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Goldstream to spin-off Tanzanian nickel find

Paul Garvey
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DIVERSIFIED explorer Goldstream Mining will spin-off its promising Nachingwea nickel-copper property in Tanzania into a \$A16.8 million listing in Canada, in a move reminiscent of the company's successful divestment of its Tanzanian uranium assets.

Goldstream's initial drill program in mid-2006 over the 7696 square kilometre Nachingwea project returned a phenomenal intercept of 3m grading 11.23% nickel and 1.74% copper, while six of the other 13 holes returned intercepts grading 1% nickel or greater.

Goldstream said it would retain a 51% stake in Nachingwea's new vehicle, to be named Continental Nickel. Continental will aim to raise between \$C11.5 million and \$15.5 million, roughly equivalent to between \$A12.4 million and \$16.8 million.

In addition, Goldstream will retain a 25% interest in the project free-carried through to a bankable feasibility study.

Goldstream managing director Duncan McBain told *MiningNews.net* the new company would pump at least \$C8 million over two years into a major exploration program over Nachingwea, substantially more than Goldstream would have been likely to spend.

"\$C8 million allows us to have a good proper program, and we should have a good chance of knowing if we have got a project or not," McBain said.

McBain said the appetite for nickel project was strong in Canada, where there was also a greater understanding and enthusiasm for opportunities in Tanzania.

The float of Continental is likely to take place before June.

The decision to spin-off Nachingwea echoes Goldstream's earlier decision to funnel its Tanzanian uranium assets into Uranex.

Uranex has been a roaring success on the stock market, with its shares which listed at 20c last year currently sitting at \$A2.10. Goldstream's equity interests in Uranex are worth more than \$70 million.

Goldstream's key assets post the Continental spin-off will be the Cairn Hill magnetite-copper-gold



Goldstream Mining
managing director Duncan
McBain



project in South Australia, as well as its free-carried interests in Tanzania with Lonmin.

The company presently has around \$10 million in cash.

Shares in Goldstream were unchanged at 69c in morning trade today, and the company is capitalised at \$100.1 million.