

ASX/Media Release – 10 January 2007

ORE HAULAGE SYSTEM COMMISSIONED FOR EUREKA BULK SAMPLING PROGRAM

HIGHLIGHTS

- All plant and equipment reinstated at Eureka and site operations now fully resumed following Christmas bushfire crisis in the East Gippsland region.
- Final commissioning of Skipway ore haulage system successfully completed ready for full ore haulage requirements of Eureka Bulk Sampling Program.
- Underground mining returned to full 2-shift basis on 2 January 2007, with first reefs expected to be intersected in the next 50 metres of development

Goldstar Resources NL (**ASX: GDR**) is pleased to announce that the **Skipway haulage system** at the Eureka Project 2km east of Walhalla in Victoria has been successfully commissioned, to meet the first ore haulage requirements of the Eureka Bulk Sampling Program (EBSP).

Following the bushfire crisis in the East Gippsland region over the Christmas period, Goldstar personnel regained access to both the Eureka and Tubal Cain sites on 27th December 2006. As announced on 22 December, all relocatable equipment, including winches, vehicles and generators, had been removed from site and stored in safe areas in Moe and Rawson.

A subsequent detailed inspection confirmed that all major assets were secure and did not suffer any damage as a result of the bushfires.

As soon as unrestricted access was re-established, Site personnel returned all relocatable equipment to site, confirmed that all cables were electrically intact and re-powered the site on the 28th December. Construction and commissioning work on the Skipway continued with the installation of the winder in the first week of the New Year.

Final commissioning of the Skipway system was successfully completed yesterday. All aspects of the Skipway haulage system are now operating according to design specification and ready to accommodate the full ore haulage requirements of the EBSP.

The underground mining crew recommenced operations at Eureka on 29th December, initially on day-shift only, before resuming full two-shift operations on 2 January 2007



Goldstar Resources NL
ABN 76 098 939 274

Corporate Details

ASX Code: GDR

Issued Capital:
123.4M ord shares

Substantial Shareholders:
Z Nominees Ltd (18.6%)
RPG Partners / EPIC (16.8%)
Directors & Associates (12.4%)

Directors:
Non-Executive Chairman:
Gordon Hill
Managing Director:
Andrew King
Non-Executive Directors:
Dr Jeffrey O'Leary
Eileen Carr
Ian Pankhurst

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Stripping and widening of the old Western Adit to establish mining access as part of the EBSP has to date progressed approximately 96 metres. To recover some of the time lost due to the fires and improve ore accessibility the decision has been taken to cross cut to ore at an earlier position along the Western Adit. The mining face is currently estimated to be approximately 50 metres from the first of the potentially high grade reefs of the Eureka Dyke Bulge. Upon intersection of the reefs strike driving will commence to collect samples for grade continuity and metallurgical assessment.

Based on the current rate of advance, Goldstar expects to intersect the first quartz reefs and commence extraction of initial bulk samples of high-grade quartz reef material during January. As part of the EBSP, Goldstar is aiming to access between four and six of the total package of 9 high-grade quartz reefs identified within the Eureka Dyke Bulge.

Underground sampling at Eureka will be ongoing during the March 2007 Quarter, with the overall EBSP scheduled for completion by the end of the Quarter. Crushing, processing and analysis of the samples will be run in parallel with the sampling, with initial results expected to be available soon after the commencement of strike driving.

It is anticipated that results from the sampling program will continue to flow throughout this period and into the June 2007 Quarter. The results will then be fed into the mining Feasibility Study for Eureka, which is also well underway.

Goldstar estimates the overall impact on the timing of the EBSP as a result of the bushfire emergency over the Christmas period to be a delay of approximately 4-5 weeks in completing the EBSP.

Surface diamond drilling has also resumed at both Eureka and Tubal Cain as part of expanded exploration and resource development programs announced following the recent \$13 million capital raising

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