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Email: gxp@goldstake.com OR rbckao@yahoo.ca

BARROW CREEK PROJECT
EL 23186
ANNUAL TECHNICAL REPORT FOR
THE PERIOD 15th July 2007 to 14th July 2008

Prepared for Goldstake Explorations Inc.

by
Rudy Lennartz – Principal Geologist
Central Mining and Exploration Services
13 Bromley Street
Alice Springs NT 0870

August 2008

MAP REFERENCE:
BARROW CREEK 250K – SF53/6
1.0 Summary

This annual report documents exploration activities undertaken on exploration licence (EL) 23186 for the period 15th July 2007 to 14th July 2008.

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

- Detailed prospect scale geological and structural mapping was completed.
- A two phase drilling program was proposed based on a three dimensional ore body model.
- Extensive prospect promotion and investor site visits conducted throughout the reporting period to advance the development of the project.
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.

Detailed geological and structural mapping continued on the project and the three dimensional ore body model was used to design a two phase drilling program.

Most of the activities conducted on the tenement involved the promotion of the property to investors to enable continuation of resource development.

Site visits by investors and independent experts were conducted on numerous occasions with the intent of advancing the project to the next stage of development; a JORC compliant resource.

4.0 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 ore body.

A planned expenditure budget for the next reporting period is represented in Table 1.

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.

<table>
<thead>
<tr>
<th>EL23186</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Geophysical Expenses</td>
<td>$131,200.00</td>
</tr>
<tr>
<td>Analytical Costs</td>
<td>$19,500.00</td>
</tr>
<tr>
<td>Field Costs</td>
<td>$83,000.00</td>
</tr>
<tr>
<td>Drilling costs</td>
<td>$300,000.00</td>
</tr>
<tr>
<td>Maps &amp; Drafting</td>
<td>$260.00</td>
</tr>
<tr>
<td>Travel &amp; Vehicle Costs</td>
<td>$3,080.00</td>
</tr>
<tr>
<td>Employee Costs</td>
<td>$53,940.00</td>
</tr>
<tr>
<td>Administrative Costs</td>
<td>$32,305.00</td>
</tr>
<tr>
<td>TOTAL COSTS</td>
<td>$623,285.00</td>
</tr>
</tbody>
</table>

Table 1. EL23186 planned expenditure.
5.0 Conclusion and Recommendations

Significant base metal intersections encountered during Goldstake Explorations Inc. diamond drilling program require follow-up examination that can only be achieved by a dedicated drilling program as proposed in the annual report 2006-2007.

Proposed future expenditure on the property will be substantial due to extensive drilling as previously proposed and due to detailed resource calculations and modelling.

6.0 Exploration Expenditure

Expenditure in EL23186 for the licence year was:

- Insurance 8,800.00
- Accommodation 5,000.00
- Consultant fees 24,000.00
- Consultant geologists 6,000.00
- Vehicle Hire 1,700.00
- Airfares 10,900.00
- Mapping/desktop 1,800.00
- Admin. 10,000.00
- Accounting 5,600.00
- Misc. 5,000.00
- Consumables 2,300.00

**TOTAL 81,100.00**
## Section 1. Tenement type, number and operation name: (One licence only per form even if combined reporting has been approved)

<table>
<thead>
<tr>
<th>Type</th>
<th>EL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number</td>
<td>23186</td>
</tr>
<tr>
<td>Operation Name (optional)</td>
<td>Barrow Creek</td>
</tr>
</tbody>
</table>

## Section 2. Period covered by this return:

<table>
<thead>
<tr>
<th>Twelve-month period:</th>
<th>If Final Report:</th>
</tr>
</thead>
<tbody>
<tr>
<td>From 15&lt;sup&gt;th&lt;/sup&gt; July 2007</td>
<td>From</td>
</tr>
<tr>
<td>To 14&lt;sup&gt;th&lt;/sup&gt; July 2008</td>
<td>To</td>
</tr>
</tbody>
</table>

Covenant for the reporting period: $623,285.00

## Section 3. Give title of accompanying technical report:

<table>
<thead>
<tr>
<th>Title of Technical Report</th>
<th>EL23186 Annual Technical Report for the period 15&lt;sup&gt;th&lt;/sup&gt; July 2007 to 14&lt;sup&gt;th&lt;/sup&gt; July 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Author</td>
<td>Rudy Lennartz – Central Mining &amp; Exploration Services</td>
</tr>
</tbody>
</table>

## Section 4. Locality of operation:

<table>
<thead>
<tr>
<th>Geological Province</th>
<th>Arunta Inlier</th>
</tr>
</thead>
<tbody>
<tr>
<td>Geographic Location</td>
<td>Barrow Creek</td>
</tr>
</tbody>
</table>

## Section 5. Work program for the next twelve months:

<table>
<thead>
<tr>
<th>Activities proposed (please mark with an &quot;X&quot;):</th>
<th>Drilling and/or costeaneing</th>
<th>Airborne geophysics</th>
<th>Ground geophysics</th>
<th>Other: JORC compliant resource calculations and modelling</th>
</tr>
</thead>
<tbody>
<tr>
<td>Literature review</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Geological mapping</td>
<td></td>
<td></td>
<td>✗</td>
<td></td>
</tr>
<tr>
<td>Rock/soil/stream sediment sampling</td>
<td></td>
<td>✗</td>
<td>✗</td>
<td></td>
</tr>
</tbody>
</table>

Estimated Cost: $623,285.00
## Section 6. Summary of operations and expenditure:

Please include salaries, wages, consultant’s fees, field expenses, fuel and transport, administration and overheads under the appropriate headings below. Mark the work done for the appropriate subsections with an “X” or similar, except where indicated. Complete the right-hand columns to indicate the data supplied with the Technical Report. Note overheads are not to exceed 15% of total.

<table>
<thead>
<tr>
<th>Do not include the following as expenditure (if relevant, these may be discussed in Section 7):</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Insurance</td>
</tr>
<tr>
<td>• Company Prospectus</td>
</tr>
<tr>
<td>• Rent &amp; Department Fees</td>
</tr>
<tr>
<td>• Bond</td>
</tr>
<tr>
<td>• Transfer costs</td>
</tr>
<tr>
<td>• Title Search</td>
</tr>
<tr>
<td>• Legal costs</td>
</tr>
<tr>
<td>• Advertising</td>
</tr>
<tr>
<td>• Land Access Compensation</td>
</tr>
<tr>
<td>• Meetings with Land Councils</td>
</tr>
<tr>
<td>• Payments to Traditional Owners</td>
</tr>
<tr>
<td>• Fines</td>
</tr>
<tr>
<td>Exploration Work type</td>
</tr>
<tr>
<td>-------------------------------</td>
</tr>
<tr>
<td><strong>Office Studies</strong></td>
</tr>
<tr>
<td>Literature search</td>
</tr>
<tr>
<td>Database compilation</td>
</tr>
<tr>
<td>Computer modelling</td>
</tr>
<tr>
<td>Reprocessing of data</td>
</tr>
<tr>
<td>General research</td>
</tr>
<tr>
<td>Report preparation</td>
</tr>
<tr>
<td>Consultants</td>
</tr>
<tr>
<td>Accom./Vehicles/Airfare</td>
</tr>
<tr>
<td>Misc./Consumables</td>
</tr>
<tr>
<td>Admin./Accounting</td>
</tr>
<tr>
<td>Other (Insurance)</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
</tr>
<tr>
<td><strong>Airborne Exploration Surveys (state line kms)</strong></td>
</tr>
<tr>
<td>Aeromagnetics</td>
</tr>
<tr>
<td>Radiometrics</td>
</tr>
<tr>
<td>Electromagnetics</td>
</tr>
<tr>
<td>Gravity</td>
</tr>
<tr>
<td>Digital terrain modelling</td>
</tr>
<tr>
<td>Other (specify)</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
</tr>
<tr>
<td><strong>Remote Sensing</strong></td>
</tr>
<tr>
<td>Aerial photography</td>
</tr>
<tr>
<td>LANDSAT</td>
</tr>
<tr>
<td>SPOT</td>
</tr>
<tr>
<td>MSS</td>
</tr>
<tr>
<td>Other (specify)</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
</tr>
<tr>
<td><strong>Ground Exploration Surveys</strong></td>
</tr>
<tr>
<td><strong>Geological Mapping</strong></td>
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<tr>
<td>Regional</td>
</tr>
<tr>
<td>Reconnaissance</td>
</tr>
<tr>
<td>Prospect</td>
</tr>
<tr>
<td>Underground</td>
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<tr>
<td>Costean</td>
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<tr>
<td><strong>Ground Geophysics</strong></td>
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<td>Radiometrics</td>
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<td>Magnetics</td>
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<td>Electromagnetics</td>
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<tr>
<td>Exploration Work type</td>
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<td>SP/AP/EP</td>
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<td>Resistivity</td>
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<tr>
<td>Seismic reflection</td>
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<tr>
<td>Seismic refraction</td>
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<tr>
<td>Well logging</td>
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<tr>
<td>Geophysical</td>
</tr>
<tr>
<td>interpretation</td>
</tr>
<tr>
<td>Petrophysics</td>
</tr>
<tr>
<td>Other (specify)</td>
</tr>
<tr>
<td><strong>Geochemical Surveying and Geochronology</strong> <em>(state number of samples)</em></td>
</tr>
<tr>
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</tr>
<tr>
<td>Drill (cuttings, core, etc.)</td>
</tr>
<tr>
<td>Stream sediment</td>
</tr>
<tr>
<td>Soil</td>
</tr>
<tr>
<td>Rock chip</td>
</tr>
<tr>
<td>Laterite</td>
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<tr>
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<td>Biogeochemistry</td>
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<td>Isotope</td>
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<tr>
<td>Whole rock</td>
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<td>Mineral analysis</td>
</tr>
<tr>
<td>Laboratory analysis <em>(type)</em></td>
</tr>
<tr>
<td>Petrology</td>
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<tr>
<td>Other (specify)</td>
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</table>

**Ground Exploration Subtotal** $ 

**Drilling** *(state number of holes & metres)*  

<table>
<thead>
<tr>
<th>Type</th>
<th>Holes</th>
<th>Metres</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diamond</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reverse circulation (RC)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rotary air blast (RAB)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Air-core</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Auger</td>
<td></td>
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<tr>
<td>Other (specify)</td>
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</table>

**Drilling Subtotal** $ 

**Other Operations**  

<table>
<thead>
<tr>
<th>Activity</th>
<th>Subtotal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Costeasing/Trenching</td>
<td></td>
</tr>
<tr>
<td>Bulk sampling</td>
<td></td>
</tr>
<tr>
<td>Mill process testing</td>
<td></td>
</tr>
<tr>
<td>Ore reserve estimation</td>
<td></td>
</tr>
<tr>
<td>Underground development (describe)</td>
<td></td>
</tr>
<tr>
<td>Mineral processing</td>
<td></td>
</tr>
<tr>
<td>Other (specify)</td>
<td></td>
</tr>
</tbody>
</table>

**Other Operations Subtotal** $ 

**Access and Rehabilitation**  

<table>
<thead>
<tr>
<th>Activity</th>
<th>Subtotal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Track maintenance</td>
<td></td>
</tr>
<tr>
<td>Rehabilitation</td>
<td></td>
</tr>
<tr>
<td>Monitoring</td>
<td></td>
</tr>
<tr>
<td>Other (specify)</td>
<td></td>
</tr>
</tbody>
</table>

**Access and Rehabilitation Subtotal** $ 

**Total Expenditure** $81,100.00
Section 7. Comments on your exploration activities:

Goldstake Explorations Inc. is actively engaging investors and corporate advisors to assist in the raising of funds to enable the continued exploration and development of the Home Of Bullion and Prospect ‘D’ projects.

Management remain enthusiastic and optimistic that a suitable party will invest in the project to enable drilling to be undertaken during the next 12 months to promote the project to a JORC compliant resource.

I certify that the information contained herein, is a true statement of the operations carried out and the monies expended on the above mentioned tenement during the period specified as required under the Northern Territory Mining Act and the Regulations thereunder.

I have attached the Technical Report

1. Name: Rudy Lennartz  2. Name: 
   Position: Principal Geologist  Position: 
   Signature:  Signature: 
   Date: 5/07/2008  Date: