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ASX / MEDIA RELEASE

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EUREKA CONTINUES TO DELIVER – GRADES OF UP TO 92g/t AND EXPANDED DRILLING PROGRAM ANNOUNCED

NEW RESOURCE DRILLING PROGRAM TO COMMENCE SHORTLY

- **Visible gold returned in third surface drill hole from Eureka with significant intercepts including 0.55m @ 92.3g/t Au and 0.35m @ 44.2g/t Au. These results augment the spectacular hits of up to 143g/t and 285g/t previously reported from the first two holes.**
- **Reef system increases from 6 to 7 laminated quartz reefs**
- **Board approval for expanded 2,000 metre diamond drilling program at Eureka with the aim of establishing a resource estimate.**
- **Regional geologist appointed to focus specifically on accelerating exploration of Proximal Targets following success at Ross Creek Line/Eureka.**
- **Agreement reached with Walhalla Crown Reserves Board of Management (WCRBM) for sampling to commence from the Long Tunnel Extended tourist mine.**

Goldstar Resources NL (ASX: **GDR**) today announced an expanded resource drilling program at the Eureka Prospect, part of its Walhalla Gold Project in Victoria, after reporting further excellent results from the third drill hole in the recently completed initial surface drilling program. **The third diamond drill hole returned individual intersections of up to 92g/t and, once again, displayed significant amounts of visible gold in diamond core**.

In light of the outstanding results, Goldstar's Board has approved a substantial new program of surface drilling, comprising in excess of 2,000 metres of diamond drilling both to in-fill and extend the Eureka Prospect with the aim of establishing an initial resource estimate.

In addition, the Company has announced the appointment of a geologist with specific responsibility for accelerating exploration on the 'Proximal Targets' at Walhalla and in particular the Ross Creek Line, located approximately 2km east of the historic Cohen's line workings.

The Ross Creek Line has been the focus of much of Goldstar's recent exploration success, with the known mineralized length of the target expanded to over 9km and up to five additional historical workings identified along its length. The newly appointed geologist will focus on further expanding Goldstar's geological understanding of the area and new target identification as well as ongoing review of the resource potential of prospect areas such as Walhalla Proprietary, Strusses and Tubal Cain.

Goldstar is also pleased to announce that it has reached agreement this week with the Walhalla Crown Reserves Board of Management ("WCRBM") which will enable underground sampling activities to commence from the Long Tunnel Extended (LTE) tourist mine.

EUREKA SURFACE DRILLING PROGRAM

Goldstar has now received assay results from the final hole of the recently completed surface drilling program, which comprised an initial program of three diamond drill holes targeted beneath the historic workings at the Eureka Prospect, at the southern end of the Ross Creek Line Proximal Target.

As reported to the market on 7 September, the first two diamond drill holes returned outstanding results, with visible gold in the diamond core intercepts and best intersections of 0.2m (true width 0.15m) at 143 g/t gold (Hole GW39) and 0.45m (true width 0.35m) @ 285 g/t gold (Hole GW 40).

Excellent results were also returned from the third hole, **GW 41**, with visible gold again returned in diamond core intercepts and best intersections of **0.55m** (true width 0.40m) at **92.3g/t** gold and **0.35m** (true width 0.3m) at **44.2g/t Au**.

The third hole intersected the same package of three laminated quarts reefs (the Eastern, Middle and Western) as reported previously, as well as confirming the presence of a fourth previously unknown laminated quartz reef in the footwall to the Western Reef. **This brings the total number of reefs to 7, and provides strong confirmation of the previously announced expansion of the dyke bulge at Eureka from 50 to 100 metres and further reinforces the significant resource potential of this area**.

Details of the diamond drill holes completed to date at Eureka are provided in the tables below:

Table 1: Drill Hole Locations

Hole	Collar East	Collar North	RL	Hole length	Azimuth	Dip
GW39	453526	799423	497	240.5	269	-54
GW40	453528	799427	497	220.5	242	-50
GW41	453528	799427	497	194.5	285	-60

Table 2: Drill Hole Intercepts > 1g/t Au – hole GW41
Significant Intercepts holes GW 39 & 40

Hole	From	To	Zone	Intercept Length (m)	Au g/t	Including Length (m)	Au g/t
GW39	84.00	84.8	Eastern Reef	0.80	3.24	0.15	12.00
GW39	151.1	153.00	Western Reef	1.90	4.37	0.60	5.95
GW39	179.4	181.25	New Reef	1.85	16.48	0.20	143.00
GW40	147.50	148.95	Western Reef	1.45	3.18		
GW40	192.50	194.50	New Reef	2.00	64.61	0.45	285.00
GW41	**88.7**	**88.85**	**East Reef**	**0.15**	**1.89**		
GW41	**155.8**	**156.35**	**New Reef**	**0.55**	**92.33**		
GW41	**168.9**	**169.5**	**New Reef/Dyke**	**0.60**	**2.20**		
GW41	**225.35**	**225.7**	**New Reef**	**0.35**	**44.20**		
GW41	**228.35**	**229.25**	**Dyke**	**0.90**	**2.99**		

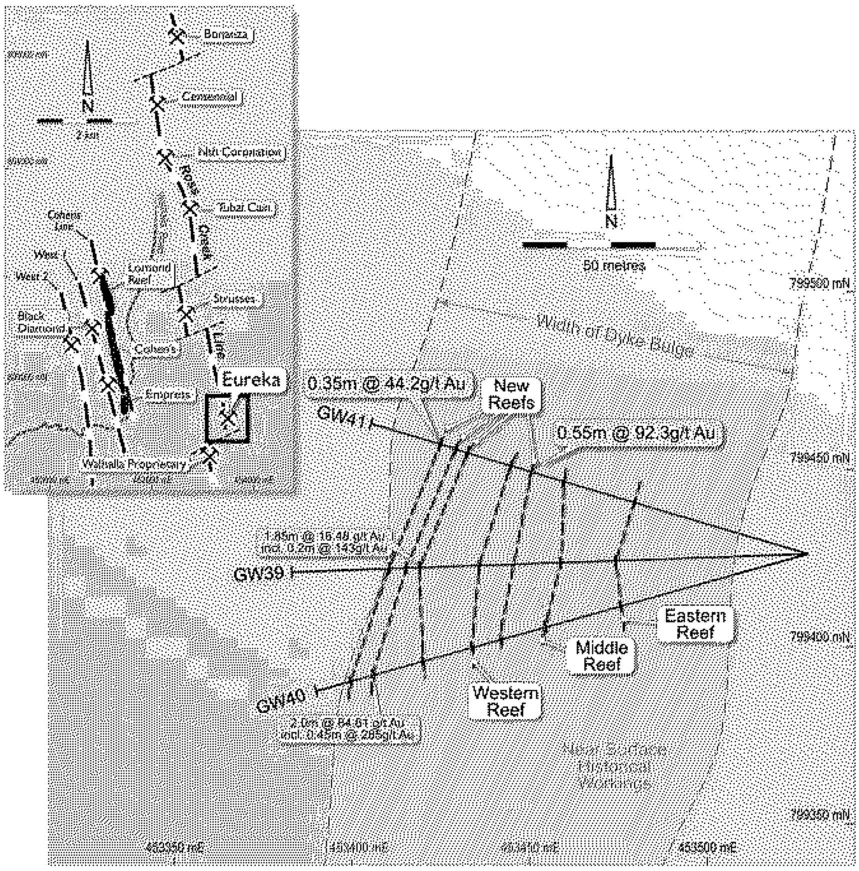

Figure 1 – Ross Creek Line & Drilling location plan

EXPANDED EUREKA DRILLING PROGRAM

In light of the excellent results received from the initial surface drilling program at Eureka, Goldstar's Board has approved an expanded surface diamond drilling program, commencing immediately. Furthermore, a second drill rig has been engaged to complete the balance of the current Proximals drilling programme focused on the other targets including Tubal Cain and Walhalla Proprietary. It is anticipated that this rig will arrive during October and be commissioned in November.

The expanded Eureka program will comprise approximately 2,000 metres of diamond drilling and will focus both on extending the boundaries of the known reef system and in-filling the central mineralized zone. The objective is establishing a resource estimate for the Eureka area.

The results from the initial surface drilling provide strong evidence for Goldstar's repeat reef system at Walhalla and have significantly upgraded the potential of the 'Proximal Targets' as significant satellite ore sources for a mining operation based at Walhalla.

REGIONAL FOCUS TO BE EXPANDED

Goldstar has previously quantified a combined Exploration Potential for the Proximal Targets (Ross Creek Line, West 1 and West 2) of **+1Moz** based on a 25% success rate to a depth of only 250m.

Following the excellent first pass drilling results at Eureka and with resource drilling to commence shortly, Goldstar has appointed a Regional Geologist with a specific focus on the Ross Creek Line and expanding the Company's regional exploration effort at Walhalla.

The Ross Creek Line is interpreted to host a series dyke bulges similar to that seen at the old Morning Star and A1 mines to the north of Goldstar's Walhalla tenement, each of which produced in the vicinity of 500,000oz of gold. The potential of the individual targets within the broader regional area has been highlighted by the drilling success at Eureka, where the width of the dyke bulge was increased by 100%, and the number of laminated quartz reefs was increased from 3 to 7.

Goldstar's Managing Director, Mr Andrew King, said the results of the past 3-6 months of intensive activity had significantly upgraded the prospectivity of the Proximal Targets, with the immediate focus now on unlocking the potential of the Ross Creek Line through continued drilling at Eureka and other targets along the richly mineralized system.

"A very exciting and much broader picture is rapidly emerging at Walhalla it extends well beyond the original concept of repeat reefs along the historic Cohen's line," Mr King said. "We believe we have just scratched the surface with our recent work at the Ross Creek Line and Eureka, and the appointment of a Regional Geologist will enable us to significantly accelerate and enhance our activity in these areas."

"The Ross Creek Line now represents a very significant potential source of additional high-grade ore for a proposed future mining operation at Walhalla, complementing the known high-grade reef systems such as Empress and Lomond within the Cohen's line of workings," Mr King added.

AGREEMENT REACHED WITH LTE TOURIST MINE

Goldstar is also continuing to progress its broader program of commercialisation leading to the proposed development of a mining operation at Walhalla. The Company is pleased to advise that agreement was reached this week with the Walhalla Crown Reserves Board of Management (WCRBM), which will enable Goldstar to gain access through the Long Tunnel Extended (LTE) tourist mine to commence its proposed extended underground sampling program at Walhalla.

In return, Goldstar has agreed to undertake works to improve the safety of the tourist mine.

Following the agreement last year which enabled the Company to gain underground drilling access through the tourist mine, the new licence allows Goldstar to forge ahead with its planned sampling program.

"At the same time, we are able to make a significant contribution to the heritage and tourist value of the area through further enhancements to the LTE tourist mine," he added.

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Information in this report relating to Exploration Potential in the Walhalla area applies to zones identified as having potential to host gold mineralisation. Reference is made to ranges in both grade values and widths in measures to comply with parameters as set out under Clause 18 of the JORC Code. Use of the term Exploration Potential in no way implies the status of Resource. It is based upon information compiled by a Competent Person as defined in the Code being Mr Peter Ball (B.Sc MAusIMM) of Datageo Geological Consultants. Mr Ball has sufficient experience in mineral resource estimation relevant to the style of mineralisation and type of deposit under consideration, and consent to the inclusion in the public release of the matters based on their information in the form and context in which it appears

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