

96-027 Symbol: GXP (Toronto)

GOLDSTAKE PROJECT UPDATE

TORONTO-December 23, 1996. At the request of the Toronto Stock Exchange Goldstake Explorations Inc. (GXP-T) is issuing the following project update.

Soreang Prospect (Java Indonesia KPs). Goldstake has completed the first three holes of its ongoing drilling program, which will continue early in the New Year. Goldstake is working as quickly as possible to make results of this first phase available and expects to make an announcement soon.

Goldstake is pleased with the rapid progress of the drilling program. Following the final transactions relating to acquiring the interest in the two KPs in late October, just five weeks were required to deploy infrastructure, mobilize the drilling rig, and complete over 900 m of drilling. Goldstake is assessing both mineralization processes (petrology) and the gold potential of the Ann and Joy Zones (fire assay). Goldstake is frustrated by delays at the assay laboratory which have proven to be difficult to make up given the volume of work that all assay facilities in Southeast Asia are processing.

Goldstake policy is to release results after each phase is completed rather than on a hole-by-hole basis. This data, plus the information from Goldstake's aggressive regional exploration program, are critical for planning the next 20 to 25 holes of development drilling to define the potential of a Lihir-type deposit. Thus, the results must include analysis by Dr. Roy Cox, Goldstake's consulting geologist. Dr. Cox has extensive knowledge of this type of deposit from his work on the Porgara and Lihir finds. Funding for this next stage of the drilling program is in place.

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South Africa. Goldstake's strategy is to reduce requirements for external capital by acquiring gold production, such as the 80% interest in 40,000 ounces of gold and a processing plant in the area of Klerksdorp South Africa that was reported December 6 1996. Negotiations for significant additional proven reserves are proceeding well. Goldstake's president Robert Cleaver is in South Africa for a critical phase of the negotiations.

Corporate development. To support increasing field activities and shareholder communication Goldstake has relocated to larger offices in the financial district of Toronto. The address is 120 Adelaide St. W., Suite 2116, Toronto, Ontario. The telephone number is (416) 861-3010 and the fax is (416) 861-1552

Shareholders with Internet World Wide Web browsers can now access an archive of past Goldstake announcements at <http://www.goldstake.com>. Map

information is being converted to computer format and will be added to the site as soon as possible.

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MORE INFORMATION:

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