



Claimstaker Resources Ltd.

ANNUAL REPORT

December 31, 1999

REPORT TO SHAREHOLDERS

Claimstaker Resources Ltd. is focused on the exploration and development of superior precious metals properties in Canada, USA and Mexico with immediate high-grade production capability and low potential for adverse environmental impact. Since the Company's inception in 1990, it has evaluated a number of prospective precious metal prospects and has engaged in geological, geochemical and geophysical exploration and diamond drilling programs.

In 1994, Claimstaker acquired a former producing mine, the Blackdome Gold Mine near Clinton, British Columbia. The Company had the mine in production during the first months of 1999. In 1997, Claimstaker secured its second major project, the Zenda Mine, in Kern County California. The mine is a gold and silver open pit, heap leach property with an identified orebody of 1.6 million tons of ore at a recovered grade of 0.041 ounces of gold per ton. Claimstaker was also able to acquire in 1997 an advanced gold exploration property, the Golden Trend, in the highly productive Battle Mountain-Eureka gold trend in Central Nevada.

In May of 1999, the Company obtained an option to purchase 60% of the attractive Los Hilos silver/gold project in Chihuahua, Mexico. Los Hilos has returned some strong early results. In September 1999, the Company acquired the marketing rights for the EnEco Systems waste to energy technology systems for Japan, British Columbia, Alberta and Yukon. Also in September, the Company obtained an option to purchase the Bru-Lovie property, an attractive early stage gold exploration opportunity located in the Crescent Valley, Lander County, Nevada. Finally, in November 1999, Claimstaker acquired an option to purchase another early stage gold exploration property known as The Warrior Extension located in Nye County, Nevada.

Claimstaker maintains its head office in Vancouver, Canada. Its directors and executive officers have extensive experience in exploration, development and mining finance. Claimstaker Resources Ltd. is a Tier 1 Company listed on the Canadian Venture Exchange.

Highlights

- January 1999
Production commences at the Blackdome Gold Mine.
- January, 1999
Claimstaker commences geological work program on the Golden Trend project including trenching, sampling and a detail magnetometer survey.
- April, 1999
Drilling programs commenced at Blackdome and Golden Trend.
- April, 1999
Claimstaker signed a Letter of Intent to acquire a 60% interest in the Los Hilos gold-silver property in Mexico.
- May, 1999
Drill results from Golden Trend return high arsenic and anomalous gold geochemical signatures.
- May, 1999
Drill results from Blackdome return strong gold values.
- May, 1999
Blackdome shut down due to the low price of gold.
- September, 1999
Claimstaker acquires rights to EnEco waste to energy rights for Japan, British Columbia, Alberta and Yukon.
- September, 1999
Claimstaker acquires lease and option for the Bru-Lovie early-stage gold exploration property in Lander County, Nevada.
- November, 1999
Claimstaker acquires option to purchase the Warrior Extension early-stage gold exploration property in Lander County, Nevada.
- February, 2000
Exploration of the old underground working at Los Hilos indicate silver and gold mineralization. Chip and grab sample assays return results of up to 3.9 grams gold per ton and up to 49,702 grams silver per ton.

Property Profile

Blackdome Gold Mine, BC

Under an option agreement signed April 27, 1998, Claimstaker and Jipangu Inc. of Japan are engaged in a joint venture mining operation at the Blackdome Gold Mine near Clinton, British Columbia. In January, 1999, Blackdome commenced production and began shipping gold-silver concentrate. In April, 1999, an exploration drilling program commenced to explore the No. 11 Vein both above and below the 1870 meter level where a new ore shoot was discovered. The mine was subsequently closed in May 1999 due to the low price of gold.

Alwin Copper Property, BC

In 1993, Claimstaker Resources Ltd. entered into an option agreement to acquire a 100% interest in the Alwin Property, subject to a 2.5% Net Smelter Return payable to F.D. Miller. The agreement was completed, and in March of 2000 the property was transferred to Claimstaker. The property is located in the Highland Valley in central British Columbia. An independent ore reserve study that allows for a 25% dilution factor indicates the property contains some 430,000 tons of ore grading 2.5% copper.

Golden Trend Property, Nevada

Claimstaker Resources Ltd. holds a 100% interest (subject to a 3% Net Smelter Return) in the Golden Trend claims. The Company considers this is a highly important exploration target in the prolific Battle Mountain/Cortez Trend of Nevada, USA. In April, 1999, a reverse-circulation drilling program was initiated which produced indications of high arsenic and anomalous gold geochemistry. The property is situated on the prolific Eureka-Battle Mountain Gold Trend in central Nevada. On December 13, 1999, Placer Dome announced in *The Elko News* (Nevada) a major discovery of 1.2 million ounces of gold at a depth of 600 feet. It was estimated that the mineralization zone discovered was open in three directions. This discovery by Placer Dome is located approximately 2 miles north of the Golden Trend property.

Bru-Lovie Property, Nevada

In September of 1999, Claimstaker Resources Ltd. acquired a lease and option to purchase agreement, subject to a 2.5% Net Smelter Return, with the Bru-Lovie Partnership, the holder of 31 mining claims in Lander County, Nevada. Bru-Lovie lies in the Crescent Valley along the prolific Eureka-Battle Mountain Gold Trend. Placer Dome's Pipeline Mine lies to the south of Bru-Lovie and the Hilltop Mine lies to the north.

Warrior Extension Property, Nevada

In November 1999, Claimstaker Resources Ltd. acquired an option to purchase agreement, subject to a 2% Net Smelter Return, with Nu-Apex Energy Corp., the holder of 20 mining claims located in Nye County, Nevada. Warrior Extension lies on the highly mineralized Walker Lane Structural Zone in south-western Nevada. The Paradise and Santa Fe Mines are adjacent along this trend. A strong gold, arsenic, antimony anomaly covers the length of the property.

Zenda Gold Mine, California

The Zenda Gold Mine, which has identified an orebody of 1.6 million tons of ore at a recovered grade of 0.042 ounces of gold per ton, including 920,000 tons at 0.057 ounces of gold per ton, is expected to come on stream once gold prices firm. The expected production rate is approximately 2,000 ounces of gold per month.

Los Hilos Project, Mexico

In April, 1999, Claimstaker entered into a preliminary option agreement with Golden Goliath Resources Ltd. to acquire a 50% interest in a property in the Chihuahua State, Mexico. Under the agreement, Claimstaker may elect to acquire an additional 10% interest. The earn-in period for Claimstaker will be four years or less, during which time Claimstaker will be operator of the project. The property consists of five mineral claims with a total surface area of approximately 335 hectares. Previous gold mining activity on this property adds to its exploration potential for Claimstaker. Assay results from the first stage of exploration have indicated high silver-gold mineralization. The second phase of exploration has recently commenced on the Los Hilos Project.

CLAIMSTAKER RESOURCES LTD.
Suite 1440 - 1166 Alberni Street
Vancouver, British Columbia, V6E 3Z3

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the annual general meeting of the members of Claimstaker Resources Ltd. (the "Company") will be held at the Waterfront Centre Hotel, 900 Canada Place Way, Vancouver, British Columbia, on June 8, 2000, at the hour of 2:00 P.M., Vancouver time, for the following purposes:

1. To receive and consider the report of the directors and the consolidated financial statements of the Company together with the auditor's report thereon for the financial year ended December 31, 1999.
2. To fix the number of directors at five (5).
3. To elect directors for the ensuing year.
4. To appoint the auditor for the ensuing year.
5. To authorize the directors to fix the remuneration to be paid to the auditor.
6. To authorize the directors in their discretion to amend stock options granted to insiders, subject to regulatory approvals, as more fully set forth in the information circular accompanying this notice.
7. To transact such further or other business as may properly come before the meeting and any adjournments thereof.

The accompanying information circular provides additional information relating to the matters to be dealt with at the meeting and is deemed to form part of this notice.

If you are unable to attend the meeting in person, please complete, sign and date the enclosed form of proxy and return the same in the enclosed return envelope provided for that purpose within the time and to the location set out in the form of proxy accompanying this notice.

DATED this 26th day of April, 2000.

BY ORDER OF THE BOARD

"Nicholas T. Ferris"

NICHOLAS T. FERRIS
President/Director

CLAIMSTAKER RESOURCES LTD.

Suite 1440 - 1166 Alberni Street
Vancouver, British Columbia
V6E 3Z3

INFORMATION CIRCULAR

(As at April 26, 2000, except as indicated)

This information circular is furnished in connection with the solicitation of proxies by the management of Claimstaker Resources Ltd. (the "Company") for use at the annual general meeting of the Company to be held on June 8, 2000 and at any adjournments thereof. Unless the context otherwise requires, references to the Company include the Company and its subsidiaries. The solicitation will be conducted by mail and may be supplemented by telephone or other personal contact to be made without special compensation by officers and employees of the Company. The cost of solicitation will be borne by the Company.

APPOINTMENT OF PROXYHOLDER

A duly completed form of proxy will constitute the person(s) named in the enclosed form of proxy as the shareholder's proxyholder. The persons whose names are printed in the enclosed form of proxy for the Meeting are officers or Directors of the Company (the "Management Proxyholders").

A shareholder has the right to appoint a person other than a Management Proxyholder, to represent the shareholder at the Meeting by striking out the names of the Management Proxyholders and by inserting the desired person's name in the blank space provided or by executing a proxy in a form similar to the enclosed form. A proxyholder need not be a shareholder.

VOTING BY PROXY

Common shares of the Company (the "Shares") represented by properly executed proxies in the accompanying form will be voted or withheld from voting on each respective matter in accordance with the instructions of the member (the "shareholder") on any ballot that may be called for.

If no choice is specified and one of the Management Proxyholders is appointed by a shareholder as proxyholder, such person will vote in favour of the matters proposed at the Meeting and for all other matters proposed by management at the Meeting.

The enclosed form of proxy also confers discretionary authority upon the person named therein as proxyholder with respect to amendments or variations to matters identified in the Notice of the Meeting and with respect to other matters which may properly come before the Meeting. At the date of this Information Circular, management of the Company knows of no such amendments, variations or other matters to come before the Meeting.

COMPLETION AND RETURN OF PROXY

Completed forms of proxy must be deposited at the office of the Company's registrar and transfer agent, Pacific Corporate Trust Company, Suite 830, 625 Howe Street, Vancouver, British Columbia V6C 3B8, not later than forty-eight (48) hours, excluding Saturdays, Sundays and holidays, prior to the time of the Meeting, unless the chairman of the Meeting elects to exercise his discretion to accept proxies received subsequently.

NON-REGISTERED HOLDERS

Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Most shareholders of the Company are “non-registered” shareholders because the Shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the Shares. More particularly, a person is not a registered shareholder in respect of Shares which are held on behalf of that person (the “Non-Registered Holder”) but which are registered either: (a) in the name of an intermediary (an “Intermediary”) that the Non-Registered Holder deals with in respect of the Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSP's, RRI's, RESPs and similar plans); or (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited (“CDS”)) of which the Intermediary is a participant. In accordance with the requirements of National Policy Statement No. 41 of the Canadian Securities Administrators, the Company has distributed copies of the Notice of Meeting, this Information Circular and the Proxy (collectively, the “Meeting Materials”) to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders.

Intermediaries are required to forward the Meeting Materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Very often, Intermediaries will use service companies to forward the Meeting Materials to Non-Registered Holders. Generally, Non-Registered Holders who have not waived the right to receive Meeting Materials will either:

- (a) be given a form of proxy **which has already been signed by the Intermediary** (typically by a facsimile, stamped signature), which is restricted as to the number of shares beneficially owned by the Non-Registered Holder but which is otherwise not completed. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Holder when submitting the proxy. In this case, the Non-Registered Holder who wishes to submit a proxy should otherwise properly complete the form of proxy and **deliver it to Pacific Corporate Trust Company** as provided above; or
- (b) more typically, be given a voting instruction form **which is not signed by the Intermediary**, and which, when properly completed and signed by the Non-Registered Holder and **returned to the Intermediary or its service company**, will constitute voting instructions (often called a “proxy authorization form”) which the Intermediary must follow. Typically, the proxy authorization form will consist of a one page pre-printed form. Sometimes, instead of the one page pre-printed form, the proxy authorization form will consist of a regular printed proxy form accompanied by a page of instructions which contains a removable label containing a bar-code and other information. In order for the form of proxy to validly constitute a proxy authorization form, the Non-Registered Holder must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and return it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company.

In either case, the purpose of this procedure is to permit Non-Registered Holders to direct the voting of the Shares which they beneficially own. Should a Non-Registered Holder who receives one of the above forms wish to vote at the Meeting in person, the Non-Registered Holder should strike out the names of the Management Proxyholders and insert the Non-Registered Holder's name in the blank space provided. **In either case, Non-Registered Holders should carefully follow the instructions of their Intermediary, including those regarding when and where the proxy or proxy authorization form is to be delivered.**

REVOCABILITY OF PROXY

Any registered shareholder who has returned a proxy may revoke it at any time before it has been exercised. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing, including a proxy bearing a later date, executed by the registered shareholder or by his attorney authorized in writing or, if the registered shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized. The instrument revoking the proxy must be deposited at the registered office of the Company, at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof, or with the chairman of the Meeting on the day of the Meeting. **Only registered shareholders have the right to revoke a proxy. Non-Registered Holders who wish to change their vote must, at least 7 days before the Meeting, arrange for their respective Intermediaries to revoke the proxy on their behalf.**

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Company is authorized to issue 100,000,000 common shares without par value (the "common shares"), of which 22,648,771 common shares are issued and outstanding. The holders of common shares are entitled to one vote for each common share held. Holders of common shares of record at the close of business on May 4, 2000 will be entitled to receive notice of and vote at the meeting. The Company has only one class of shares.

To the knowledge of the Directors and senior officers of the Company, no person beneficially owns, directly or indirectly, or exercises control or direction over shares carrying more than 10% of the voting rights attached to all shares of the Company, except the following:

Name	No. of Common Shares Owned or Controlled	Percentage of Outstanding Common Shares
Tamisuke Matsufuji	5,350,000 ⁽ⁱ⁾	23.6%

⁽ⁱ⁾ Of these shares, 4,950,000 are held indirectly in the name of Jipangu Inc. and 400,000 are held in the name of Amrash Investments Inc., both of which are private companies controlled by Mr. Matsufuji.

ELECTION OF DIRECTORS

The Directors of the Company are elected at each Annual General Meeting and hold office until the next Annual General Meeting or until their successors are appointed. In the absence of instructions to the contrary, the enclosed proxy will be voted for the nominees herein listed.

Member approval will be sought to fix the number of directors of the Company at five.

The Company is required to have an audit committee. Members of this committee are as set out below.

Management of the Company proposes to nominate each of the following persons for election as a Director. Information concerning such persons, as furnished by the individual nominees, is as follows:

Name, Municipality of Residence and Position	Principal Occupation or employment and, if not a previously elected Director, occupation during the past 5 years	Previous Service as a Director	Number of Common Shares beneficially owned or, directly or indirectly, Controlled⁽²⁾
Nicholas T. Ferris ⁽¹⁾ Vancouver, B.C. President/ Director/ Chief Executive Officer	President and Chief Executive Officer, Claimstaker Resources Ltd; Mortgage Broker, Canadian Home Income Plan Corp.	Since January 31, 1999	52,500
Kristian M. Ross Vancouver, B.C. Director	President and Chief Executive Officer, Redhawk Resources, Inc.	Since April 19, 1990	27,000 (7,730 of which are held in escrow)
Gregory Austin ⁽¹⁾ Reno, Nevada Director	President, Saga Exploration Co.	Since January 29, 1997	956,000 ⁽³⁾
D'arcy G. Adam ⁽¹⁾ Langley, B.C. Director	General Sales Manager, Key West Ford	Since April 18, 2000	50,000
J. Paul Sorbara Surrey, B.C. Director	President and CEO, Golden Goliath Resources Ltd.	First Time Nominated	50,000

⁽¹⁾ Member of the audit committee.

⁽²⁾ Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, as at April 25, 2000, based upon information furnished to the Company by individual Directors. Unless otherwise indicated, such shares are held directly.

⁽³⁾ Of these shares, 663,000 are held indirectly in the name of Saga Exploration, a private company controlled by Mr. Austin.

EXECUTIVE COMPENSATION

The following table (presented in accordance with the rules (“the Rules”) made under the Securities Act (British Columbia)) sets forth all annual and long term compensation for services in all capacities to the Company and its subsidiaries for the three most recently completed financial years (to the extent required by the Rules) in respect of the Chief Executive Officer of the Company as at December 31, 1999 whose individual total compensation for the most recently completed financial year exceeded \$100,000 and any individual who would have satisfied these criteria but for the fact that individual was not serving as such an officer at the end of the most recently completed financial year (the “Named Executive Officer”).

Summary Compensation Table

Name and Principal Position	Year Ended	Annual Compensation			Long Term Compensation			All other Compensation (\$)
		Salary (\$)	Bonus (\$)	Other Annual Compensation (\$)	Awards		Payouts	
					Securities Under Option/SAR's granted (#)	Restricted Shares or Restricted Share Units (\$)	LTIP Payouts (\$)	
Richard D. Somerville President/Director	Dec.31 1999	\$100,000	Nil	\$24,268 ⁽²⁾	250,000 shares	Nil	Nil	Nil
Richard D. Somerville President/Director	Dec.31, 1998 ⁽¹⁾	\$58,666	Nil	\$512 ⁽²⁾	350,000 shares	Nil	Nil	Nil
Richard D. Somerville President/Director	Apr.30 1998	\$84,000	Nil	\$768 ⁽²⁾	350,000 shares	Nil	Nil	Nil
Richard D. Somerville President/Director	Apr.30 1997	\$75,000	Nil	\$768 ⁽²⁾	250,000 ⁽³⁾ shares	Nil	Nil	Nil

(1) Given the change in year-end of the Company from April 30 to December 31, this is the eight month period ended December 31, 1998.

(2) This amount represents additional payments made by the Company for Mr. Somerville's benefit.

(3) The stock options were originally granted on August 7, 1996 (as to 200,000 shares) and January 27, 1997 (as to 50,000 shares) and were repriced from \$0.52 per share and \$0.68 per share, respectively, to \$0.26 per share.

Long Term Incentive Plan (LTIP) Awards

The Company does not have a LTIP, pursuant to which cash or non-cash compensation intended to serve as an incentive for performance (whereby performance is measured by reference to financial performance or the price of the Company's securities), was paid or distributed to the Named Executive Officer during the most recently completed financial year.

Option/Stock Appreciation Rights ("SAR") Grants During the Most Recently Completed Financial Year

The following table (presented in accordance with the Rules) sets forth stock options granted during the most recently completed financial year to each of the Named Executive Officer.

Name	Securities Under Options/SAR's Granted ⁽¹⁾ (#)	% of Total Options/SAR's Granted to Employees in Fiscal Year	Exercise or Base Price ⁽²⁾ (\$/Security)	Market Value of Securities Underlying Options/SAR's on Date of Grant (\$/Security)	Expiration Date

Richard D. Somerville President/ Director	50,000	7.04%	\$0.70	\$0.70	Feb. 5, 2001
Richard D. Somerville President/ Director	100,000	14.08%	\$0.34	\$0.34	Oct. 5, 2001
Richard D. Somerville President/ Director	100,000	14.08%	\$0.22	\$0.22	Nov. 30, 2001

- (1) The options generally become exercisable on the date of grant, subject to regulatory and shareholder approval.
- (2) The exercise price of stock options is determined by the Board of Directors but shall in no event be less than the two week average trading price of the common shares of the Company on each stock exchange on which the shares of the Company are listed at the time of the grant of the option, less the maximum discount permitted under the regulations of such stock exchanges or such other price as may be agreed to by the Company and approved by such stock exchange.

Aggregated Options/SAR Exercises in Last Financial Year
and Financial Year-End Option/SAR Values

The following table (presented in accordance with the Rules) sets forth details of all exercises of stock options during the most recently completed financial year by the Named Executive Officer, the number of unexercised options held by the Named Executive Officer and the financial year-end value of unexercised in-the-money options on an aggregated basis.

Name	Securities Acquired on Exercise (#)	Aggregate Value Realized (\$)	Unexercised Options/SAR's at Fiscal Year-End (#) Exercisable/Unexercisable	Value of Unexercised In-the-Money Options/SAR's at Fiscal Year-End (\$) Exercisable/Unexercisable
Richard D. Somerville President/ Director	250,000	\$23,500	350,000	Nil

Termination of Employment, Changes in Responsibility and Employment Contracts:

The Company and its subsidiaries have no employment contracts with any Named Executive Officer.

The Company and its subsidiaries have no compensatory plan or arrangement in respect of compensation received or that may be received by the Named Executive Officer in the Company's most recently completed or current financial year to compensate such executive officer in the event of the termination of employment (resignation, retirement, change of control) or in the event of a change in responsibilities following a change in control, where in respect of the Named Executive Officer the value of such compensation exceeds \$100,000.

Compensation of Directors

The Company has no arrangements, standard or otherwise, pursuant to which Directors are compensated by the Company or its subsidiaries for their services in their capacity as Directors, or for committee

participation, involvement in special assignments or for services as consultant or expert during the most recently completed financial year or subsequently, up to and including the date of this information circular.

The Company does not have a formalized stock option plan for the granting of incentive stock options to the officers, employees and Directors. However, the Company did grant stock options to the Directors during the most recently completed financial year. The purpose of granting such options is to assist the Company in compensating, attracting, retaining and motivating the Directors of the Company and to closely align the personal interests of such persons to that of the shareholders.

The following table sets forth information concerning individual grants of options to purchase securities of the Company made during the most recently completed financial year to the Directors of the company (excluding the Named Executive Officer):

Name of Director and Position as at Financial Year-End	Securities Under Options Granted (#) ⁽¹⁾	% of Total Options Granted to All Employees in the Financial Year	Exercise or Base Price (\$/Securities) ⁽²⁾	Market Value of Securities Underlying Options on the Date of Grant (\$/Security)	Date of Grant	Expiration Date
Gregory Austin Director	100,000 shares	14.08%	\$0.70	\$0.70	Feb. 5, 1999	Feb. 5, 2001

Notes:

- ⁽¹⁾ The options generally become exercisable on the date of grant, subject to regulatory and shareholder approval.
- ⁽²⁾ The exercise price of stock options is determined by the Board of Directors but shall in no event be less than the two week average trading price of the common shares of the Company on each stock exchange on which the shares of the Company are listed at the time of the grant of the option, less the maximum discount permitted under the regulations of such stock exchange or such other price as may be agreed to by the Company and approved by such stock exchange.

INDEBTEDNESS TO COMPANY OF DIRECTORS, EXECUTIVE OFFICER AND SENIOR OFFICERS

There is no indebtedness of any Director, executive officer, senior officer, proposed nominee for election as a Director or associate of them, to or guaranteed or supported by the Company or any of its subsidiaries either pursuant to an employee stock purchase program of the Company or otherwise, during the most recently completed financial year.

INTEREST OF INSIDERS IN MATERIAL TRANSACTIONS

No insider or proposed nominee for election as a Director of the Company and no associate or affiliate of the foregoing persons has or has had any material interest, direct or indirect, in any transaction since the commencement of the Company's last completed financial year or in any proposed transaction which in either such case has materially affected or will materially affect the Company, except as follows:

During the year Jipangu Inc. ("Jipangu"), of which Tamisuke Matsufuji, a former director of the Company, is the control shareholder, paid \$2,072,573 to cover expenses of its joint venture with the Company with

respect to the Blackdome property. Of this amount, \$882,453 related to fiscal 1998. At the end of the year, Jipangu owed \$19,093 to the Company for expenses of the joint venture paid on Jipangu's behalf.

During the year, Jipangu elected to terminate its option for purchase of the Golden Trend project.

During the year, Jipangu subscribed for 750,000 shares of the Company at \$0.40 pursuant to a private placement. Jipangu also exercised warrants to purchase 555,555 shares of the Company at \$0.45 per share.

APPOINTMENT OF AUDITOR

Unless otherwise instructed, the proxies given pursuant to this solicitation will be voted for the appointment of PricewaterhouseCoopers, Chartered Accountants, of Vancouver, British Columbia, as the auditor of the Company to hold office for the ensuing year at a remuneration to be fixed by the Directors.

PricewaterhouseCoopers, Chartered Accountants, were first appointed as auditors on March 11, 1999.

MANAGEMENT CONTRACTS

No management functions of the Company are performed to any substantial degree by a person other than the Directors or senior officers of the Company.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except as set out herein, no Director or senior officer of the Company or any proposed nominee of management of the Company for election as a Director of the Company, nor any associate or affiliate of the foregoing persons, has any substantial interest, direct or indirect, by way of beneficial ownership or otherwise, in matters to be acted upon at the Meeting.

PARTICULARS OF OTHER MATTERS TO BE ACTED UPON

(a) Stock Options

During the next year, the Company may grant additional stock options, subject to all necessary regulatory approvals. Under the current policy of the Canadian Venture Exchange (the "Exchange"), member approval is not required for the grant of stock options if granted in accordance with the policy. However, such policy requires that any decrease in the exercise price of stock options held by insiders be approved by a majority of the members at the Meeting, excluding insiders and their associates (the "disinterested members"). Therefore, the disinterested members at the Meeting will be asked to authorize the directors in their discretion to amend stock options granted to insiders, subject to all necessary regulatory approvals.

For the purposes hereof, an "insider" is a director or senior officer of the Company, a director or senior officer of a company that is itself an insider or subsidiary of the Company, or a person whose control, or direct or indirect beneficial ownership, or a combination thereof, over securities of the Company extends to securities carrying more than 10% of the voting rights attached to all the Company's outstanding voting securities.

(b) Other Matters

Management of the Company is not aware of any other matter to come before the Meeting other than as set forth in the notice of Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote the shares represented thereby in accordance with their best judgment on such matter.

DATED this 26th day of April, 2000.

BY ORDER OF THE BOARD

"Nicholas T. Ferris"

NICHOLAS T. FERRIS

President/Director



INSTRUCTIONS

This report is to be filed by Exchange Issuers within 60 days of the end of their first, second and third fiscal quarters and within 140 days of the end of their fourth fiscal quarter. Three schedules (typed) are to be attached to this report as follows:

SCHEDULE A: FINANCIAL INFORMATION

Financial information prepared in accordance with generally accepted accounting principles for the fiscal year-to-date, with comparative information for the corresponding period of the preceding fiscal year. This financial information should consist of the following:

For the first, second and third fiscal quarters:

An interim financial report presented in accordance with Section 1750 of the C.I.C.A. Handbook. This should include a summary income statement (or a statement of deferred costs) and a statement of changes in financial position. A summary balance sheet is also to be provided.

For the fourth fiscal quarter (year end):

Annual audited financial statements.

SCHEDULE B: SUPPLEMENTARY INFORMATION

The supplementary information set out below is to be provided when not included in Schedule A.

1. *For the current fiscal year-to-date:*

Breakdown, by major category, of those expenditures and costs which are included in the deferred costs, exploration and development expenses, cost of sales or general and administrative expenses set out in Schedule A. State the aggregate amount of expenditures made to parties not at arm's length from the issuer.

2. *For the quarter under review:*

(a) Summary of securities issued during the period, including date of issue, type of security (common shares, convertible debentures, etc.), type of issue (private placement, public offering, exercise of warrants, etc.) number, price, total proceeds, type of consideration (cash, property, etc.) and commission paid.

(b) Summary of options granted, including date, number, name of optionee, exercise price and expiry date.

3. *As at the end of the quarter:*

- (a) Particulars of authorized capital and summary of shares issued and outstanding.
- (b) Summary of options, warrants and convertible securities outstanding, including number or amount, exercise or conversion price and expiry date.
- (c) Total number of shares in escrow or subject to a pooling agreement.
- (d) List of directors.

SCHEDULE C: MANAGEMENT DISCUSSION

Review of operations in the quarter under review and up to the date of this report, including brief details of any significant event or transaction which occurred during the period. The following list can be used as a guide but is not exhaustive:

Acquisition or abandonment of resource properties, acquisition of fixed assets, financings and use of proceeds, management changes, material contracts, material expenditures, transactions with related parties, legal proceedings, contingent liabilities, default under debt or other contractual obligations, special resolutions passed by shareholders.

Specifically, the management discussion must include:

- (a) disclosure of and reasons for any material differences in the actual use of proceeds from the previous disclosure by the issuer regarding its intended use of proceeds; and
- (b) a brief summary of the investor relations activities undertaken by or on behalf of the issuer during the quarter and disclosure of the material terms of any investor relation arrangements or contracts entered into by the issuer during the quarter.

Freedom of Information and Protection of Privacy Act

The personal information requested on this form is collected under the authority of and used for the purpose of administering the Securities Act. Questions about the collection or use of this information can be directed to the Supervisor, Statutory Filings (604-660-4890), 1100 - 865 Hornby Street, Vancouver, British Columbia V6Z 2H4. Toll Free in British Columbia 1-800-373-6393

ISSUER DETAILS

NAME OF ISSUER	CLAIMSTAKER RESOURCES LTD.	FOR QUARTER ENDED	DATE OF REPORT
		99 / 12 / 31	Y M D 00 04 26

ISSUER'S ADDRESS	1440 - 1166 Alberni Street		
CITY	PROVINCE	POSTAL CODE	ISSUER TELEPHONE NO.
Vancouver	B.C.	V 6 E 3 Z 3	(604) 684-6677

CONTACT PERSON	CONTACT'S POSITION	CONTACT TELEPHONE NO.
Sean McClenahan	Controller	(604) 684-6677

ISSUER FAX NO.	(604) 684-6678
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CERTIFICATE

The three schedules required to complete this Quarterly Report are attached and the disclosure contained therein has been approved by the Board of Directors. A copy of this Quarterly Report will be provided to any shareholder who requests it.

DIRECTOR'S SIGNATURE	PRINT FULL NAME	DATE SIGNED
	Nicholas T. Ferris	Y M D 99 05 03
DIRECTOR'S SIGNATURE	PRINT FULL NAME	DATE SIGNED
	D'arcy G. Adam	Y M D 99 05 03

Claimstaker Resources Ltd.

Consolidated Financial Statements
December 31, 1999 and 1998
(expressed in Canadian dollars)

March 31, 2000

Management's Responsibility for Financial Reporting

The accompanying consolidated financial statements of the company have been prepared by management in accordance with Canadian generally accepted accounting principles, and contain estimates based on management's judgement. Management maintains an appropriate system of internal controls to provide reasonable assurance that transactions are authorized, assets safeguarded, and proper records maintained.

The Audit Committee of the Board of Directors has met with the company's independent auditors to review the scope and results of the annual audit and to review the consolidated financial statements and related financial reporting matters prior to submitting the consolidated financial statements to the Board for approval.

The company's independent auditors, PricewaterhouseCoopers LLP, are appointed by the shareholders to conduct an audit in accordance with Canadian generally accepted auditing standards, and their report follows.

Nicholas T. Ferris
President

Auditors' Report

To the Shareholders of Claimstaker Resources Ltd.

We have audited the consolidated balance sheets of **Claimstaker Resources Ltd.** as at December 31, 1999 and 1998 and the consolidated statements of loss and deficit and cash flows for the year ended December 31, 1999 and the eight-month period ended December 31, 1998. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the company as at December 31, 1999 and 1998 and the results of its operations and its cash flows for the year ended December 31, 1999 and the eight-month period ended December 31, 1998 in accordance with Canadian generally accepted accounting principles. As required by the British Columbia Company Act, we report that, in our opinion, these principles have been applied on a consistent basis, after giving effect to the adjustments noted in the following paragraph.

The consolidated financial statements as at April 30, 1998 and for the year then ended, prior to restatement of the convertible debenture and interest payable, were audited by other auditors who expressed an opinion without reservation on those statements in their report dated July 13, 1998. We have examined the adjustments that were applied to restate the April 30, 1998 financial statements and, in our opinion, such adjustments are appropriate and have been properly applied.

PricewaterhouseCoopers LLP

Chartered Accountants
Vancouver, B.C.

March 31, 2000

Claimstaker Resources Ltd.

Consolidated Balance Sheets

As at December 31, 1999 and 1998

(expressed in Canadian dollars)

	1999 \$	1998 \$
Assets		
Current assets		
Cash and cash equivalents	143,031	302,967
Restricted cash (note 6(c))	-	199,710
Accounts receivable	62,484	429,858
Inventories (note 3)	-	74,753
Prepaid expenses	47,206	42,774
Due from Jipangu (note 5(b))	56,595	882,453
	<u>309,316</u>	<u>1,932,515</u>
Deposits (note 4)	113,260	148,679
Mine property, plant and equipment (note 5)	937,911	3,794,961
Exploration and development properties (note 6)	1,856,889	1,751,958
Other capital assets (note 7)	55,399	74,945
	<u>3,272,775</u>	<u>7,703,058</u>
Liabilities		
Current liabilities		
Exploration obligation (note 6(c))	-	199,710
Accounts payable and accrued liabilities	181,879	542,154
Current portion of capital lease obligations (note 8)	116,776	89,960
	<u>298,655</u>	<u>831,824</u>
Capital lease obligations (note 8)	191,033	289,421
Provision for reclamation costs (note 4)	100,000	-
	<u>589,688</u>	<u>1,121,245</u>
Shareholders' Equity		
Capital stock (note 11)	9,308,270	7,983,460
Shares allotted but not issued (note 11)	250,000	-
Convertible debenture and interest payable (note 9)	-	593,835
Deficit	(6,875,183)	(1,995,482)
	<u>2,683,087</u>	<u>6,581,813</u>
	<u>3,272,775</u>	<u>7,703,058</u>

Going concern and nature of operations (note 1)

Approved by the Board of Directors

“Nicholas T. Ferris”

Director

“D’arcy Adam”

Director

Claimstaker Resources Ltd.

Consolidated Statements of Loss and Deficit

(expressed in Canadian dollars unless otherwise stated)

	Year ended December 31, 1999 \$	Eight months ended December 31, 1998 \$	Year ended April 30, 1998 \$
Gold revenue	1,252,093	-	-
Expense (income)			
Production and operating costs	2,232,797	-	-
Depreciation and depletion	583,039	23,016	29,906
Government, transfer agent and stock exchange fees	12,560	9,139	14,332
General and administrative	605,865	443,164	437,935
Management fees (note 5(b))	122,438	(144,757)	-
Write-down of mine property, plant and equipment (note 5(d))	2,480,538	-	-
Write-off of exploration and development property (note 6(g))	63,227	-	-
	6,100,464	330,562	482,173
Loss from operations	(4,848,371)	(330,562)	(482,173)
Other income (expenses)			
Foreign exchange (loss) gain	(20,049)	30,506	7,141
Loss on disposal of capital assets	-	(2,268)	(5,913)
Gain on establishment of corporate joint venture (note 5(b))	-	456,781	-
Commission on gold loan	-	-	(138,982)
Option income	-	-	50,000
Interest income - net	3,884	26,942	7,718
(Loss) earnings for the period	(4,864,536)	181,399	(562,209)
Deficit - Beginning of period	(1,995,482)	(2,153,739)	(1,556,610)
Interest on convertible debenture	(15,165)	(23,142)	(34,920)
Deficit - End of period	(6,875,183)	(1,995,482)	(2,153,739)
(Loss) earnings per common share	(0.23)	0.01	(0.04)
Weighted average number of common shares outstanding	21,616,187	16,360,390	13,213,533

Claimstaker Resources Ltd.

Consolidated Statements of Cash Flows

(expressed in Canadian dollars)

	Year ended December 31, 1999 \$	Eight months ended December 31, 1998 \$	Year ended April 30, 1998 \$
Cash flows from operating activities			
(Loss) earnings for the period	(4,864,536)	181,399	(562,209)
Items not affecting cash			
Loss on disposal of capital assets	-	2,268	5,913
Depreciation and depletion	583,039	23,016	29,906
Provision for reclamation	100,000	-	-
Gain on establishment of corporate joint venture	-	(456,781)	-
Forgiveness of management fee	122,438	-	-
Write-down of mine property, plant and equipment	2,480,538	-	-
Write-off of exploration and development property	63,227	-	-
Write-off of inventories	18,346	-	-
	(1,496,948)	(250,098)	(526,390)
Change in non-cash working capital items	772,494	(962,232)	36,622
	(724,454)	(1,212,330)	(489,768)
Cash flows from financing activities			
Shares issued for cash	660,810	1,383,970	238,906
Shares allotted but not yet issued	250,000	-	-
Share subscriptions received	-	-	22,550
Repayment of capital lease obligations - net of interest	(84,854)	(23,874)	(3,468)
	825,956	1,360,096	257,988
Cash flows from investing activities			
Mine property, plant and equipment	(171,029)	(950,927)	(164,068)
Exploration and development properties	(123,158)	(176,322)	(520,916)
Refund of deposits	35,419	4,476	-
Purchase of other capital assets	(2,670)	(68,856)	(45,909)
Proceeds from sale of exploration and development properties	-	-	94,006
Proceeds from sale of other capital assets	-	39,180	-
Proceeds from establishment of corporate joint venture	-	1,250,000	-
	(261,438)	97,551	(636,887)
(Decrease) increase in cash and cash equivalents	(159,936)	245,317	(868,667)
Cash and cash equivalents - Beginning of period	302,967	57,650	926,317
Cash and cash equivalents - End of period	143,031	302,967	57,650

Supplementary cash flow information (note 15)

Claimstaker Resources Ltd.

Notes to Consolidated Financial Statements

**For the year ended December 31, 1999, the eight months ended December 31, 1998
and the year ended April 30, 1998**

(expressed in Canadian dollars unless otherwise stated)

1 Going concern and nature of operations

These financial statements are prepared on a going concern basis, which implies that the company will continue realizing its assets and discharging its liabilities in the normal course of business. Accordingly, they do not give effect to any of the adjustments that would be necessary should the company be unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities, contingent obligations and commitments in other than the normal course of business and at amounts different from those in these financial statements.

The company has the Blackdome Gold Mine in British Columbia (note 5). Commercial production commenced on January 1, 1999. On May 13, 1999, the company suspended its operations as a result of the prevailing low gold price, poor recoveries and a revision of the estimated proven and probable reserves, and placed the mine on a care and maintenance basis. The recoverability of the amount shown for mine property, plant and equipment is dependent on the company re-establishing sufficiently profitable operations. The company is also engaged in the exploration and development of mineral properties in Canada and the USA.

The company estimates that it will require additional funds to maintain the mine on a care and maintenance basis for the forthcoming year, to maintain its other exploration properties in good standing, and to fund general and administrative expenses.

The company's ability to continue in operation is dependent on its ability to secure additional financing, and while it has been successful in doing so in the past, there can be no assurance that it will be able to do so in the future.

The company is in the process of exploring its other mineral properties and investigating other possible property acquisitions. The recoverability of the amounts shown for mineral properties and deferred exploration costs is dependent on the existence of economically recoverable reserves, the ability of the company to obtain necessary financing to complete the development, and future profitable production. The amounts shown as mineral properties and deferred costs represent net costs to date, less amounts written off, and do not necessarily represent present or future values.

Although the company has taken steps to verify title to mineral properties in which it has an interest, according to the usual industry standards for the current stage of exploration of such properties, these procedures do not guarantee the company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

2 Significant accounting policies

Principles of consolidation and change of year end

The consolidated financial statements include the accounts of Claimstaker Resources Ltd. and its subsidiaries, Equinox Resources (Calif.) Inc. (Equinox) and Auric Resources Inc., and its proportionate share of the assets, liabilities, revenues and expenses of No. 75 Corporate Ventures (No. 75), an incorporated entity accounted for as a corporate joint venture in which the company has a 50% interest.

Claimstaker Resources Ltd.

Notes to Consolidated Financial Statements

**For the year ended December 31, 1999, the eight months ended December 31, 1998
and the year ended April 30, 1998**

(expressed in Canadian dollars unless otherwise stated)

In December 1998, the company changed its fiscal year end to December 31 from April 30.

Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the period. Actual results may differ from these estimates.

Cash and cash equivalents

Cash and cash equivalents comprise cash and term deposits maturing within 90 days from the original date of acquisition.

Inventories

The gold-in-process and supplies inventories are valued at the lower of average cost and net realizable value.

Mine property, plant and equipment

Mine property, plant and equipment are recorded at cost. The cost of the mine property includes acquisition, exploration and development costs, and the results of operations and attributed general and administrative support costs incurred prior to the commencement of commercial production. When carrying values exceed the estimated net recoverable amount, the carrying values are written down to the estimated net recoverable amount.

Commercial production is deemed to have commenced when the plant is capable of a minimum of 60% of design capacity in each of two consecutive months. Commercial production will be deemed to have commenced on the first day of the two-month period.

Depletion of mine property, plant and equipment costs is provided using the unit-of-production method, based on estimated proven and probable ore reserves.

Depreciation of the tailings pond, computer equipment and vehicles included in the mine property, plant and equipment balance is provided using the declining balance method.

Exploration and development properties

The company defers exploration expenditures directly related to specific mineral properties until such time as the extent of mineralization has been determined and the mineral properties are either developed or the company's mineral rights are allowed to lapse. Deferred costs are amortized over the useful life of the ore body following commencement of commercial production or written off if the property is sold or abandoned.

Claimstaker Resources Ltd.

Notes to Consolidated Financial Statements

**For the year ended December 31, 1999, the eight months ended December 31, 1998
and the year ended April 30, 1998**

(expressed in Canadian dollars unless otherwise stated)

Management's estimate of recoverable proven and probable reserves is subject to risks and uncertainties of change affecting the recoverability of the company's investment in mineral properties. Although management has made its best estimate of these factors based on current conditions, it is possible that changes could occur in the near term that could adversely affect management's estimate of the recoverability of mineral properties and deferred costs and the need for asset impairment write-downs.

Other capital assets

Other capital assets comprise computer equipment, office equipment and leasehold improvements. Depreciation is provided from the date of acquisition on the declining balance basis at the per annum rates stated in note 7 over the estimated useful lives of the assets.

Stock option plan

The company has no formal stock-based compensation plan. Options are granted periodically by the directors and no compensation expense is recognized when stock or stock options are issued. Any consideration paid by directors, employees or consultants on exercise of stock options or purchase of stock is credited to capital stock.

Reclamation costs

A provision for estimated future decommissioning and reclamation costs is accrued on a units-of-production basis. Costs incurred during production are charged to operations in the period incurred.

Revenue recognition

Gold and silver revenues are recognized upon the delivery of gold and silver concentrates at estimated realizable value.

Earnings (loss) per common share

Earnings (loss) per common share is calculated using the weighted average number of shares issued and outstanding during each period. Fully diluted earnings (loss) per common share is not presented if the exercise of stock options, share purchase warrants, and shares issuable for convertible debentures would be anti-dilutive.

Foreign currency translation

The operations of the company's foreign subsidiaries are translated into Canadian dollars using the temporal method as follows: monetary assets and liabilities at the rates of exchange prevailing at the balance sheet date; other assets and liabilities at the applicable historical exchange rates; and revenues and expenses at the average rate of exchange for the year, except for non-monetary expenses which are at the rates used for the translation of the related assets. Gains and losses on translation are included in the consolidated statement of loss and deficit.

Claimstaker Resources Ltd.

Notes to Consolidated Financial Statements

For the year ended December 31, 1999, the eight months ended December 31, 1998
and the year ended April 30, 1998

(expressed in Canadian dollars unless otherwise stated)

Income taxes

The company accounts for income taxes using the deferral method.

Fair value of financial instruments

The carrying amount of cash and cash equivalents, restricted cash, accounts receivable, amounts due from Jipangu, exploration obligation, and accounts payable and accrued liabilities approximate fair value due to their short-term nature. The carrying value of capital leases is not materially different from their fair value.

3 Inventories

	1999 \$	1998 \$
Gold-in-process	-	11,683
Supplies	-	63,070
	-	74,753

4 Deposits

Deposits represent an amount receivable of \$100,000 (1998 - \$100,000) and bonds of \$13,260 (1998 - \$48,679) relating to reclamation permits issued on various mineral properties held by the company. An irrevocable letter of credit issued by a Canadian chartered bank has been issued as collateral for the amount receivable.

5 Mine property, plant and equipment

	1999 \$	1998 \$
Blackdome Mine		
Property costs	160,855	160,855
Land	35,450	35,450
Mill	1,045,821	1,002,756
Tailings pond	190,327	169,779
Plant and mining equipment	777,637	771,754
Development costs	1,992,662	1,877,847
	4,202,752	4,018,441
Less: Accumulated depletion, depreciation and write-downs	3,264,841	223,480
	937,911	3,794,961

Claimstaker Resources Ltd.

Notes to Consolidated Financial Statements

**For the year ended December 31, 1999, the eight months ended December 31, 1998
and the year ended April 30, 1998**

(expressed in Canadian dollars unless otherwise stated)

Included in plant and mining equipment are assets held under capital leases with a net book value of \$319,172 (1998 - \$363,426).

a) Blackdome gold and silver property

Effective February 2, 1995, the company acquired 100% of the shares of No. 75, which in turn owns a 100% interest in the Blackdome Mine operations near Clinton, B.C.

Consideration totalling \$1,975,000 was given for the Blackdome Mine operations comprising cash, a debenture (note 9), and common shares.

In addition to the common shares issued on the acquisition, the company agreed to issue an additional 600,000 common shares upon the property achieving 30 days' production at a minimum of 100 tonnes per day. The shares were issued on December 10, 1998 and included in the cost of the mine.

In May 1996, the company entered into a joint venture agreement with Petro Plus Inc. (Petro Plus) whereby Petro Plus could acquire up to a 50% interest in the Blackdome Mine operation in consideration for \$2,500,000 due at various dates to July 31, 1997. The company received \$1,000,000 to July 11, 1997. The agreement was terminated in August 1997 when the option holder defaulted on its payments.

b) Agreement with Jipangu

On April 27, 1998, the company entered into an option agreement with Jipangu Inc. (Jipangu) whereby Jipangu could participate in up to a 50% corporate joint venture at the Blackdome Mine in consideration of up to \$3,000,000 payable by December 23, 1998, providing that \$1,700,000 of the consideration be expended on the continuing exploration and development program for the Blackdome Mine property. Full payment of the \$3,000,000 option price was received by December 23, 1998 and the payment of \$1,700,000 had been spent on the property.

As a result of this transaction, the company realized a gain of \$456,781.

The option agreement envisages that the venturers contribute cash to meet capital and operating costs in proportion to the interest in the joint venture. The company has been appointed operator of the joint venture and, in that capacity, is entitled to management fees equal to 7% of the operating costs. During the eight months ended December 31, 1998, the company charged management fees of \$144,757, representing the portion of management fees recoverable from Jipangu. No management fees were charged in the year ended December 31, 1999, and during the year the company forgave the unpaid portion of management fees of \$122,438 owing by Jipangu.

The balance due from Jipangu of \$56,595 (1998 - \$882,453) represents the company's share of capital and operating costs recoverable from Jipangu.

Claimstaker Resources Ltd.

Notes to Consolidated Financial Statements

**For the year ended December 31, 1999, the eight months ended December 31, 1998
and the year ended April 30, 1998**

(expressed in Canadian dollars unless otherwise stated)

The consolidated financial statements include the company's 50% interest in the corporate joint venture as follows:

	1999	1998
	\$	\$
Current assets	21,365	408,265
Long-term assets	942,901	2,837,469
Current liabilities	181,077	722,784
Long-term liabilities	291,033	289,421
Revenues	1,252,093	2,250
Expenses (excluding write-downs)	2,683,292	-
Write-down of Blackdome Mine and related inventories	1,631,108	-
Cash flows from operating activities	(1,185,228)	135,772
Cash flows from financing activities	(84,854)	-
Cash flows for investing activities	(20,501)	(1,190,266)
Non-cash investing activities	(13,282)	(403,255)
Non-cash financing activities	13,282	403,255

c) Start-up costs

At December 31, 1998, the Blackdome Mine had not achieved commercial production (notes 1 and 2). During the eight months ended December 31, 1998, operating costs of \$1,058,940, interest on finance leases of \$11,976, amortization of \$32,457, and gold revenues of \$327,593 were charged or credited to development costs.

d) Mine write-down

At December 31, 1999, the company reviewed the carrying value of the Blackdome Mine. It concluded that the carrying value of the Blackdome Mine may exceed the amount recoverable from the mine over its useful life.

Accordingly, a write-down of \$2,480,538 was made to reduce the carrying value of the mine to its estimated net recoverable amount.

Claimstaker Resources Ltd.

Notes to Consolidated Financial Statements

For the year ended December 31, 1999, the eight months ended December 31, 1998
and the year ended April 30, 1998

(expressed in Canadian dollars unless otherwise stated)

6 Exploration and development properties

Costs incurred by the company for acquisition and exploration of mineral properties held at year end are shown below:

	1999		
	Acquisition	Deferred	Total
	\$	exploration	\$
		\$	\$
Alwin (a)	75,000	167,999	242,999
Bru-Lovie (b)	-	10,440	10,440
Golden Trend (c)	66,039	62,153	128,192
Los Hilos (d)	70,135	6,283	76,418
Zenda (e)	422,999	970,486	1,393,485
Warrior (f)	5,000	355	5,355
	639,173	1,217,716	1,856,889
			1998
	Acquisition	Deferred	Total
	\$	exploration	\$
		\$	\$
Alwin (a)	75,000	166,906	241,906
Golden Trend (c)	66,039	66,870	132,909
Zenda (e)	422,999	891,272	1,314,271
McIntyre-Leliever (g)	15,698	47,174	62,872
	579,736	1,172,222	1,751,958

a) Alwin Copper Mine Property

The company holds 21 mineral claims in the Highland Valley in the province of British Columbia. The company issued the final 100,000 shares in the year ended April 30, 1998 to complete its purchase of the claims. The claims are subject to a 2-1/2% net smelter royalty (NSR).

b) Bru-Lovie Property

On August 31, 1999, the company entered into an agreement with the Bru-Lovie Partnership for the option to purchase a 100% interest in a property, consisting of 31 mining claims, located in Lander County, Nevada.

Claimstaker Resources Ltd.

Notes to Consolidated Financial Statements

**For the year ended December 31, 1999, the eight months ended December 31, 1998
and the year ended April 30, 1998**

(expressed in Canadian dollars unless otherwise stated)

To earn a 100% interest in the property, the company must:

- i) make advance royalty payments of U.S. \$23,500 by August 31, 2004
- ii) complete a program of exploration expenditures totalling U.S. \$200,000. Cumulative expenditures of U.S. \$100,000, U.S. \$150,000, and U.S. \$200,000 are required by the third, fourth and fifth anniversaries of the agreement date respectively.
- iii) a NSR of 2.5% is payable to the optionor
- iv) the company also has the option to purchase all of the rights and title to the property by making cash payments of:
 - U.S. \$300,000 for the first two years following the agreement date
 - U.S. \$450,000 for years three and four following the agreement date
 - U.S. \$600,000 for years five and later for so long as the agreement remains in effect.

c) Golden Trend Property

In August 1996, the company acquired an option to purchase a 100% interest in the Golden Trend property, a block of 80 claims in central Nevada. The interest is subject to a 3% NSR, of which 2% may be purchased. The company has, to date, issued 100,000 common shares as required under the agreement to complete its purchase option. The company has agreed to pay U.S. \$10,000 each year as an advance royalty on the NSR. To date, \$58,533 (December 31, 1998 - \$43,701) of royalties have been prepaid against this obligation, and are included in deferred exploration costs.

In addition to the 80 claims purchased, the company staked an additional 10 claims adjacent to the property.

On July 27, 1998, the company entered into a letter of agreement with Jipangu whereby Jipangu may acquire a 50% interest in the Golden Trend property in return for payments of U.S. \$500,000. A down payment of \$25,000 was made on signing and a first instalment of U.S. \$175,000 was received on September 30, 1998. At December 31, 1998, monies received of U.S. \$130,036 (Cdn. \$199,710) had not been expended and were disclosed as restricted cash and an exploration obligation.

During the year ended December 31, 1999, Jipangu terminated the agreement. All monies advanced by Jipangu had been expended on the property by the termination date.

d) Los Hilos Property

On April 6, 1999, as amended on December 8, 1999, the company entered into a letter of agreement with Golden Goliath Resources Ltd. and its wholly owned subsidiary, Hinea Delta S.A. de CV, to earn up to a 60% interest in the Los Hilos property located south west of Uruachic in the Chihuahua State of Mexico.

Claimstaker Resources Ltd.

Notes to Consolidated Financial Statements

**For the year ended December 31, 1999, the eight months ended December 31, 1998
and the year ended April 30, 1998**

(expressed in Canadian dollars unless otherwise stated)

To earn a 50% interest in the property, the company must:

- i) make a cash payment of U.S. \$10,000 upon signing of the property agreement and completion of due diligence (paid)
- ii) make cash payments of U.S. \$90,000 in four annual instalments of \$15,000, \$20,000, \$25,000 and \$30,000 payable by the first, second, third and fourth anniversaries of the agreement date respectively
- iii) issue 200,000 common shares; 50,000 shares within six months of the agreement date (issued) and 50,000 shares on each of the first, second and third anniversaries of the agreement date
- iv) complete a program of exploration expenditures totalling U.S. \$1,500,000. Cumulative expenditures of U.S. \$200,000, U.S. \$500,000, U.S. \$1,000,000 and U.S. \$1,500,000 are required by the first, second, third and fourth anniversaries of the agreement date. At December 31, 1999, the company had expended \$nil.

The company can earn an additional 10% interest in the property by funding 100% of expenses to complete a pre-feasibility study to a minimum cost of U.S. \$250,000.

Upon completion of the company's earn-in on the property, a royalty payment shall be payable to the terminating party in the event that either party terminates its interest in the property.

In connection with the option agreement, the company paid a finder's fee of \$15,000, satisfied by the issue of 25,000 common shares at a deemed price of \$0.60.

e) Zenda

The company has a 100% interest in the Zenda Gold Mine located near Bakersfield, California. Under the terms of the agreement, the vendor is the operator and, upon raising of financing by the company, is required to construct the facility. The vendor can earn up to an additional 550,000 shares dependent upon completing the facility at various cost levels compared to the approved budget. The agreement requires the company to deliver to the vendor 2,000,000 common shares, of which 1,000,000 shares have been issued. Up to an additional 550,000 shares will be issued when the vendor meet the agreed capital cost budget. The final 500,000 shares will be issued when the company recovers its pre-production expenses.

The vendors retain a 25% net profits interest after capital payback to the company and a 5% NSR is payable to underlying interests. To date, \$435,773 (December 31, 1998 - \$384,165) of royalties have been prepaid against this obligation, and are included in deferred exploration costs.

f) Warrior

On November 29, 1999, the company entered into an option agreement to acquire a 100% interest in 20 mining claims in Nye County, Nevada. To earn a 100% interest in the property, the company must:

- i) make cash payments of \$5,000 upon signing of the agreement (paid) and \$15,000 within 18 months of the agreement date

Claimstaker Resources Ltd.

Notes to Consolidated Financial Statements

For the year ended December 31, 1999, the eight months ended December 31, 1998
and the year ended April 30, 1998

(expressed in Canadian dollars unless otherwise stated)

- ii) issue 100,000 common shares upon approval by the regulatory authorities subject to a one year hold period and
- iii) complete a program of exploration expenditures of \$30,000 within one year of the agreement date.

A 2% NSR is payable to the vendor. The company has the right to purchase 1% of the NSR in return for a cash payment of \$1,000,000.

g) McIntyre-Leliever Property

The company held a 100% interest in 22 units in the Montrose area of the province of Ontario.

The claims lapsed in the eight months ended December 31, 1998. The company determined not to restake the claims during the year ended December 31, 1999, and accordingly, costs incurred since inception of \$63,227 were written off.

7 Other capital assets

			1999	
	Rate	Cost	Accumulated	Net
	%	\$	depreciation	\$
			\$	\$
Office equipment	20	35,499	19,897	15,602
Computer hardware	30	63,242	31,776	31,466
Computer software	100	29,523	28,824	699
Leasehold improvements	20	16,350	8,718	7,632
		<hr/>	<hr/>	<hr/>
		144,614	89,215	55,399
				<hr/>
			1998	
	Rate	Cost	Accumulated	Net
	%	\$	depreciation	\$
			\$	\$
Office equipment	20	35,499	16,345	19,154
Computer hardware	30	61,970	22,733	39,237
Computer software	100	28,125	22,472	5,653
Leasehold improvements	20	16,350	5,449	10,901
		<hr/>	<hr/>	<hr/>
		141,944	66,999	74,945
				<hr/>

Claimstaker Resources Ltd.

Notes to Consolidated Financial Statements

For the year ended December 31, 1999, the eight months ended December 31, 1998
and the year ended April 30, 1998

(expressed in Canadian dollars unless otherwise stated)

8 Capital lease obligations

The company has committed to certain capital leases for a camp and plant and equipment at the Blackdome Mine.

Future minimum lease payments required in each of the next four years are as follows:

	\$
2000	143,792
2001	112,909
2002	64,214
2003	<u>38,651</u>
	359,566
Less: Imputed interest	<u>(51,757)</u>
	307,809
Less: Due within one year	<u>(116,776)</u>
	<u>191,033</u>

Interest expense of \$38,769 related to capital leases has been charged to production and operating costs during the year ended December 31, 1999. During the period ended December 31, 1998, interest expense of \$11,976 was charged to Blackdome Mine development costs.

9 Convertible debenture and interest payable

	Principal \$	Interest \$	Total \$
Balance - April 30, 1998	582,000	31,093	613,093
Interest expense	-	23,142	23,142
Conversion to common shares	<u>(7,480)</u>	<u>(34,920)</u>	<u>(42,400)</u>
Balance - December 31, 1998	574,520	19,315	593,835
Interest expense	-	15,165	15,165
Conversion to common shares	<u>(574,520)</u>	<u>(34,480)</u>	<u>(609,000)</u>
Balance - December 31, 1999	<u>-</u>	<u>-</u>	<u>-</u>

As partial consideration for the acquisition of the Blackdome Mine operations, the company issued a \$900,000 convertible debenture maturing June 9, 1999 and bearing interest at 6% per annum. Specific equipment associated with the mine was pledged as security. The debenture and any outstanding interest were repayable at the option of the company by issuing common shares at a deemed price of \$1.06 per share. At the option of the holder, the debenture was convertible to common shares at a deemed price of \$1.06 per share.

Claimstaker Resources Ltd.

Notes to Consolidated Financial Statements

**For the year ended December 31, 1999, the eight months ended December 31, 1998
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(expressed in Canadian dollars unless otherwise stated)

In February 1997, \$318,000 of principal was converted to shares. A further 40,000 shares were issued in the period ended December 31, 1998 for repayment of principal and accrued interest totalling \$42,400.

On June 9, 1999, the company exercised its option to convert the outstanding principal and accrued interest to common shares. A total of 574,350 common shares were issued at a deemed price of \$1.06 and the face value of the debenture was reclassified to capital stock (note 11).

10 Commitments

Effective May 1, 1997, the company entered into a lease agreement for office space for a five-year period expiring April 30, 2002. The company has also committed to certain operating leases for the rental of vehicles. The future minimum lease payments required under these lease agreements are:

	Office rental	Vehicles
	\$	\$
Year ending December 31,		
2000	30,139	16,584
2001	30,564	11,839
2002	5,094	1,299

In addition, the company has agreed to pay a proportionate share of the building's operating costs, including property taxes, which are currently estimated at approximately \$25,000 a year.

Claimstaker Resources Ltd.

Notes to Consolidated Financial Statements

For the year ended December 31, 1999, the eight months ended December 31, 1998
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(expressed in Canadian dollars unless otherwise stated)

11 Capital stock

Authorized

100,000,000 common shares without par value

Issued and outstanding

	Shares	Proceeds \$
Balance - April 30, 1998	13,759,421	6,084,540
For cash	5,666,000	1,406,520
Conversion of debenture	40,000	42,400
For acquisition of investment	600,000	450,000
Balance - December 31, 1998	20,065,421	7,983,460
For cash	1,909,000	660,810
In exchange for exploration and development properties	50,000	30,000
Conversion of debenture	574,350	609,000
For other assets	25,000	10,000
For finder's fee	25,000	15,000
Balance - December 31, 1999	22,648,771	9,308,270
Shares allotted but not yet issued	555,555	250,000

a) During the year ended December 31, 1999:

- i) On June 10, 1999, the company closed a private placement and issued a total of 1,125,000 units at a price of \$0.40 per unit. Each unit consists of one common share and one non-transferable warrant exercisable at \$0.50 per share for a one-year period.
- ii) The company issued a total of 764,000 common shares for the exercise of stock options for total consideration of \$204,810.
- iii) The company issued 20,000 common shares on exercise of 20,000 warrants for total consideration of \$6,000.
- iv) The company issued 75,000 common shares at a deemed price of \$0.60 per share for mineral property option payments and finder's fees (note 6(d)).
- v) The company issued 25,000 common shares at a deemed price of \$0.40 in satisfaction of a licensing agreement.
- vi) The company issued 574,350 common shares at a deemed price of \$1.06 on conversion of the convertible debenture (note 9).

Claimstaker Resources Ltd.

Notes to Consolidated Financial Statements

**For the year ended December 31, 1999, the eight months ended December 31, 1998
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(expressed in Canadian dollars unless otherwise stated)

vii) As at December 31, 1999, the company had received proceeds of \$250,000 for the exercise of 555,555 warrants for shares not issued. This amount has been categorized as a separate component of shareholders' equity.

b) During the eight months ended December 31, 1998:

i) Effective June 24, 1998, the company completed a private placement and issued 1,016,000 common shares at \$0.22 per share and 1,016,000 non-transferrable warrants to purchase a further 1,016,000 common shares at \$0.30 per share for an 18-month period until October 6, 1999. As at April 30, 1998, \$22,550 related to this private placement had been received and was included as share subscriptions received.

ii) Effective June 26, 1998, the company issued 1,000,000 common shares at \$0.25 per share and 1,000,000 non-transferable warrants to purchase a further 1,000,000 shares at \$0.50 per share for an 18-month period until October 27, 1999.

iii) On November 6, 1998, the company closed a private placement of 375,000 units at \$0.26 per unit. Each unit consists of one share and one warrant exercisable at \$0.35 per share for an 18-month period until March 25, 2000.

iv) On December 1, 1998, the company closed a private placement of 3,000,000 units at \$0.25 per unit. Each unit consists of one share and one warrant exercisable at \$0.45 per share in the first year and \$0.55 per share in the next two years.

v) The company issued a total of 175,000 shares for the exercise of stock options for total consideration of \$45,500.

vi) The company issued 100,000 shares on exercise of 100,000 warrants at \$0.40 per share for total proceeds of \$40,000.

vii) In June 1998, the company issued 40,000 common shares to extinguish the 1998 liability for interest on the debenture and to convert \$7,480 of debenture principal. Pursuant to the debenture agreement, the conversion price was \$1.06 per share (note 9).

viii) Effective December 10, 1998, the company issued 600,000 common shares at a deemed price of \$0.75 per share as part of the consideration given for the Blackdome Mine operations (note 5(a)).

Claimstaker Resources Ltd.

Notes to Consolidated Financial Statements

**For the year ended December 31, 1999, the eight months ended December 31, 1998
and the year ended April 30, 1998**

(expressed in Canadian dollars unless otherwise stated)

Stock options outstanding

The company has no formalized stock option plan. The following table summarizes information about the options at December 31, 1999 and 1998 and the changes for the years then ended:

	Year ended December 31, 1999		Eight months ended December 31, 1998	
	Number of shares	Weighted average exercise price \$	Number of shares	Weighted average exercise price \$
Options outstanding - Beginning of period	1,775,000	0.31	1,235,000	0.26
Granted	710,000	0.54	1,120,000	0.33
Exercised	(764,000)	0.27	(175,000)	0.26
Expired	(321,000)	0.56	(405,000)	0.26
Options outstanding - End of period	1,400,000	0.39	1,775,000	0.31
Options exercisable - End of period	1,400,000	0.39	1,775,000	0.31

The following table summarizes information about stock options outstanding and exercisable at December 31, 1999:

Range of exercise prices \$	Options outstanding	Weighted average remaining contracted life (years)	Weighted average exercise price \$
0.22 - 0.29	765,000	0.70	0.28
0.34 - 0.50	360,000	1.20	0.40
0.62 - 0.70	275,000	1.12	0.68
0.22 - 0.70	1,400,000	0.91	0.39

Claimstaker Resources Ltd.

Notes to Consolidated Financial Statements

**For the year ended December 31, 1999, the eight months ended December 31, 1998
and the year ended April 30, 1998**

(expressed in Canadian dollars unless otherwise stated)

Share purchase warrants

	Year ended December 31, 1999		Eight months ended December 31, 1998	
	Number of warrants	Weighted average exercise price \$	Number of warrants	Weighted average exercise price \$
Warrants outstanding - Beginning of period	5,391,000	0.42	656,000	0.57
Granted	1,125,000	0.50	5,391,000	0.42
Exercised	(575,555)	0.44	(100,000)	0.40
Expired	(1,000,000)	0.50	(556,000)	0.57
Warrants outstanding - End of period	4,940,445	0.42	5,391,000	0.42

Option agreements

- i) Los Hilos property - 150,000 shares (note 6(d))
- ii) Zenda operations - up to 1,050,000 additional shares (note 6(e))
- iii) In addition, the company has entered into an option agreement that would require the issue of 225,000 common shares in return for a licensing agreement.

Escrow shares

The number of shares held in escrow at December 31, 1999 and 1998 is 393,750. Release of these shares is subject to the approval of the Canadian Venture Exchange.

12 Related party transactions

A management fee of \$100,000 (December 31, 1998 - \$59,000; April 30, 1998 - \$84,000) was paid to a director, of which \$30,500 (December 31, 1998 - \$nil) is included in accounts payable and accrued liabilities. A management fee of \$nil (December 31, 1998 - \$nil; April 30, 1998 - \$11,000) was paid to another director for managing the Zenda project.

A former officer of the company is indebted to the company in the amount of \$6,700 (December 31, 1998 - \$nil).

Claimstaker Resources Ltd.

Notes to Consolidated Financial Statements

**For the year ended December 31, 1999, the eight months ended December 31, 1998
and the year ended April 30, 1998**

(expressed in Canadian dollars unless otherwise stated)

13 Income taxes

The company has available approximately \$3,017,000 (1998 - \$2,675,000) of income tax losses, which may be carried forward and applied against future taxable income. The losses start to expire in 2000. No benefit for these losses has been recorded in these financial statements.

A reconciliation of income taxes at statutory rates and the company's effective income tax expense is as follows:

	Year ended December 31, 1999 \$	Eight months ended December 31, 1998 \$	Year ended April 30, 1998 \$
Income taxes at statutory rates	(2,219,201)	82,754	(256,480)
Permanent differences	-	(34,989)	-
Benefits of losses and timing differences not previously recognized	2,219,201	(47,765)	256,480
	<hr/> -	<hr/> -	<hr/> -

Claimstaker Resources Ltd.

Notes to Consolidated Financial Statements

**For the year ended December 31, 1999, the eight months ended December 31, 1998
and the year ended April 30, 1998**

(expressed in Canadian dollars unless otherwise stated)

14 Segmented financial information

The company operates in two segments: the operation of the Blackdome Mine in Canada and the exploration and development of gold properties in Canada, Mexico and the USA. All revenues were derived from one bullion dealer, on which the company was not economically dependent, as alternative markets for the sale of gold are readily available. Reconciling adjustments comprise general and administrative costs, financing expenses, foreign exchange, interest income, assets, capital expenditures and depreciation reported by the Canadian Head Office.

	Blackdome Mine \$	Exploration in Canada \$	Exploration in USA \$	Exploration in Mexico \$	Corporate office \$	Total \$
December 31, 1999						
Gold revenue	1,252,093	-	-	-	-	1,252,093
Write-down of mine property, plant and equipment and inventories	2,498,884	-	-	-	-	2,498,884
Write-down of exploration and development property	-	63,227	-	-	-	63,227
Loss for the year	4,018,111	63,227	-	-	783,198	4,864,536
Total assets	964,277	242,999	1,589,020	76,418	400,061	3,272,775
Capital assets	937,911	242,999	1,537,472	76,418	55,399	2,850,199
Capital expenditures	171,029	1,448	90,292	31,418	2,670	296,857
Depreciation and depletion	560,823	-	-	-	22,216	583,039
December 31, 1998						
Gain on establishment of corporate joint venture	-	-	-	-	456,781	456,781
Earnings for the period	-	-	-	-	181,399	181,399
Total assets	4,203,228	304,778	1,707,639	-	1,487,413	7,703,058
Capital assets	3,794,961	304,778	1,447,180	-	74,945	5,621,864
Capital expenditures	950,927	77	176,245	-	68,856	1,196,105
Depreciation and depletion	-	-	-	-	23,016	23,016
April 30, 1998						
Loss for the year	-	-	-	-	562,209	562,209
Total assets	2,789,346	304,701	1,321,213	-	294,172	4,709,432
Capital assets	2,779,343	304,701	1,270,935	-	75,208	4,430,187
Capital expenditures	164,068	31,533	489,383	-	45,909	730,893
Depreciation and depletion	-	-	-	-	29,906	29,906

15 Supplementary cash flow information

During the year ended December 31, 1999, the company adopted the recommendation of the Canadian Institute of Chartered Accountants that pertains to the consolidated cash flow statement. As a result, what was formerly referred to as "Consolidated Statement of Changes in Financial Position" was renamed "Consolidated Statement of Cash Flows" and was revised to reflect a new format. Consequently, certain comparatives figures have been restated to comply with the current year's disclosure.

Claimstaker Resources Ltd.

Notes to Consolidated Financial Statements

**For the year ended December 31, 1999, the eight months ended December 31, 1998
and the year ended April 30, 1998**

(expressed in Canadian dollars unless otherwise stated)

During the periods ended December 31, 1999, and 1998 and April 30, 1998, the company conducted non-cash operating, investing and financing activities as follows:

	Year ended December 31, 1999 \$	Eight months ended December 31, 1998 \$	Year ended April 30, 1998 \$
Non-cash operating activities			
Prepaid expenses	(10,000)	-	-
Non-cash investing activities			
Mine property, plant and equipment acquired through issue of shares	-	(450,000)	-
Mine property, plant and equipment acquired under capital leases	(13,282)	(403,255)	-
Exploration and development properties	(45,000)	-	(93,750)
	<u>(58,282)</u>	<u>(853,255)</u>	<u>(93,750)</u>
Non-cash financing activities			
Shares issued on conversion of debenture	609,000	42,400	-
Repayment of convertible debenture and accrued interest - satisfied by issue of shares	(609,000)	(42,400)	-
Shares issued for mine property, plant and equipment	-	450,000	-
Shares issued for exploration and development properties	30,000	-	93,750
Shares issued for prepaid expenses	10,000	-	-
Capital leases	13,282	403,255	-
Shares issued for finder's fee	15,000	-	-
	<u>68,282</u>	<u>853,255</u>	<u>93,750</u>

Interest paid during the periods ended December 31, 1999, and 1998 and April 30, 1998 was as follows:

	Year ended December 31, 1999 \$	Eight months ended December 31, 1998 \$	Year ended April 30, 1998 \$
Interest paid	<u>35,746</u>	<u>35,116</u>	<u>35,541</u>

Schedule C: Management Discussion & President's Report

Summary

The persistent low price of gold during 1999 created a difficult environment for junior mining companies. Claimstaker was no exception. During the past year, the Company commenced and subsequently ceased gold production at the Blackdome Gold Mine in Clinton, BC. In addition Claimstaker postponed the start-up of production at the Zenda Gold Mine in California. The closure of the Blackdome Gold Mine and a re-evaluation of its mineral inventory caused management to write-down a significant amount of Blackdome's book value.

Despite these challenges, Claimstaker successfully completed exploration programs on the Golden Trend, Blackdome and Los Hilos Projects. Each of these exploration programs returned strong results which provides the Company with exciting continuing exploration possibilities.

Our Blackdome Gold Mine joint venture partner, Jipangu of Tokyo, Japan, has continued to provide support to Claimstaker for the Blackdome and Los Hilos Projects.

In 1999, Claimstaker was also successful in increasing its presence in the gold-rich State of Nevada with the acquisition of the Bru-Lovie and Warrior Extension early-stage exploration projects.

Claimstaker was also fortunate to have acquired the rights for the EnEco Systems waste to energy system for Japan, BC, Yukon and Alberta. The Company is currently working with parties in North-Central British Columbia for the establishment of the first EnEco technology plant in the Pacific Northwest.

The year 2000 has commenced with a series of corporate changes for the Company. Claimstaker will aggressively pursue the reduction of overhead costs at the corporate head office and at the Blackdome Gold Mine. We also anticipate that Claimstaker will continue to expand its holdings of attractive exploration and production properties in Nevada and California. Exploration programs will be furthered with emphasis on the Los Hilos and Golden Trend Projects. In addition, Claimstaker will begin to direct its attention to the needs of the Asian investor – the world's greatest consumers of precious metals.

Management Changes

In December 1999, Mr. Tamisuke Matsufuji, President of Jipangu Inc. resigned as Chairman of Claimstaker's Board of Directors. In January of 2000, Mr. Nicholas Ferris of Vancouver was appointed to the Board of Directors and joined the Company as Vice-President. In February 2000, Mr. Fred Svensen resigned as a Director of the Company. In March 2000, Mr. Richard Somerville resigned as President and CEO. The Board appointed Mr. Nicholas Ferris as the President and CEO of the Company. In April 2000, Mr. Richard Somerville resigned as a Director of the Company. In April 2000, Mr. D'arcy Adam of Langley, BC was appointed as a Director of the Company.

Investor Relations

During the year, Claimstaker's investor relations manager was in daily contact by phone and mail with interested shareholders and the investment community. He also maintains and updates the Company's web site and marketing materials.

Future Plans

Property Acquisition

In the year 2000, Claimstaker intends to add to its portfolio of projects through the acquisition of new exploration and idle production properties in California and Nevada.

Blackdome Gold Mine, BC

The Blackdome Goldmine was idled in May 1999 due to the low price of gold. Should the price of gold exceed US\$350 in 2000, Claimstaker anticipates that an exploration and development program will commence on the property.

Zenda Gold Mine, California

The Zenda operation remains idle and awaits a higher gold price before commencing operation. Once in full production, Zenda is expected to produce approximately 2,000 ounces of gold per month.

Golden Trend Project, Nevada

A reverse-circulation drilling program commenced in April 1999. Drill results delivered high arsenic and anomalous gold geochemical assays. Claimstaker is currently in discussions with major gold producers for joint venture exploration opportunities.

Los Hilos Project, Mexico

This exciting exploration project has produced strong results in the early stages of the exploration project. Claimstaker has recently commenced the second stage of its exploration program that will further map and sample the old underground workings and survey the property with an IP study. This phase will continue until June 2000.

Warrior Extension, Nevada

Claimstaker anticipates the commencement of a soil sample exploration program on this property in the year 2000.

Conclusion

The past year has been a trying period for Claimstaker due to the low price of gold and the subsequent closure of the Blackdome Mine. Despite these circumstances, Claimstaker has managed to complete a series of exploration programs and has acquired two new attractive early stage exploration properties in Nevada. Claimstaker has also acquired rights to the exciting EnEco waste to energy technology.

Management and the Board of Directors wish to thank Mr. Richard Somerville for the many years of service with the Company. Mr. Somerville has been with Claimstaker since its inception in 1990 and was the Company's founding shareholder. Mr. Somerville will continue to provide his expertise to the Company as an independent geological consultant.

We anticipate a year of further exploration on a selection of our projects and the acquisition of new exploration and production properties in Nevada and California.

April 26, 2000 "Nicholas Ferris"
President and Chief Executive Officer

Corporate Data

CLAIMSTAKER RESOURCES LTD. is a public company trading on the Canadian Venture Exchange. The company is involved in mineral exploration and mine development in Canada, USA and Mexico.

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DIRECTORS

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Stanley G. Case, Edmonton, AB
Nicholas T. Ferris, Vancouver, BC
Kristian Ross, Victoria, BC
D'arcy Adam, Langley, BC

OFFICERS

Nicholas T. Ferris
President and CEO

Cheri Pedersen, DuMoulin Black
Secretary

REGISTRAR AND TRANSFER AGENT

Pacific Corporate Trust Company

BANKER

Canadian Western Bank

AUDITORS

PricewaterhouseCoopers LLP, Chartered
Accountants

LEGAL COUNSEL

DuMoulin Black
Vancouver, BC

STOCK EXCHANGE

Canadian Venture Exchange (CDNX)
Symbol: CLN

Annual Meeting Date

The annual general meeting will be held at 2:00 p.m.,
June 8, 2000 at the Waterfront Centre Hotel,
900 Canada Place, Vancouver, British Columbia,
Canada.