

GOLDSTREAM MINING NL

ABN 67 009 129 560

REPORT FOR THE QUARTER ENDED
31ST DECEMBER 2004

HIGHLIGHTS

Mibango Platinum/Nickel Project - Tanzania

- New Platinum Group Elements (PGE) reef discovered
- Laterite mineralisation extended

Luwumbu

- New PGE reef discovered

Cairn Hill

- High-grade iron results from metallurgical testing
- PGE results upgraded and province confirmed

Regional

- Highly promising first-class exploration results

OPERATIONS

TANZANIA

Mibango Platinum Project (Goldstream 100% - Lonmin earning 65%)

Summary

During 2004 exploration was directed at three different styles of mineralisation associated with the Kapalagulu layered intrusion. Work continued on the **Platinum Group Elements (PGE) Reefs** although the bulk of the diamond drilling focussed on the **Massive Nickel Sulphide** with associated **PGE** potential. Work on the **PGE/Nickel Laterite** included Aircore drilling and metallurgical sampling.

PGE Reef

Limited drilling on the main northern Lubalisi PGE reef package confirmed the lenticular nature of the higher grade zones with hole KPD072 intersecting **1.50m @ 3.05 g/t 2E+Au** (platinum+palladium+gold). The coarse spaced drilling on 400 and 800m apart traverses along the 6.5km long Northern Lubalisi reef (Figure 1) does not allow quantification of the overall grade and tonnage contained within the higher grade shoots at this stage.

A new reef position stratigraphically below the main zone was intersected in hole KPD086 returning **2.00m @ 2.24g/t 2E+Au** – this reef position remains untested under the main northern Lubalisi reefs and throughout the intrusion (Figure 2).

*New PGE reef
identified*

Wide zones of disseminated nickel sulphides

Laterite mineralisation extended

Second PGE reef discovered

Further PGE zones are indicated in the 10km long Lubalisi Southern Extension of the intrusion where Aircore drilling of the laterite cover returned 6.00m @ 1.22g/t 2E+Au.

Massive Nickel Sulphide

Broad spaced ground geophysics (NSAMT, 75 line km) was completed over the Makambo and Lubalisi zones (Figure 1) and identified a number of conductors interpreted as having massive nickel sulphide potential.

Drill testing of these EM anomalies intersected disseminated and net textured sulphides with hole KPD 086 intersecting **23.00m @ 0.31% nickel (Ni), 0.83g/t 2E+Au**. Thin veins of massive sulphide in holes KPD 073 and 075 assayed **1.00m @ 1.09%Ni** and **1.00m @ 0.82%Ni, 1.03% copper (Cu)** respectively. Previous massive sulphide intersections such as **2.10m @ 3.03%Ni, 0.46%Cu, 0.86g/t 2E+Au** in hole KPD063 (Figure 3) were not discriminated by 400m spaced regional geophysics and appear to have been masked by the disseminated mineralisation.

Down hole EM probing of these important massive sulphide intersections to position follow-up drilling will be undertaken during the 2005 season.

Laterite PGE/Nickel

Aircore drilling of 160 holes for 2,468m, was extended over the Lubalisi Southern Extension to outline the gross potential of the nickel laterite mineralisation. The nickel grades appear lower in this section varying from 0.5 to 1.0% Ni. Metallurgical testing of the main laterite body (Figure 4) is currently in progress at an independent laboratory in Perth, Australia.

All data from the 2004 season is now being assessed and interpreted in preparation for planning of the 2005 programme and budget. One diamond drill rig was left on site for an early resumption of drilling at the start of the next dry season in May 2005.

Luwumbu Platinum Nickel-Copper Project (Goldstream reducing to 27%, Albidon reducing to 3%, Lonmin earning 70%)

A second PGE horizon has been intersected at Nkenja. PGE mineralisation was intersected at shallow depth in hole NDH09 with **1m @ 3.55g/t 2E+Au** from 23.60m depth within a **6.4m zone assaying 1.01g/t**. The intersection approximates to true thickness and occurs below a 15m thick layer of recent tuff which blankets the ridge tops in the Nkenja district. The zone is Pd dominant with a Pd/Pt ratio of 4.6:1. The mineralisation is associated with copper and nickel and is hosted by pyroxenite. The zone is therefore distinct from the PGE layer intersected in holes 03 & 05 which is low in copper and is serpentinite hosted. Initial interpretation is that the new discovery zone is stratigraphically lower by 100 to 150m.

Previous drilling in February 2004 intersected **9m @ 1.56g/t 2E+Au** including **1m @ 3.27 g/t 2E+Au** in hole NDH03.

Five diamond drill holes totaling 1,686m were completed during the quarter. Summary targets and assay results are as follows;

Hole	Target	From (m)	Interval (m)	Pt+Pd+Au (g/t)
NDH05	Undercut hole 03	123.00	1.00	1.63
		141.40	7.53	0.60
includes		144.00	1.00	1.13
		161.00	10.00	0.67
includes		167.00	1.00	1.03
		371.00	7.00	0.44
includes		371.00	1.00	1.04
NDH06	Stratigraphic upper gabbro	280.00	5.00	0.26
NDH07	Stratigraphic mag gabbro			
NDH08	Northern Arc PGE anomaly	182.00	1.00	0.39
NDH09	Stratigraphy below hole 03	20.60	6.40	1.01
includes		22.60	1.00	3.55

The drilling to date has identified two mineralized horizons which have generated PGE values greater than 3g/t over one meter widths within broader zones of lower grade. Geological mapping indicates that the intrusive is structurally complex but that the mineralized positions can be interpreted to extend over 10km of strike within the Nkenja area.

Buhemba Gold Project (Goldstream 92%, Randgold earning 65%)

The operator Randgold Resources has reported that the following work has been completed during the 2004 field season.

- Soil geochemistry. 1505 samples
- Chip sampling. 269 samples
- Hand held auger. 69 holes (139m)
- Pits. 29 pits (108m)
- Trench. 8 trenches (358m)

Soil sampling results indicate:

- possible southwest – northeast extensions of the Majengo target (>2km),
- possible southwest - northeast extension of the Msanzawa target (>500m),
- possible eastern extension of the Manyawa target into the Nyati PL,
- weak east-southeast trending anomaly along the northern edge of the magnetic package in the central part of the PL.

Four new gold targets identified

Other Tanzanian Projects (Goldstream 100%)

Four new projects have been generated and secured by extensive tenement packages. Reconnaissance and initial sampling has been undertaken on all areas

Nachingwea Copper Platinum Project (Goldstream 100%)

Four granted tenements totaling 7,300 square kilometers are located in south eastern Tanzania.

Follow up of historic drainage anomalies has located two ultramafic trends. Orientation soil sampling over the 'Nditi' pyroxenite returned highly anomalous values of 6932ppm Cu, 7760ppm Ni and 1.2g/t PGE. The body appears to extend over 5 by 2 km.

This region has not previously been identified as a nickel/PGE province and has the potential to become a core project area for 2005.

Muipa Gold Project (Goldstream 100%)

Three granted tenements totaling 2260 square kilometers are located between the Mpanda and Lupa Goldfields.

Anomalous gold in drainage samples will be further assessed.

Kondoa Gold Project (Goldstream 100%)

One tenement of 358 square kilometers has been granted. No work was undertaken during the quarter.

Morogoro Copper Gold Platinum Project (Goldstream 100%)

Two granted tenements totaling 1,448km² are located west of Morogoro.

The tenements are centred on a series of micaceous ultramafic intrusions which vary from small plugs to 10 square kilometer bodies. The ultramafics are unusual in that they are essentially pyroxenite with abundant phlogopite mica. Similar rock types are associated with the O'Kiep copper pipes in Namibia and the large Palabora Copper deposit in South Africa.

Orientation sampling was undertaken on the Lufusi intrusion following up the a highly anomalous rock chip sample of 3.28g/t PGE (2E+Au) with 30.2% Cu. Further rock chips have returned values to 9.6% Cu, 1.0g/t PGE and 2.4g/t Au with chalcopyrite/malachite and azurite visible in old prospector pits. Anomalous copper-nickel-chromium soil geochemistry outlines the intrusion which is 200 to 300m wide and 2000 m long.

It is proposed to systematically sample all the other mapped ultramafics bodies before selecting targets for drill testing.

AUSTRALIA**SOUTH AUSTRALIA*****Mt Woods Project - Coober Pedy - Copper-Gold (Goldstream 100%)***

Investigation of the Platinum Group Element (PGE) mineralisation discovered at Kangaroo Dam and the Copper-Gold-Magnetite mineralisation at Cairn Hill continues to show positive results. Follow-up drill campaigns at both prospects and at several Prominent Hill style IOCG copper-gold targets are planned as part of an \$800,000 programme for the Mt Woods tenement package.

Kangaroo Dam PGE

Re-sampling of drill hole KDRC001 has upgraded the original assays to include a one meter interval of **4.10g/t 2E (Pt+Pd)**. The initial assaying of the reverse circulation percussion chips was based on 2m composite intervals. The drill hole has been re-sampled on 1m intervals and assayed by the more accurate NIS fire assay technique. Results are as follows;

Hole	Depth (m)	Interval (m)	(Pt+Pd) g/t
KDRC001	200	20	0.60
Includes	213	5	1.31
Includes	213	1	4.10

The Pd:Pt ratio is of the high grade interval is 4.6:1.

Re-assaying of other drill holes in the region has also returned anomalous PGE results. Drill hole ARC015 located 11km to the east returned 12m @ 0.15g/t (Pt+Pd) and hole ARC020 some 4.5km to the west returned 3m @ 0.13g/t (Pt+Pd).

The style of PGE mineralisation seen in these holes has some similarity to parts of the 'Arctic Platinum Project' in Finland. Mineralisation occurs both within gabbro bodies as reefs and as 'offset' mineralisation in host gneisses footwall to the intrusive. The footwall mineralisation is typically zoned with distal palladium dominant mineralisation with low base metal and sulphur to platinum/base metal dominant near the intrusive margin. Grades can exceed 100g/t at the Arctic Project.

Other styles of PGE mineralisation associated with IOCG provinces with calcareous lithologies within the basement include Serra Pelada in the Carajas Mineral Province in Brazil and the Coronation Hill deposit in the Northern Territory of Australia.

Further drilling at the Kangaroo Dam and regional PGE targets is planned for the next Quarter

Cairn Hill Copper-Gold-Magnetite

The following is based on a release made to the ASX on January 24th 2004.;

Very high grade iron concentrate in excess of 70% Fe (Iron) has been obtained from preliminary metallurgical testing of Goldstream's 100% owned Cairn Hill Copper Gold Magnetite deposit in South Australia.

The copper-gold mineralisation at Cairn Hill is hosted by massive magnetite. Test work indicates that separate iron magnetite and copper-gold products may be achievable from an open cut mining operation. The production of two saleable commodities from the same mine greatly enhances the potential for a viable development.

Davis tube magnetic separation tests were conducted on a composite 5m interval from percussion drill hole CHRC02. The tests showed that a simple magnetic separation using a coarse grind of 75microns produced excellent recoveries of a high grade magnetite concentrate assaying **70.2% Fe**. Removal of silica, phosphorous and other deleterious elements from the iron product is necessary for it to be acceptable to end users. The non-magnetic fraction, representing 12% of the original sample, contains the bulk of the iron deleterious elements in the form of copper sulphide, gold, silicates and apatite (see Table 1). This non-magnetic portion assays **3.81% copper** and **1.75g/t gold**. Floatation tests are expected to further upgrade the copper-gold concentrate. This test work relates to one composite sample, and although considered highly encouraging, is not necessarily representative of the whole deposit.

Table 1

	Al ₂ O ₃ %	P %	SiO ₂ %	S %	Au g/t	Cu %	Fe %
Drill chips	0.45	0.79	1.99	2.18	0.25	0.70	63.5
Magnetic concentrate.	0.37	0.06	0.21	0.42	0.24	0.11	70.2
Non-magnetic	0.78	5.69	14.10	15.40	1.75	3.81	21.6

The Cairn Hill deposit has been drill tested by 19 percussion and diamond drill holes on four sections at 200m separation. Massive magnetite bodies which vary in thickness from 10 to 40m, contain copper sulphides and gold mineralisation with average grades varying from 0.3 to 0.8% Cu and 0.1 to 0.3g/t Au. Drilling to date has been sufficient to give only a broad indication of the potential tonnes and grade. The mineralisation has been drilled to a depth of 250m and lies beneath 5 to 30m of unconsolidated cover sediments. The 600m of strike drill tested to-date has potential for 8 to 14 million tonnes within an open cut depth of 150 to 250m. This estimate is conceptual in nature and further drilling is required to determine whether a mineable Mineral Resource will be delineated.

*Extensive
exploration upside*

*Proximity to
existing
infrastructure*

The deposit lies at the western extremity of an 18km long intense magnetic feature which has high prospectivity for further discovery. (Figure 5)

The emergence of boutique iron ore suppliers has been made possible by surging world demand and resulting high iron ore prices.

Cairn Hill has favourable infrastructure being located 50km from the Darwin to Adelaide railway, 12km from the arterial Stuart Highway and 45 km from the town of Coober Pedy.

The favourable preliminary metallurgical results, proximity to infrastructure, open cut aspect to the Cairn Hill deposit and extensive exploration upside warrants an accelerated detailed evaluation.

Plans are underway to complete a 2,250m detailed drill programme at Cairn Hill. The proposed drilling will infill on 100m apart sections and will facilitate more detail metallurgical studies. Results of the initial copper-gold floatation tests are expected within the next two weeks.

NORTHERN TERRITORY

Bynoe Nickel-Copper Project (Goldstream 100%)

No field work was undertaken

Arunta Nickel-Copper Project - 2,000km² (Goldstream 100%)

No field work was undertaken

INDIA

A review of the nickel and PGE potential of India has been completed and a series of tenements applied for.

Jharkhand and West Bengal - 14,000km² (Goldstream 100%)

No field work was undertaken



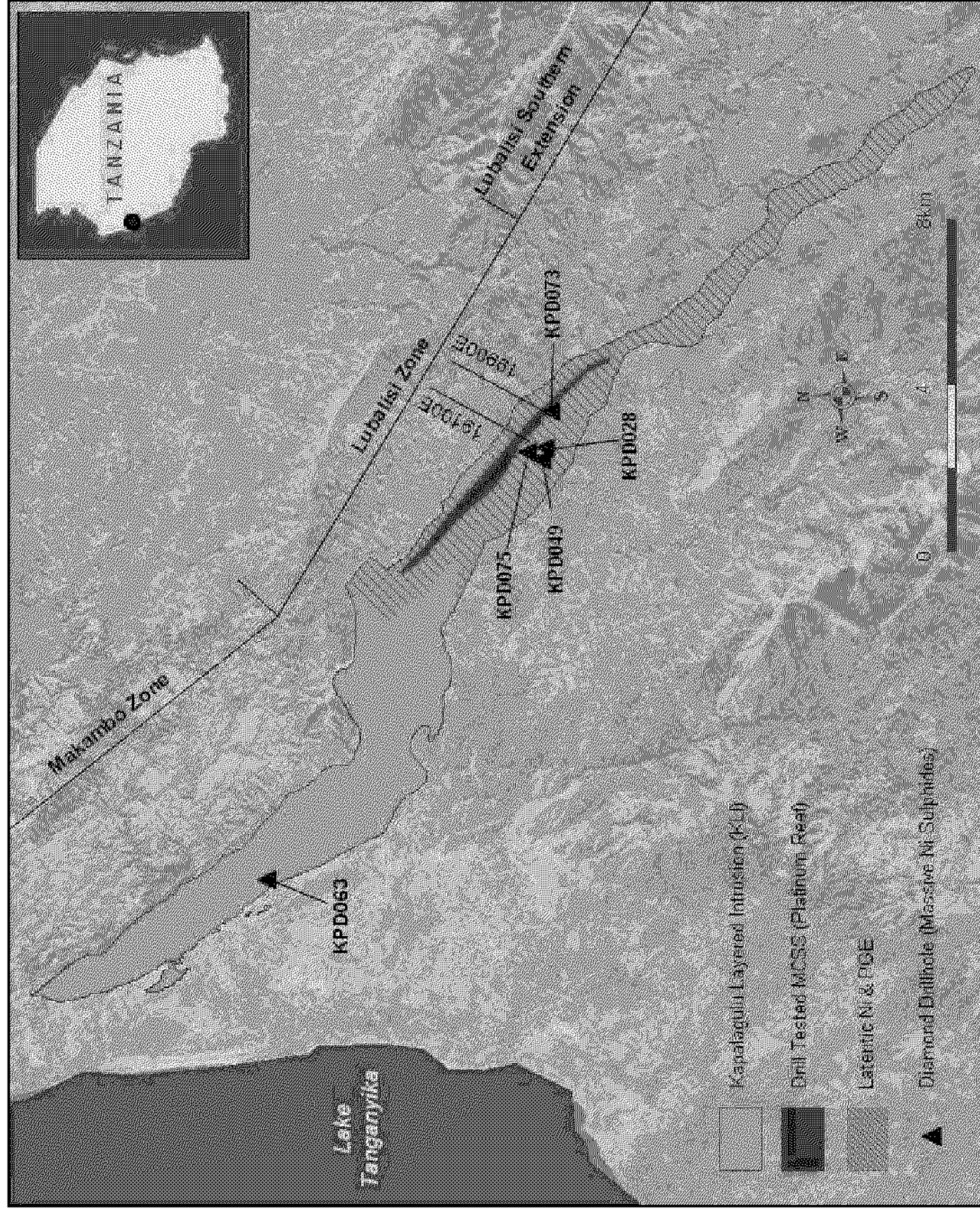
GEORGE S KENWAY
MANAGING DIRECTOR

The information in this report as it related to ore reserves, mineral resources or mineralisation is reported in accordance with the AusIMM "Australian Code for reporting of Identified Mineral Resources and Ore Reserves" and is based on information compiled by Competent Persons as defined by the Code. "Significant" drill results refer to results that are indicative of potentially economic mineralisation or that warrant follow up work



Figure 1

Mibango Location Map



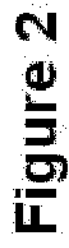


Figure 2

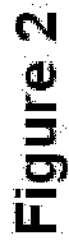




Figure 3

Drill Core KPD0063



Massive Nickel Sulphide - 0.90m @ 5.01%Ni, 0.46%Cu



Figure 4

Laterite Mineralisation - Section 19100

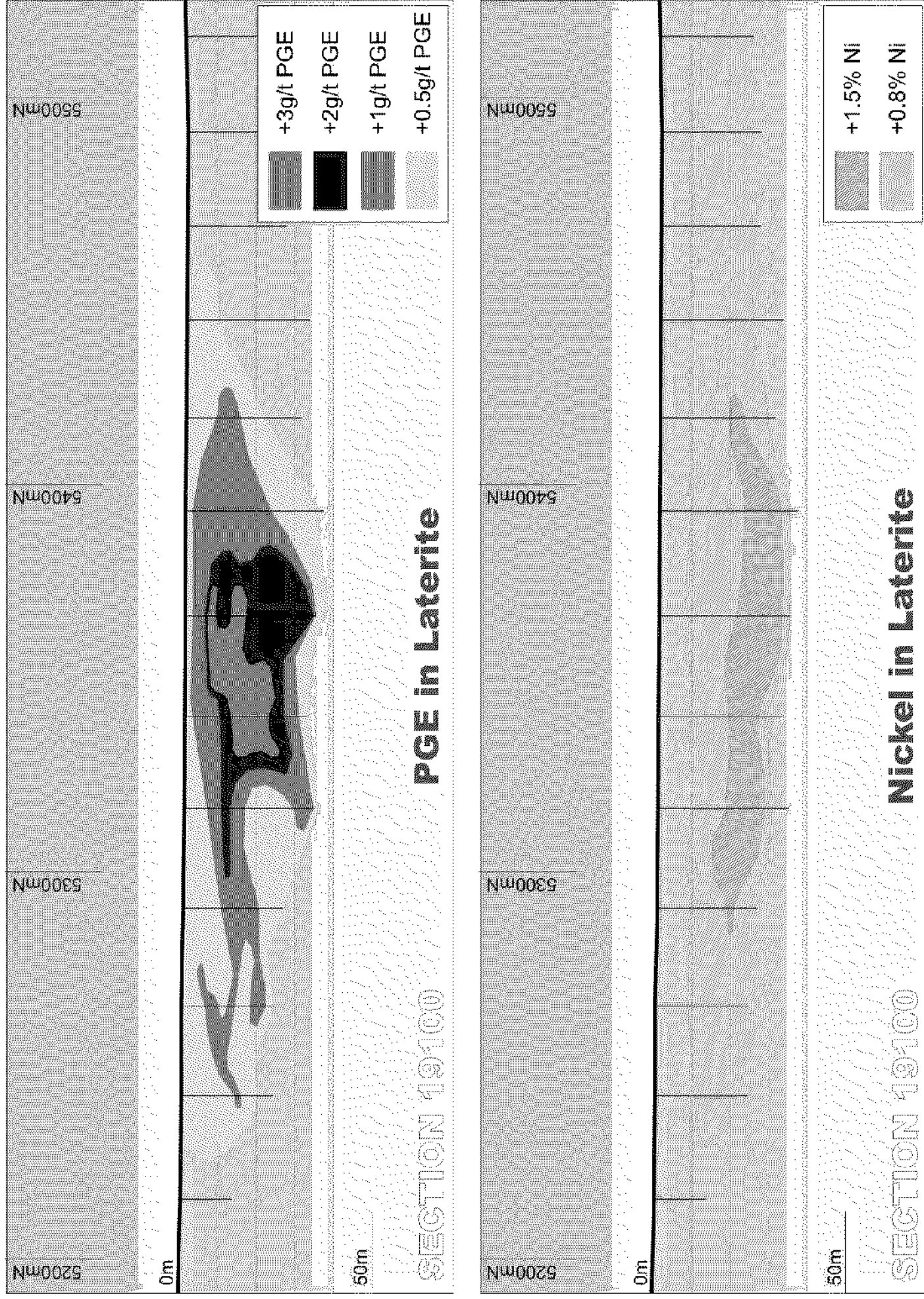
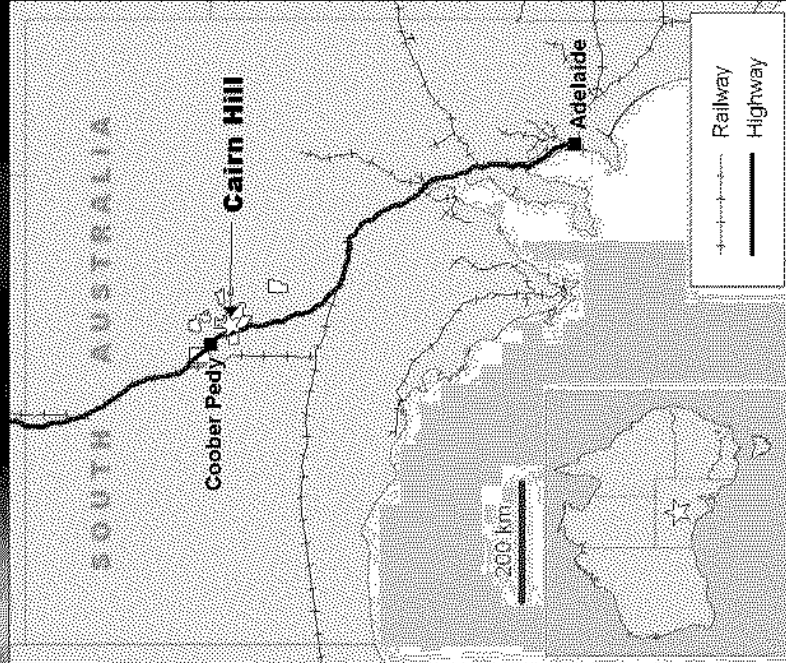
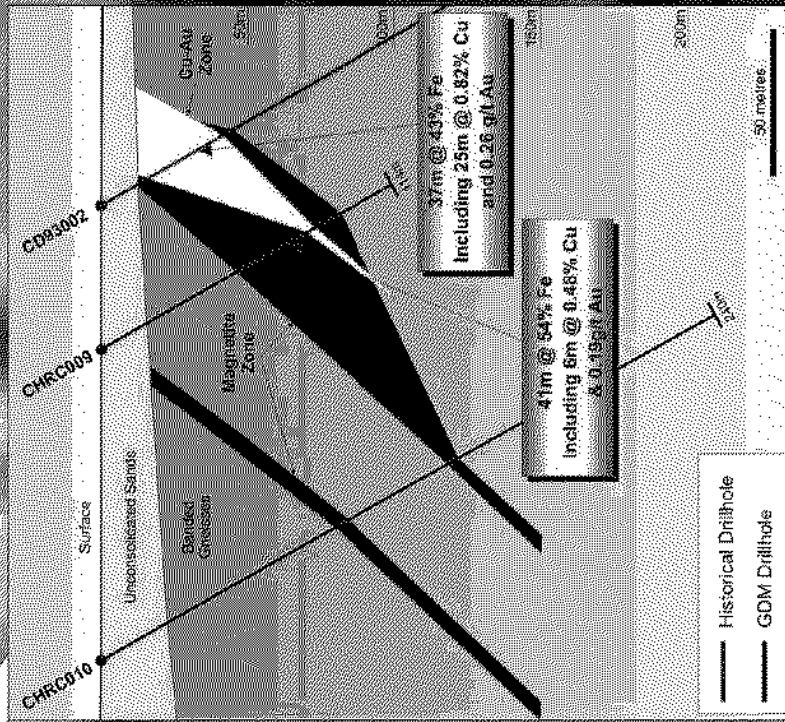


Figure 5

**Copper-Gold
Magnetite Mineralisation**



Interpreted Section 511800E



GOLDSTREAM MINING NL

Mt Woods Project

Cairn Hill Prospect



1 : 50000

Date: January 2005

Magnetic image courtesy of Primary Industry and Resources SA

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

GOLDSTREAM MINING NL

ABN

67 009 129 560

Quarter ended ("current quarter")

31 December 2004

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (3 months) \$A'000
1.1	Receipts from product sales and related debtors		
1.2	Payments for (a) exploration and evaluation (b) development (c) production (d) administration	(1,965) (304)	(3,539) (369)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	73	128
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other — Joint Venture Contributions Security Deposit	1,152	1,152 (22)
Net Operating Cash Flows		(1,044)	(2,650)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a)prospects (b)equity investments (c) other fixed assets	(1)	(97)
1.9	Proceeds from sale of: (a)prospects (b)equity investments (c)other fixed assets		
1.10	Loans to other entities		
1.11	Loans repaid by other entities		
1.12	Other (provide details if material)		
Net investing cash flows		(1)	(97)
1.13	Total operating and investing cash flows (carried forward)	(1,045)	(2,747)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(1,045)	(2,747)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	25	25
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (provide details if material)		
	Net financing cash flows	25	25
	Net increase (decrease) in cash held	(1,020)	(2,722)
1.20	Cash at beginning of quarter/year to date	6,588	8,290
1.21	Exchange rate adjustments to item 1.20		
		5,568	5,568
1.22	Cash at end of quarter		

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	65
1.24	Aggregate amount of loans to the parties included in item 1.10	N/A
1.25	Explanation necessary for an understanding of the transactions	

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

None

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	Nil	
3.2 Credit standby arrangements	Nil	

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	500
4.2 Development	
Total	500

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	1,313	1,699
5.2 Deposits at call	4,255	4,889
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	5,568	6,588

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed				

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

6.2	Interests in mining tenements acquired or increased	PL2765/2004	Granted	Nil	90%
		PL2766/2004	Granted	Nil	90%
		PL2767/2004	Granted	Nil	90%
		PL2861/2004	Granted	Nil	90%
		PLR2860/2004	Granted	Nil	100%
		PLR2862/2004	Granted	Nil	100%
		PLR2922/2004	Granted	Nil	100%
		PLR2936/2004	Granted	Nil	100%
		PLR2937/2004	Granted	Nil	100%
		PLR2938/2004	Granted	Nil	100%
		PLR2962/2004	Granted	Nil	100%

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference securities <i>(description)</i>				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	*Ordinary securities	116,808,639	116,808,639		
		200,000		6	1
		120,000		7	1
		250,000		11	1
		450,000		12	1
		595,000		18	1
		709,000		22	1
		620,000		25	1
		160,000		43	1
		750,000		57	1
		1,000,000		61	1
		950,000		31	1
		1,420,000		39	1
		350,000		52	1
		600,000		52	1
		1,000,000		42	1
		100,000		34	1
		30,000		36	1
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
		100,000		34	1
		30,000		36	1

+ See chapter 19 for defined terms.

7.5	+Convertible debt securities <i>(description)</i>				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options <i>(description and conversion factor)</i>			<i>Exercise price</i>	<i>Expiry date</i>
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures <i>(totals only)</i>				
7.12	Unsecured notes <i>(totals only)</i>				

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:



Date: 31 January 2005

Print name:

GEOFFREY J WALLACE

+ See chapter 19 for defined terms.

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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