia	Ord.	100	100
Tausi Mining Pty Ltd	Australia	Ord.	90	90
Thrifty Mining Pty Ltd	Australia	Ord.	100	100
Zanzibar Gold Pty Ltd	Australia	Ord.	92	92
Duma Minerals (T) Ltd	Tanzania	Ord.	100	100
Nyati Mining (T) Ltd	Tanzania	Ord.	100	100
Pan African Resources (T) Ltd	Tanzania	Ord.	92	92
Tausi Minerals Company Ltd	Tanzania	Ord.	90	90
Warthog Resources (T) Ltd	Tanzania	Ord.	100	100
Rimfire Resources Ltd	Vanuatu	Ord.	100	100

The cost of investments in subsidiary companies has been fully provided for in the accounts of the Parent Entity.

* The Company was incorporated on 11 July 2002 with assets of $100.

	CONSOLIDATED 2003 $	CONSOLIDATED 2002 $	PARENT ENTITY 2003 $	PARENT ENTITY 2002 $
14. Directors' Remuneration				
Amounts received or due including superannuation contributions receivable by the directors of the Group from corporations of which they are directors of related bodies corporate or entities controlled by the parent entity	347,895	310,290	302,495	310,290

Number of directors whose incomes was within the following bands:

	2003 No.	2002 No.	2003 No.	2002 No.
$20,000–$29,999	1	1	1	1
$40,000–$49,999	1	–	–	–
$110,000–$119,999	–	1	–	1
$120,000–$129,999	1	–	1	–
$150,000–$159,999	1	–	1	–
$160,000–$169,999	–	1	–	1

Executives' Remuneration

Amounts received or due including superannuation contributions receivable by the executives of the economic entiry from corporations of which they are executives or related bodies corporate or entities controlled by the parent entity	444,871	384,570	399,471	384,570

Number of executives whose incomes was within the following bands:

	2003 No.	2002 No.	2003 No.	2002 No.
$40,000–$49,999	1	–	–	–
$100,000–$109,000	–	1	–	1
$110,000–$119,999	–	1	–	1
$120,000–$129,999	2	–	2	–
$150,000–$159,999	1	–	1	–
$160,000–$169,999	–	1	–	1

15. Auditors Renumeration

	CONSOLIDATED 2003 $	CONSOLIDATED 2002 $	PARENT ENTITY 2003 $	PARENT ENTITY 2002 $
Amount received or due and receivable by the parent entity auditors for:				
Auditing the accounts	14,394	16,048	14,394	16,048
Other	–	2,500	–	2,500
	14,394	18,548	14,394	18,548

16. Segmental Information

For the year ended 30 June 2003, the Group operated in the mining industry.

	Segment Revenue 2003 $	Segment Revenue 2002 $	Segment Losses 2003 $	Segment Losses 2002 $	Segment Assets 2003 $	Segment Assets 2002 $	Segment Liabilities 2003 $	Segment Liabilities 2002 $
Geographical Location:								
Australia	546,176	764,246	1,013,565	1,199,798	5,756,612	5,944,028	187,823	190,652
Tanzania	14,973		110,544	775,715	1,852,138	1,899,416	886,244	–
Vanuatu	–	–	54,884	1,987	45,116	100,000	–	–
	561,149	764,246	1,178,993	1,977,500	7,653,866	7,943,444	1,074,067	190,652

	AUSTRALIA 2003	AUSTRALIA 2002	TANZANIA 2003	TANZANIA 2002
Purchase of Assets	57,829	34,991	178,694	71,280
Capitalised Exploration Expenditure	100,708	214,341	2,863,493	1,454,456
Depreciation	45,598	39,214	10,098	5,745

17. Commitments and Contingencies

Exploration expenditure commitments:
In order to maintain the mineral tenements in which the Group and other parties are involved, the Group is committed to fulfil the minimum annual expenditure conditions under which the tenements are granted. The minimum estimated expenditure commitment requirements for the next year is $2,410,000. (2002 $2,700,000)

Exploration expenditure commitments beyond twelve months cannot be reliably determined.

	CONSOLIDATED		PARENT ENTITY	
	2003 $	2002 $	2003 $	2002 $
Operating lease expense commitments:				
Future operating lease commitments not provided for in the financial statements and payable:				
Within on year	102,780	51,390	102,780	51,390
Between one and two years	102,780	–	102,780	–
Later than two, not later than five years	256,950	–	256,950	–

18. Related Party Transactions

a) Directors:
The names of each person who held the position of director of the company during the financial year were Messrs G S Kenway, T A Robson and G J Wallace.

b) Transactions with Directors Related Entities:

IDENTITY OF RELATED PARTY	NATURE OF RELATIONSHIP	TYPE OF TRANSACTION	TERMS & CONDITIONS OF TRANSACTION	AGGREGATE AMOUNT
Mr G S Kenway – Director and shareholder	Director of parent entity	Consulting Fees paid to Nown Pty Ltd	Normal commercial terms	$50,000 (2002: $50,000)

c) Directors' Holdings of Shares:

	ORDINARY SHARES	PARTLY PAID SHARES
Opening balance	3,798,000	3,890,000
Purchases	102,816	–
Sales	(100,000)	(100,000)
Closing Balance	3,800,816	3,790,000

d) Controlled Entities – wholly owned:
Controlled entities made payments and received funds on behalf of Goldstream Mining NL and other controlled entities by way of inter–company loan accounts with each controlled entity. These loans are unsecured, bear no interest and are repayable on demand, however demand for repayment is not expected in the next twelve months. Aggregate amounts receivable from and payable to wholly owned controlled entities by the company are set out in Note 5 and Note 10.

e) Ultimate Parent Entity:
Goldstream Mining NL is the ultimate Australian parent entity of the consolidated entity. Goldstream Mining NL is a company limited by shares that is incorporated and domiciled in Australia.

19. Joint Ventures and Royalties

The Group has interests in unincorporated joint ventures as follows:

JOINT VENTURE	PRINCIPAL ACTIVITIES	INTEREST 2003	INTEREST 2002
Corinna	Mineral exploration conducted jointly by the Group and Titan Resources NL.	–	57%
Dingo Well	Mineral exploration whereby Johnson's Well Mining NL may earn a 70% interest by expending $850,000.	100%	100%
Luwumbu	Mineral exploration whereby Lonmin Plc may earn up to 70% equity in the project area by sole funding exploration to completion of a feasibility study within 6 years. Lonmin has the right to withdraw at any time after the first year commitment of US$500,000 is spent.	90%	90%
Mibango	Mineral exploration whereby Lonmin Plc may earn up to 60% equity in the project area by sole funding exploration to completion of a feasibility study within 5 years. If Lonmin arranges or provides development funding to Goldstream, Lonmin will earn a further 5% interest in the project area.	100%	100%
Webe Creek	Mineral exploration whereby Alcaston Mining NL has an option to acquire a 22% equity interest by the commitment of expenditure and the issue of shares.	22%	22%
Mt Woods	Mineral exploration whereby Anglo American Exploration (Aust) Pty Ltd may earn a 65% interest by sole funding exploration to completion of a pre feasibility study.	100%	100%

The joint ventures are not separate legal entities. They are contractual arrangements between the participants for the sharing of costs and output and do not in themselves generate revenue and profit. The Group's interest in these joint ventures is included in exploration expenditure (total $2,225,000). Refer to Note 17 for exploration commitments.

The Group has the following royalty interests:

West Musgrave A 3% net profit interest on EL's 69/1660, 69/1661 and ELA's 69/1664, 69/1665, 69/1666, 69/1667, 69/1668, 69/1669, 69/1670, 69/1671, 69/1688 and 69/1689.

Gawler and Curnamona Craton A 1% net smelter return on EL 2604, 2705 and 2874.
A $1 per metric tonne for ore mined and treated royalty from EL 2634, up to $2,000,000.

	CONSOLIDATED		PARENT ENTITY	
	2003	2002	2003	2002
	$	$	$	$

20. Notes to the Statement of Cash Flows

(i) Reconciliation of cash

	2003 $	2002 $	2003 $	2002 $
Cash balance comprises:				
– Cash at bank	1,425,413	508,480	1,332,068	508,480
– Cash on deposit	3,738,615	4,444,879	3,738,615	4,444,879
– Cash on hand	1,271	615	765	400
– Bank overdraft	–	(6,315)	–	(6,315)
	5,165,299	4,947,659	5,071,448	4,947,444

(ii) Reconciliation of operating loss after income tax to net cash used in operating activities

	2003 $	2002 $	2003 $	2002 $
Operating loss after income tax	(1,178,993)	(1,977,500)	(1,013,755)	(1,984,267)
Add/(less) non cash items:				
Foreign exchange loss	223,543	–	211,976	–
Profit on sale of investments	–	(3,605)	–	(6,105)
Write down of investments	237,364	51,000	232,672	53,499
Profit on sale of tenements	–	(198,769)	–	(198,766)
Profit on sale of subsidiary	–	(259,999)	–	(259,999)
Profit on sale of fixed assets	(72)	–	(72)	–
Depreciation	55,646	51,839	45,548	51,839
Exploration expenditure written off	274,277	1,636,144	120,425	679,352
Employee entitlements (reduction)	(13,992)	(21,663)	(13,992)	(21,663)
Provision for non recovery of loans	–	–	–	782,482
Changes in assets and liabilities:				
(Increase)/decrease in receivables	(1,000)	(6,065)	15,469	(6,065)
(Decrease)/increase in creditors	(11,211)	19,994	(11,211)	26,761
Net cash used in operating activities	(414,438)	(708,624)	(412,940)	(882,932)

(iii) Non cash item

During the year the Company received shares for the sale of interest in mining properties that at the date of sale had a fair market value of $500,000.

21. Earnings per Share

	NUMBER OF SHARES	
	2003	2002
Weighted average number of ordinary shares used in the calculation of basic earnings per share	117,140,749	110,272,033

The earnings per share on a diluted basis is not materially different from the earnings per share on a weighted average basis.

22. Employee Entitlements and Superannuation Commitments

a) Superannuation Commitments

The Group contributes to superannuation for employees in accordance with the Government Superannuation Guarantee Legislation. The Group has no obligation to meet any shortfall in the superannuation funds obligations to provide benefits to employees on retirement.

b) Employee Share Scheme

An employee share scheme has been established where employees and consultants of the Group are issued with partly paid shares of Goldstream Mining NL. The partly paid shares, paid to one cent, are issued in accordance with the company's Employee Share Incentive Plan. The issue price of the shares shall not be less than eighty per cent of the average price of the sale of the company's ordinary shares on the ASX within one month prior to the date of issue. The shares will not be quoted on the ASX until fully paid and there are currently 18 employees and consultants eligible for this scheme.

During the year 100,000 partly paid shares were converted to fully paid shares.

As at 30 June 2003 there were 7,704,000 partly paid shares issued. The market value of ordinary Goldstream Mining NL shares closed at $0.45 on 30 June 2003.

23. Financial Instruments

a) Terms, conditions and accounting policies

The Group's accounting policies, including the terms and conditions of each class of financial asset and financial liability, both recognised and unrecognised at the balance date, are as follows:

Recognised Financial Instrument	Balance Sheet Notes	Accounting Policies	Terms & Conditions
i) Financial Assets			
Receivables – other	5	Receivables are carried at nominal amounts due.	
Investments	7	Investments are carried at cost with an appropriate write down to market value where necessary.	
ii) Financial Liabilities			
Payables	10	Liabilities are recognised for the amounts to be paid in the future for goods and services received, whether or not billed to the company.	Trade liabilities are nominally settled on 30 day terms.
Interest bearing liabilities	10	Other loans are carried at the principal amount. Interest is charged as it accrues.	Borrowings relate to Hire Purchase Loans.
iii) Equity			
Ordinary Shares	12	Ordinary share capital is recognised at the issue price of the shares.	

b) Net Fair Values

The following methods and assumptions are used to determine the net fair values of financial assets and liabilities:

Recognised Financial Instruments

Cash:	The carrying amount approximates fair value because of their short term to maturity.
Trade Receivables & Payables:	The carrying amount approximates fair value.
Interest bearing liabilities:	The carrying amount approximates fair value.

Aggregate net fair values and carrying amounts of financial assets and financial liabilities at the balance date:

	2003 Carrying Amount $	Net Fair Value $	2002 Carrying Amount $	Net Fair Value $
Financial Assets				
Cash	5,165,299	5,165,299	4,953,974	4,953,974
Accounts Receivable	63,678	63,678	93,999	93,999
Investments	225,310	257,596	444,590	444,780
	5,454,287	5,486,573	5,492,563	5,492,753
Financial Liabilities				
Payables	1,038,783	1,038,783	135,061	135,061
Interest–bearing liabilities	–	–	6,315	6,315
	1,038,783	1,038,783	141,376	141,376
Net Financial Assets	4,415,504	4,447,790	5,351,187	5,351,377

	Consolidated 2003 $	2002 $
Reconciliation of net financial assets to net assets		
Net financial assets	4,415,504	5,351,187
Add Fixed assets	335,595	158,714
Exploration	1,863,984	2,292,167
Less Provisions	(35,284)	(49,276)
Net Assets	6,579,799	7,752,792

24. Subsequent Events

There are no material subsequent events since 30 June 2003, that require reporting.

DIRECTOR'S DECLARATION

The directors of the company declare that:

(a) the financial statements and notes, as set out on pages 19 to 33

- (i) comply with Australian Accounting Standards, the Corporations Regulations 2001, and the Corporations Act 2001; and
- (ii) give a true and fair view of the financial position as at 30 June 2003 and performance for the year ended on that date of the company and the Group;

(b) in the director's opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:

G J Wallace
DIRECTOR

Perth

25 September 2003

INDEPENDENT AUDIT REPORT

STANTON PARTNERS

1 HAVELOCK STREET
WEST PERTH 6005
WESTERN AUSTRALIA

Telephone: (08) 9481 3188
Facsimile: (08) 9321 1204
e-mail: australia@stanton.com.au

TO THE MEMBERS OF GOLDSTREAM MINING N. L.

SCOPE

We have audited the financial report of Goldstream Mining N.L. (the Company) for the financial year ended 30 June 2003 as set out on pages 19 to 34. The financial report includes the consolidated financial statements of the consolidated entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year. The Company's directors are responsible for the preparation of the financial report. We have conducted an independent audit of this financial report in order to express an opinion on it to the members of the Company.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards, other mandatory professional reporting requirements in Australia and the Corporations Act 2001 so as to present a view which is consistent with our understanding of the Company's and the consolidated entity's financial position, and performance as represented by the results of their operations and their cash flows.

The audit opinion expressed in this report has been formed on the above basis.

AUDIT OPINION

In our opinion, the financial report of Goldstream Mining N.L. is in accordance with:

a) the Corporations Act 2001, including:
   - (i) giving a true and fair view of the Company's and consolidated entity's financial position as at 30 June 2003 and of their performance for the financial year ended on that date; and
   - (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and

b) other mandatory professional reporting requirements in Australia.

STANTON PARTNERS

Stanton Partners

J P Van Dieren
Partner

Perth, Western Australia

25 September 2003

SHAREHOLDER INFORMATION

Additional information in compliance with the Australian Stock Exchange Limited Listing Rule 4.10 and not shown elsewhere in this report is as follows.

The information is made up to 25 September 2003.

1. Shareholder Analysis

i) There are 2,929 shareholders in the company.

ii) There are 90 shareholders holding less than a marketable parcel.

iii) The distribution of shareholdings is as follows:

Number	Fully Paid Shares	Partly Paid Shares
1 – 1,000	244	–
1,001 – 5,000	997	
5,001 – 10,000	609	1
10,001 – 100,000	893	4
100,001 – over	168	13
	2,911	18

The partly paid shares are held by a trustee company of the Goldstream Mining Employees Share Incentive Plan for the benefit of employees of the company.

iv) Substantial Shareholders

Anglo American Investments (Australia) Limited by notice dated 8 May 1997 advised that it had an interest in 6,786,236 shares. This is the only notification current at 25 September 2003.

v) The 20 largest shareholders hold 31.75 per cent of the ordinary shares in the company.

vi) The 20 largest shareholders are:

1.	Anglo American Investments (Aust) Limited	6,786,236
2.	Truscott John Whitford	5,460,000
3.	Rogers Graham Anthony	2,966,821
4.	Hadowill Pty Ltd	2,808,500
5.	ANZ Nominees Limited	2,681,665
6.	Odd Lot Nominees Pty Ltd	2,100,000
7.	Melanto Pty Ltd	1,585,492
8.	Lakes James	1,350,000
9.	Brywall Pty Ltd	1,252,816
10.	Darver Investments Ltd	1,228,500
11.	Westpac Custodian Nominees Limited	1,158,500
12.	GFS Holdings Pty Ltd	1,029,383
13.	National Nominees Limited	1,002,800
14.	Norgo Nominees Pty Ltd	942,000
15.	Performance Group Pty Ltd	840,505
16.	Kendoss Pty Ltd	831,930
17.	Greenslade Shane & Bruce	800,000
18.	Colbur Pty Ltd	800,000
19.	Nown Pty Ltd	793,750
20.	D V Shine & Sons Pty Ltd	768,188
		37,187,086

SHAREHOLDER INFORMATION

2. Voting Rights.

On a show of hands every member present in person or by proxy shall have one vote. Upon a poll each fully paid share shall have one vote and each partly paid share shall have such number of votes as bears the same proportion to the total of such shares as the amount of the issue price thereof paid up bears to the total issue price.

3. The company has an audit committee of the board of directors.

4. The total number of shares issued is 117,140,749 of which 7,704,000 are partly paid shares with uncalled capital of $2,609,940.

5. Mining Tenements

TENEMENT NUMBER		GROUP OWNERSHIP
SOUTH AUSTRALIA		
Kangaroo Dam	EL2760	100%
Manguri	EL2679	100%
Mt Paisley	EL2708	100%
Mt Woods	EL2781	100%
Trumpeter	EL2780	100%
Warrina	EL2882	100%
	EL2883	100%
WESTERN AUSTRALIA		
Dingo Well	MLA37/841	Application
	MLA37/842	Application
	MLA37/843	Application
	MLA37/844	Application
	MLA37/845	Application
	MLA37/846	Application
	MLA37/847	Application
	MLA37/848	Application
	MLA37/1084	Application
	MLA37/1085	Application
Euro	MLA38/585	Application
Mt Malcolm	EL63/747	100%
	EL63/786	100%
	ELA63/787	Application
West Musgrave	ELA69/1662	Application
	EL 69/1663	100%
	EL69/1790	100%
	EL69/1791	100%

TENEMENT NUMBER		GROUP OWNERSHIP
TANZANIA		
Buhemba	PL 1997/2002	92%
Ikonga	PL1607/00	100%
Kapalagulu	PLR1744/2001	100%
Karungu	PLR1743/2001	100%
Kasanga	PL1605/2000	100%
Katobala	PL1606/2000	100%
Lake Tanganyika	PL 1996/2002	100%
Lufurio	PLR 2154/2003	90%
Luwumbu	PLR1781/2001	90%
	PLR1782/2001	90%
	PLR1783/2001	90%
	PLR1907/2002	90%
Mahari A	PL 1994/2002	100%
Mahari B	PL1995/2002	100%
Makamba	PL1993/2002	100%
Manyarawa	PLR2247/2003	100%
Mgeta	PLR 2241/2003	100%
Mibango	PL1608/2000	100%
Pembamwitu	PLR2246/2003	100%
Sipala	PLR 2240/2003	100%
Wasosi	PL 2242/2003	100%
VANUATU		
Webe Creek	PL 1587	22%

6. Corporate Governance Statement

Board of Directors

The board of directors of Goldstream Mining NL is responsible for the corporate governance of the Group including the strategic direction, establishing goals for management and monitoring the achievement of these goals. An audit committee has been established to assist the board in the execution of its responsibilities.

The board consists of two executive directors and one non–executive director. The consents in writing of each director are on file, and all directors have made all necessary disclosures relating to potential conflicts of interest. Details of the directors are set out in the Directors' Report.

The composition of the board is reviewed on a regular basis to ensure that it has the appropriate mix of expertise and experience. Should it be necessary to appoint a new director, for whatever reason, appropriate candidates would be selected, with advice from an external consultant. The full board may then appoint the most suitable candidate, who must stand for re–election at the next Annual General Meeting, and be re–elected at three yearly intervals. No policy exists for the retirement of non–executive directors.

Each director has the right to seek independent professional advice at the Group's expense. However, prior approval of the chairman is required, and such approval shall not be unreasonably withheld.

Audit Committee

The audit committee consists of the following directors:

G S Kenway	(executive director)
G J Wallace	(executive director)
T A Robson	(non–executive director)

The main responsibilities of the audit committee are to:

- review and report to the board on the annual report and financial statements;
- provide assurance to the board that it is receiving adequate, timely and reliable information;
- assist the board in reviewing effectiveness of the Group's internal control environment covering:

  – compliance with applicable laws and regulations

  – reliability of financial reporting.
- liaise with the external auditors and ensure that the annual audit and half–year review are conducted in an efficient manner; and
- act as a remuneration committee to establish the remuneration of the directors and approve the remuneration of senior executives. Further information on directors' remuneration is set out in Note 14 to the financial statements.

The audit committee reviews the performance of the external auditors on an annual basis, and a representative of the committee meets with them during the year to discuss the external audit plan, any significant problems that may arise, and to review the fees proposed for the audit work to be performed.

Any written matters raised by the auditors are discussed and dealt with at full board meetings. The auditors, by request, may attend audit committee meetings and board meetings to discuss any matter that they believe warrants attention by the board. The auditors also attend shareholder meetings of the Group.

Business Risk

The board is responsible for identifying areas of significant business risk, and ensuring arrangements are in place to adequately manage those risks. Determined areas of risk that are regularly considered at board meetings or reported on monthly include:

- performance and funding of exploration activities;
- budget control and asset protection;
- status of mineral tenements;
- sovereign risk and Native Title considerations; and
- continuous disclosure obligations.

Ethical Standards

The Board subscribes to the statement of Ethical Standards as published by the Institute of Company Directors.

All directors and employees are expected to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Group.

SHAREHOLDER INFORMATION

Role of Shareholders

The board aims to ensure that the shareholders are informed of all major developments affecting the Group's state of affairs. Information is communicated to shareholders as follows:

- the internet web site: www.goldstreammining.com.au
- the Annual Report is distributed to all shareholders. The board ensures that the Annual Report includes relevant information about the operations of the group during the year, changes in the state of affairs of the group and details of future developments, in addition to other disclosures required by Corporations Act 2001;
- Quarterly Reports and half–yearly financial statements are lodged with the Australian Stock Exchange, and the half–yearly financial statements are also lodged with the Australian Securities and Investments Commission, and copies are sent to any shareholder who requests them;
- any proposed major changes in the Group which may impact on the share ownership rights would be submitted to a vote of shareholders; and
- the board ensures that the continuous disclosure requirements of the Australian Stock Exchange are fully complied with, ensuring that shareholders are kept informed on significant events affecting the Group.

ASX Corporate Governance Council Recommendations

The Company has commenced a review of the recommendations set down by the ASX Corporate Governance Council with a view to phasing in, during the 2003/2004 financial year appropriate corporate governance practices which have not already been adopted.

www.goldstreammining.com.au

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