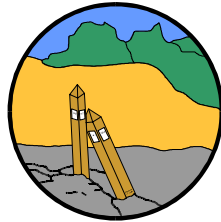


CLAIMSTAKER RESOURCES LTD.



ANNUAL REPORT

DECEMBER 31, 2000



REPORT TO SHAREHOLDERS

Claimstaker Resources Ltd. is a junior resource company focused on the exploration and development of gold properties in North America. Since the Company's inception in 1990, it has evaluated a number of precious metals prospects and has engaged in geological, geochemical and geophysical exploration and diamond drilling programs.

In 1994, *Claimstaker* acquired a former high-grade gold producer, the Blackdome Gold Mine located near Clinton, British Columbia. The mine was placed in production for the first months of 1999, but was subsequently closed due to the low price of gold.

In 1997, the Company acquired its second major project, the Zenda Gold Mine, located in Kern County, southern California. Zenda is a planned open pit gold-silver heap leach project from which 0.041 oz. gold per ton recovery is expected, and which has an identified resource of approximately 1.6 million tons of ore.

Claimstaker also acquired in 1997 the Golden Trend property, an early-stage gold exploration project along Nevada's prolific Battle Mountain trend. This project is well located on the trend, approximately five kilometres to the south of Placer Dome's Pediment project.

The Company also holds other mineral exploration projects including the Alwin copper property in the Highland Valley, British Columbia and the Bru-Lovie gold property located in the Crescent Valley, Lander County, Nevada. In September 1999, *Claimstaker* acquired the marketing rights for the EnEco Systems waste to energy technology for Japan, British Columbia, Alberta and the Yukon Territories.

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

Cautionary Statement

This 2000 Annual Report contains certain statements related to ore reserves, production, revenue, expenses, plans, development schedules and similar items that represent forward-looking statements. Such statements are based on assumptions and estimates related to future economic and market conditions. While management reviews the assumptions regularly, they involve risks and uncertainties that could cause actual results to differ materially from those contemplated in the forward-looking statements.



株主の皆様への報告

クレイムステーカー リソース 株式会社は北アメリカに於いて貴金属鉱区の探鉱・開発を専門とするジュニア リソース カンパニーです。1990年の創業以来、幾つかの貴金属有望鉱区の地質調査・地化学探鉱・物理探鉱・ボーリング探鉱を実施・評価してきました。

1994年に、当社はブリティッシュ・コロンビア州、クリントン近傍に位置して、嘗て、高品位金鉱石を採掘したブラックドーム金鉱山を買収し、1999年度初期に採掘に移行しましたが、金価格の低迷によって数ヶ月後に閉山しました。

1997年には、カリフォルニア州南部のケルン郡に位置する、当社にとっては第二の主要鉱区であるゼンダ金鉱区を買収しました。当鉱床は、嘗て、オープンピット・ヒープリーチで採掘及び選鉱が計画されたプロジェクトであり、これまでのヒープリーチ試験の結果、金の回収量はトンあたり0.041oz(1.28g/t)であり、約1,600,000トンの資源量が確認されています。

また同年、当社はゴールドトレンド鉱区を取得しました。これはネバダ州の金鉱床帯で有名なバトルマウンテン鉱化帯 (trend) に沿って位置する初期段階の探鉱鉱区です。この鉱区はバトルマウンテン鉱化帯中、プラサードームが所有しているペディメント (Pediment) 鉱区の南、約5kmという探鉱ポテンシャルの高い部分に位置しています。

この他に当社はカナダ、ブリティッシュ・コロンビア州のハイランド バーレイにアルウィン銅鉱区及び米国ネバダ州、ランダー郡、クレッセントバーレイのブルーロビー金鉱区等を含む探鉱鉱区を保持しています。また、1999年9月には廃砕からエネルギーへの転換技術であるエンエコ (EnEco) システムを日本、ブリティッシュ・コロンビア州、アルバータ州及びユコン準州でマーケティングする権利 (販売権) を取得しました。

クレイムステーカーの本社はカナダ、バンクーバーにあります。当社の取締役及び幹部は探鉱、開発、販売、そして財務と幅広い経験を有しています。

クレイムステーカー リソース社はカナディアンベンチャー証券取引場第一部に上場しています。

注意書き

今回の2000年度年次決算報告には、資源量、採掘、収益、経費、計画、開発計画などの諸表とそれに関連した進歩的な視野をもって作成した文書が掲載されております。これらの諸表はあくまでも未来経済及び市場の状況を仮定・推算して作成されたものでありますので、経営陣による定期的な見直しが行われたとしても、実際の結果がこれらの企図と異なる可能性がありますことご了承ください。



President's Message To Shareholders

Dear Shareholder,

Claimstaker is bullish on gold.

Indeed, we believe that the current depression in the gold mining industry will likely prove to be a unique opportunity for the patient, contrarian investor seeking undervaluation opportunities an out-of-favour industry.

Rarely has the marketplace set such strikingly low values for gold companies and their underlying mineral assets. Similar to the recent experiences in the natural gas and platinum group metals sectors, the record sustained supply deficit imbalance in the gold sector is likely pointing to a powerful multiyear bull market for the yellow metal. Accordingly, we at *Claimstaker* are preparing our projects to maximize shareholder value in anticipation of the commencement of a new gold bull market. However, it is important to step back and survey the current landscape of the gold mining industry.

Remarkably, in each of the years from 1997 to 1999, the gold price averaged approximately US\$289/oz. This price level rendered the average gold mining operation marginally profitable at best. It also set the stage for reduced exploration activities, falling production and the high-grading of existing deposits to ensure immediate cash flow. The low gold price also helped trigger the mass abandonment of gold mining investments.

The year 2000 marked the 20th anniversary of the current bear market for gold. This year 2000 has been the most trying period for the industry as the price of gold averaged a paltry US\$269/oz, the lowest

average price level of the two decade-long bear market.

At current prices it is nearly impossible for gold producers to function in a normal fashion. Many active gold mines' revenues are less than the cost of production and will likely be forced to close should prices not improve in the near-term. Standard Equities of South Africa recently predicted that without a meaningful improvement in the gold price, world gold production is conservatively estimated to fall 35% by the year 2008 (*Bloomberg, April 11, 2001*).

Rather than expanding reserves by new exploration, major gold producers are now focused on corporate growth through takeovers and asset acquisition. Indeed, the gold mining industry has experienced extreme reductions or even the outright elimination of exploration budgets. This industry-wide depression has caused many of its most talented experts to seek employment in other fields. No doubt, it will take many years for the industry to recover. It will be difficult for gold production to increase, even if the gold price should dramatically improve in the near future. A substantial and permanently higher price of gold is required to forestall the expected decline in gold production.

This longstanding depression in the gold mining industry has been especially trying for the junior mining sector. Funding for exploration and development activities has virtually dried up. The investing public continues to shun junior gold mining and exploration companies. Presently, most listed junior gold companies have remarkably low share prices, which



generally understate the value of the company's mineral assets.

Despite this gloomy picture, we at *Claimstaker* remain bullish on gold and see great opportunities ahead for our industry sector. The recent under-investment in the resource sector and the resultant imbalances will take years to correct. The universe of available investment opportunities in gold and resource companies has been dramatically reduced during this period. The general malaise in the resource sector has contrasted with the great burst of investment activity in the high tech sector. The public is over-invested in high tech and almost completely absent from the resource sector. *Claimstaker* remains strictly focused on gold and is one of the few junior mining companies with near-term gold production capability.

Furthermore, it has been estimated that gold demand is growing rapidly and currently greatly exceeds existing mine supply. At the same time, overwhelming bearish market sentiment has resulted in a massive build-up of speculative short positions through what is known as the "gold carry trade". To add fuel to the fire, institutional derivatives traders have made massive "paper" bets on a continued low and falling price of gold. These factors raise the prospects for a powerful and sustained short-covering rally.

For the past several years, Central Bank gold lending and sales have met the ongoing supply deficit. In effect, the liquidation of official sector gold reserves caused a substantial mispricing of the metal. The investment market continues to perceive the existence of an ongoing "glut"

of gold that will be available to supply the marketplace indefinitely. However, Central Banks continue to maintain gold inventories as a strategic and valuable monetary reserve. It is unlikely that the liquidation of Central Bank gold holdings will continue indefinitely. Indeed, the Washington Accord of September 1999 reaffirmed the Euro zone's commitment to maintaining gold as a key monetary reserve and to severely limiting the sales and leasing of its gold reserves.

Rising from this gloomy landscape are some very bullish factors. Typically, the lack of investment in new capacity combined with rising demand for a deeply undervalued commodity will result in substantially higher prices. Similar to the recent experiences with natural gas and the platinum group metals, we believe that the over-consumption of gold at these artificially depressed prices combined with the large short position and excessive derivatives exposure will ultimately result in a powerful, long-term gold bull market.

In these difficult times, *Claimstaker* has been most fortunate to have a strong affiliation with our major shareholder, *Jipangu* Inc. of Tokyo, Japan. Indeed, we share *Jipangu's* vision of the future and believe we are nearing the dawn of a new "Golden Age".

A handwritten signature in black ink, appearing to read "N. Ferris".

Nicholas T. Ferris
President and CEO
Claimstaker Resources Ltd.
May 4, 2001



会社社長から株主の皆様へのメッセージ

株主の皆様へ、

クレイムステーカーは金に関して強気です。

それどころか、当社では現状の金産業界不振こそが、注目される産業以外の分野で過少評価されている株式への投資を求む、気長でかつ反対思考をゆく投資家達にとって、例外無比の好機になると考えております。

今日の市場では、金山会社やその会社が所有する鉱物資産が見事なまでに低く評価されていますが、最近の天然ガスやプラチナ金属業界と同様に、金の部門において見られる供給不足による不均衡は、今後数年間に亘り金が力強い上げ相場に向かうことを示唆しているようにも見られます。故に、クレイムステーカー社は、新しい金の上げ相場を見越して、株主の価値を最大限に引き上げるためのプロジェクトの準備に取り組んでおります。しかしながら、客観的な立場から金産業界の現況を見究めることも重要な課題として捉えております。

1997年から1999年までの各年における注目すべき事実として、概算で金1オンスあたり約 US\$289 ドルの平均価格が付けられていました。この価格水準では、平均的な産金事業において殆ど採算性が見込まれず、探鉱活動の縮小や生産量の低減、ならびに即時でのキャッシュフローを確保するために既存の鉱床の中でも高品位の部分だけを採掘するなどの悪循環に見舞われ、その上、低迷する金の価格が金鉱株への投資を大幅に減らす引き金となりました。

西暦2000年は、現状の金の下げ相場が20年に到達した節目となりました。また、この年は、下げ相場にあった20ヶ年の間でも記録的な最安値1オンスあたり US\$269 ドルを平均とする金の価格を背景に、

同産業にとってはこの上ない試練の年となりました。

現状の金価格では、金山会社が通常の事業推進を図る事は、実質的に不可能と見られます。現在稼動する多数の金鉱山においては、総収入が生産コストを下回り、早期の金価格好転でも生じない限り、それらの鉱山は閉鎖を強いられることになるでしょう。南アフリカ・スタンダード・エクイティーズ (Standard Equities of South Africa) は最近、金価格の実質的な好転が見られない限り、世界の金生産量は2008年までに少なくとも見積もっても 35%低下するであろうとの予測を出しました。

(2001年4月11日ブルームバーグ通信)

大手の金山会社は、新規探鉱による埋蔵鉱量の増大を図るよりも事業接収や資産買収を通じた企業の成長に焦点を置いています。事実、金産業界部門では、探鉱予算の大幅な削減や完全な削除までもが余儀なくされました。この産業規模の不況により、優れた専門家の多くが他分野への転業を強いられました。この産業の復興には疑いなく長い年月を要するでしょう。近い将来に金の価格に劇的な好転が生じたとしても、金の生産量の増加は困難と予測されます。金の生産における減量を未然に防ぐためには、実質的にかつ永続的な金の高値が必須条件となります。

この長期に渡る金産業界の不況は、鉱業部門の中でも特に中・小の鉱山会社に対して影響を及ぼしました。探鉱や開発活動への資金は、実質的に枯渇した状態に陥っており、投資家達の間では、中小規模の金鉱山会社や探鉱会社への投資が回避されています。今日、中・小金鉱山会社の中で上場銘柄にある株価は著しく低迷しており、それらの会



社が保有する鉱物資産の価値は過少評価を下されています。

このような陰惨たる状況にもかかわらず、クレイムステーカー社は、依然として強気な金の相場観を掲げており、我々の関わる金の部門についても好機的な予測の見解を維持しております。最近の資源株への投資離れやこの結果として生じた不均衡の改善には長い時間を要するでしょう。金鉱株ならびに資源株において効果的とされる投資の領域は、この期間中に劇的に縮小しました。資源部門への全般的な不安感、ハイテク部門における投資活動の多大な盛況とは対照を成しています。ハイテク株への投資は余剰的である反面、資源株への投資は皆無に近い現状にあります。それでも、クレイムステーカー社は、断固として金に焦点を向け続けます。当社は、短期的な金の生産を可能とする数少ない中・小鉱山会社の一つであります。

更に、金に対する需要が著しく増加すれば、既存の鉱山から供給される量をはるかに凌ぐ程の需要量が見込まれます。同時に、「金の繰延取引」として知られる大規模な投機的な空売りの積重ねの結果、圧倒的な下げ相場を示す気配が生じます。機関的に構成されるデリバティブ・トレーダー達は、灯に油を注ぐが如く、継続的に低迷・下落する金に対して大量の“紙幣”による賭けをしました。これらの要素から、強力で継続的な空売り買戻しの反発が見込まれます。

過去数年間に実施された中央銀行による金の貸出しならびに売却は、現在も進行する金の供給不足に対応してきました。つまり、公的機関の保有する金の流出により、実質的には間違った形で金属の価格付けが行われたのです。投資の市場では、金の供給が

常に余剰するものとして認識されています。しかしながら、中央銀行は金の在庫を戦略的かつ価値ある通貨の準備金として保有し続けています。つまり、中央銀行による金の流出が永続的なものとは考えられません。1999年9月のワシントン協定により、実質的には、ユーロ通貨圏が全面的に金を主要通貨の準備金として扱い、それらの保有する金の売却ならびに貸出し等が厳しく制限されている実態が改めて浮き彫りにされました。

金相場のこの陰惨たる状況からの復活は、なかなかの強気材料となります。典型的な例として、新たな投資が不足することで、その商品に過少評価が下されます。その過少評価された商品の需要が増加することにより、商品価格は実質的に高値へと推移することになります。最近の天然ガスやプラチナ金属業界と同様、多量の空売りや余剰するデリバティブの未決済等と結びついて生じた人為的な価格の下落による過剰消費の結果、金の価格は長期的な上げ相場に発展すると我々は考えております。

このような状況下、クレイムステーカー社は幸いにして当会社の大株主である東京のジパング社との力強い関係に支えられております。当社はジパング社が掲げる未来像と信念に共感すると同時に、新たな「黄金時代」の幕開けが近付いていることを強く信じております。

平成13年5月4日
クレイムステーカー リソース社
代表取締役社長
ニコラス・T・フェラス



Mineral Projects

CANADA

Blackdome Gold Mine Clinton, British Columbia

LOCATION

The Blackdome property is located approximately 250 kilometres north of Vancouver BC, 70 kilometres west northwest of the small town of Clinton B.C. The mine is at an elevation of about 2000 meters, near the summit of Blackdome Mountain. Vehicle access from Clinton or Williams Lake B.C. includes crossing the Fraser River near Churn Creek, and travelling an additional 30 kilometres of gravel road, which provides access to all parts of the property.

OVERVIEW

The Blackdome property is held 100% by No 75 Corporate Ventures Ltd., owned equally by *Claimstaker Resources Ltd.* (50%) and *Jipangu Inc.* (50%). *Claimstaker's* joint venture partner in the project, *Jipangu Inc.* of Tokyo, Japan, is a private Japanese resource company. The property consists of 21 mineral claims totalling 214 units, 10 crown granted mineral claims totalling 169 hectares, and two mining leases totalling 988.33 hectares.

The Blackdome property has a "drill inferred resource" of 124,120 tonnes averaging 12.8 grams of gold per tonne (0.37 oz Au/ton) and 33.7 grams of silver per tonne (0.98 oz Ag/ton) for an in situ total of 50,834 ounces of gold and 134,386 ounces of silver.

Blackdome has several exploration targets that have been well documented within the areas of underground development, as well as farther from the present development. Thus, the property is considered to have reasonable potential for hosting additional high-grade gold ore shoots.

Claimstaker views the property as a long-term asset. However, additional gold resources are required before the Company would proceed to an independent feasibility study, as a precursor to any future production.

HISTORY

Placer mining on the Fraser River at locations such as Big Bar, French Bar, Crows Bar and High Bar led to a placer gold discovery on Poison Mountain in the early 1930's. The resulting staking rush saw a large area claimed, including most of the creeks in the Blackdome Mountain area. The source of the placer gold was a large, low-grade copper-gold porphyry system. Considerable sluicing was done on Fairless Creek, which drains the west slope of Black Dome Mountain.

After an extended period of exploration, Blackdome Mining Ltd. brought the outlined gold deposit into production in 1986. The proven and probable reserves totalled 119,557 tonnes grading 20.9 grams gold per tonne (0.61 oz Au/ton) and 124.6 grams silver per tonne (3.63 oz Ag/ton). The initial 140 tonnes per day rate of production increased to 200 tonnes per day. The mine was shut down in January 1991. During its five year life, a total of 7,000,000 grams of gold (225,000 ounces) and 17,000,000 grams of silver (547,000 ounces) were recovered from 338,000 tonnes (373,000 tons) of ore.

After *Claimstaker* purchased the asset in 1995, a small amount of exploration drilling was completed adjacent to the existing workings and a decision was made to bring the mine back into production. Between November 1998 and May 1999, the mine produced 203,631 grams of gold (6,547 ounces) and 538,090 grams of silver (17,300 ounces) from 21,286 tonnes of ore. Ninety percent of Blackdome's total historical gold and silver production came from the No. 1 and 2 Veins of the mineralized system, between the 1870 and 1990-meter elevations, and from one kilometre of the 3.75 kilometre long vein system. The mine was closed in May 1999 due to the prevailing low price of gold.



Alwin Copper Project

Highland Valley, British Columbia

LOCATION

The Alwin mine property is located nine kilometres from Highway 97C on the western slopes of the Highland Valley, southwest of Kamloops, British Columbia. Alwin is immediately west of the major porphyry copper open pit currently operated by Highland Valley Copper Corp., which is owned by Billiton, Cominco and Teck. The claims immediately adjoin the Highland Valley Copper holdings and are located within two kilometres of their recent surface development.

The property is readily accessible by highway from Merritt, Ashcroft and Logan Lake, with a nine km gravel road from Highway 97C providing immediate access to the main mine development area.

OVERVIEW

The Alwin property is 100% owned by *Claimstaker Resources Ltd.*, subject to a 2.5% net smelter royalty. Using a 25% dilution factor the Alwin property has an inferred resource of 430,000 tons of ore grading 2.50% copper, 0.34 ounces silver per ton and 0.02 ounces gold per ton. However, this resource requires additional confirmation. The area in the immediate vicinity of the mine has received intensive exploration, but large sections of the property located along strike show good geologic potential and have received very little exploration using modern methods.

HISTORY

The presence of high grade copper mineralization was first noted on the Alwin property in the late 1800s. In 1980 and 1981, DeKalb Mining Corp. placed the property in production at a rate of 700 to 800 tons per day; however, the mine was shut down in 1981 because of a declining copper price. The property was subsequently purchased by F.D. Miller and stripped of buildings and machinery. The land was reclaimed and the mine openings sealed.

In 1993, *Claimstaker Resources Ltd.* optioned the Alwin property and subsequently earned a 100% interest, subject to a 2.5% net smelter return royalty payable to F.D. Miller. In March 2000, the property was transferred to *Claimstaker*.

In 1993, soon after signing the agreement with Miller, *Claimstaker* trenched the projected surface exposure of the No. 4 North Zone. In January 1995 when the price of copper reached nearly Can\$2.00/pound, *Claimstaker* undertook an underground development program on the No. 4 North Zone to test the ground conditions and recover a bulk sample for metallurgical testing. The composite test samples, each weighing 110 kg (240 lbs), were collected in each of two new raises. The workings were surveyed, mapped and sampled.

During the spring and summer of 1995 plans were made to bring the property back into production using the existing workings. Initially, it was planned to mine the No. 4 North Zone and truck the ore to the Afton Mine in Kamloops. However the shipments were of broken stockpiled ore totalling about 2000 tonnes grading close to 2% copper, which were purchased by Afton.

In late 1995 operations on the property ceased when the price of copper decreased and Afton Mining Company decided to terminate operations. In recent years the mine openings have been resealed and some reclamation work completed.



U.S.A.

Zenda Gold Mine
Kern County, California

LOCATION

The Zenda Project is located in Kern County, southern California, approximately 30 miles southeast of the city of Bakersfield and 10 miles due north of the town of Tehachapi.

OVERVIEW

The Zenda project is a small tonnage, largely permitted, (1,403,000 ton) potential heap leach operation with a grade of 0.042 oz gold per ton and 0.575 oz silver per ton. With a higher gold price, *Claimstaker* would propose to mine the ore body at rate of 2,400 tons per day, 5 days per week. Without additional reserves, the mining would be completed in less than two years, but it may also be possible to add to the deposit with exploration drilling along strike and down dip, as the resource is open in all directions.

The orebody is located on the top of a mountain and has a low stripping ratio (0.36:1). A significant portion of the waste would be used in the construction of an embankment dam, which is to contain the valley fill heap leach pad. Gold recovery would be in a conventional carbon stripping circuit.

Overburden at the deposit provides potential upside for the project as sampling by *Claimstaker* has confirmed that it contains indicated gold grades ranging between 0.01 and 0.03 oz/ton. These grades are not economic on their own; however, recovery of this gold could improve the return on capital should gold prices rise substantially (Potential revenues from this overburden are not contained in the feasibility study).

HISTORY

The Zenda project was originally conceived and explored by Shell Mining Co. Ownership in the project was transferred to Equinox Resources Ltd. of Vancouver, British Columbia in the mid 1980's. In 1989, Equinox commissioned a full engineering plan from Vector Engineering of Grass Valley, California for the construction of a valley fill leach pad, an appropriately sized embankment dam for containment, a gold recovery plant and ancillary facilities. Concurrently, a mine plan was commissioned from Pincock Allen & Holt of Lakewood, Colorado.

With these reports and the metallurgical studies of McClelland Laboratories of Reno, Nevada, Equinox prepared a feasibility study and commissioned Pincock Allen & Holt to perform an audit on its study. Based on these studies the property was permitted and readied for production. However, Equinox made a decision not to commence production because of the prevailing low gold price.

Hecla Mining Co. acquired the property as part of its 1994 takeover of Equinox Resources Ltd. Subsequently, Hecla decided to sell the property, as its relatively small resource (1.4 million tons at 0.042 oz Au/ton) did not meet Hecla's production criteria.

Saga Exploration Co., a private Nevada corporation, gained control of the project in late 1995. Saga undertook a detailed review of the property work and completed an updated economic study in 1996. Early in 1997, Saga entered into a purchase agreement with *Claimstaker* whereby ownership of Equinox was transferred to *Claimstaker*, but it is intended that Saga will be the project developer and operator of the mine.



Golden Trend Project Lander County, Nevada

LOCATION

Golden Trend is a promising early-stage exploration property located in the heart of the third largest gold producing region in the world. It lies within the highly prolific Battle Mountain-Eureka Trend in Eureka County, Nevada, approximately 300 miles northeast of Reno.

The Pipeline, Cortez, Horse Canyon and Buckhorn gold mines are all within a few miles of the Golden Trend property, and Placer Dome's newest discovery, the plus one million ounce Pediment deposit, is only five kilometres to the north.

OVERVIEW

In August 1996, an initial group of 80 claims was optioned from Rubicon Resources of Sparks, Nevada. An additional 10 claims were staked by Rubicon in 1998 and added to the option agreement. These 90 claims are subject to a 3% net smelter royalty, of which 2% is purchasable. Under the option agreement, Claimstaker pays the annual Bureau of Land Management and county fees, and makes annual advanced royalty payments to Rubicon.

Claimstaker recently staked an additional 21 claims, enlarging the property to 111 lode mining claims. The option agreement and all the claims are in good standing.

HISTORY

The Battle Mountain-Eureka Trend is defined by a northwest-southeast alignment of operating mines and undeveloped gold deposits. Several are world class, multimillion ounce deposits with Newmont Mining Corporation, Placer Dome Mines Inc. and Homestake Mining Company as operators.

The deposits of the Trend are generally sediment hosted, and are referred to as "Carlin" type. The host Paleozoic carbonate rocks are mineralized where they have been cut by high angle faults which acted as conduits for the gold-bearing hydrothermal fluids. Recent dramatic discoveries of high grade gold deposits in these "feeders" and associated structures have significantly expanded the potential of these environments.

The Battle Mountain-Eureka Trend appears to be controlled by early, deep-seated structures such as the Cortez Fault, which have been reactivated and offset by basin and range tectonism. The host carbonate rock sequence has been locally uplifted by these structures and exposed in windows through the plane of the regionally extensive Roberts Mountains Thrust Fault. These "lower plate" rocks, which are the primary gold bearing units, are overlain by a mainly clastic sequence referred to as "upper plate" rocks.

Alteration associated with these sediment hosted deposits is subtle but definitive. The rocks are variously silicified, decarbonatized, bleached and commonly argillized. Gold, arsenic, and, to a lesser extent, antimony and mercury are excellent geochemical indicators.

The property is cut along its entire western side by the Cortez Fault and associated structures, and is interpreted to be bounded on the east by the northern Nevada rift zone, creating an uplifted block of stratigraphy which brings the lower plate rocks closer to the surface. Roberts Mountain Thrust lower plate rocks are exposed within a mile of the north side of the claim group, and are projected under shallow cover under much of the property. Exploration by *Claimstaker* in 1998 and 1999 identified significant coincident gold and arsenic soil geochemical values correlated with high angle structures. Geochemically anomalous gold and arsenic in rock, and occasionally anomalous copper values, have been identified in various geologic settings. To follow-up on this preliminary geologic, geochemical, and geophysical work, a small program of nine shallow reverse circulation holes was undertaken on this sizable 111 claim property. Analyses from the drilling produced values in excess of 3,000 ppm arsenic and 100 ppb gold. An area of silicification was identified, which may be associated with a mineralized porphyritic intrusive system. The strongly altered intrusive, and the gold-arsenic mineralization appears to be spatially related to a splay off the Cortez Fault, itself a prominent structural feature in major gold deposits nearby.

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 in the Tweedsmuir Room at the Hotel Vancouver at 900 West Georgia Street, Vancouver, British Columbia, V6C 2W6, on June 15, 2001, 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, 2000.
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 consider and, if thought fit, to pass a special resolution changing the name of the Company from Claimstaker Resources Ltd. to J-Pacific Gold Inc. or such other name decided upon by the directors and acceptable to the Registrar of Companies and the Canadian Venture Exchange and altering the Company's Memorandum accordingly.
8. To consider and, if thought fit, to pass a special resolution altering the Company's Memorandum to the form attached to the information circular and marked Schedule "A" thereto so that the Memorandum, as altered, shall at the time of filing comply with the Company Act.
9. 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, 2001.

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, 2001, 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 15, 2001 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, 10th Floor, 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, RRIFs, 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 23,354,326 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 11, 2001 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	6,014,055 ⁽¹⁾	25.75%

⁽¹⁾ Of these shares, 5,505,555 are held indirectly in the name of Jipangu Inc., 400,000 are held in the name of Amrash Investments Inc. and 108,500 are held in the name of Ushinomiya Inc., all 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
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
Driffield Cameron Burlington, Ontario Director	Geologist; Vice President, Exploration, High River Gold Mines Ltd.	Since April 6, 2001	Nil
Kazuo Shuto Tochigi ken, Japan Director Nominee	Managing Director, Jipangu Inc.	First Time Nominated	Nil

(1) Member of the audit committee.

(2) Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, as at April 26, 2001, 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 each of the individuals comprised of the Chief Executive Officer as at December 31, 2000 and the other four most highly compensated executive officers of the Company as at December 31, 2000, 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 (collectively “the Named Executive Officers”).

Summary Compensation Table

Name and Principal Position	Year Ended	Annual Compensation			Long Term Compensation			All other Compensation (\$)
		Salary (\$) Compensation	Bonus (\$)	Other Annual (\$)	Awards		Payouts	
					Securities Under Option/SAR's granted (#)	Restricted Shares or Restricted Share Units (\$)	LTIP Payouts (\$)	
Nicholas T. Ferris President/Directo	Dec. 31, 2000	\$42,000	Nil	Nil	250,000	Nil	Nil	Nil
Richard D. Somerville President/Director		\$3,250	Nil	Nil	Nil	Nil	Nil	Nil
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

- (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.

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 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
Nicholas T. Ferris President/Director	250,000 shares	19.92%	\$0.15 ⁽³⁾	\$0.15/share	February 1, 2002

- (1) The options generally become exercisable on the date of grant, subject to regulatory approval.
- (2) The exercise price of stock options is determined by the Board of Directors but shall in no event be less than the discounted market 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, or such other price as may be agreed to by the Company and approved by such stock exchange.
- (3) Subject to regulatory approval, the price of outstanding options, including Mr. Ferris' option, has been amended to \$0.15

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
Nicholas T. Ferris President/Director	Nil	Nil	250,000 shares	N/A/N/A

Termination of Employment, Changes in Responsibility and Employment Contracts:

The Company entered into a management agreement, effective April 1, 2000, with Nicholas T. Ferris pursuant to which Nicholas T. Ferris was paid \$4,000 per month for his services in his capacity as President of the Company. On November 1, 2000, the Company entered into an amended and restated management agreement with Nicholas T. Ferris to amend the compensation payable to him to \$7,000 per month.

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 Directors/Officers/ 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
J. Paul Sorbara Director	125,000 shares	10.64%	\$0.22	\$0.11	June 8, 2000	June 8, 2002
Gregory Austin Director	25,000 ⁽³⁾ shares	2.13%	\$0.15	\$0.11	June 8, 2000	June 8, 2002
D'arcy G. Adam Director	125,000 ⁽³⁾ shares	10.64%	\$0.15	\$0.11	June 8, 2000	June 8, 2002
Driff Cameron Director	125,000 ⁽⁴⁾ shares	10.64%	\$0.15	\$0.5	April 26, 2001	April 26, 2003
Gregory Austin Director	100,000 ⁽⁴⁾ shares	8.51%	\$0.15	\$0.5	April 26, 2001	April 26, 2003

(1) The options generally become exercisable on the date of grant, subject to regulatory approval.

(2) The exercise price of stock options is determined by the Board of Directors but shall in no event be less than the market 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.

- (3) Subject to regulatory approvals, these stock options have been repriced from \$0.22 per share to \$0.15 per share subsequent to the most recently completed financial year.
- (4) These options are subject to regulatory approval.

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.

APPOINTMENT OF AUDITOR

The Company and PricewaterhouseCoopers LLP, Chartered Accountants, have mutually agreed that PricewaterhouseCoopers LLP will not stand for re-appointment as the auditor of the Company at the upcoming Annual General Meeting. Management proposes to change the auditor of the Company from PricewaterhouseCoopers LLP, Chartered Accountants, who were first appointed as auditors on March 11, 1999, to Morgan & Company, Chartered Accountants, of Vancouver, British Columbia. A copy of the Reporting Package, including the Notice of Change of Auditor and letters from PricewaterhouseCoopers and Morgan & Company, is annexed hereto.

The proxies given pursuant to this solicitation will be voted for the appointment of Morgan & Company, 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.

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) Change of Name

The Company proposes to change its name to J-Pacific Gold Inc. There is no proposed consolidation of its shares.

Therefore, members will be asked to approve a special resolution changing the name of the Company as follows:

“Resolved as a special resolution that the name of the Company be changed from Claimstaker Resources Ltd. to J-Pacific Gold Inc. or such other name as decided upon by the directors and acceptable to the Registrar of Companies for British Columbia and the Canadian Venture Exchange and altering the Company's Memorandum accordingly.”

(c) Alteration of Memorandum

In order to reflect the above-noted proposed changes to the Company's name, members will be asked to approve a special resolution altering the Company's Memorandum to the form attached hereto and marked Schedule "A" so that the Memorandum, as altered, shall at the time of filing comply with the Company Act.

(d) 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, 2001

BY ORDER OF THE BOARD

“Nicholas T. Ferris”
NICHOLAS T. FERRIS
President/Director

SCHEDULE A

Attached to the Resolutions of Claimstaker Resources Ltd.
passed by the Members on June 15, 2001

MEMORANDUM

(ALTERED)

of

J-PACIFIC GOLD INC.

1. The name of the Company is "J-Pacific Gold Inc."
2. The authorized capital of the Company consists of ONE HUNDRED MILLION (100,000,000) Common Shares without par value.

CLAIMSTAKER RESOURCES LTD.

1440 – 1166 Alberni Street
Vancouver, British Columbia, V6E 3Z3
(604) 684-6677

TO THE SHAREHOLDERS:

NOTICE OF CHANGE OF AUDITOR

It is proposed that Claimstaker Resources Ltd. (the “Company”) will change its auditor from PricewaterhouseCoopers LLP, Chartered Accountants, of 1111 West Hastings Street, Vancouver, British Columbia, V6E 3R2, to Morgan & Company, Chartered Accountants of 1488 – 700 West Georgia Street, Vancouver, British Columbia, V7Y 1A1. The Company and PricewaterhouseCoopers LLP have mutually agreed that PricewaterhouseCoopers LLP will not stand for re-appointment as the auditor of the Company at the upcoming Annual General Meeting.

There are no reservations in any auditor's reports, no reportable disagreements between the Company and PricewaterhouseCoopers LLP and there have been no qualified opinions or denials of opinions by PricewaterhouseCoopers LLP in connection with the audits of the Company's two most recently completed fiscal years or any subsequent period.

This Notice, together with the required response letters from each of PricewaterhouseCoopers LLP and Morgan & Company have been reviewed by the Company's Audit Committee.

The mutual agreement between the Company and PricewaterhouseCoopers LLP that PricewaterhouseCoopers LLP not stand for re-appointment as the auditor of the Company at the upcoming Annual General Meeting has been approved by the Company's Audit Committee.

DATED this 7th day of May, 2001.

CLAIMSTAKER RESOURCES LTD.

Per: “Nicholas T. Ferris
NICHOLAS T. FERRIS

BRITISH COLUMBIA SECURITIES COMMISSION
9th Floor, Pacific Centre
701 West Georgia Street
Vancouver, British Columbia V7Y 1L2

and

ALBERTA SECURITIES COMMISSION
21st Floor - 10025 Jasper Avenue
Edmonton, Alberta T5J 3Z5

and

MORGAN & COMPANY
1488 – 700 West Georgia Street
Vancouver, British Columbia V7Y 1A1

and

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

May 7, 2001

Subject: Claimstaker Resources Ltd.

Dear Sirs

Pursuant to Paragraph 4.7 of National Policy No. 31, we hereby confirm our agreement with the information contained in the Notice sent to us by the above-noted company dated May 7, 2001. This confirmation is based on our knowledge of the information at this date.

Yours very truly

Signed "PricewaterhouseCoopers LLP"

Chartered Accountants

May 7, 2001

British Columbia Securities Commission
9th Floor, 701 West Georgia Street
P.O. Box 10142, Pacific Centre
Vancouver, BC V7Y 1L2

and

Alberta Securities Commission
21st Floor, 10025 Jasper Avenue
Edmonton, AB T5J 3Z5

and

PriceWaterhouseCoopers LLP
1111 West Hastings Street
Vancouver, BC V6E 3R2

and

Claimstaker Resources Ltd.
#1440 – 1166 Alberni Street
Vancouver, BC V6E 3Z3

Dear Sirs:

RE: CLAIMSTAKER RESOURCES LTD. (the "Company")

As required by National Policy No. 31, we have reviewed the information contained in the Company's Notice of Change of Auditor, dated May 7, 2001, and we do not disagree with the information contained in such notice.

Our understanding is that the notice will read as follows:

"It is proposed that Claimstaker Resources Ltd. (the "Company") will change its auditor from PricewaterhouseCoopers LLP, Chartered Accountants, of 1111 West Hastings Street, Vancouver, BC, V6E 3R2, to Morgan & Company, Chartered Accountants, of #1488 – 700 West Georgia Street, Vancouver, BC, V7Y 1A1. The Company and PricewaterhouseCoopers LLP have mutually agreed that PricewaterhouseCoopers LLP will not stand for re-appointment as the auditor of the Company at the upcoming Annual General Meeting.

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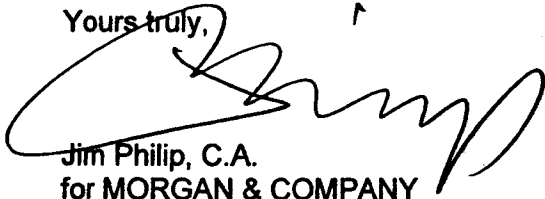


There are no reservations in any auditor's report, no reportable disagreements between the Company and PricewaterhouseCoopers LLP, and there have been no qualified opinions or denials of opinions by PricewaterhouseCoopers LLP in connection with the audits of the Company's two most recently completed fiscal years or any subsequent period.

This Notice, together with the required response letters from each of PricewaterhouseCoopers LLP and Morgan & Company have been reviewed by the Company's Audit Committee."

We understand that the Notice of Change of Auditor, along with this letter and a similar letter from PricewaterhouseCoopers LLP, will be provided to the Company's registered shareholders with the meeting materials relating to the Company's next general meeting of shareholders.

Yours truly,

A handwritten signature in black ink, appearing to read "Jim Philip". The signature is written in a cursive style with a large initial "J".

Jim Philip, C.A.
for MORGAN & COMPANY

JLP/nm



British Columbia Securities Commission

QUARTERLY AND YEAR END REPORT

BC FORM 51-901F
(previously Form 61)

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, Financial Reporting (604-899-6729), PO Box 10142, Pacific Centre, 701 West Georgia Street, Vancouver BC V7Y 1L2. Toll Free in British Columbia 1-800-373-6393

INSTRUCTIONS

This report must be filed by Exchange Issuers within 60 days of the end of their first, second and third fiscal quarters and within 140 days of their year end. "Exchange issuer" means an issuer whose securities are listed and posted for trading on the Canadian Venture Exchange and are not listed and posted on any other exchange or quoted on a trading or quotation system in Canada. Three schedules must be attached to this report as follows:

SCHEDULE A: FINANCIAL STATEMENTS

Financial statements prepared in accordance with generally accepted accounting principles are required as follows:

For the first, second and third financial quarters:

Interim financial statements prepared in accordance with section 1751 of the CICA Handbook, including the following: balance sheet, income statement, statement of retained earnings, cash flow statement, and notes to the financial statements.

The periods required to be presented, consistent with CICA Handbook section 1751, are as follows:

- a balance sheet as of the end of the current interim period and a comparative balance sheet as of the end of the immediately preceding fiscal year;
- a statement of retained earnings cumulatively for the current fiscal year-to-date, with a comparative statement for the comparable year-to-date period of the immediately preceding fiscal year; and
- income statements and cash flow statements for the current interim period and cumulatively for the current fiscal year-to-date, with comparative statements for the comparable interim periods (current and year-to-date) of the immediately preceding fiscal year.

For the financial year end:

Annual audited financial statements prepared on a comparative basis.

Exchange Issuers with a fiscal year of less than or greater than 12 months should refer to National Policy No. 51 *Changes in the Ending Date of a Financial Year and in Reporting Status* for guidance.

Issuers in the development stage are directed to the guidance provided in CICA Accounting Guideline AcG-11 *Enterprises in the Development Stage* that states "enterprises in the development stage are encouraged to disclose in the income statement and in the cash flow statement cumulative balances from the inception of the development stage."

Issuers that have been involved in a reverse take-over should refer to the guidance found in BCIN #52-701 (previously NIN #91/21) with respect to such transactions including the requirement for disclosure of supplementary information regarding the legal parent's prior financial operations.

SCHEDULE B: SUPPLEMENTARY INFORMATION

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

1. *Analysis of expenses and deferred costs*

Provide a breakdown of amounts presented in the financial statements for the following: deferred or expensed exploration, expensed research, deferred or expensed development, cost of sales, marketing expenses, general and administrative expenses, and any other material expenses reported in the income statement and any other material deferred costs presented in the balance sheet.

The breakdown should separately present, at a minimum, each component that comprises 20% or more of the total amount for a material classification presented on the face of the financial statements. All other components of a material classification may be grouped together under the heading "miscellaneous" or "other" in the cost breakdown; the total for "miscellaneous" should not exceed 30% of the total for a material classification.

Breakdowns are required for the year-to-date period only. Breakdowns are not required for comparative periods.

Issuers in the development stage are reminded that Section 3(9)(b) of the BC Securities Commission's Rules requires a schedule or note to the financial statements containing an analysis of each of exploration, research, development and administration costs, whether expensed or deferred and if the issuer is a natural resource issuer, that analysis for each material property. Because the analysis required by Rule 3(9)(b) must be included in the financial statements, the information does not have to be repeated in Schedule B. Consistent with CICA Accounting Guidelines AcG-11, staff considers an issuer to be in the development stage when it is devoting substantially all of its efforts to establishing a new business and planned principal operations have not commenced. Further, in staff's view, the lack of significant revenues for the past two years normally indicates that an issuer is in the development stage.

2. *Related party transactions*

Provide disclosure of all related party transactions as specified in Section 3840 of the CICA Handbook.

3. *Summary of securities issued and options granted during the period*

Provide the following information for the year-to-date period:

- (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, and
- (b) summary of options granted during the period, including date, number, name of optionee for those options granted to insiders, generic description of other optionees (e.g. "employees"), exercise price and expiry date.

4. *Summary of securities as at the end of the reporting period*

Provide the following information as at the end of the reporting period:

- (a) description of authorized share capital including number of shares for each class, dividend rates on preferred shares and whether or not cumulative, redemption and conversion provisions,
- (b) number and recorded value for shares issued and outstanding,
- (c) description of options, warrants and convertible securities outstanding, including number or amount, exercise or conversion price and expiry date, and any recorded value, and
- (d) number of shares in each class of shares subject to escrow or pooling agreements.

5. *List the names of the directors and officers as at the date this report is signed and filed.*

SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS

1. General Instructions

- (a) Management discussion and analysis provides management with the opportunity to discuss an issuer's business, current financial results, position and future prospects.
- (b) Focus the discussion on material information, including liquidity, capital resources, known trends, commitments, events, risks or uncertainties, that is reasonably expected to have a material effect on the issuer.
- (c) For an issuer with active ongoing operations the discussion should be substantive (e.g. generally two to four pages in length); for an issuer with limited operations the discussion may not be as extensive (e.g. one page).
- (d) The discussion must be factual, balanced and non-promotional.
- (e) Where the discussion relates to a mineral project, as defined in National Instrument 43-101 "Standards of Disclosure for Mineral Projects," the disclosure must comply with NI 43-101.

2. Description of Business

Provide a brief description of the issuer's business. Where an issuer is inactive and has no business, disclose these facts together with a description of any plans to reactivate and the business the issuer intends to pursue.

3. Discussion of Operations and Financial Condition

Provide a meaningful discussion and analysis of the issuer's operations for the current year-to-date period presented in the financial statements. Discuss the issuer's financial condition as at the date of the most recent balance sheet presented in the financial statements.

The following is a list of items that should be addressed in management's discussion and analysis of the issuer's operations and financial condition. This is not intended to be an exhaustive list of the relevant items.

- (a) expenditures included in the analysis of expenses and deferred costs required under Securities Rule 3(9)(b) and Schedule B;
- (b) acquisition or abandonment of resource properties material to the issuer including material terms of any acquisition or disposition;
- (c) acquisition or disposition of other material capital assets including material terms of the acquisition, or disposition;
- (d) material write-off or write-down of assets;
- (e) transactions with related parties, disclosed in Schedule B or the notes to the financial statements;
- (f) material contracts or commitments;
- (g) material variances between the issuer's financial results and information previously disclosed by the issuer, (for example if the issuer does not achieve revenue and profit estimates previously released, discuss this fact and the reasons for the variance);
- (h) material terms of any existing third party investor relations arrangements or contracts including:

- i. the name of the person;
- ii. the amount paid during the reporting period; and
- iii. the services provided during the reporting period;

- (i) legal proceedings;
- (j) contingent liabilities;
- (k) default under debt or other contractual obligations;
- (l) a breach of corporate, securities or other laws, or of an issuer's listing agreement with the Canadian Venture Exchange including the nature of the breach, potential ramifications and what is being done to remedy it;
- (m) regulatory approval requirements for a significant transaction including whether the issuer has obtained the required approval or has applied for the approval;
- (n) management changes; or
- (o) special resolutions passed by shareholders.

4. Subsequent Events

Discuss any significant events and transactions that occurred during the time from the date of the financial statements up to the date that this report is certified by the issuer.

5. Financings, Principal Purposes and Milestones

- (a) In a tabular format, compare any previously disclosed principal purposes from a financing to actual expenditures made during the reporting period.
- (b) Explain any material variances and the impact, if any, on the issuer's ability to achieve previously disclosed objectives and milestones.

6. Liquidity and Solvency

Discuss the issuer's working capital position and its ability to meet its ongoing obligations as they become due.

How to File Under National Instrument 13-101 – System for Electronic Document Analysis and Retrieval (SEDAR)

BC Form 51-901F Quarterly and Year End Reports are filed under Category of Filing: Continuous Disclosure and Filing Type: Interim Financial Statements or Annual Financial Statements. Schedule A (Financial Statements) is filed under Document Type: Interim Financial Statements or Annual Financial Statements. Schedule B (Supplementary Information) and Schedule C (Management Discussion) are filed under Document Type: BC Form 51-901F (previously Document Type Form 61(BC)).

Meeting the Form Requirements

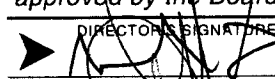

BC Form 51-901F consists of three parts: Instructions to schedules A, B and C, issuer details and a certificate. To comply with National Instrument 13-101 it is not necessary to reproduce the instructions that are set out in BC Form 51-901F. A cover page to the schedules titled BC Form 51-901F that includes the issuer details and certificate is all that is required to meet the BC Form 51-901F requirements. The form of certificate should be amended so as to refer to one or two of the three schedules required to complete the report.

ISSUER DETAILS

NAME OF ISSUER Claimstaker Resources Ltd.		FOR QUARTER ENDED 00/12/31	DATE OF REPORT YY / MM / DD 01/05/04
ISSUER ADDRESS Suite 1440 – 1166 Alberni Street			
CITY Vancouver	PROVINCE BC	POSTAL CODE V6E 3Z3	ISSUER FAX NO. (604) 684-6678
CONTACT NAME Ralph Braun		CONTACT POSITION Chief Financial Officer	ISSUER TELEPHONE NO. (604) 684-6677
CONTACT EMAIL ADDRESS braunralph@netscape.net		CONTACT TELEPHONE NO. (604) 809-0618	
CONTACT EMAIL ADDRESS braunralph@netscape.net		WEB SITE ADDRESS www.claimstakerresources.com	

CERTIFICATE

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

DIRECTOR'S SIGNATURE 	PRINT FULL NAME Nicholas T. Ferris	DATE SIGNED YY / MM / DD 01/05/04
DIRECTOR'S SIGNATURE 	PRINT FULL NAME D'Arcy G. Adam	DATE SIGNED YY / MM / DD 01/05/04

Claimstaker Resources Ltd.

Consolidated Financial Statements
December 31, 2000 and 1999
(expressed in Canadian dollars)

April 9, 2001

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”

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, 2000 and 1999 and the consolidated statements of loss and deficit and cash flows for the years then ended. 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, 2000 and 1999 and the results of its operations and its cash flows for the years then ended 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, after giving retroactive effect to the change in the method of accounting for income taxes as explained in note 13 to the financial statements, on a basis consistent with that of the preceding year.

PricewaterhouseCoopers LLP

Chartered Accountants

Vancouver, B.C.
April 9, 2001

Claimstaker Resources Ltd.

Consolidated Balance Sheets

As at December 31, 2000 and 1999

(expressed in Canadian dollars)

	2000 \$	1999 \$
Assets		
Current assets		
Cash and cash equivalents	8,004	143,031
Accounts receivable	3,415	62,484
Prepaid expenses	26,729	47,206
Due from Jipangu Inc. (note 4(b))	-	56,595
	<u>38,148</u>	<u>309,316</u>
Deposits (note 3)	118,501	113,260
Mine property, plant and equipment (note 4)	733,900	937,911
Exploration and development properties (note 5)	1,581,642	1,856,889
Other capital assets (note 6)	19,725	55,399
Other deferred costs	35,079	-
	<u>2,526,995</u>	<u>3,272,775</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	67,146	181,879
Current portion of capital lease obligations (note 7)	-	116,776
	<u>67,146</u>	<u>298,655</u>
Capital lease obligations (note 7)	-	191,033
Provision for reclamation costs (note 3)	100,000	100,000
Shareholder loan (note 8)	622,625	-
	<u>789,771</u>	<u>589,688</u>
Shareholders' Equity		
Capital stock (note 11)	9,589,270	9,308,270
Shares allotted but not issued (note 11)	-	250,000
Deficit	(7,852,046)	(6,875,183)
	<u>1,737,224</u>	<u>2,683,087</u>
	<u>2,526,995</u>	<u>3,272,775</u>

Going concern and nature of operations (note 1)

Approved by the Board of Directors

"D'Arcy G. Adam"

Director

"Nicholas T. Ferris"

Director

Claimstaker Resources Ltd.

Consolidated Statements of Loss and Deficit

For the years ended December 31, 2000 and 1999

(expressed in Canadian dollars unless otherwise stated)

	2000 \$	1999 \$
Gold revenue	-	1,252,093
Expense (income)		
Production and operating costs	-	2,232,797
Depreciation and depletion	9,157	583,039
Management fees	-	122,438
Government, transfer agent and stock exchange fees	16,649	12,560
General and administrative	369,785	605,865
Write-down of mine property, plant and equipment (note 4(c))	-	2,480,538
Write-off of exploration and development properties (note 5)	186,115	63,227
Loss on disposal of assets included in exploration and development properties	205,169	-
Write-off of accounts receivable	49,643	-
Care and maintenance	97,555	-
	934,073	6,100,464
Loss from operations	(934,073)	(4,848,371)
Other income (expenses)		
Foreign exchange gain (loss)	3,350	(20,049)
Loss on disposal of capital assets	(27,737)	-
Interest (expense) income	(18,403)	3,884
Loss for the year	(976,863)	(4,864,536)
Deficit - Beginning of year	(6,875,183)	(1,995,482)
Interest on convertible debenture	-	(15,165)
Deficit - End of year	(7,852,046)	(6,875,183)
Loss per common share	(0.04)	(0.23)
Weighted average number of common shares outstanding	23,099,712	21,616,187

Claimstaker Resources Ltd.

Consolidated Statements of Cash Flows

For the years ended December 31, 2000 and 1999

(expressed in Canadian dollars)

	2000 \$	1999 \$
Cash flows from (used in) operating activities		
Loss for the year	(976,863)	(4,864,536)
Items not affecting cash		
Depreciation and depletion	9,157	583,039
Write-down of mine property, plant and equipment	-	2,480,538
Write-off of exploration and development properties	186,115	63,227
Write-off of accounts receivable	49,643	-
Loss on disposal of assets included in exploration and development properties	205,169	-
Loss on disposal of capital assets	27,737	-
Provision for reclamation	-	100,000
Forgiveness of management fee	-	122,438
Write-off of inventories	-	18,346
	(499,042)	(1,496,948)
Change in non-cash working capital items	(43,314)	772,494
	(542,356)	(724,454)
Cash flows from financing activities		
Shares issued for cash	-	660,810
Shares allotted but not issued	-	250,000
Proceeds of shareholder loan (note 8)	622,625	-
Repayment of capital lease obligations - net of interest	(93,269)	(84,854)
	529,356	825,956
Cash flows from (used in) investing activities		
Mine property, plant and equipment	(10,529)	(171,029)
Exploration and development properties - net	(183,753)	(123,158)
(Payment) refund of deposits	(5,241)	35,419
Purchase of other capital assets	(1,220)	(2,670)
Proceeds from sale of assets included in exploration and development properties	78,716	-
	(122,027)	(261,438)
Decrease in cash and cash equivalents	(135,027)	(159,936)
Cash and cash equivalents - Beginning of year	143,031	302,967
Cash and cash equivalents - End of year	8,004	143,031
Supplementary cash flow information (note 15)		

Claimstaker Resources Ltd.

Notes to Consolidated Financial Statements
December 31, 2000 and 1999

(expressed in Canadian dollars unless otherwise stated)

1 Going concern and nature of operations

The company has a working capital deficiency of \$28,998 at year end. Additional financing or continued financial support from Jipangu Inc. (Jipangu), a major shareholder, is required to sustain the company at the current rate of expenditure and to meet its spending commitments to keep the Blackdome Mine and its exploration and development properties in good standing. Subsequent to the year end, the company received \$85,767 from Jipangu as additional funding in the form of a shareholder loan (note 8) to discharge its current liabilities and meet additional spending commitments.

In the event that continued financial support or additional financing is not available, there would be doubt about the company's ability to continue as a going concern.

These consolidated 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 consolidated financial statements.

The company owns the Blackdome Mine in British Columbia (note 4). 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 in the process of exploring its other mineral properties and investigating other possible property acquisitions and is considered to be an exploration stage company. The recoverability of the amounts shown for exploration and development properties is dependent on the existence of economically recoverable reserves, the ability of the company to obtain necessary financing to complete this development, and future profitable production. The amounts shown as exploration and development properties 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

Basis of consolidation

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

December 31, 2000 and 1999

(expressed in Canadian dollars unless otherwise stated)

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.

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.

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.

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 6 over the estimated useful lives of the assets.

Claimstaker Resources Ltd.

Notes to Consolidated Financial Statements

December 31, 2000 and 1999

(expressed in Canadian dollars unless otherwise stated)

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.

Loss per common share

Loss per common share is calculated using the weighted average number of shares issued and outstanding during the year. Fully diluted earnings (loss) per common share is not presented as 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.

Income taxes

Effective January 1, 2000, the company adopted the new recommendations of the Canadian Institute of Chartered Accountants with respect to accounting for income taxes. Income taxes are calculated using the liability method of accounting. Temporary differences arising from the difference between the tax basis of an asset or liability and its carrying amount on the balance sheet are used to calculate future income tax liabilities or assets. These new standards also require that the future income tax liabilities or assets are measured using tax rates and laws expected to apply in the periods that the temporary differences are expected to reverse.

Implementation of the new recommendation, which was applied retroactively, had no effect on these consolidated financial statements.

Claimstaker Resources Ltd.

Notes to Consolidated Financial Statements

December 31, 2000 and 1999

(expressed in Canadian dollars unless otherwise stated)

Fair value of financial instruments

The carrying amount of cash and cash equivalents, restricted cash, accounts receivable, amounts due from Jipangu, 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 Deposits

Deposits represent an amount receivable of \$100,000 (1999 - \$100,000) and bonds of \$18,501 (1999 - \$13,260) 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.

4 Mine property, plant and equipment

	2000 \$	1999 \$
Blackdome Mine		
Property costs	-	160,855
Land	-	35,450
Mill	639,812	1,045,821
Tailings pond	-	190,327
Plant and mining equipment	94,088	777,637
Development costs	-	1,992,662
	<hr/>	<hr/>
	733,900	4,202,752
Less: Accumulated depletion, depreciation and write-downs	-	3,264,841
	<hr/>	<hr/>
	733,900	937,911
	<hr/>	<hr/>

Included in plant and mining equipment at December 31, 1999, are assets held under capital leases with a net book value of \$319,172.

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.

b) Agreement with Jipangu

On April 27, 1998, the company entered into an option agreement with Jipangu whereby Jipangu could participate in up to a 50% corporate joint venture at the Blackdome Mine.

Claimstaker Resources Ltd.

Notes to Consolidated Financial Statements

December 31, 2000 and 1999

(expressed in Canadian dollars unless otherwise stated)

The option agreement envisages that the venturers contribute cash to meet capital and operating costs in proportion to their 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.

At December 31, 1999, \$56,595 represented the company's share of capital and operating costs recoverable from Jipangu. During the year ended December 31, 2000, Jipangu advanced funds to the company to allow for continued care and maintenance of the mine. The company's share of these ongoing costs, paid by Jipangu, are treated as part of the shareholder loan (note 8).

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

	2000	1999
	\$	\$
Current assets	9,539	21,365
Long-term assets	743,899	942,901
Current liabilities	6,040	181,077
Long-term liabilities	100,000	291,033
Revenues	-	1,252,093
Expenses (excluding write-downs)	-	2,683,292
Write-down of Blackdome Mine and related inventories	-	1,631,108
Cash flows from operating activities	(205,995)	(1,185,228)
Cash flows from financing activities	216,920	(84,854)
Cash flows for investing activities	(10,538)	(20,501)
Non-cash investing activities	-	(13,282)
Non-cash financing activities	-	13,282

c) 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

December 31, 2000 and 1999

(expressed in Canadian dollars unless otherwise stated)

5 Exploration and development properties

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

	2000				
	Acquisition	Deferred	Costs	Assets	Total
	\$	exploration	written off	sold	\$
		\$	during the		
			year		
			\$		
Zenda (a)	422,999	1,019,268	-	(283,885)	1,158,382
Alwin (b)	75,000	186,456	-	-	261,456
Golden Trend (c)	66,039	95,765	-	-	161,804
Los Hilos (d)	70,135	72,758	(142,893)	-	-
Bru-Lovie (e)	-	23,590	(23,590)	-	-
Warrior (f)	5,000	14,632	(19,632)	-	-
	639,173	1,412,469	(186,115)	(283,885)	1,581,642

	1999		
	Acquisition	Deferred	Total
	\$	exploration	\$
		\$	
Zenda (a)	422,999	970,486	1,393,485
Alwin (b)	75,000	167,999	242,999
Golden Trend (c)	66,039	62,153	128,192
Los Hilos (d)	70,135	6,283	76,418
Bru-Lovie (e)	-	10,440	10,440
Warrior (f)	5,000	355	5,355
	639,173	1,217,716	1,856,889

a) Zenda

The company has a 100% interest in the Zenda Gold Mine located near Bakersfield, California. The agreement requires the company to issue to the vendors, one of whom is related by virtue of being a common director, a maximum of 2,050,000 common shares, of which 1,000,000 common shares have been issued. Under the terms of the agreement, the vendors are the operator and, upon raising of financing by the company, is required to construct the facility. The vendors can earn up to an additional 550,000 shares dependant upon completing the facility at various cost levels compared to the approved capital cost budget. The final 500,000 shares will be issued when the company recovers its pre-production expenses.

Claimstaker Resources Ltd.

Notes to Consolidated Financial Statements

December 31, 2000 and 1999

(expressed in Canadian dollars unless otherwise stated)

The vendors retain a 25% net profits interest after capital payback to the company and a 5% net smelter royalty (NSR) is payable to underlying interests. To date, \$435,773 (1999 - \$435,773) of royalties have been prepaid against this obligation, and are included in deferred exploration costs.

b) Alwin Copper Property

The company holds 21 mineral claims in the Highland Valley in the province of British Columbia. The claims are subject to a 2-1/2% NSR.

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, \$72,151 (1999 - \$58,533) 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. During the year ended December 31, 1999, Jipangu terminated the agreement after expending U.S. \$130,036 (Cdn. \$199,710) on the property.

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., a company which had a common director with Claimstaker 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.

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.

In the year ended December 31, 2000, the company terminated its option agreement and wrote-off all expenditures deferred to date, totalling \$142,893.

e) 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.

To earn a 100% interest in the property, the company was required to make advance royalty payments and other cash payments, complete a program of expenditures, and pay a NSR. At the year ended

Claimstaker Resources Ltd.

Notes to Consolidated Financial Statements

December 31, 2000 and 1999

(expressed in Canadian dollars unless otherwise stated)

December 31, 2000, the company determined that it would not renew the option agreement in 2001 and wrote-off all expenditures deferred to date, totalling \$23,590.

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.

During the year ended December 31, 2000, the company terminated its option agreement, and accordingly wrote-off all expenditures deferred to date, totalling \$13,235.

6 Other capital assets

			2000	
	Rate	Cost	Accumulated	Net
	%	\$	depreciation	\$
			\$	\$
Office equipment	20	25,361	17,535	7,826
Computer hardware	30	29,087	21,549	7,538
Computer software	100	29,523	29,523	-
Leasehold improvements	20	16,350	11,989	4,361
		100,321	80,596	19,725
				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
		144,614	89,215	55,399

Claimstaker Resources Ltd.

Notes to Consolidated Financial Statements

December 31, 2000 and 1999

(expressed in Canadian dollars unless otherwise stated)

7 Capital lease obligations

During the year ended December 31, 2000, the company negotiated the cancellation of all capital lease obligations for camp, plant and equipment at the Blackdome Mine, at a cost of \$93,269, resulting in a gain of \$214,540, which was applied against mine property, plant and equipment costs.

During the year ended December 31, 1999, interest expenses of \$38,769 related to capital leases were charged to production and operating costs.

8 Shareholder loan

During the year ended December 31, 2000, a shareholder's loan in the amount \$622,625 was made to the company from Jipangu. The loan is non-interest bearing, unsecured and has no fixed repayment terms. Jipangu has agreed to convert this loan to common shares of the company upon terms to be negotiated by Jipangu and the company.

9 Convertible debenture and interest payable

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.

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,		
2001	17,887	9,659
2002	11,925	1,733

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 \$15,000 per year.

Claimstaker Resources Ltd.

Notes to Consolidated Financial Statements

December 31, 2000 and 1999

(expressed in Canadian dollars unless otherwise stated)

11 Capital stock

Authorized

100,000,000 common shares without par value

Issued and outstanding

	Number of shares	Amount \$
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
In exchange for licensing agreement	25,000	10,000
For finder's fee	25,000	15,000
	<hr/>	
Balance - December 31, 1999	22,648,771	9,308,270
For cash		
Conversion of warrants	555,555	250,000
In exchange for exploration and development properties	100,000	11,000
In exchange for licensing agreement	50,000	20,000
	<hr/>	
Balance - December 31, 2000	<u>23,354,326</u>	<u>9,589,270</u>

a) During the year ended December 31, 2000:

- i) On April 27, 2000, the company issued 100,000 common shares at a price of \$0.11 per common share as payment for the prepaid royalty on the Warrior property.
- ii) On May 3, 2000, 555,555 warrants were exercised for an equal number of common shares for proceeds of \$250,000. This amount was included in shares allotted but not issued at December 31, 1999.
- iii) On September 6, 2000, the company issued 50,000 common shares at a price of \$0.40 per common share as payment for a license agreement classified as other deferred assets.

b) 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 a price of \$0.50 per common 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.

Claimstaker Resources Ltd.

Notes to Consolidated Financial Statements

December 31, 2000 and 1999

(expressed in Canadian dollars unless otherwise stated)

- 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 common share for mineral property option payments and finder's fees (note 5(d)).
- v) The company issued 25,000 common shares at a deemed price of \$0.40 per common share in satisfaction of a licensing agreement originally classified as prepaids.
- vi) The company issued 574,350 common shares at a deemed price of \$1.06 per common share on conversion of the convertible debenture (note 9).
- 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.

Stock options outstanding

The company has no formalized stock option plan. The following table summarizes information about the options at December 31, 2000 and 1999 and the changes for the years then ended:

	2000		1999	
	Number of shares	Weighted average exercise price \$	Number of shares	Weighted average exercise price \$
Options outstanding -				
Beginning of year	1,400,000	0.39	1,775,000	0.31
Granted	450,000	0.22	710,000	0.54
Exercised	-	-	(764,000)	0.27
Forfeited	(350,000)	0.34	(321,000)	0.56
Expired	(805,000)	0.33	-	-
Options outstanding and exercisable - End of year	695,000	0.25	1,400,000	0.39

Claimstaker Resources Ltd.

Notes to Consolidated Financial Statements

December 31, 2000 and 1999

(expressed in Canadian dollars unless otherwise stated)

The following table summarizes information about stock options outstanding and exercisable at December 31, 2000:

Range of exercise prices \$	Options outstanding	Weighted average remaining contracted life (years)	Weighted average exercise price \$
0.22	650,000	1.77	0.22
0.62	45,000	0.18	0.62
0.22 - 0.62	695,000	1.67	0.25

Share purchase warrants

	2000		1999	
	Number of warrants	Weighted average exercise price \$	Number of warrants	Weighted average exercise price \$
Warrants outstanding - Beginning of year	4,940,445	0.42	5,391,000	0.42
Granted	-	-	1,125,000	0.50
Exercised	-	-	(575,555)	0.44
Expired	(2,496,000)	0.40	(1,000,000)	0.50
Warrants outstanding - End of year	2,444,445	0.45	4,940,445	0.42

Option agreements

- Zenda operations - up to 1,050,000 additional shares (note 5(a))
- In addition, the company has entered into an option agreement that would require the issue of a further 175,000 common shares in return for a licensing agreement.

Escrow shares

The number of shares held in escrow at December 31, 2000 and 1999 was 393,750. Release of these shares is subject to the approval of the Canadian Venture Exchange.

Claimstaker Resources Ltd.

Notes to Consolidated Financial Statements

December 31, 2000 and 1999

(expressed in Canadian dollars unless otherwise stated)

12 Related party transactions

During the year ended December 31, 1999, a management fee of \$100,000 was paid to a director, of which \$30,500 was included in accounts payable and accrued liabilities. In addition, a former officer of the company was indebted to the company in the amount of \$6,700. During the year ended December 31, 2000, there were no such related party transactions, except as disclosed elsewhere in these consolidated financial statements.

13 Income taxes

Effective January 1, 2000, the company adopted CICA 3465, "Accounting for Income Taxes". This new accounting standard, which required adoption on a retroactive basis, had no impact on these consolidated financial statements.

The reconciliation of income tax attributable to continuing operations computed at statutory rates to the income tax expense (recovery) is as follows:

	2000	1999
	\$	\$
Statutory tax rate	45.62%	45.62%
Provision for income taxes based on statutory rates	(386,086)	(1,012,399)
Difference in foreign tax rates	26,637	-
Other non-deductible items	1,193	-
Losses for which an income tax benefit has not been recognized	358,256	1,012,399
	-	-

The company has non-capital loss carryforwards of approximately \$3,973,006 that may be available for tax purposes. The losses expire as follows:

	\$
2001	647,529
2002	222,524
2003	330,236
2004	710,241
2005	770,862
2006	919,947
2007	371,667
	<u>3,973,006</u>

The company also has certain tax pools that may be available for tax purposes. The company has chosen not to recognize a future tax asset in relation to these amounts.

Claimstaker Resources Ltd.

Notes to Consolidated Financial Statements

December 31, 2000 and 1999

(expressed in Canadian dollars unless otherwise stated)

14 Segmented financial information

The company operates in two segments: the care and maintenance (previously operation) of the Blackdome Mine in Canada and the exploration and development of gold properties in Canada, Mexico and the USA. All revenues in the year ended December 31, 1999 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, 2000						
Write-down of exploration and development property	-	-	43,222	142,893	-	186,115
Loss for the year	116,030	-	518,812	142,893	199,128	976,863
Total assets	852,794	262,456	1,335,001	-	76,744	2,526,995
Capital assets	733,900	261,456	1,320,186	-	54,804	2,370,346
Capital expenditures	10,529	18,457	98,821	66,475	1,220	195,502
Depreciation and depletion	-	-	-	-	9,157	9,157
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

Claimstaker Resources Ltd.

Notes to Consolidated Financial Statements

December 31, 2000 and 1999

(expressed in Canadian dollars unless otherwise stated)

15 Supplementary cash flow information

During the years ended December 31, 2000 and 1999, the company conducted non-cash operating, investing and financing activities as follows:

	2000	1999
	\$	\$
Non-cash operating activities		
Prepaid expenses	-	(10,000)
Non-cash investing activities		
Other deferred costs	(11,000)	-
Mine property, plant and equipment acquired under capital leases	-	(13,282)
Exploration and development properties	(11,000)	(45,000)
Reduction of mine property, plant and equipment on forgiveness of capital lease obligations	214,540	-
	<u>192,540</u>	<u>(58,282)</u>
Non-cash financing activities		
Shares issued on conversion of debenture	-	609,000
Repayment of convertible debenture and accrued interest - satisfied by issue of shares	-	(609,000)
Shares issued for other deferred costs	11,000	-
Shares issued for exploration and development properties	11,000	30,000
Shares issued for prepaid expenses	-	10,000
Capital leases	-	13,282
Shares issued for finder's fee	-	15,000
Forgiveness of capital lease obligations	(214,540)	-
	<u>(192,540)</u>	<u>68,282</u>

Interest paid during the years ended December 31, 2000 and 1999 was as follows:

	2000	1999
	\$	\$
Interest paid	<u>35,299</u>	<u>35,746</u>



Schedule C: Management Discussion & President's Report

Claimstaker's Activities

During this extended industry depression *Claimstaker* has taken the opportunity to better prepare and organize our projects for the coming gold bull market. The permitting and claims have been kept current at all of our projects. This will allow for us to make quick decisions to commence exploration, development and production activities.

As well, we have aggressively pursued cost-cutting measures to lower our corporate overheads. Major cost reductions have been achieved at our head office and we dramatically reduced the maintenance costs of the Blackdome Gold Mine by eliminating the capital leases.

Our property portfolio changed with the elimination of the Los Hilos (Mexico) and Warrior Extension (USA) projects (see Note 5, *Claimstaker Resources Ltd. Consolidated Financial Statements*, December 31, 2000 and 1999).

Claimstaker's consolidated minimum operating requirements are budgeted at approximately \$500,000 and are currently provided for by *Jipangu Inc.* No new material contracts or commitments were entered into during 2000.

Financial Support Provided by Jipangu Inc.

Claimstaker benefits from the support of a strong financial partner, *Jipangu Inc.* of Tokyo, Japan. Recently, *Jipangu* has made significant progress in its goal of becoming a major international gold company by establishing affiliations with well-managed, junior and intermediate gold mining and exploration companies. *Jipangu* intends to utilize its financial expertise and access to low-cost capital to enhance the asset base of these affiliates.

In addition to being *Claimstaker's* largest shareholder, *Jipangu* has acquired a 23% interest in *High River Gold Mines Ltd.*, a 22% interest in *Cambior Inc.*, as well as an option to purchase 21% of *Harmony Gold Mining Co.* of South Africa. Having *Jipangu* as a major shareholder offers opportunities of synergy among the affiliates.

As our Blackdome Gold Mine joint venture partner, *Jipangu* has continued to provide critical financial support to *Claimstaker* for the ongoing maintenance of Blackdome and for the Company's general corporate expenses.

To align the Company closer with the activities of *Jipangu* and to improve our ability to market the Company to the Asian investor, we are proposing a corporate name change for shareholder approval at the upcoming Annual General Meeting.

Corporate Philosophy

Our corporate philosophy is to employ our talent at its "highest and best" use to maximize operating efficiency. Our corporate team includes a Board of Directors and Officers who provide the Company with valuable technical expertise and guidance through a wide spectrum of operating issues.

Claimstaker has developed a series of strong relationships with independent technical consultants who provide valuable assistance in the completion of many of the Company's critical tasks.

Claimstaker continues to keep a strong focus on its bottom-line by keeping corporate overheads to a minimum.

Management Changes

In November 2000, Mr. Kristian Ross resigned as a Director of the Company. In April 2001, the Board appointed Mr. Driffield Cameron as a Director and Mr. Ralph Braun as the Chief Financial Officer of the Company. Also in April 2001, Mr. Paul Sorbara resigned as a Director of the Company.

Investor Relations

During the year, Investor Relations activities were limited to responding to inquiries from investors and shareholders. *Claimstaker* also completed a major restructuring of its Internet web site to improve its ability to disseminate information to the investing public.



Future Plans

Property Acquisition

In the year 2001, *Claimstaker* intends to add to its portfolio of projects through the acquisition of new properties with the potential for near-term production. The current depression in the gold mining industry offers us many interesting acquisition opportunities.

Blackdome Gold Mine, British Columbia

The Blackdome Gold Mine was idled in May 1999 due to the low price of gold. In 2000, *Claimstaker* focused on reducing Blackdome's carrying costs by liquidating all the remaining capital operating leases. We also completed a series of tasks to ensure compliance with government regulations.

We are currently preparing the Blackdome project for a resumption of exploration activities. Future exploration and development activities will be designed to improve upon the current "drill-inferred" resource with an ultimate goal of defining a long-term, economic gold deposit. If successful, we intend to commission an independent feasibility study in preparation for the resumption of mining activities.

As a first step, SRK Consulting has been contracted to complete a geological model, resources estimate and preliminary exploration-risk assessment of the Blackdome project.

Blackdome is a very large (65 square kilometres), mostly unexplored property. Given its past history of high-grade gold production (approximately 0.6 oz Au/ton), its current permits and the fully equipped 200 ton/day mill on site, we believe that Blackdome remains a highly attractive exploration opportunity with a good probability for long-term success.

Zenda Gold Mine, California

The Zenda Gold Mine remains idle and awaits a higher gold price before commencing operation. Once in full production, Zenda is expected to produce approximately 24,000 oz. of gold per year. In the past year, *Claimstaker* has maintained the necessary permitting for Zenda to allow for the expedient commencement of production when the price of gold warrants.

Golden Trend Project, Nevada

A reverse circulation drilling program commenced in April 1999. Analysis of the drill chips produced high arsenic and anomalous gold values. The Golden Trend is a classic deep drill target exploration project well situated on the prolific Battle Mountain gold trend.

Currently, *Claimstaker* is making plans for a limited reconnaissance exploration drilling program at Golden Trend to test the presence of the Roberts' Mountain Thrust and associated alteration and mineralization. The December 1999 news of the 1.2 million ounce gold discovery at Placer Dome's Pediment project has greatly increased the attractiveness of Golden Trend. The main zone of Pediment's mineralization is located approximately five kilometres north of the Golden Trend property. Golden Trend has a similar geologic and structural setting to Pediment and a promising location on the Battle Mountain gold trend.

Alwin Copper Project, British Columbia

In the coming months, *Claimstaker* plans to complete an evaluation of the exploration opportunities on the Alwin Copper project, focusing on higher level targets designed to extend or compliment the currently outlined mineralised zone. From this review, it is anticipated that an exploration program will be recommended.

EnEco - Waste to Energy Marketing Rights

Further to our acquisition of the rights for the EnEco Systems waste to energy system for Japan, BC, Yukon and Alberta, the Company is currently working to develop a sustainable economic model for the introduction of this technology to the British Columbia marketplace. Furthermore, *Claimstaker* is in discussion with parties in north central British Columbia for the establishment of the first EnEco technology plant in the province.

Conclusion

Despite all the negative sentiment towards the gold mining sector, we at *Claimstaker* remain firmly committed to gold and are bullish on its future. We have taken steps to ensure the readiness of our projects and continue to look for new opportunities.



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 North America.

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Gregory G. Austin, Reno, Nevada
Driffield Cameron, Burlington, Ontario
Nicholas T. Ferris, Vancouver, British Columbia

OFFICERS

Nicholas T. Ferris
President and Chief Executive Officer

Ralph Braun
Chief Financial Officer

Cheri Pedersen, DuMoulin Black
Secretary

REGISTRAR AND TRANSFER AGENT

Pacific Corporate Trust Company

BANKER

Canadian Western Bank

LEGAL COUNSEL

DuMoulin Black
Vancouver, British Columbia

STOCK EXCHANGE

Canadian Venture Exchange (CDNX)
Symbol: CLN



ANNUAL MEETING DATE

The annual general meeting will be held at 2:00 p.m., June 15, 2001,
in the Tweedsmuir Room of the Hotel Vancouver,
900 West Georgia Street, Vancouver, British Columbia, Canada