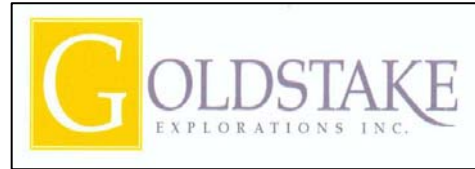


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BARROW CREEK PROJECT
EL 23186
ANNUAL TECHNICAL REPORT FOR
THE PERIOD 15th July 2006 to 14th July 2007

Prepared for Goldstake Explorations Inc.

by

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August 2007

MAP REFERENCE:
BARROW CREEK 250K – SF53/6

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1.0 Summary

This annual report documents exploration activities undertaken on exploration licence (EL) 23186 for the period 15th July 2006 to 14th July 2007.

Work completed over the designated area during the reporting period is outlined;

- A ground based geological and structural mapping program undertaken by “Remote Area Geoscience” consultancy to establish regional trends in close proximity to the Home Of Bullion mine area.
- Based on the results of initial mapping and an extensive review of previous reports and historical data, a diamond drilling program of 15 holes was proposed to test the depth extent and continuity of the Home of Bullion ore body.
- To compliment drill core logging and surface mineralisation a series of rock chip samples were taken and sent for petrological examination.
- Subsequent to the diamond drilling program “Central Mining and Exploration Services” was contracted to undertake detailed prospect scale geological and structural mapping, review and access original mine working maps and plans and to produce a three dimensional projection of the ore body and surface features.

This work confirmed the presence of copper and other base metals and highlighted the areas worthy of further work. It is planned for further exploration work to commence in early 2008.

2.0 Location & Tenure

EL 23186 is located in the Northern Territory of Australia (Figure 1). It is situated 27 km ENE of the small settlement of Barrow Creek, population less than 50, located on the bitumen-sealed Stuart Highway 282 km north of Alice Springs and 224 km south of Tennant Creek. The recently constructed Alice Springs-Darwin (“Ghan”) standard gauge railway passes 8km east of the Home of Bullion prospect (Figure 1).

The prospect is situated on the Neutral Junction pastoral property (Perpetual Pastoral Lease no. 969, Portion 3375). Access to the prospect from the Stuart Highway at 1km north of Barrow Creek is by way of an unsealed station track to Neutral Junction Station, at 12km, and the nearby Tara aboriginal community, thence by little-used bush tracks.

Imperial Granite and Minerals Pty Ltd of Darwin and Goldstake Explorations Inc of Toronto Canada are the current holders of EL23186. The tenement holding has recently been extended for an additional twelve months.

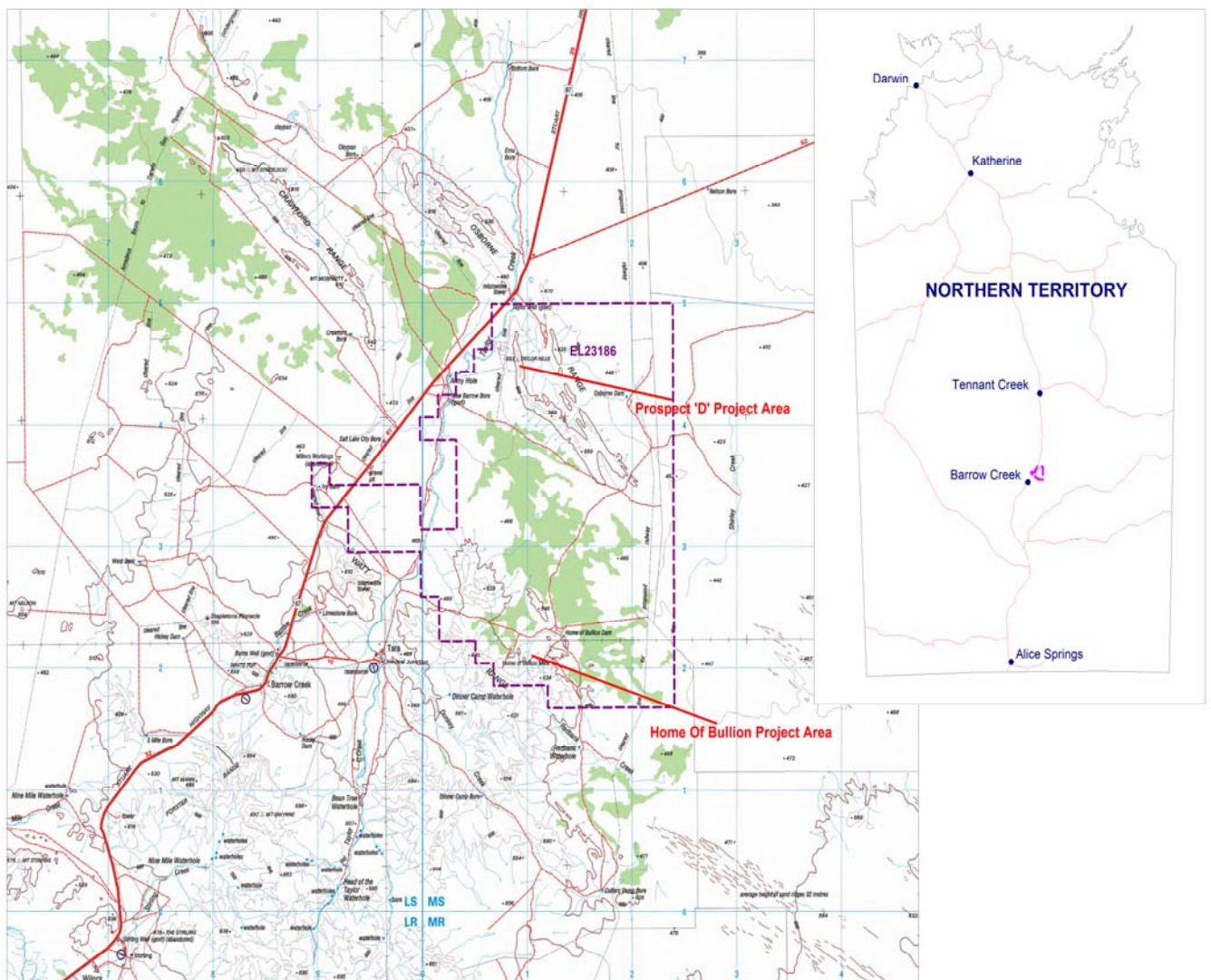


Figure 1. EL23186 location plan.

3.0 Exploration Highlights

Previous exploration activities conducted on EL 23186 have been highlighted and discussed at length in previous reports by various company representatives.

During this reporting period an initial regional mapping program was completed by “Remote Area Geoscience”. A 1.2 x 1.2 km area centred on the Home of Bullion prospect was mapped with geological information collected from 83 points. Mapping was done by traversing across strike and collecting point data with a handheld GPS. Points were downloaded and overlain on a LandSat 7 image to extrapolate the geology. At a later stage 1:25,000-scale air photos have been used to extrapolate and project geology. This report is included in Appendix 1.

Following the initial mapping exercise, a 15 hole diamond drilling program was instigated to test the northern and southern mineralised lodes of the Home of Bullion Prospect.

Results of this program with significant assay values are represented in Table 1. A full drilling report with assays, lithology and drill section plans is available for review in Appendix 2.

To compliment the drilling program, a series of hand specimen samples were sent for petrographic examination. The results of this examination are presented in Appendix 3.

An extensive literature search was conducted to access all available reports covering the tenement. Contact with Mines Department representatives in Adelaide and Sydney uncovered reports previously un-sighted by operators of the licence area.

Original maps and plans were discovered in the Northern Territory Minerals and Energy Department and it was possible to view legible detailed assay and interval results from underground sampling and drilling.

Extensive archival information was used to compile a literature review on the Home Of Bullion prospect and the report is represented in Appendix 4.

Original plans and maps of old workings formed the basis of three dimensional model construction. Figures of the 3D model work are also represented in Appendix 4, forming part of the report. The 3D model was utilised for the planning of future drill holes and is to be used for ore body delineation.

3.0 Exploration Highlights cont'd

DIAMOND DRILL HOLE DETAILS							MINERALISED INTERSECTION								
HOB No.	COLLAR COORDINATES (m)			AZI. (°)	INCL. (°)	LENGTH (m)	FROM (m)	TO (m)	LENGTH (m)	ASSAYS					ZONE
	AMG		Geoid (AHD)							%Cu	%Zn	%Pb	g/t Au	g/t Ag	
	mN	mE	ELEVATION												
1	7,620,977.73	412,612.55	502.71	190	50	95.0	88.90	90.00	1.10	3.06	0.68	0.20	0.46	14.2	Main
2	7,620,977.73	412,612.55	502.71	190	75	122.9	113.30	116.50	3.20	4.79	5.44	0.65	0.33	57.9	Main
3	7,621,003.61	412,570.22	503.18	190	50	115.9	95.50	99.00	3.50	1.15	2.37	0.35	0.20	23.2	Main
4	7,620,690.15	412,298.10	498.79	0	50	109.8	Lode not intersected							South	
5	7,620,937.39	412,633.93	502.75	190	50	59.0	58.00	59.00	1.00	1.14	0.38	0.23	BLD	8.8	Main
6	7,620,938.94	412,634.28	502.38	190	75	149.3	80.80	83.30	2.50	2.56	1.11	0.19	0.17	22.2	Main
7	7,620,987.42	412,615.52	503.04	0	90	220.7	160.80	166.10	5.30	4.79	2.00	0.54	0.63	58.3	Main
8	7,620,710.80	415,476.08	497.55	0	90	26.6	Lode not intersected – DDH abandoned due to caving							South	
9	7,620,971.00	412,424.02	502.82	0	90	59.8	Lode not intersected							Main	
10	7,620,971.00	412,424.02	502.82	190	50	39.6	Lode not intersected							Main	
11	7,620,966.97	412,455.34	502.06	190	50	42.5	Lode not intersected							Main	
12	7,620,966.97	412,455.34	502.06	0	90	95.0	Lode not intersected							Main	
13	7,620,936.88	412,545.82	500.38	0	90	62.8	53.00	57.70	4.70	6.22	3.80	1.47	0.60	78.7	Main
14	7,620,939.03	412,587.60	501.03	0	90	92.5	86.40	87.10	0.70	3.14	0.92	0.58	BLD	43.6	Main
15	7,620,890.52	412,656.48	505.51	0	90	114.6	Lode not intersected							Main	
TOTALS				1,406.0											

- NOTES:**
1. Coordinates are GDA 94 MGA Zone 53; Elevations are Height above Geoid (AHD)
 2. Diamond drill core size = NQ2 (48mm core diameter)
 3. BLD = less than 0.03 g/t Au
 4. Seven of 15 DDH's failed to intersect the target zone

Table 1. Results of Goldstake Explorations Inc. diamond drilling.

4.0 Conclusion and Recommendations

Close, detailed examination of literature, both historical and current, indicates enormous potential for further exploration and development of potential ore bodies on EL23186.

TEM surveying conducted by Mithril Resources Ltd. highlighted the presence of two untested bedrock conductors coincident with or at least proximal to known basal contact related Ni/Cu sulphide mineralisation.

Significant base metal intersections encountered during Goldstake Explorations Inc. diamond drilling program require follow-up examination that requires a dedicated drilling program as proposed in the summary report “Cox and Associates” in Appendix 4.

The combination of strong Ni – Cu mineralisation identified at Prospect D and at the Home Of Bullion prospect through diamond drilling indicates the high potential for the identification and development of significant, possible multiple, sulphide bodies on the tenement.

5.0 Exploration Expenditure

Expenditure in EL23186 for the licence year was:

Insurance	8,800.00
Accommodation	22,700.00
Drilling Contractors	233,013.55
Earthmoving Contractors	81,884.00
Wages (4 Staff)	5,519.80
Consultant geologists	103,995.00
Assaying	20,190.00
Vehicle Hire	28,700.00
Geological Services (sample desc.)	10,800.00
Airfares	9,900.00
Surveying	14,577.20
Mapping	4,817.73
Admin.	55,000.00
Accounting	5,600.00
Misc.	15,000.00
Consumables	14,300.00
<u>TOTAL</u>	<u>634,797.28</u>

6.0 Proposed Exploration program

Work during the next reporting period will involve extension of ground magnetic surveys over much of the EL to identify potential Ni-Cu sulphide accumulations.

Drilling of the Home Of Bullion prospect will continue to define the orebody.

A planned expenditure budget for the next reporting period is represented in Table 2.

Work during the next reporting period will be concentrated on three fronts.

- i. The first objective will be to progress towards JORC compliant mineral resource status for the Home of Bullion and for Prospect D deposits. Initially, 19 pre-collared diamond drill holes for a total of 1,765 metres.
- ii. The second, concurrent objective to increase the resource base through an intensive drilling program targeting extensions to the known mineralisation.
- iii. The third objective will be to apply extension ground magnetic surveys over much of the EL to identify potential Ni-Cu sulphide accumulations.

EL23186	
Geophysical Expenses	\$131,200.00
Analytical Costs	\$19,500.00
Field Costs	\$300,000.00
Drilling costs (initially 19 holes)	\$83,000.00
Maps & Drafting	\$260.00
Travel & Vehicle Costs	\$3,080.00
Employee Costs	\$53,940.00
Administrative Costs	\$32,305.00
TOTAL COSTS	\$623,285.00

Table 2. EL23186 planned expenditure.

Appendix 1

Appendix 2

Appendix 3

Appendix 4