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George Cross News Letter

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PUBLISHED DAILY
SUBSCRIPTION RATE
\$350.00 PER YEAR

NO. 244 (1997)
DECEMBER 19, 1997

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DECEMBER 19, 1997

CLAIMSTAKER RESOURCES LTD.

[CLN-V] 13,201,121 SHS.

BLACKDOME RESERVES INCREASE - Richard Somerville, president, Claimstaker Resources Ltd., reports further progress from the ongoing 100% owned Blackdome Gold Mine project located 30 miles west of Clinton, southwest BC. A recently completed mineral inventory study has increased the fully diluted mineral resource to 209,077 tonnes with an average grade of 0.48 ounces gold/tonne and 1.36 ounces silver/tonne. Of this resource a reserve of 177,000 at 0.566 ounces gold/tonne and 1.60 ounces silver/tonne is currently mineable from existing workings. Forecast production will exceed 89,000 ounces of gold and 206,000 ounces of silver. Production cost is calculated to be less than US \$230 per ounce of gold, making Blackdome a viable mine even at today's depressed gold prices. Claimstaker is working towards completing the necessary financing arrangements so that production can begin at the earliest possible date.

To bring its Zenda Gold project near Bakersfield, California into production, the company continues to work with the Standard Bank London Limited and Standard New York Inc. to complete the 2.5 year US \$2,300,000 secured gold loan and gold hedging facility that will provide major financing. Previous studies have established the Zenda Gold Mine will also be a low-cost gold producer. The estimated operating cost of this project per ounce, including initial capital costs, will be US \$240.45. (SEE GCNL NO.174, 10Sept97, P.1 FOR PREVIOUS BLACKDOME PROJECT INFORMATION) ✓

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