

News release via Canada NewsWire, Toronto 416-863-9350

Attention Business Editors:
Goldstake issues default announcement

Trading Symbol: Gxp
(Toronto Stock Exchange)
Canada

TORONTO, May 20 /CNW/ - Goldstake Explorations Inc. and its auditors have not completed the financial accounts for the year ended December 31, 2003, and Goldstake is, therefore, in default of its obligation to file its accounts within the prescribed 140 days of its year-end.

The management of Goldstake has had a difference of opinion with KPMG with respect to the accounting treatment of its gold project at Soreang, in Java, Indonesia. Goldstake is subject to "force majeure" (and financial constraints) on this property due to significant political changes, which brought about a change in administrative control of the property.

Goldstake has spent approximately 3.5 million dollars on acquisition and exploration of this property and believes that the asset should continue to be carried on the books at cost as it intends to complete the exploration program when conditions allow. Goldstake's 20% joint venture partner, P.T.Panca Raksa Abadi, has staff on site and has been filing environmental reports with the Mines Department in Indonesia in accordance with the Department's requirements.

Goldstake has been unsuccessful in obtaining reports and establishing its land title to the satisfaction of its auditors, KPMG, and due to the fact that a decision had to be made by the filing date of May 19, 2004, Goldstake has reluctantly conceded to KPMG that it should write off the entire investment of 3.5 million dollars in accordance with GAAP.

KPMG has advised Goldstake that they should complete their work before Thursday, May 27, 2004 at which time, Goldstake will file its annual and interim financial statements.

The Ontario Securities Commission has advised Goldstake that it has imposed a Issuer Cease Trade Order, which should be lifted at the time Goldstake files. Goldstake confirms that it intends to satisfy the provisions of the Alternate Information Guidelines so long as it remains in default of the financial statement filing requirement.

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(GXP.)

CO: Goldstake Explorations Inc.

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