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George Cross News Letter

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CLAIMSTAKER RESOURCES LTD.

[CLN-V] 10,804,121 SHS.

BLACKDOME FEASIBILITY POSITIVE - Richard Somerville, president, reports Claimstaker Resources Ltd. has completed a feasibility study on the re-opening of the 100% owned Blackdome Gold Mine 30 miles west of Clinton, southwest BC. The study indicated there is a mineable reserve of 159,000 tonnes of 0.412 oz. gold/ton. Furthermore, as the project is fully permitted, it should take less than 90 days to finish the necessary rehabilitation of existing facilities, construct the required camp infrastructure, and complete the reactivation of the permits.

The current mining plan will ensure the recovery of about 65,000 ounces of gold over the next three years with the following financial results: (Cdn\$ - Assuming average gold price of US \$335)

	TOTAL	PER TONNE	PER OUNCE GOLD
OPERATING COSTS	\$19,030,163	\$119.83	\$290.85
OPERATING PROFIT	11,115,543	69.99	169.89
TOTAL PREPRODUCTION			
CAPITAL COSTS	2,289,977	14.42	35.00

Although the operation is profitable based on the current ore reserve, management is of the view an ongoing exploration and development program will substantially add to the ore reserves and extend the mine life. Claimstaker is investigating various ways of raising the capital to place the Blackdome Gold Mine in production at the earliest possible date. (SEE GCNL NO.161, 21Aug97, P.8 FOR PREVIOUS BLACKDOME PROJECT INFORMATION)

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