

96-028 Symbol: GXP (Toronto)

SOREANG PROSPECT INITIAL PHASE I DRILLING RESULTS (JAVA KPs INDONESIA)

TORONTO-December 31, 1996. Goldstake Explorations (GXP-T) of Toronto announced that gold assay results (fire assay, atomic absorption finish) have been received for diamond drill holes (DDH) 9, 10 and 11, plus petrographic results on DDH 9 only. Silver and base metal assays are still in processing.

The summary of the anomalous gold values follows:

DDH 9			
DEPTH (m)	INTERSECTION (m)	GRADE (g/t Au)	DESCRIPTION
63.0 - 64.0	1.0	5.68	in altered andesite
73.0 - 78.0	5.0	0.60	in altered andesite, including
74.0 - 75.0	1.0	1.28	
193.0 - 194.0	1.0	1.60	in altered andesite breccia

DDH 10			
DEPTH (m)	INTERSECTION (m)	GRADE (g/t Au)	DESCRIPTION
24.0 - 51.0	27.0	0.61	in altered andesite breccia, including
25.0 - 40.0	15.0	0.81	
25.0 - 26.0	1.0	1.49	
28.0 - 29.0	1.0	1.00	
31.0 - 33.0	2.0	1.77	
38.0 - 40.0	2.0	1.47	

DDH 11			
DEPTH (m)	INTERSECTION (m)	GRADE (g/t Au)	DESCRIPTION
105.0 - 113.0	8.0	0.70	in altered andesite breccia, including
106.0 - 108.0	2.0	1.71	
130.0 - 131.0	1.0	1.37	in altered andesite breccia

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DDH 9, inclined at an angle of -55° S, was completed on the same cross section as DDH 3, inclined at -50° N, which included a 1 m intercept of 30.3 g/t Au and 13.9 g/t Ag, reported December 5 1995. DDHs 10 and 11 were completed on a cross section 220 m further West of DDH 9. DDH 10 was inclined at -55° S and DDH 11 was inclined at -75° S. These holes are located on the southern rim of the caldera. Although the gold mineralization of these drill intersections is below ore grade at commercial widths, the initial petrographic results, of clay mineralogy and alteration, of eight samples from DDH 9, are very encouraging. The summary of the petrographic report, prepared by Goldstake's consultants, is as follows:

"This prospect is in an area of intermediate volcanics, high level intrusions and associated pyroclastic rocks. A caldera structure has recently been identified in the district.

"The suite of rocks examined comprise dacitic and rhyodacitic flows and probable subvolcanic intrusions cut by a prominent probably subvertical breccia zone. The rocks are variably altered, and strongest alteration is symmetrical about the breccia zone. Early alteration in the rocks is a weak potassic/propylitic event which in most rocks is obliterated by later phyllic alteration which locally has carbonate and chlorite associated with it, as metal mineralization occurred in fractures during this event. There was a subsequent brecciation related to pressure release in the system as the system cooled to around 220° - 230° C. This breccia is sealed by interlayered illitic clays, carbonates, chlorite smectites and kaolinite. Late stage, a kaolinite-siderite deposition occurred.

"The alteration and veining in these rocks in DDH 9 suggest that this area is on the distal portions of a porphyry mineralization in an environment where outflow was occurring in a major conduit on the flanks of a major center of mineralization.

"The above situations are typical of those often found in the outer phyllic/propylitic zones of porphyry deposits where they often form a class of deposit, defined by Corbett & Leach 1995 (Cu-Au deposits, course manual), as carbonate base metal deposits. Examples of these are Kelian and Busang in Kalimantan Indonesia and Porgera and Mt. Kare in Papua New Guinea."

Drilling to further explore the gold and base metals potential of this prospect will resume as soon as further drill targets are defined. Drill targetting is based on the ongoing geochemical soil sampling, trenching and channel sampling, detailed surface geological mapping and air photo interpretation.

MORE INFORMATION:

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