

96-021 Symbol: GXP (Toronto)

## **GOLDSTAKE GETS \$2 MILLION REFUND**

**TORONTO-October 18, 1996.** The Indonesian Government has refunded Goldstake's Seriousness Guarantee which was deposited on March 4 1996 to secure the 278,600 Ha COW 40 km to the southeast of Bre-X in Northeastern Kalimantan.

As announced on June 12, 1996, the Indonesian government granted Goldstake and its Indonesian partner an SIPP (Surat Izin Penyelidikan Pendahuluan) which grants certain exploration rights on this property, pending the signing of the COW which will be a 7th generation COW. For the first phase of exploration, Goldstake has hired two geologists to form the core of the exploration team. The Company has acquired satellite imagery of the area and the geology team is preparing the reconnaissance mapping and sampling program which will begin in the next two weeks.

On the Soreang KPs, a drilling rig is now on location and will be lifted by helicopter to the site of the first drill hole early next week. The Company expects to collar the first hole by the middle of the week. This is part of an initial program of at least 4 inclined holes, each 250 m, to test the depth potential of previously defined high-level, low-temperature zoned gold mineralization. Previous petrological studies of alteration - Illite-Smectite and Kaolin - from drill core samples indicated two separate auriferous zones were formed, one at 220 - 250 °C (Ann Zone) and one at 180 - 230 °C (Joy Zone).

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This suggests that the previous drilling was too high up the hill to intersect the optimum level of gold concentration, even though DDH 3 intersected 1 m of 30.3 g/t Au (1.0 oz/t). DDH 3 was drilled into the hill side about 70 m below the summit of the hill which is 350 m high. The current program will drill into the hillside approximately 100 m lower down to intersect the optimal level of gold concentration indicated by the petrological studies.

In preparation for mapping the postulated caldera and geochemical work, satellite and aerial imagery has been acquired and field crews have been hired. The company has also leased office and accommodation facilities for 25 workers adjacent to the property, on the outskirts of Soreang.

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**MORE INFORMATION:**

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