

97-005 SYMBOL: GXP Toronto

GOLDSTAKE BEGINS NEW DRILLING ON ITS JAVA GOLD PROJECT

TORONTO, July 15, 1997 -- Goldstake Explorations restarted diamond drilling yesterday on its Soreang, Java gold project in Indonesia.

The drilling program will test the down dip potential of defined anomalies on Zones 1 through 8 on Soreang East and follows an intensive program of mapping, trenching and soil sampling on the Soreang East (2 km x 800 m) and Soreang Central (3 km²) areas.

At Soreang East, results to date from trench TRA (100m) on Zone 2 reveals 26m at 1.03g/t Au, which includes 2m at 4.74g/t Au. Results from trench TRB (50m) Zone 2 indicate 16m at 1.02 g/t Au, including 2m at 3.84 g/t Au. Results from TRC (18m) Zone 4 reveals 18m at 1.4 g/t Au, which includes 2m at 2.38g/t Au, 2m at 1.42g/t Au and 2m at 5.13 g/t Au. The mineralization in trench TRC is open. Trenches TRA and B have been extended and assays are awaited. Seven further trenches with a total of 700m should be completed in this dry season covering Zones 1 through 8.

Results of trenching at Soreang Central included 5m at 2.24 g/t Au and 1.46% As, with elevated zinc and lead values over 5 km, confirming the air photo/satellite image remote sensing study and reinforcing the previously reported theory that a massive sulphide intrusion exists below this project.

Work is proceeding under the supervision of independent consulting geologist Simon Camm from the United Kingdom. Assaying is being conducted by the respected Inchcape Group/Bondar Clegg laboratory. The Indonesian Mines Department will also select samples for independent testing. Goldstake will retain 50% of each core sample for audit purposes.

INITIALS 7TH GENERATION COW ON EAST KALIMANTAN

On Thursday, July 10, Robert Cleaver, President of Goldstake, and Ibu Sumirah, President of 20% joint-venture partner PT Dartindo Latih, were invited to the Indonesian Mines Department in Jakarta to initial the 7th generation Contract of Work (COW) application on the 278,500 ha. property in Kalimantan.

The COW was unchanged from the draft document presented to Goldstake in late 1996. The 7th generation Contract of Work will be presented to the Indonesian Parliament for its approval during its current sitting which ends in approximately one month.

FOR MORE INFORMATION:

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