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EL 2708

MOUNT PAISLEY

PARTIAL SURRENDER REPORT FOR THE PERIOD 23/3/2003 TO 22/3/2004

Submitted by
Goldstream Mining NL
2004

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**Goldstream Mining NL
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**EL 2708 'Mount Paisley'
Partial Relinquishment Report for the Period
23rd March 2003 to 22nd March 2004.**

Volume 1 of 1

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SUMMARY

Exploration Licence 2708, "Mt Paisley" covering an area of 1,442km² lies southeast of Coober Pedy in South Australia. The area is held by Goldstream Mining NL, and forms part of a significant tenement holding in the region known as the 'Mount Woods Project'. This area was subject to a joint venture agreement between Goldstream Mining N.L. (tenure holder) and Anglo American Exploration (Australia) Pty Ltd (project operator) until March 2003.

This surrender report describes activities conducted on the 772km² portion of the tenement that was relinquished during the Annual Period 23rd March 2003 to 22nd March 2004.

Exploration activity has concentrated on reinterpretation and evaluation of existing geophysical data in conjunction with data on adjacent tenements. No new data has been collected over the relinquished area during the project life.

KEY WORDS

Coober Pedy, Billa Kalina 1:250,000 map sheet, Archaean, Proterozoic, Kingoonya 1:250,000 map sheet, Iron oxide, Copper, Gold, Gravity, Magnetic, Geophysical Anomalies

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Digital File List (on CD at back of report)

EL2708_PARTIAL_RELINQUISHMENT_REPORT_2004.PDF

LIST OF FIGURES

- Figure 1** Tenement Location Plan
Figure 2 Partial Relinquishment Area

1.0 INTRODUCTION

This report details all exploration work undertaken on the relinquished 772km² portion of Exploration Licence 2708, 'Mount Paisley' during the period 23rd March 2000 to 22nd March 2004.

Exploration Licence 2708, lies southeast of Coober Pedy in South Australia in the northern Gawler Craton of South Australia (Figure 1). Access is via the unsealed Coober Pedy - William Creek road and then via a series of dirt station tracks, many of which become impassable in wet weather. It is situated on the Mt Eba, Millers Creek, and Billa Kalina Pastoral Blocks, and is covered by the Billa Kalina (SH53-7) and Kingoonya (SH53-11) 1:250,000 map sheet series.

The area is covered by the Woomera Prohibited Area. The terrain is dominated by generally open gibber plains with areas of bluebush and saltbush and is drained by a series of intermittent creeks including the Millers and Billa Kalina Creeks.

The principal exploration target for the area was Proterozoic iron oxide copper-gold deposits of the Olympic Dam and Prominent Hill type.

2.0 TENURE

Exploration Licence 2708 (Mount Paisley) was initially granted to Goldstream Mining N.L. (Goldstream) on 23rd March 2000 for a period of 12 months. It has been subsequently renewed for successive 12 month periods and is current until 22nd March 2005.

In 2001 Goldstream and Anglo American Exploration (Australia) Pty Ltd (Anglo) formed the Mount Woods Joint Venture in the Coober Pedy region. As part of the JV, exploration licence 2708 was managed by Anglo until March 2003, at which time the licence was excluded from the joint venture project and returned to Goldstream.

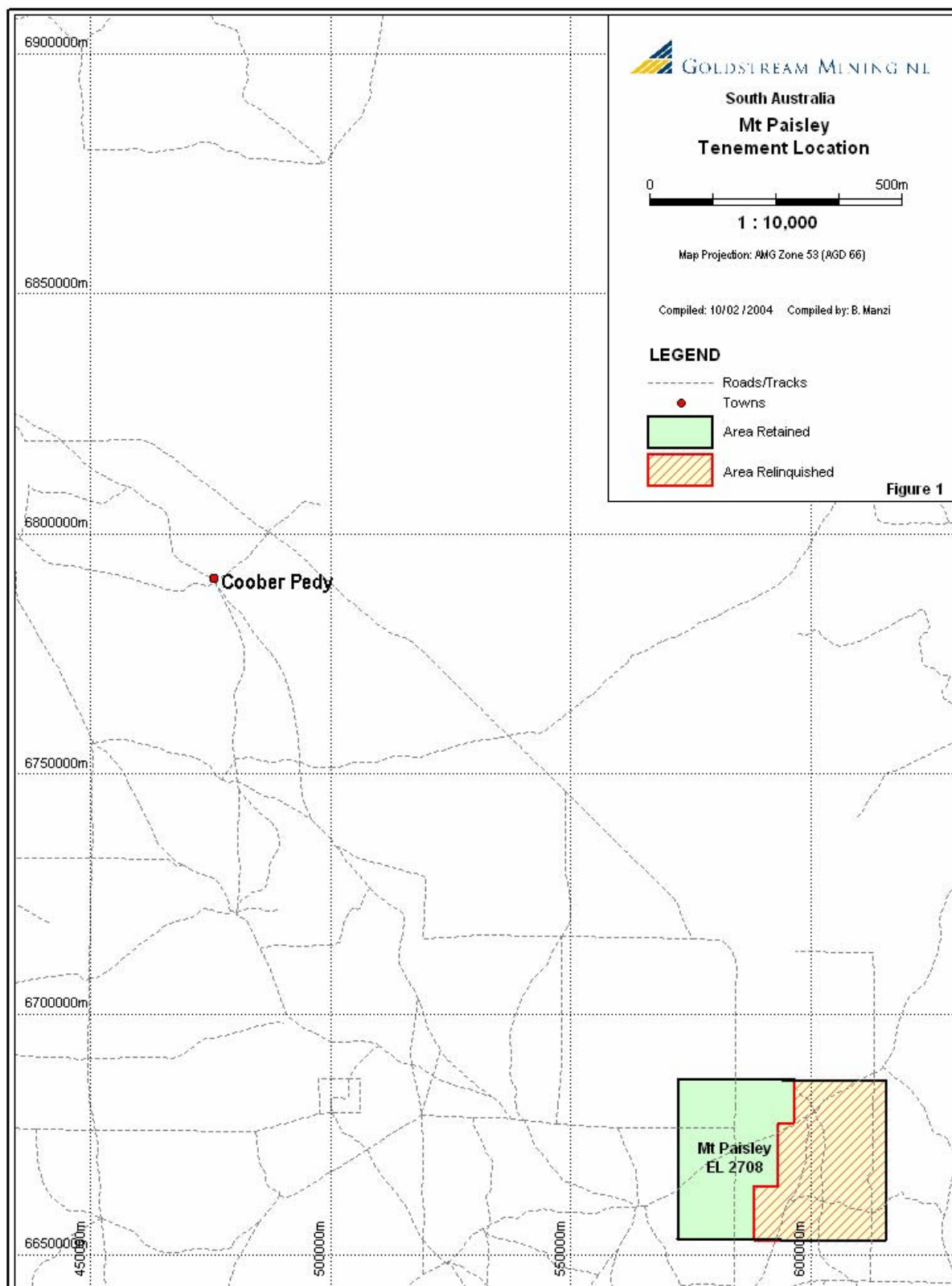
EL2708 originally covered an area of approximately 1,442 km² (Figure 2) but has now been reduced by 772 km² (this report) to 670km² (Figure 2).

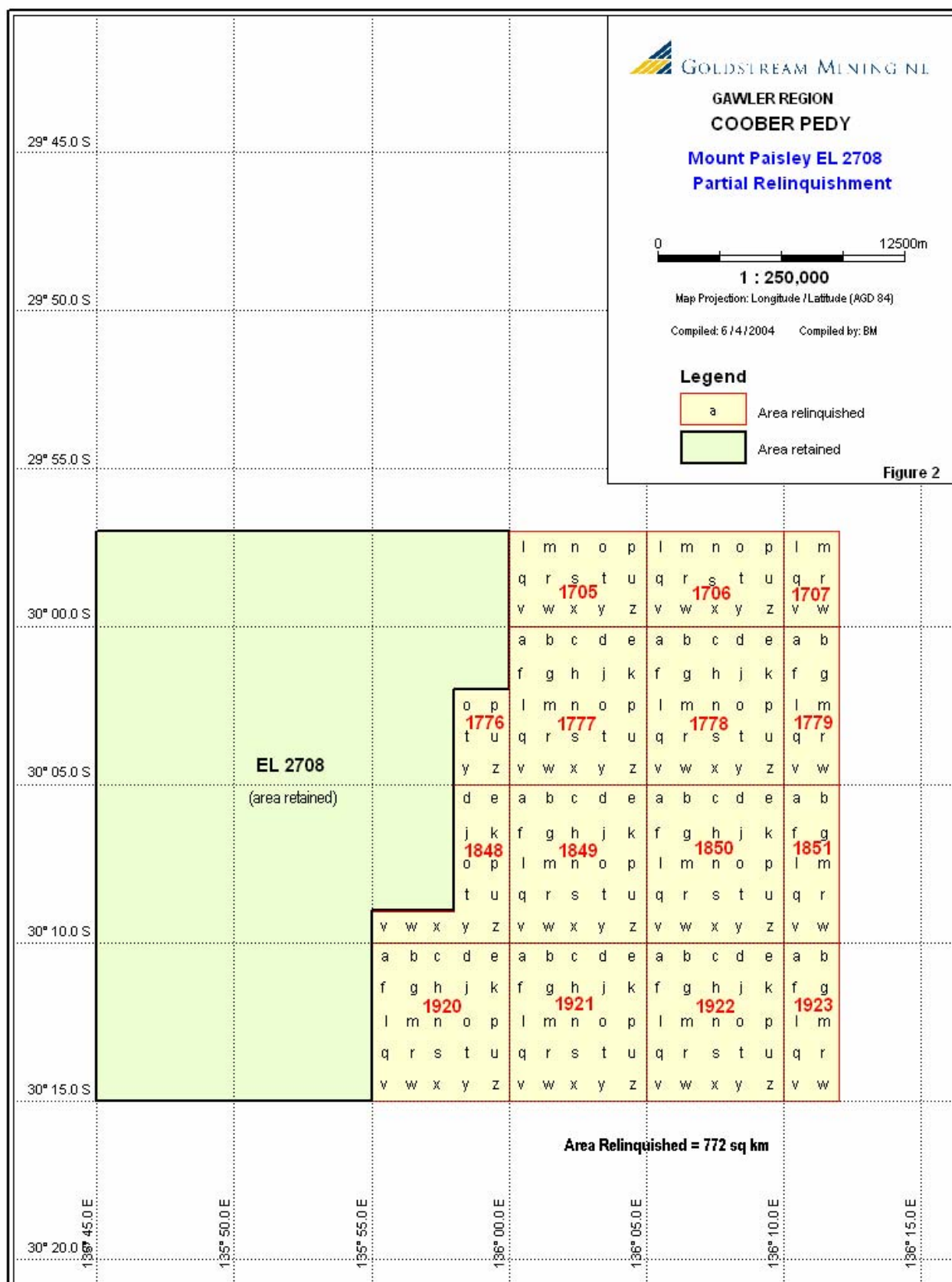
3.0 PREVIOUS EXPLORATION

Exploration for coal, copper, gold, and uranium in the Mount Paisley region has been conducted by a series of companies including Dampier Mining, Carpentaria Exploration, Kennecott, ESSO, AGIP, Reedy Lagoon, and BHP Minerals between 1973 and 1993.

During 2000, Goldstream Mining N.L. completed a review of previous exploration including open file drilling and geophysical data. This review highlighted a large co-incident magnetic and regional gravity anomaly in the tenement area which has characteristics similar to the Olympic Dam style iron-oxide copper-gold mineralisation.

In 2001 the Mount Woods Joint Venture was formed and Anglo managed the licence area. Exploration by Anglo focussed on reviewing the geophysical data and assessing the Olympic Dam style targets. No targets were identified in the relinquished portion of the tenement, hence it was handed back to Goldstream for management in March 2003.





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4.0 REGIONAL GEOLOGY

Little is known of the nature of the basement rocks in this area. Mesoproterozoic Pandeurra Formation, Mesozoic Algebuckina Sandstone, and Cainozoic Aeolian and fluvial sediments obscure the crystalline basement which is believed to comprise Proterozoic to Archaean volcanics, sediments and granitoids.

One historic drill hole (DP1) drilled by ESSO intersected basement volcanics of possible Archaean age in the north western portion of the tenement. A second hole (DP2) failed to penetrate the flat lying cover sequence to a depth of 800 metres (Brewer and Tomich, 2003)

5.0 EXPLORATION ACTIVITIES

The primary focus for exploration in the relinquished portion of EL 2708 was the potential for iron oxide copper-gold mineralisation in the Palaeo-proterozoic basement. Following a review of previous exploration, including available public domain geophysical data sets, supplemented by geological reconnaissance on adjoining tenements, it was decided that there were no targets of interest in the relinquished area.

No further exploration was conducted or recommended for the surrendered area.

6.0 EXPENDITURE

No reportable expenditure was incurred over the relinquished portion of the licence area during tenure.

7.0 CONCLUSIONS AND RECOMMENDATIONS

Extensive re-evaluation of the regional geophysical data in conjunction with data on adjacent tenements indicates that the relinquished area of EL 2780 Mount Paisley contains no significant geophysical features consistent with significant IOCG targets.

The 772 km² area is surrendered.

8.0 REFERENCES

Brewer, A., and Tomich, C., 2003. EL2708 Mount Paisley, Mount Woods Joint Venture, Annual Report for the Period 23rd March 2002 to 22nd March 2003. Anglo American Exploration (Australia) Pty Ltd unpublished report. July 2003.