

Attention Business Editors:

Goldstake signs a heads of agreement on its nickel project in Australia

Trading Symbol: GXP

(Toronto Stock Exchange)

Canada

TORONTO, Aug. 6 /CNW/ - Goldstake is pleased to announce that the company has signed an agreement whereby Australia's Mithril Resources Ltd. can earn a 75% interest in the company's Prospect "D" nickel sulphide project by spending AUS \$5 million over four years. Mithril will spend at least AUS \$500,000 per year and will make a cash payment of AUS \$200,000 after the first million has been spent. Mithril's strategic alliance partner, BHP Billiton Minerals Pty. Ltd., has the right to earn into the project after Mithril has spent the initial funds to delineate viable drill targets and to provide the exploration funding.

Prospect "D" lies within Goldstake's Barrow Creek Exploration License (No. 23186 of Australia's Northern Territory). Mithril views the mineralization at Prospect "D" as similar in style to that at Voisey's Bay, located within and adjacent to a large body of mafic rocks. Exploration work in the 1970's at Prospect "D" defined mineralization over a 2 km strike length with a resource (pre NI 43-101) of:

- oxide ore 1.63 Mt at 0.151% Ni, 0.521% Cu over an average width of 9.1 m
- sulphide ore 1.53 Mt at 0.247% Ni, 0.621% Cu over an average width of 8.5 m

which included significant diamond drill intersections of:

- 0.91m at 4.65% Ni and 1.4% Cu; 2.4m at 1.95% Ni and 1.23% Cu
- 7.6m at 0.93% Ni and 1.46% Cu; 5.2m at 0.48% Ni and 1.48% Cu
- 5.8 g/t Au (Gold); 215 g/t Ag (Silver)

Mithril will begin work immediately by spending AUS \$50,000 to initiate a required survey of Aboriginal Sacred sites (if any) and to do orientation geophysical surveys. After this work, Mithril can elect to proceed with the \$5 million over 4 year exploration programme at the end of which Mithril will hold 75%, Goldstake 12.5% and Goldstake's joint venture partner, Imperial Granite and Minerals Pty. Ltd., 12.5%. Mithril will not earn any interest in Prospect "D" until the exploration phase is completed and can withdraw from the project at any time during exploration with no retained interest.

After Exploration, a Joint Venture Agreement will come into force where each partner will contribute to feasibility study and mine development or dilute its interest. If any party dilutes to less than 10%, they will convert to a 5% interest, loan carried (Libor + 2%) to production commencement repayable out of 75% of its proceeds.

The Mithril Agreement involves approximately 50% of EL No. 23186, leaving Goldstake the ability to explore the remainder of the EL, particularly the Home of Bullion prospect which is estimated to contain (pre NI 43-101) 75,000 tons of ore grading: 4 to 15% copper, up to 10% zinc, gold to 5.3 g/t, silver to 30 g/t and 0.71% lead with higher grades up to 33.9% copper.

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CO: Goldstake Explorations Inc.

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