

96-019 Symbol: GXP (Toronto)

SOREANG CONCESSION PROGRAM EXPANSION

TORONTO-September 18, 1996. Goldstake Explorations Inc. (GXP-T) today announced that further chip sampled material taken during the preceding weeks has been sent for assay. This ongoing sampling is the first step in confirming the continuity of mineralization along the strike originally identified by a program of extensive trenching, auger and diamond drill holes in the Joy and Ann zones originally announced in December 4, 1995 and updated April 16, 1996.

As announced on December 4, 1995, "there has been extensive trenching and sampling completed over a strike length of more than 1,200 meters by up to 300 meters in width." The next step in extending this previous surface trenching is to sample further to the west and north of the Joy and Ann zones. Yesterday the first results of assays of samples from this new work were reported. The table of assay results as reported yesterday is as follows:

g/t Au oz/t Au

8.95 0.29

13.27 0.43

50.19 1.61

105 3.38

Assays are being provided by the Jakarta facilities of Geoservices Laboratory which has been working with exploration and mining firms in the Pacific Rim for 25 years. Samples are being processed using industry-standard fire assay techniques.

Goldstake indicates that the results are an important step in verifying the potential of the property to host a Lihir-type deposit. Besides the trenching, sampling, reconnaissance sampling and boundary and topographic surveys that have been conducted on the Joy and Ann zones, eight diamond drill holes (over 1,000 meters) and 12 auger drill holes have also been completed.

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This work was completed prior to December 4, 1995 when Goldstake announced its intent to acquire an 80% interest in the Java KPs. On that date the company stated: "Hole Three, which was drilled into the Ann Zone to a depth of 105 meters, penetrated extensive epithermal alteration and a number of gold and silver intercepts, the highest of which was 30.3 Au g/ton and 13.9 Ag g/ton..."

Holes One and Two penetrated 100 and 102 meters respectively, and intercepted significant gold and silver mineralization. In addition, these holes intercepted two, three-cm-thick stringers, of high grade zinc (13.4%), lead (16.5%), 772 grams of silver and 5.67 g/ton of gold.

"The geological interpretation of the results of this work is that it places the Joy and Ann Zones as a halo and upper section of what could be massive epithermal sulfide bodies at depth."

To consolidate its position and to better assess the potential of this deep target Goldstake and its Indonesian partner acquired interests in additional property surrounding its original block of exploitation and exploration KPs. The companies succeeded in increasing the area of the original 2,000 Ha exploration KP, which surrounds the 99.9 Ha exploitation KP, by 30%, to 2,700 Ha. In the July 30, 1996 announcement, Goldstake stated that: "the new lands are vital to the exploration of... a potential epithermal gold deposit at depth."

The objective of the subsequent sampling program updated by news release on September 3, 1996, was to prove that the gold mineralization found in the Joy and Ann Zones, located on the eastern and southern edges of the volcanic caldera, extends all the way around the western and northern sides of the caldera. In the update, Goldstake stated that its survey crews had found promising, previously unmapped sample sites - trenches and mine workings - in these target areas. It was from these areas of surface and underground exposed bedrock that Goldstake field crews collected the chip samples which have been reported, or are in the assay process.

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Goldstake is now instigating a full-scale survey of the Northern sector of its exploitation KP to plan the drill program to explore the potential of this deep target. Goldstake also intends to complete a financing to cover the anticipated cost of the significantly expanded potential of the property.

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MORE INFORMATION:

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