

4 December 2003

Australian Stock Exchange Limited  
Company Announcements Office  
Level 10, 20 Bond Street  
SYDNEY NSW 2000

Dear Sirs

The Board of Directors of Goldstar Resources NL (ASX: GDR) are pleased to provide the following update with respect to the Company's activities since listing on 31 October 2003.

#### **WORK COMMENCES AT WALHALLA**

- **Mining Contractor to start work in December, Drilling to commence in January.**
- **Expanded the Empress Shoot Target**
- **Identified a new South Cohen's Shoot.**

#### **AWARD OF MINING CONTRACT**

Following the completion of negotiations with shortlisted contractors, Goldstar Resources NL (Goldstar) has awarded Equator Mining Contractors (Operations) Pty Ltd the contract to reopen the underground workings at Walhalla. The contractor will mobilise to site in the first half of December, following which they will initially access the Walhalla Adit to establish the first two of three drill sites for the Stockwork Drill Programme. This first phase of Stockwork drilling is designed to expand the current near surface Stockwork resource of 119,000 oz that sits adjacent to the previous Cohen's Shoot workings. It has been estimated that the Mining Contractor will be on site for approximately three months, with the Drilling Contractor starting at the end of the first month.

## EXPANSION OF EMPRESS SHOOT TARGET

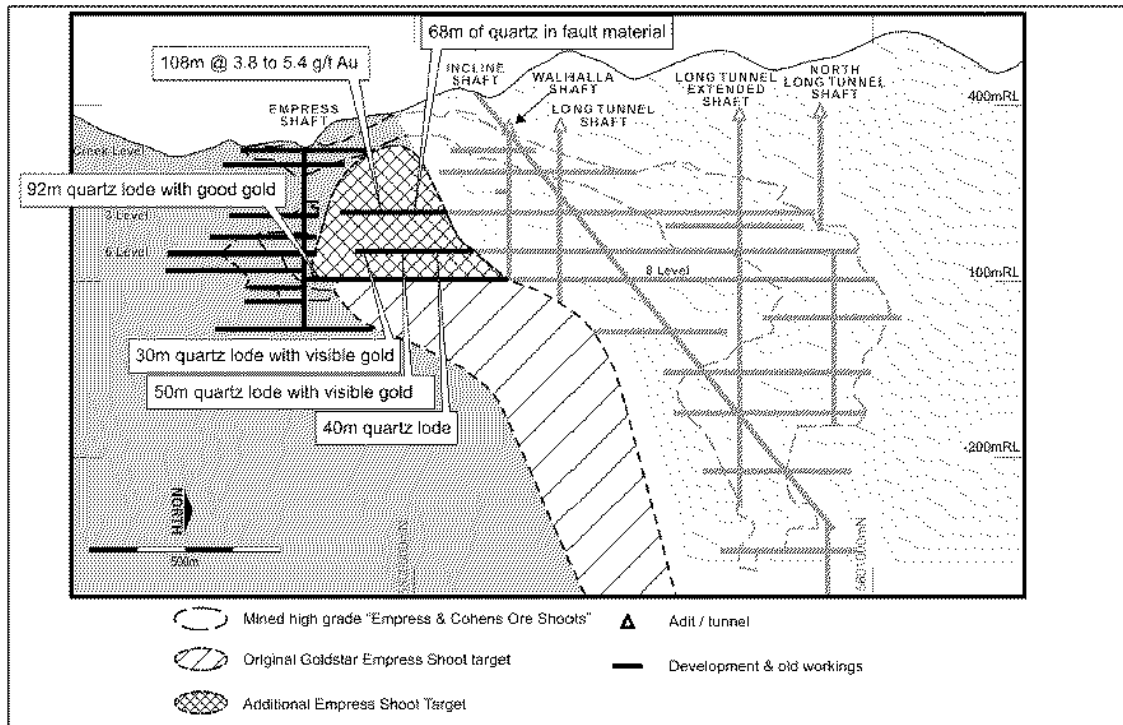
This has resulted from a data search recently completed in the archives of the Geological Survey of Victoria (GSV) and a further review of GSV geological reports. During this search, Goldstar sourced Plan No. GSV 1581/L/1. This plan is a long section and covers the area from south of the Empress Shaft to just north of the Walhalla shaft for the period of mining up until approximately 1880.

The plan details intercepts and grades in the old workings together with references to “visible gold”, “good gold”, “quartz in fault”, “quartz lode” and “quartz load with good gold”. The old mine records state these terms were used by the early miners to mark the location of a potential high grade shoot.

Using the information from this plan, Figure 1 – Empress Shoot Target Extension, has been prepared. Figure 1 shows strike intercepts of **108m @ 3.8 to 5.4 g/t Au** on the old 3 level workings (RL 248m), with **30m and 50m “quartz lode with visible gold”**, strike intercepts on 6 level, 90m vertically below 3 level.

In addition to this new information, the Plan, GSV 1581/L/1, has updated the Prospectus reference on page 14 of “300ft (91.4m) of non-payable stone” on 8 level (RL 128m). This can now be confirmed as **92m of “quartz lode with good gold”** in a **0.6m wide “quartz vein”**.

**This information significantly expands the Empress Shoot Target to be closer to surface as well as confirming its strike extent.**



**Figure 1. EMPRESS SHOOT TARGET EXTENSION**

## COHEN'S SHOOT – SOUTHERN EXTENSION

Goldstar has always considered that Cohen's Shoot has the potential to have North and South strike extensions. The plan GSV 1581/L/1 clearly identifies potential southern extensions to the Cohen's Shoot. **Strike intercepts of 11m "quartz with visible gold" on 3 level, a spot grade of 60g/t on 4 level (RL 218), plus 31m and 15m strike intercepts of "quartz lode with visible gold" on 5 level (RL 188).** These are shown in Figure 2 – Cohen's Shoot Southern Extension.

In addition, reference has been made in a manager's report to the Railways Standing Committee in the early 1900's of an intercept on 11 level, Long Tunnel Mine (RL 20) of **250m grading 12g/t of unmined ore** adjacent to the south side of the Cohen's Shoot. Further research is being undertaken to confirm this 11 level intercept. Mine records accessed to date show that none of this Cohen's South material was mined through to closure in 1914.

Combining this data into the Goldstar database shows the potential of a Cohen's Shoot Southern Extension (Figure 2). This extension as outlined in Figure 2 highlights the need to further research the database to investigate the "gap" lying between it and the main Cohen's Shoot. Work will continue over the coming months on evaluation of the new target and the definition of an appropriate drill programme.

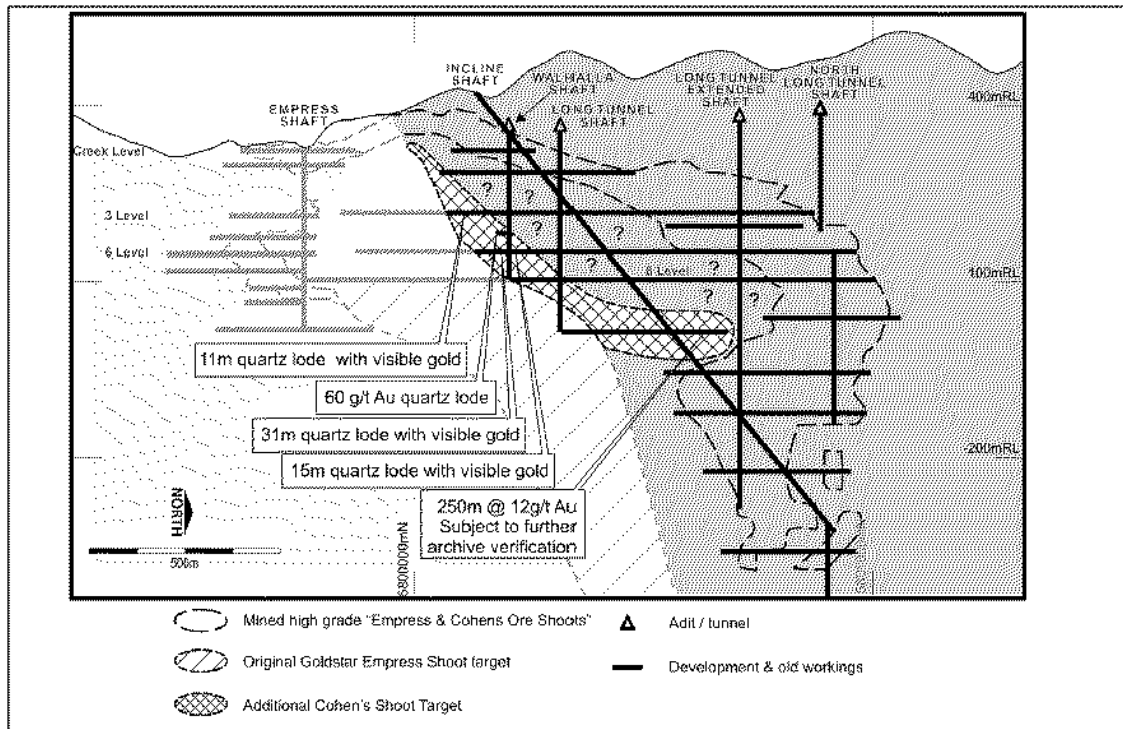


Figure 2. COHEN'S SHOOT SOUTHERN EXTENSION

## SUMMARY

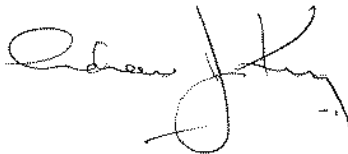
With the identification of the new upper level Empress Shoot Target, the Stockwork drilling programme, which is due to start in the New Year, is being reviewed. This is to establish whether any part of this new target can be drilled from the proposed underground drilling locations.

Whilst providing new and exciting drilling targets, the ongoing data review has:

- Further emphasised that the Empress and Cohen's are separate shoots.
- Continued to build the concept of repeat high grade ore shoots at Walhalla.
- Demonstrated again the significant cost savings that can be achieved by utilising all available information prior to commencing major drill programmes.

Goldstar has now entered the next phase of its development programme at Walhalla. This phase will involve continued evaluation and interpretation of the extensive historical databases available to the company in conjunction with further drilling programmes. The aim of this phase is to identify resources of a suitable calibre to restart gold production at Walhalla.

Yours sincerely



**Andrew J King**  
**Managing Director**

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*Note – The information in this report is based on information compiled by Peter Ball, Consultant Resource Geologist for Goldstar Resources NL, a Corporate Member of the Australian Institute of Mining and Metallurgy who has more than five years' experience in estimation, assessment of, and evaluation of Mineral Resources and Ore Reserves which are relevant to the style of mineralisation under consideration.*