

GOLDSTREAM MINING NL

ABN 67 009 129 560

HALF YEAR FINANCIAL REPORT 31 DECEMBER 2003

GOLDSTREAM MINING NL

DIRECTORS' REPORT

Your directors present their report on the consolidated entity consisting of Goldstream Mining NL and the entities it controlled at the end of or during the half-year ended 31 December 2003.

Directors

The following persons were directors of Goldstream Mining NL during the whole of the half-year and up to the date of this report:

George Spencer Kenway
Geoffrey Joseph Wallace
Terrence Arthur Robson

Operating Results

The operating loss after tax of the consolidated entity for the half-year ended 31 December 2003 is \$640,023.

Review of Operations

A detailed review of operations is contained in the quarterly reports of September 2003 and December 2003 to the Australian Stock Exchange Limited.

Highlights of the Company's activities by geographical region, during the half-year were:

TANZANIA

Mibango Project

Lonmin Plc will earn a 60% interest in the Mibango Platinum-Nickel Project upon completion of a feasibility study by 29 March 2007. Lonmin may earn a further 5% interest by arranging or providing Development Funding to Goldstream.

Pre resource estimates were reported in the December 2003 Quarterly Report.

Programs and Budgets for the 2004/2005 field season are being prepared.

Luwumbu Project

Lonmin Plc will earn a 51% controlling interest by defining at its sole cost an Indicated Mineral Resource within the area of Interest by 29 March 2007. Lonmin may earn a further 19% interest by electing to sole fund all work required to complete a feasibility study on the indicated mineral resource within a further two year period.

PGE mineralisation has been intersected in the first two diamond drill holes completed at Nkenja.

A 1,000 metre drill program is presently being undertaken to take advantage in a lull in the rainy season.

Programs and Budgets for the 2004/2005 field season are being prepared.

Buhemba Project

Randgold Resources Ltd will earn a 65% interest by sole funding exploration to completion of a pre-feasibility study. Randgold may earn a further 5% interest by completing a bankable feasibility study.

Regional Reconnaissance

The Company continues to explore regions prospective for precious and base metals in Tanzania.

AUSTRALIA

South Australia

A re-appraisal of the tenement package at the Coober-Pedy Warrina/Mt Woods Copper Gold project has commenced following the receipt of new data sets generated by Anglo American.

It is proposed to complete infill and extension drilling to further assess the Cairn Hill copper magnetite deposit.

Events Occurring after Balance Date

On 12 January 2004 the Company announced that it is in discussions with Anglo American Plc (Anglo) with regard to the possible purchase of a large portfolio of exploration properties.

The properties are located in Australia and the sub-continent and have been generated by Anglo specifically targeting nickel sulphide deposits.

Goldstream and Anglo have signed an agreement giving Goldstream an exclusive right to negotiate and conduct due diligence for a period of ninety days. Anglo have undertaken not to negotiate or enter into third party agreements with respect to any of the properties during the period of exclusivity.

Negotiations are at an advanced stage and the Company is confident that an agreement will be concluded.

On 11 February 2004 the Company incorporated Continental Nickel NL a wholly owned subsidiary company.

This report is made in accordance with a resolution of Directors.



G J WALLACE
DIRECTOR
PERTH, WA

15 March 2004

GOLDSTREAM MINING NL
CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE
For the half-year ended 31 December 2003

	31 DEC 2003 \$	31 DEC 2002 \$
Other Revenue		
Interest receivable from other persons	97,884	115,098
Gross proceeds on sale of investments	61,332	4,069
Gross proceeds on sale of tenements	200,000	-
Recovery of joint venture costs	<u>165,342</u>	<u>240,821</u>
	<u>524,558</u>	<u>359,988</u>
Operating Expenses		
Exploration expenditure written off	308,707	30,281
Depreciation	54,613	21,549
Foreign exchange loss	150,412	47,942
Rental expenses relating to operating leases	50,255	45,124
Salaries and wages	178,106	160,469
Insurance	56,597	16,048
Secretarial	55,613	56,595
Consulting fees	25,000	25,000
Cost of sale of investments	14,999	3,996
Cost of sale of tenements	23,034	-
Written down value of disposal	2,576	-
Other expenses from ordinary activities	<u>244,669</u>	<u>293,958</u>
	<u>1,164,581</u>	<u>700,962</u>
Operating loss before tax	(640,023)	(340,974)
Income tax attributable to operating loss	<u>-</u>	<u>-</u>
Net loss attributable to members of the parent entity	<u>(640,023)</u>	<u>(340,974)</u>
Basic earnings per share (cents per share)	<u>(0.54)</u>	<u>(0.29)</u>

Diluted earnings per share does not represent an inferior view of the Company's performance and is not disclosed for this reason.

The above Consolidated Statement of financial performance should be read in conjunction with the accompanying notes.

GOLDSTREAM MINING NL
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2003

	NOTE	31 DEC 2003 \$	30 JUN 2003 \$
Current Assets			
Cash Assets		4,017,412	5,165,299
Receivables		<u>376,113</u>	<u>63,678</u>
Total Current Assets		<u>4,393,525</u>	<u>5,228,977</u>
Non-Current Assets			
Other Financial Assets		410,310	225,310
Property, Plant & Equipment		299,162	335,595
Exploration Expenditure		<u>1,172,117</u>	<u>1,863,984</u>
Total Non-Current Assets		<u>1,881,589</u>	<u>2,424,889</u>
TOTAL ASSETS		<u>6,275,114</u>	<u>7,653,866</u>
Current Liabilities			
Payables		283,065	1,038,783
Provisions		<u>18,565</u>	<u>19,990</u>
Total Current Liabilities		<u>301,630</u>	<u>1,058,773</u>
Non-Current Liabilities			
Provisions		<u>17,708</u>	<u>15,294</u>
Total Non-Current Liabilities		<u>17,708</u>	<u>15,294</u>
TOTAL LIABILITIES		<u>319,338</u>	<u>1,074,067</u>
NET ASSETS		<u>5,955,776</u>	<u>6,579,799</u>
Equity			
Contributed Equity	5	28,035,151	28,019,151
Accumulated Losses		<u>(22,079,383)</u>	<u>(21,439,360)</u>
Parent Entity Interest		5,955,768	6,579,791
Outside Equity Interest		<u>8</u>	<u>8</u>
		<u>5,955,776</u>	<u>6,579,799</u>

The above consolidated statement of financial position should be read
in conjunction with the accompanying notes.

GOLDSTREAM MINING NL
CONSOLIDATED STATEMENT OF CASH FLOWS
for the half-year ended 31 December 2003

	6 Months to 31 December 2003 \$	6 Months to 31 December 2002 \$
Cash flows from operating activities		
Interest received	98,979	111,479
Interest paid	(17)	-
Payments to suppliers and employees	(449,346)	(471,117)
Net cash outflow from operating activities	(350,384)	(359,638)
Cash flows from investing activities		
Proceeds from Joint Venture Partner on Exploration Expenditure	2,525,976	2,715,204
Payment of exploration expenditure	(3,380,055)	(1,594,460)
Acquisition of plant and equipment	(20,756)	(1,085)
Proceeds of sale and equipment	-	4,069
Proceeds of sale of equity in investments	61,332	-
Net cash inflow (outflow) from investing activities	(813,503)	1,123,728
Cash flows from financing activities		
Proceeds from issue of shares and options	16,000	6,000
Net cash inflow from financing activities	16,000	6,000
Net cash inflow/(outflow) for the reporting period	(1,147,887)	770,090
Cash at the beginning of the period	5,165,299	4,947,659
Closing cash carried forward	4,017,412	5,717,749

The above consolidated statement of cash flows should be read
in conjunction with the accompanying notes.

GOLDSTREAM MINING NL
NOTES TO THE FINANCIAL STATEMENTS
for the half-year ended 31 December 2003

1. Basis of Preparation

The half-year consolidated financial statements are general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standard AASB 1029: Interim Financial Reporting; Urgent Issues Group Consensus views and other authoritative pronouncements of the Australian Accounting Standards Board.

It is recommended that this financial report be read in conjunction with the Annual Financial Statements of Goldstream Mining NL as at 30 June 2003 together with any public announcements made by Goldstream Mining NL and its controlled entities during the half-year ended 31 December 2003 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

The accounting policies have been consistently applied by the entities in the economic entity and are consistent with those applied in the 30 June 2003 annual report.

The half year report does not include full disclosures of the type normally included in an annual financial report.

	31 DEC 2003 \$	31 DEC 2002 \$
2. Loss from Ordinary Activities		
The following revenue and expense items are relevant in explaining the financial performance for the interim period		
Interest from other persons	97,884	115,098
Recovery of Joint Venture costs	165,342	240,821
Foreign exchange losses	150,412	47,942
Write off of capitalised exploration on areas of interest	<u>308,707</u>	<u>30,281</u>

3. Events Subsequent to Reporting Date.

On 12 January 2004 the Company announced that it is in discussions with Anglo American Plc (Anglo) with regard to the possible purchase of a large portfolio of exploration properties.

The properties are located in Australia and the sub-continent and have been generated by Anglo specifically targeting nickel sulphide deposits.

Goldstream and Anglo have signed an agreement giving Goldstream an exclusive right to negotiate and conduct due diligence for a period of ninety days. Anglo have undertaken not to negotiate or enter into third party agreements with respect to any of the properties during the period of exclusivity.

Negotiations are at an advanced stage and the Company is confident that an agreement will be concluded.

On 11 February 2004 the Company incorporated Continental Nickel NL a wholly owned subsidiary company.

4. Segment Information.

31 December 2003

Primary Reporting – Geographical Segments

	Segment Result	Segment Revenue
Australia	(329,886)	449,608
Tanzania	(310,137)	74,950
Consolidated	(640,023)	524,558

31 December 2002

Primary Reporting – Geographical Segments

	Segment Result	Segment Revenue
Australia	(349,966)	118,962
Tanzania	(9,022)	241,025
Consolidated	(340,974)	359,988

5. Contributed Equity

The increase in issued capital is due to the allotment of 600,000 and 1,000,000 ordinary shares paid to one cent with 52 cents and 42 cents respectively, uncalled, and issued to the trustee of the "Goldstream Mining Share Incentive Plan" established for the benefit of employees of the company. The amount raised \$16,000.

**GOLDSTREAM MINING NL
DIRECTORS' DECLARATION**

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 4 to 8
 - (a) comply with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (b) give a true and fair view of the consolidated entity's financial position as at 31 December 2003 and of its performance and cash flows for the half-year ended on that date.
2. In the directors opinion:
 - (a) the financial statements and notes are in accordance with the Corporations Act 2001; and
 - (b) there are reasonable grounds to believe 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 Directors.

Signed at Perth, Western Australia on this 15th day of March 2004.



G J WALLACE
DIRECTOR



STANTON PARTNERS

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WEST PERTH 6005
WESTERN AUSTRALIA

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INDEPENDENT REVIEW REPORT TO THE MEMBERS OF GOLDSTREAM MINING NL

Scope

We have reviewed the financial report of Goldstream Mining NL for the half-year ended 31 December 2003 as set out on pages 4 to 9. The financial report includes the consolidated financial statements of the consolidated entity comprising the disclosing entity and the entities it controlled at the end of the half year or from time to time during the half year. The disclosing entity's directors are responsible for the financial report. We have performed an independent review of the financial report in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with Accounting Standard AASB 1029: Interim Financial Reporting and other mandatory professional reporting requirements in Australia and statutory requirements, so as to present a view which is consistent with our understanding of the consolidated entity's financial position, and performance as represented by the results of its operations and its cash flows, and in order for the disclosing entity to lodge the financial report with the Australian Securities and Investments Commission.

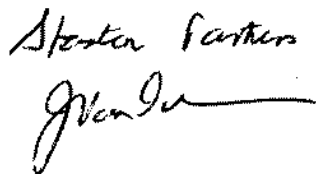
Our review has been conducted in accordance with Australian Auditing and Assurance Standards applicable to review engagements. A review is limited primarily to inquiries of the disclosing entity's personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than that given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Statement

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the financial report of (name of disclosing entity) is not in accordance with:

- (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2003 and of its performance for the half year ended on that date; and
 - (ii) complying with Accounting Standard AASB 1029 "Interim Financial Reporting" and the Corporations Regulations 2001; and
- (b) other mandatory financial reporting requirements in Australia.

STANTON PARTNERS

A handwritten signature in black ink, appearing to read 'J P Van Dieren', written over a horizontal line.

J P Van Dieren
Partner

West Perth, Western Australia
15 March 2004