

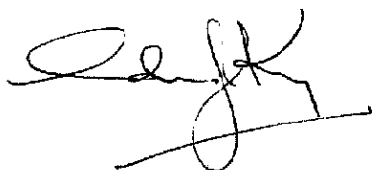
FACSIMILE

To:	Company Announcements Office	Company:	Australian Stock Exchange
From:	Andrew King	Fax No:	1900 999 279
cc:		Pages:	5 (inc. cover sheet)
Subject:	Media Release – Second Quarter Activities	Date:	15 January 2004

Dear Sirs

Please find attached for immediate release a copy of a media announcement released today.

Yours sincerely



Andrew J King



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15 January 2004

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

Dear Sirs

Please find attached a media announcement released today.

Yours sincerely

A handwritten signature in black ink, appearing to read "A. J. King", written over a horizontal line.

Andrew J King
Managing Director

www.goldstar.nl.com.au

**Media release
15 Jan 2004**

Goldstar Underground workings reopened

**Identifies expanded high grade Empress Shoot and new
high grade Cohen's South Targets**

**Goldstar Walhalla stockwork drilling on track to begin
second half January**

Recently listed Australian gold exploration and mine development company Goldstar Resources (ASX: GDR) today reported that it had reopened the underground workings at Walhalla and that the Stockwork drilling will begin at its historic Walhalla project in Victoria in the second half of January 2004.

Initial emphasis has been placed on accessing the existing Walhalla Shaft Chamber which will provide the first of three underground drill sites to be used in the Phase 1 Stockwork drill program.

This initial phase of stockwork drilling is aimed firstly at increasing the already defined resource of 119,000 oz of gold, by expanding the resource at depth and obtaining information regarding the tonnage and grade of the high grade backfill. In addition, the program is planned to improve confidence in the resource in terms of geological and grade continuity.

At the end of the drilling program, which will take approximately three months to complete, Goldstar will make an assessment regarding the commencement of a Feasibility Study for the stockwork.

Goldstar also reported that during this period additional high grade targets have been identified at Waihalla. An extension to the Empress Shoot target and a new target at Cohen's Shoot Southern Extension have resulted from an intensive data review and modelling program.

Consideration was given to drilling these additional targets as part of the underground stockwork drilling program, however indications are that it is more cost effective and practical to drill these from the surface. Subject to government approval of the Work Plan, Goldstar aims to commence drilling of these targets in the June quarter of the current financial year.

The work undertaken during the December quarter confirms that there are significant cost savings to be achieved by utilising the extensive database that is available to the Company to enhance and where possible, reduce the extent of drilling programs. During the next quarter, as well as undertaking an aggressive drilling program on the Waihalla Stockwork, the Company will also be focusing on the new higher grade targets and the ability to accelerate the Company's understanding of their potential.

Goldstar's primary aim over the coming months is to identify a suitable sized resource at Waihalla to enable work to progress on the re-establishment of gold production and hence a solid cash flow to sustain the long-term future of the Company.

The full quarterly report is available on request.

For further information:

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Goldstar Resources

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BACKGROUND

Goldstar Resources NL (ASX: GDR) listed on the ASX on 31 October 2003 having raised AU\$6 million to explore and develop a set of Australian gold assets. The Company is focused on developing a portfolio of projects that contain either clearly identified targets or defined resources located within areas of highly profitable mineral production.

The principal asset is the Walhalla Tenement with the old Walhalla Mines in Victoria, which has strong potential to host combined gold resources in excess of 1 million ounces with key targets two gold shoots – Empress and Cohen's. Walhalla also provides the opportunity for a significant early cashflow from the major indicated and inferred stockwork gold resource at the project.

Goldstar's other projects include:

- **Peak Hill** – about 100km north of Meekatharra in WA and considered highly prospective for a major gold deposit of up to 500,000oz
- **Millrose** – north-east of Wiluna in WA, with the potential to replicate the 251,000oz gold resource located along strike from the project area
- **Top Camp** – near Cloncurry in Queensland with potential to host a significant gold-copper deposit
- **Brankeet** – in central Victoria, considered prospective for bulk-tonnage, disseminated gold deposits as well as narrow high-grade quartz reefs.