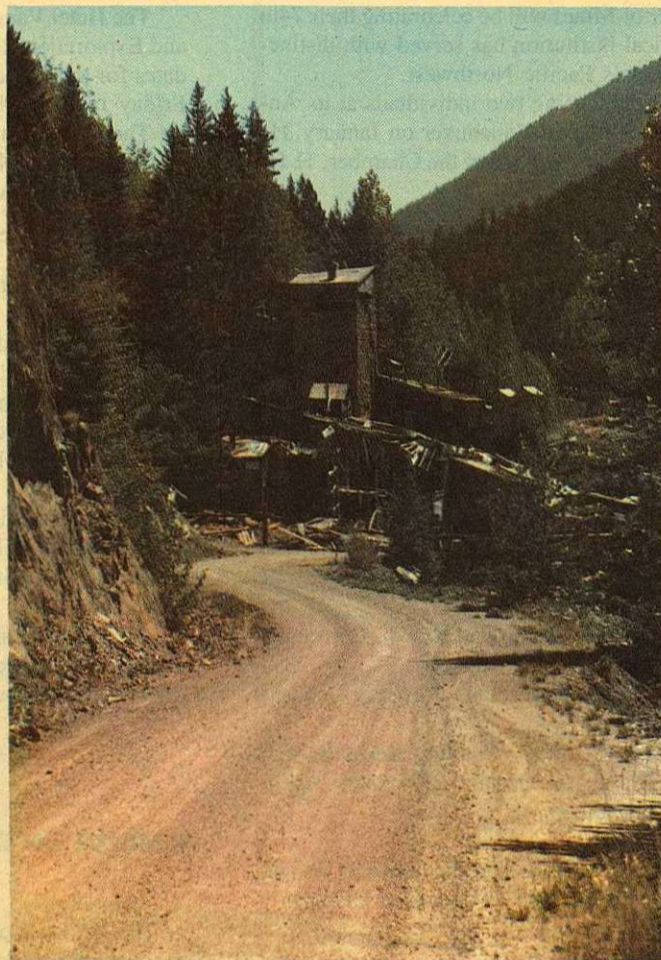


# X-Cal Resources Ltd

*Pioneers Bridge River Rejuvenation in 62 square miles of 'Gold Rush' country*



(Left) Washing down mineral showing on Tyax claims prior to sampling. (Right) The Old Pioneer Mill in B.C.'s Bridge River gold camp.

X-Cal Resources Ltd's roots are located deep in the Bridge River Mountains of British Columbia. The seven properties the company holds there cover 62 square miles of "Gold Rush Country"...making X-Cal the single largest landholder in an area that has produced over \$1.6 billion worth of gold (at today's prices) over the past 68 years.

Thirty-four year old Shawn Kennedy, the man responsible for X-Cal, admits that prospecting is in his blood. Imagination, determination, and entrepreneurship put Kennedy on to the path that led to the formation of the Company. He claims that one of his original tutors, a grizzled old goldseeker cum poet by the name of Harold

*"It wasn't for the money, it wasn't for the fame, it was just for the thrill of competing in life's most exciting game."*

Harrison, probably summed up the prospector's feelings when he wrote:

"It wasn't for the money, it wasn't for the fame, it was just for the thrill of competing, in life's most exciting game."

Eight years before X-Cal's inception, Kennedy moved west in 1973 and tried his hand at forestry, fishing and roughnecking on the oil rigs before settling in the interior valley of Bridge River in B. C. The locale is steeped in Canadian pioneer history dating back to 1897, when the first mining claim was staked in the area. In 1928 the first major mine called the Pioneer, went into commercial production at a rate of 100 tons of ore per day. The Bralorne Gold Mine began producing shortly thereafter, so that by 1930 Bridge River was in the throes of a Gold Rush.

X-Cal shareholder Egil Lorntzen, best known for his discovery of the Lornex Mine in B.C.'s Highland Valley, remembers those days well. As a young man he had left his native Norway to work on sailing schooners in order to accumulate

some money. Someone tipped him off to the Gold Rush under way in the B.C. interior. He headed towards the Bridge River Mountains and found work almost immediately, mining in the winter and prospecting during the summer months.

Kennedy also became infected with "prospector's fever". Taking out his first prospector's license in the fall of 1984 at the nearby Mining Recorder's Office at Lillooet, he began the search for mineral prospects.

Today's exploration business is far from being a cheap proposition; for Kennedy it meant sinking all his savings, plus a valuable resource property he had acquired during the intervening years into X-Cal, which he incorporated in 1981. His mother, Betty Kennedy, better known for her broadcasting talents, provided additional financing, thereby making her not only X-Cal's co-founder but also a director and second-largest shareholder. G. Allan Burton, a director of the Royal Bank of Canada, former Chairman of the Robert Simpson Company, and husband of Betty Kennedy also provided advice and financing.

The recent recession was at its depth and gold had dropped below \$300 per ounce. Some of the companies who were holding mineral claims in the area were beginning to drop their claims, and prospector Kennedy was quick to stake the newly opened ground.

He then invited geologist David Brace to become involved in X-Cal. Brace, who is now a financial analyst for Cominco Ltd., provided much needed technical advice during this formative period. Prior to Brace joining Cominco, he helped Kennedy to assemble over 12,000 prime acres of claims in the area, including the Pilot property, one of the major assets of the Company's current inventory.

Up until this point, progress had been slow but steady for X-Cal. Then the detective work which is so much a part of prospecting led Kennedy to Dr. Franc Joubin. The meeting with Dr. Joubin began the major transformation of Shawn Kennedy's dream into a major league play.

A maverick and geologist and prospec-

tor, Dr. Joubin is known for his 1954 discovery of the large uranium deposits at Elliot Lake, a landmark discovery in just one of a series of spectacular accomplishments chalked up in the life of this 73-year old man. During his stint as a geological consultant for the United Nations, he had been credited with discovering uranium in Somalia, natural gas in the Caribbean, potash in Poland and numerous copper deposits in Central America. He is



Dr. Franc Joubin

currently working to prove his concept that Hudson Bay is a reservoir of oil and gas which could be Canada's North Sea.

Franc Joubin has long been associated with the Bridge River/Bralorne area. Not only has he written the definitive paper on the structural geology of the Bralorne/Pioneer Mines, but he also owned and operated these mines for many years.

As a result of his intimate knowledge of this gold camp, Joubin directed Kennedy to an area of prime exploration potential, most of which he quickly acquired.

The initial staking operation netted

21,000 acres and careful monitoring of the land situation eventually resulted in a 28,000-acre block of land covering a 6-mile length of the Bralorne Gold Belt.

When asked why he was so generous to Kennedy, Dr Joubin replied; "I was quite familiar with the area Kennedy proposed to search. There was an element of knowledge and confidence in the area, and sentiment in seeing its revitalization. I was also encouraged by the fact that Shawn had indicated that he still had confidence in the old techniques of 'boot and hammer prospecting', a technique that achieved everything for me."

"The nature of the exploration industry is in the process of total change. Prospecting is moving into a high-tech era where we rely on instruments and the recording of physical and chemical properties and their computerization, and on airborne surveys which are extremely costly and prone to miss; to identify only the large ore bodies which are usually the lower grade, and miss the smaller richer, ore bodies."

"Shawn is a remarkable example of the very few who are running counter to this current, which is why the efforts of the few like him are so deserving of praise."

W. Douglas Gardiner, a Director of the Royal Bank of Canada and its retired Vice-Chairman, had for several years acted as an advisor and confidant of Kennedy's. With the company's progress he accepted an appointment to the Board and agreed to act as Chairman. Kennedy then approached Royex Mining Corp. director and executive, John Arnold, to invite him to become an X-Cal director, which he accepted.

The Anderson Lake claims currently being examined by Hudex could be the source of a "treasure trove". Stream and rock sampling done by X-Cal in 1983 confirmed the reports of the presence of gold. Exploration by Hudex in 1985 substantiated these results and has also verified Dr. Joubin's observations that the geology of the region strongly resembles that which hosted the Bralorne/Pioneer Gold Mines.

Dr. Joubin states that it's possible, even probable, that there will be a significant new gold strike in the near future from this area. He believes that when Bridge River was first explored in the 1930's, considerable gold was left untouched. "In our old enterprises we probably found occurrences in material that was too low-grade and scorned by us. But those same occurrences can now, given the volume, be mined profitably."

Shawn Kennedy is guarded about what lies in store for the company in the future since the nature of the industry is so speculative. He says; "Our immediate goal is to have cash flow from precious metals. Probably, as well, we'll at some point get into other mineral and possibly hydrocarbon ventures. At present, all I can say is that we've got a great group of people here with proven track records of success, a dedicated local field crew, and an excellent land spread in a camp with a history of production. Our backers appreciate that and I think that's why they expect us to succeed. Time will tell."

X-Cal recently announced they have signed a "Letter of Agreement" to establish a joint venture aimed at putting Norsemont Mining Corporation's Plumbago Mine, a premier producer until 1940 in California's Mother Lode Belt, into production. The Phase 1 program will be aimed at establishing reserve estimates. X-Cal will put up 1.5 million U.S. dollars to earn 60% of the mine and will provide all funding to production, estimated at this time to require 5-7 million dollars.