

# X-CAL RESOURCES LTD.

015255

## SNOWBIRD DRILL PROGRAM PROGRESS REPORT

FEBRUARY 10, 1989

### X-CAL RESOURCES LTD. (XCL-T)

#### MAJOR SNOWBIRD DRILLING PROGRAM IN FULL SWING

Shawn Kennedy, president of X-Cal Resources Ltd., reports that the winter diamond drilling program on its Snowbird property near Fort St. James, B.C. started January 20, 1989. Early indications are the program is extending the zone of mineralization both to depth and along strike. Meaningful assay results are forecast to be available in early March.

#### NORTH ZONE DEFINITION DRILLING

This first phase of the 1989 program is the drilling of the North zone where diamond drilling in 1988 returned intersections that included widths of up to 20 ft. of 0.3 oz.gold/ton. A preliminary average suggests 0.21 oz.gold/t over a 1,200 ft. strike length. The drilling will initially focus on this section of the structure and subsequently on extending the North zone where percussion drilling has returned favourable values.

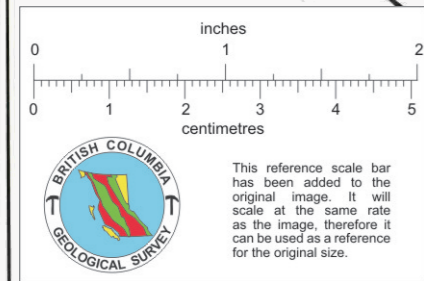
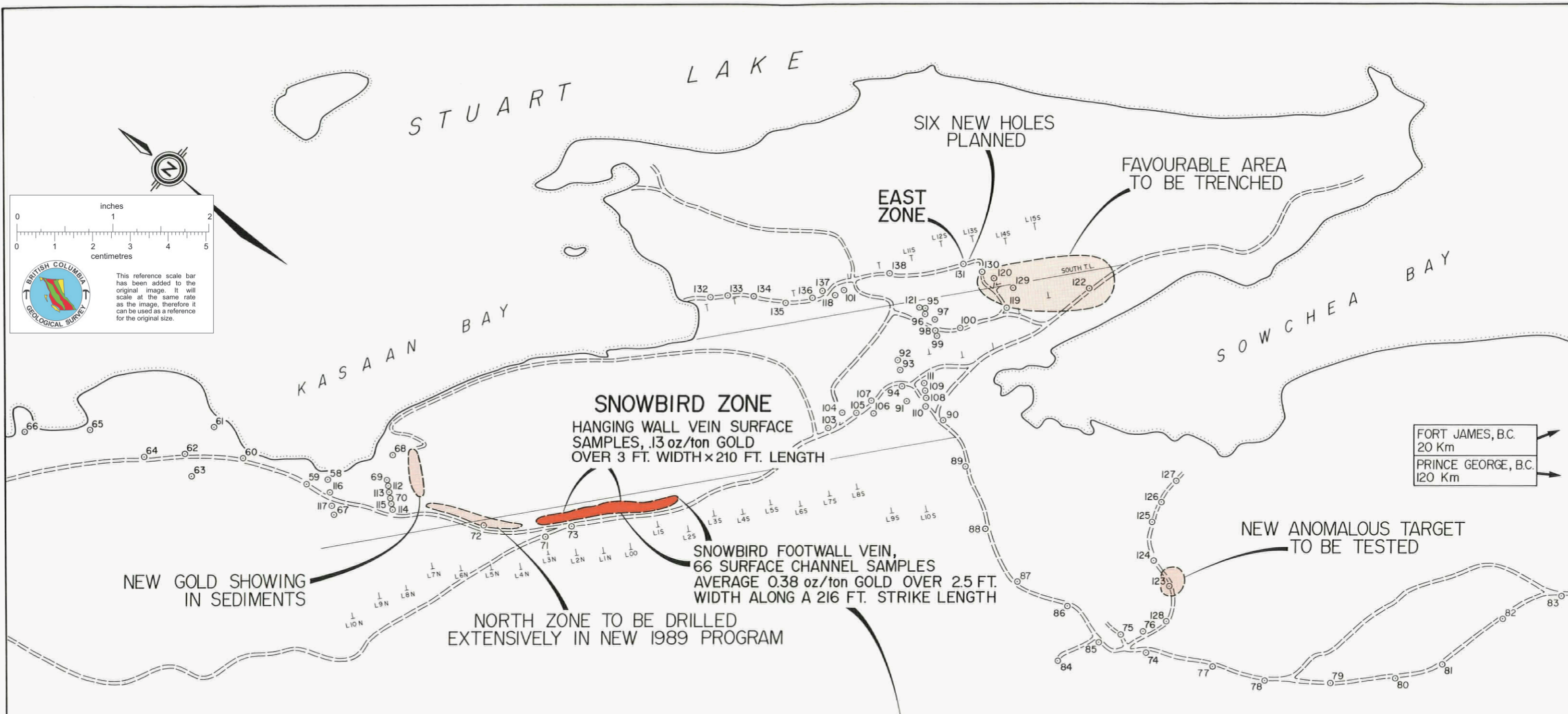
#### EAST ZONE EXPLORATION

The second phase of the program will include up to six holes into the new East zone, where percussion drilling and surface trenching has indicated an anomalous area where gold occurs in felsic dykes and silicified argillities accompanied by mariposite (listwanite) alteration. The anomalous values include an 11 feet wide trench sample true width of 0.1 oz.gold/t in a felsic dyke tapering into lower values in the adjoining argillities. As there is still a considerable favourable area of the East zone yet to be surface-trenched or sampled, these first core holes must be considered as part of very early work on this new area.

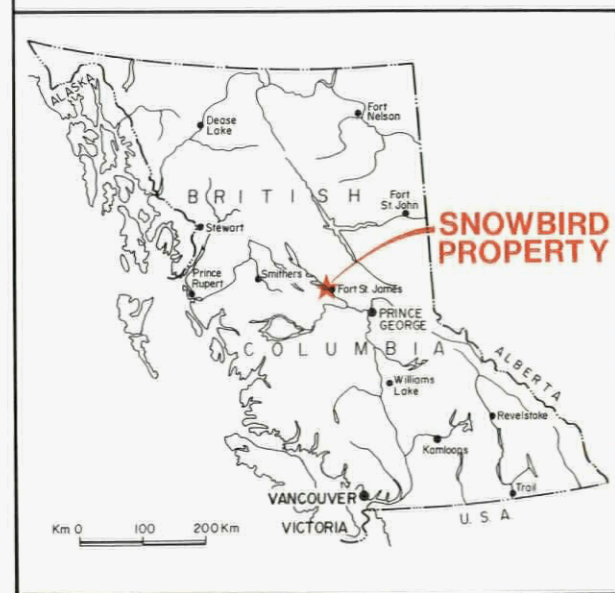
#### CORRELATION OF ALL PROPERTY DRILL RESULTS

The third phase of the program will include a complete review of all core from the three zones located on the property to date, the Snowbird zone, the North zone and the East zone. The objective of this facet of the current work is to better understand the widespread gold mineralization at Snowbird, which has been found to occur in sulphide-rich quartz veins, silicified argillities and most recently felsic dykes. This phase of the program will be to prepare for the anticipated increased rate of exploration and upcoming development work on the Snowbird gold deposit. The next phase of work is expected to include additional definition diamond drilling leading perhaps to underground work before the end of the year.

The company recently completed negotiations for a private placement funding for \$300,000 from two European financial institutions. Additional funding is under continuing negotiation.



FORT JAMES, B.C.  
20 Km  
PRINCE GEORGE, B.C.  
120 Km



**SIGNIFICANT NORTH ZONE DRILL HOLE ASSAYS ARE OVER A 1200 FT. STRIKE LENGTH IN A ZONE CONTINUOUS OVER A 4000 FT. STRIKE LENGTH AND OPEN TO EXTENSION**

HOLE	WIDTH (FT.)	GRADE oz/ton
88-6	8.69	0.226
	9.85	0.109
88-9	3.28	0.298
88-13	3.77	0.110
	20.08	0.319
	(Includes 2.28	1.412
88-14	10.17	0.089
	(Includes 3.35	0.252

**SIGNIFICANT SNOWBIRD ZONE DRILL HOLE ASSAYS**

HOLE	WIDTH (FT.)	GRADE oz/ton
86-2	13.9	0.27
86-6	5.0	23.0
86-7	3.28	0.715
C-1	5.0	0.27
C-2	5.0	0.35
P-6	3.0	0.698
P-7	8.0	0.58

**SNOWBIRD FOOTWALL VEIN MOST SIGNIFICANT CHANNEL SAMPLES**

HOLE	WIDTH (FT.)	GRADE oz/ton
SP-3	3.0	0.414
SP-4	4.5	0.992
SP-5	3.0	0.882
SP-12	1.5	0.439
SP-13	1.5	0.467
SP-22	4.0	0.598
SP-23	2.0	0.416
SP-28	2.0	0.627
SP-29	2.0	0.549
SP-31	2.0	0.618
SP-36	2.0	0.400
SP-44	2.0	0.642
SP-46	2.0	0.691
SP-51	4.0	0.636
SP-52	2.5	0.747
SP-63	2.0	0.408

## X-CAL RESOURCES LTD.

### SNOWBIRD CLAIM GROUP PERCUSSION DRILL HOLE LOCATION MAP

OMINECA MINING DIVISION, B.C.



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## CORPORATE INFORMATION

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### OFFICERS

W.D.H. Gardiner  
*Chairman*

Shawn Kennedy  
*President & Chief Executive Officer*

William E. Bateman  
*Secretary*

### SENIOR GEOLOGICAL ADVISOR

Dr. Franc R. Joubin

### DIRECTORS

John M. Arnold  
Guelph, Ontario

W.D.H. Gardiner  
Vancouver, British Columbia

Betty Kennedy-Burton  
Toronto, Ontario

Shawn Kennedy  
Gold Bridge, British Columbia

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### Auditors

Pannell Kerr MacGillivray  
Vancouver, British Columbia

### Bank

Bank of Montreal  
Toronto, Ontario and  
Vancouver, British Columbia

### Stock Exchange

Listed — Toronto Stock Exchange  
Symbol — XCL

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### Registered Office

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Vancouver, British Columbia

### Registrar and Transfer Agent

Central Trust Company  
Toronto, Ontario and  
Vancouver, British Columbia

### Legal Counsel

Nobbs, Woods & Clark  
Toronto, Ontario  
John R. Lakes & Associates  
Vancouver, British Columbia

### United States Securities and Exchange Commission

U.S. 12G3 Exemption #82-1655  
Standard & Poors Directory

T.S.E./XCL

February 23, 1989

## **QUARTERLY REPORT**

### **Snowbird Gold Deposit / Fort St. James, B.C.**

The large structural setting, the excellent development logistics, and the continued success of our drilling at Snowbird are combining to present an ever-improving picture of mine making potential. It is apparent at this time that there is a large mineralizing system present on the property and that we have yet to define its extent.

Early indication from current drilling is that the "North Zone" is very near to the stage where underground work is justified.

New targets on the property, such as the "East Zone," are to be evaluated and prioritized as part of the on-going exploration work to the 6,000-acre claim block.

A more detailed progress report dated February 10, 1989, complete with map, has been published.

New assay data and interpretation from current diamond drilling is pending.

### **Financing**

The second European financing was recently completed. (See news release, February 21, 1989.)

### **Bralorne, B.C.**

Two major companies have made inquiries regarding gaining access to Bralorne Area claims through our land holding there.

### **Summary**

We have a potential producer with the Snowbird Gold Deposit at Fort St. James, B.C.. The goal for the company is to realize that potential.

**Shawn Kennedy**  
**President**