

97-006 SYMBOL: GXP Toronto

GOLDSTAKE STARTS GOLD PRODUCTION ON ITS SOUTH AFRICAN OPERATION

TORONTO ... July 22, 1997. Goldstake Explorations Inc. announced today that production has started on its joint-venture Gold Stockpile 1 project, the first of its proposed South African - Zimbabwe mining operations.

The project's first stage comprises the treatment of 700,000 tons of untreated stockpile of which 20% or 140,000 tons has a recoverable gold grade of 2.1 plus grams per ton.

Currently the Company's plant has the capacity to process 5,000 tons of stockpile per week, producing 1,000 tons of gold ore with recoverable gold grades of 2.1 g/t or better. The Company plans to increase production of gold ore to 2,000 tons per week as increased crusher capacity comes on-stream in the near future.

Acquisition costs will be paid out of income from the operation. No Goldstake shares are involved in the transaction, nor is new capital required.

This project is located in the rich Klerksdorp goldfield region, which contains some of South Africa's largest gold mining operations. The joint venture partners have finalized negotiations on two further stockpiles totalling 2.25 million tons and are currently negotiating to acquire additional reserves in the area.

"This acquisition fits perfectly with Goldstake's strategy," said Robert Cleaver, President of Goldstake Explorations. "The cash-flow from this operation and future acquisitions will help finance the Company's exploration projects around the world while reducing the need for external financing."

Goldstake Explorations Inc. is a Canadian mining exploration, development and production company with a diversified portfolio of precious metals properties in Canada, United States, Australia, South Africa and Indonesia.

-30-

FOR MORE INFORMATION

Martin Jones (416) 861-3010

Kathy Whitelock (605) 642-5714

