GOLDSTREAM MINING NL

ABN 67 009 129 560

INTERIM FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2004

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INTERIM FINANCIAL REPORT

FOR THE HALF YEAR ENDED

31 DECEMBER 2004

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2004 and any public pronouncements made by Goldstream Mining NL during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

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 2004.

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
Mark Robert Stewart (appointed 31 August 2004)

Operating Results

The operating loss after tax of the consolidated entity for the half-year ended 31 December 2004 is $1,873,913.

Review of Operations

A detailed review of operations is contained in the quarterly reports of September 2004 and December 2004 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.

Highlights

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

Programs and Budgets for the 2005/2006 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.

Highlights

- A second PGE horizon has been intersected at Nkenja.

Programs and Budgets for the 2005/2006 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.

The company has received from the Tanzanian Ministry of Energy and Minerals, Offers to Grant for Prospecting Licences covering a total area of 1,885 square kilometres, and are located in Central and South West Tanzania. The company has advised the Ministry of its acceptance of the Offers to Grant.

AUSTRALIA

South Australia

Mt Woods Project
Cairn Hill

Very high grade iron concentrate in excess of 70% Fe has been obtained from preliminary metallurgical testing. Plans are underway to complete a 2,250m detailed drill program. The proposed drilling will infill on 100m apart sections and will also facilitate more detailed metallurgical studes.

Kangaroo Dam

Further drill testing will be conducted on the platinum/palladium prospect where values to 4.1g/t PGE over 1.0 metre were returned from a single drill hole.

Northern Territory

Bynoe

The company has completed a review of the historic exploration data which showed intersections of up to 0.36 kg/t uranium (U_3O_8). This strong lead will be followed up with further exploration.

Events Occurring after Balance Date

On 23rd February 2005 the company completed the placement of 4,600,000 fully paid ordinary shares at an issue price of 35 cents per share to institutional and sophisticated clients of DJ Carmichael Pty Limited. The net funds received from the placement was $1,521,200 which will provide the company with additional working capital and in particular will be used to accelerate exploration at the Mt Woods project area in South Australia.

On 11 March 2005, 250,000 partly paid shares were converted to fully paid shares raising $27,500.

The total issued capital is 121,658,639 fully paid ordinary shares and 9,054,000 partly paid ordinary shares.

Auditors' Independence Declaration

A copy of the Auditors' Independence Declaration as required under section 307C of the Corporations Act 2001 is set out on page 13.

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

G J WALLACE
DIRECTOR
PERTH, WA

16 March 2005

GOLDSTREAM MINING NL
CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE
For the half-year ended 31 December 2004

	31 DEC 2004 $	31 DEC 2003 $
Other Revenue		
Interest receivable from other persons	139,417	97,884
Gross proceeds on sale of investments	-	61,332
Gross proceeds on sale of tenements	-	200,000
Increment in value of shares	122,830	-
Recovery of joint venture costs	208,408	165,342
	470,655	524,558
Operating Expenses		
Exploration expenditure written off	1,661,801	308,707
Depreciation	54,134	54,613
Foreign exchange loss	92,893	150,412
Rental expenses relating to operating leases	58,829	50,255
Salaries and wages	196,654	178,106
Insurance	11,687	56,597
Secretarial	39,767	55,613
Consulting fees	25,000	25,000
Cost of sale of investments	-	14,999
Cost of sale of tenements	-	23,034
Written down value of disposal	-	2,576
Other expenses from ordinary activities	203,888	244,669
	2,344,653	1,164,581
Operating loss before tax	(1,873,998)	(640,023)
Income tax attributable to operating loss	-	-
Operating loss after related income tax expense	(1,873,998)	-
Net loss attributable to outside equity interests	85	-
Net loss attributable to members of the parent entity	(1,873,913)	(640,023)
Basic earnings per share (cents per share)	(1.50)	(0.54)

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 2004

	NOTE	31 DEC 2004 $	30 JUN 2004 $
Current Assets			
Cash Assets		5,568,230	8,289,790
Receivables		120,533	76,689
Total Current Assets		5,688,763	8,366,479
Non-Current Assets			
Other Financial Assets		493,190	370,360
Property, Plant & Equipment		307,552	265,056
Total Non-Current Assets		800,742	635,416
TOTAL ASSETS		6,489,505	9,001,895
Current Liabilities			
Payables		1,290,707	2,998,954
Provisions		38,904	35,543
Total Current Liabilities		1,329,611	3,034,497
Non-Current Liabilities			
Provisions		30,865	28,746
Total Non-Current Liabilities		30,865	28,746
TOTAL LIABILITIES		1,360,476	3,063,243
NET ASSETS		5,129,029	5,938,652
Equity			
Contributed Equity	4	30,704,050	29,639,675
Accumulated Losses		(25,476,820)	(23,602,907)
Parent Entity Interest		5,227,230	6,036,768
Outside Equity Interest		(98,201)	(98,116)
TOTAL EQUITY		5,129,029	5,938,652

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 2004

	31 DEC 2004 $	31 DEC 2003 $
Cash flows from operating activities		
Interest received	127,636	98,979
Interest paid	(71)	(17)
Payments to suppliers and employees	(566,656)	(449,346)
Net cash outflow from operating activities	(439,091)	(350,384)
Cash flows from investing activities		
Proceeds from Joint Venture Partner on Exploration Expenditure	1,152,175	2,525,976
Payment of exploration expenditure	(3,248,921)	(3,229,643)
Acquisition of plant and equipment	(96,630)	(20,756)
Payment for Security Bonds	(21,500)	-
Proceeds of sale of equity in investments	-	61,332
Net cash inflow (outflow) from investing activities	(2,214,876)	(663,091)
Cash flows from financing activities		
Proceeds from issue of shares and options	25,300	16,000
Net cash inflow from financing activities	25,300	16,000
Net cash inflow/(outflow) for the reporting period	(2,628,667)	(997,475)
Cash at the beginning of the period	8,289,790	5,165,299
Effect of exchange rates on cash holdings in foreign currencies	(92,893)	(150,412)
Closing cash carried forward	5,568,230	4,017,412

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

GOLDSTREAM MINING NL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the half-year ended 31 December 2004

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 2004 together with any public announcements made by Goldstream Mining NL and its controlled entities during the half-year ended 31 December 2004 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 2004 annual report.

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

2. Loss from Ordinary Activities

	31 DEC 2004 $	31 DEC 2003 $
The following revenue and expense items are relevant in explaining the financial performance for the interim period		
Interest from other persons	139,417	97,884
Recovery of Joint Venture costs	208,408	165,342
Foreign exchange losses	(92,893)	(150,412)
Write off of capitalised exploration on areas of interest	(1,661,801)	(308,707)

3. Segment Information.

31 December 2004

Primary Reporting – Geographical Segments

	Segment Result	Segment Revenue
Australia	776,151	373,672
India	1,034,253	-
Tanzania	64,499	95,993
Vanuatu	(990)	990
Consolidated	1,873,913	470,655

31 December 2003

Primary Reporting – Geographical Segments

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

4. Contributed Equity

The increase in issued capital is due to:

- The allotment of 2,361,534 fully paid ordinary shares at 44 cents each to Anglo American Investments (Australia) Limited for the purchase of exploration tenements in Australia and India.
- The allotment of 30,000 and 100,000 ordinary shares paid to one cent with 35 cents and 33 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 $1,300).
- The payment of uncalled capital on 100,000 ordinary shares to raise $24,000 being conversion of partly paid shares with the 'Goldstream Mining Share Incentive Plan'.

5. Acquisition of Subsidiary Companies

On 1 December 2004 Termite Resources NL was incorporated with assets of $20.

On 21 December 2004 Noble Mineral Resources was incorporated with assets of Nil.

The cost of investments in subsidiary companies has been fully provided for in the accounts of the parent entity.

6. Contingent Liabilities

The company is not aware of any contingent liabilities which existed as at the end of the half year or have arisen as at the date of this report.

7. Events Occurring after Balance Date

On 23rd February 2005 the company completed the placement of 4,600,000 fully paid ordinary shares at an issue price of 35 cents per share to institutional and sophisticated clients of DJ Carmichael Pty Limited. The net funds received from the placement was $1,521,200 which will provide the company with additional working capital and in particular will be used to accelerate exploration at the Mt Woods project area in South Australia.

On 11 March 2005, 250,000 partly paid shares were converted to fully paid shares raising $27,500.

The total issued capital is 121,658,639 fully paid ordinary shares and 9,054,000 partly paid ordinary shares.

8. The Impact of Adopting International Account Standards

Australia is currently preparing for the introduction of International Financial Reporting Standards (IFRS) effective for financial years commencing 1 January 2005. This requires the production of accounting data for future comparative purposes at the beginning of the next financial year. The Company's management, along with its professional advisers and auditors, are assessing the significance of these changes and preparing for their implementation. We will seek to keep shareholders informed as to the impact of these new standards as they are finalised. The directors are of the opinion that the key differences in the Company's accounting policies which will arise from the adoption of IFRS are:

Taxation

Under the Australian equivalent to IAS 12 "Income Taxes", a balance sheet approach will be adopted for calculating taxation, replacing the "statement of financial performance approach". This method recognizes deferred tax balances for all temporary differences arising between the carrying value of an asset or liability and its tax base. Whilst there will be enhanced disclosure of the composition of the deferred tax assets and liabilities it is not expected that there will be any significant impact in terms of the statement of financial position or performance.

Share based payments

The group currently does not recognize an expense for partly paid shares issued to directors and staff. Under AASB 2 "Share Based Payments", the company will be required to recognize an expense for all share based remuneration, and will amortise those expenses over the relevant vesting periods.

Impairment of assets

Under the Australian equivalent to IAS 36 "Impairment of Assets" the recoverable amount of an asset is determined as the higher of net selling price and value in use. This will result in the company's current accounting policy which determines recoverable amount of an asset on the basis of undiscounted cashflows. Under the new policy it is likely that the impairment of assets will be recognized sooner and the amount of write downs will be greater.

Exploration and Evaluation Expenditure

AASB 6 "Exploration for and Evaluation of Mineral Resources" continues to allow companies either to expense exploration and evaluation costs as incurred or to partially or fully capitalize costs on an area of interest basis. Under AASB 6, if facts and circumstances suggest that the carrying amount of any recognised exploration and evaluation assets may be impaired, the Company must perform impairment tests on those assets and measure any impairment in accordance with AASB 136 "Impairment of Assets". Impairment of exploration and evaluation assets is to be assessed at a cash generating unit or group of cash generating units level provided this is no larger than an area of interest. Any impairment loss is to be recognised as an expense in accordance with AASB 136. It is anticipated that it is unlikely that the requirements of this standard will have a material impact on the financial position of the Company.

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 9

    (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 2004 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 of Directors.

Signed at Perth, Western Australia on this 16th day of March 2005.

G J Wallace

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 comprising the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements and the directors' declaration of Goldstream Mining NL (the Company) for the half-year ended 31 December 2004 as set out on pages 4 to 10. 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 preparing a financial report that gives a true and fair view of the statement of financial position and performance, and that complies with Accounting Standard AASB 1029 "Interim Financial Reporting", in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Review Approach

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.

Independence

We are independent of the Company, and have met the independence requirements of Australian ethical pronouncements and the Corporations Act 2001. We have given the directors of the Company a written Auditor's Independence Declaration.

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 Goldstream Mining NL 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 2004 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

Stanton Partners

J Van Dieren

J P Van Dieren
Partner

West Perth, Western Australia
16 March 2005

STANTON PARTNERS

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16 March 2005

Board of Directors
Goldstream Mining NL
2nd Floor
28-42 Ventnor Avenue
WEST PERTH WA 6005

Dear Directors

RE: GOLDSTREAM MINING NL

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Goldstream Mining NL.

As Audit Partner for the review of the financial statements of Goldstream Mining NL for the half year ended 31 December 2004, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and

(ii) any applicable code of professional conduct in relation to the review.

Yours sincerely
STANTON PARTNERS

John Van Dieren
Partner