

97-001 Symbol: GXP (Toronto)

**CHECK ASSAY RESULTS CONFIRM COARSE GOLD "NUGGET EFFECT"
ON SOREANG, JAVA, INDONESIA KP AND MINING LEASE**

TORONTO - February 5, 1997. Ten independent analyses - check fire assays - of previously reported drill results returned grades of 34.00 g/t Au., 24.42 g/t Au. and 7.1 g/t Au. on previously reported grades of 1.28 g/t, 1.6 g/t and 1.49 g/t respectively, for the same intersections on DDH 9 (193-194m), DDH 11 (182-183m) and DDH 10 (25-26m).

The ten check samples referred to were chosen by company field geologists who had identified alteration and mineralization in the cores and were dissatisfied with the grades first received. Seven of the ten samples returned similar grades to the first results.

At the suggestion of the TSE a 1 kg. sample of each of DDH 9 (193-194m), DDH 10 (25-26m) and DDH 11 (182-183m) was sent to Lakefield Research Ltd., Ontario, Canada. Each of these 1 kg. Samples (1,000 grams) was fire assayed 20 times using 50 gram assays with the following results:

DDH 9 (193-194m) - Previously reported 1.6 g/t.

- Lakefield averaged over 20 assays 2.8 g/t including 5.87 g/t 5.29 g/t, 4.81 g/t and 4.43 g/t.

- First check assay 24.42 g/t.

DDH 10 (25-26m) - Previously reported 1.49 g/t.

- Lakefield averaged over 20 assays 1.25 g/t including 4.85 g/t 3.35 g/t 2.45 g/t.
- First check assay 7.1 g/t.

DDH 11 (182-183m) - Previously reported 1.28 g/t.

- Lakefield averaged over 20 assays 1.4 g/t including 1.50 g/t, 1.43 g/t, 1.38 g/t and 1.36 g/t.
- First check assay 34.05 g/t.

Sample preparation specifications from Goldstake were not strictly adhered to by the first lab, in that only 50% of the sample was ground to -200 mesh, which could have compounded the "coarse nugget effect" variation in grades.

Further analysis will be done on the wider intersections of the alteration and mineralized zones using a combination of gravity separation, bottle roll and residue fire assays on previous and future drill core.

Goldstake's Geologists identified a potentially much larger area of mineralization in late 1996 and early results of a concentrated field program including aerial photo/satellite interpretation, geological mapping, channel sampling of bedrock exposed in trenches and soil sampling are very encouraging.

In view of this, the company's focus has been concentrated on the entire caldera structure with the purpose of identifying the type of structure and mineralization described in the petrographic report prepared by Goldstake's consultants and previously reported on December 31, 1996. "The alteration and veining in these rocks in DDH 9 suggests that this area is on the distal portions of a porphyry mineralization in an environment where outflow was occurring in a major conduit on the flanks of a major center of mineralization".

"The above situations are typical of those often found in the outer phyllic/propylitic zones of porphyry deposits where they often form a class of deposit, defined by Corbett & Leach, 1995 (Cu-Au deposits, course manual), as carbonate base metal deposits. Examples of these are Kelian and Busang in Kalimantan, Indonesia and Porgera and Mt. Kare in Papua, New Guinea."

Subsequent petrographic studies on DDH 10 and DDH 11 received in January have the identical description as that of DDH 9.

Goldstake's various Consultants, Company Geologists and Senior Management will assemble in Indonesia in the third week of February, after the Ramadan holiday, to assess the results of the past three-month geological exploration effort and identify drill targets.

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