

96-026 Symbol: GXP (Toronto)

GOLDSTAKE ACQUIRES PROCESSING PLANT AND GOLD RESERVES IN SOUTH AFRICA MINING BELT

TORONTO-December 6, 1996. Goldstake Explorations Inc. (GXP-T) announced today that it has acquired a processing plant and an option to acquire an 80% interest in 800,000 tons of mine tailings containing reserves of 40,000 ounces of gold. The tailings consist of 300,000 tons grading 2.2 g/t Au and 500,000 tons grading 1.1 g/t Au. Goldstake is in the final stages of negotiations with a major South African gold producer that will substantially increase these reserves. Production can start in January 1997.

The Company believes that profits from this operation will accelerate its drilling and regional exploration programs and reduce needs for external sources of capital.

The processing plant and nearby tailings are located near the town of Klerksdorp, 100 km southwest of Johannesburg. Plant capacity is a minimum of 100 tons per hour, at a cost of US \$150 per ounce. The Company believes that it will process the 800,000 tons of tailings in 1997 and maintain production from the plant on an ongoing basis. The Klerksdorp area has extensive tailings and dump material deposits accumulated from over 100 years of intensive mining activity which the company plans to acquire and process through its plant.

Goldstake has paid US \$125,000 cash to acquire the option. Final terms will be announced upon completion of negotiations.

- 30 -

MORE INFORMATION:

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