



NEWS RELEASE

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1987 EARNINGS AND CASH FLOW
DECLARATION OF INITIAL DIVIDEND

Gordon Gutrath, President of Queenstake, today announced that, for the year ended December 31, 1987, Queenstake's earnings were \$618,808 (9¢ per share) and cash flow from operating activities was \$2,070,325 (29¢ per share). This compares to a loss of \$4,914,690 (86¢ per share) and cash used for operating activities of \$109,318 (2¢ per share) for 1986.

The Company produced 13,222 fine ounces of gold in 1987, compared to 6,375 fine ounces produced in 1986, due to the acquisition of the Pine Creek, Atlin, B.C., property in May, 1987. Queenstake's 1987 gold sales revenue were \$6,922,559 compared to \$1,339,928 in 1986.

The Board of Directors of Queenstake has today declared an initial semi-annual dividend payment of 2½¢ per share to all shareholders of record as at June 30, 1988 and payable July 10, 1988. Shareholders presently holding unregistered shares should contact Royal Trust Company (Toronto or Vancouver) to register their shares in order to ensure prompt receipt of their dividend entitlement.

Shareholders are also notified that the Company's Annual General Meeting will be held in Vancouver on June 9th, 1988.

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Gordon Gutrath
President