

98-001 SYMBOL: GXP Toronto

GOLDSTAKE EXPANDING GOLD PRODUCTION IN SOUTH AFRICA

TORONTO--March 31, 1998. Contractors to Goldstake Explorations Inc. (GXP-T) begin construction this week of a high production screening and reef picking plant to treat material at the Company's 80%-owned Gold Stockpile 2 and Gold Stockpile 3 properties in Klerksdorp, South Africa. The plant is slated to begin operations on June 1. The ore will be processed by a South African mining company. These two stockpiles consist of 2.5 million tonnes of untreated material. A bulk sampling of 500 tonnes produced 38 tonnes of reef which recovered 13.2 g/t Au. Approximately 8%-10% of the material grades 13.2 g/t Au and 20% contains fine material with average grades in excess of 2 Au g/t. Total gold content is estimated to be at least 125,000 ounces. Production costs are estimated at \$150 per ounce. The Company plans to treat an average of 130,000 tonnes per month. Meanwhile, operations at the Company's 80%-owned Gold Stockpile 1, which began in July, 1997, continue to meet expectations. Major efficiencies have been achieved at the plant which is producing an average of 2400 tonnes per month of ore, grading 2.1 plus g/t Au. This asset will shortly have paid for itself, after which the income stream will revert to Goldstake and its South African partner. The Company's new plant and stockpiles will also be paid for out of production revenues. Goldstake plans later in 1998 to begin production at a fourth gold stockpile containing 2.5 million tonnes of untreated material and begin installation of a new plant at Gold Stockpile 1 which will significantly boost production levels there. The Company is also identifying opportunities to acquire additional producing properties in South Africa and Zimbabwe. Goldstake's stated strategy is to generate positive cash-flow from such operations to help finance exploration and development on its existing precious metals properties. For the past 15 months, the Company's primary focus has been on acquiring and bringing these assets into production. Continuation of the drilling program at the Soreang, Java gold project in Indonesia will resume once cash-flow from the South African projects is in place. Goldstake will also begin exploration of its Hemlo leases in northern Ontario later this year.

FOR MORE INFORMATION

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