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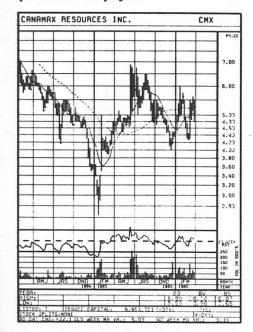
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the project to the production decision stage and provides for the introduction of third parties into the project.



The mine usually vies with the Sunshine mine, owned by rival Sunshine Mining Co., for the title of top producer. Either property is capable of producing five million ounces a year.

The Sunshine mine suspended operations for 30 days earlier this year due to low prices and excess inventory.

The current labor agreement with the United Steelworkers Union expires in April

Operations at Hecla's Escalante silver mine in southwestern Utah will continue, but wages will be cut by 10%, the company

No changes are anticipated at the Kentucky-Tennessee Clay Co. and Colorado Aggregate Co. or the Republic, Washington, gold mine. Those operations continue to be profitable, the company said.

X-Cal doubling size of field office, expanding work programs

GOLD BRIDGE, BC-X-Cal Resources Ltd., a rapidly expanding junior company (XCL:TSE), is off to an early start this spring in the Bridge River/Bralorne area, where it is the major landholder.

This famous British Columbia gold camp is home base for the company's field operations, which are now extending to other parts of the province including approximately 70,000 acres.

The British Columbia field office facility is being doubled in size, with construction expected to be completed this month. The field facilities already include everything necessary to produce complete geological reports and shareholder communications, and are linked to X-Cal's Toronto office by a FAX machine capable of transmitting maps and printed material via telephone lines to anywhere in the world.

This system links the field work data to X-Cal directors as far away as London. England. T.J. Ian Wright, director, is an analyst with Laing & Cruikshank, London. The FAX machine also facilitates the rapid transfer of assays from various labs to the field.

Programs have been designed for the various British Columbia properties, including the newly acquired Snowbird property in the Omenica District, (see NAGMIN, April 18, 1986— with the main focus of the work scheduled for the Pilot, Anderson Lake (Bralorne-Pioneer Extension), and Snowbird.

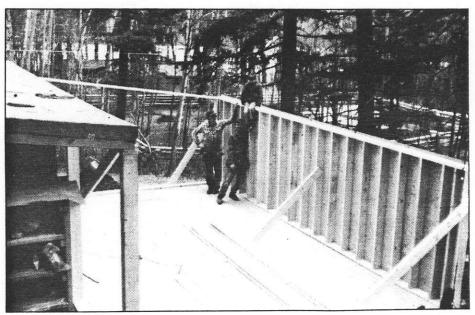
Geologist David Dunn, formerly with Lacana Mining, has joined X-Cal's team after returning from a one-and-a-half-year road trip to South America. Dunn will be working closely with the company's consulting engineer, Christopher Sampson, P.Eng., and geological consultant, Dr. Franc Joubin.

Dunn is currently in Toronto being briefed by Dr. Joubin on X-Cal's Bridge River/Bralorne and Snowbird projects (see NAGMIN, March 21, 1986 re: Dr. Joubin).

At present, the X-Cal crew is working on the Pilot property, where the underground workings have been rehabilitated and dewatering to the 300 level of the old mine is taking place. This is being done in order to gain a better understanding of the major structures which run from the mine site through the two-mile-long "gold pass section" of the property.

Surface work is underway near the mine site to pinpoint additional drill sites. A closely spaced grid directly over the Pilot shear zone is being established and additional trenching is taking place in areas where the 1985 work produced encouraging rsults. Drilling is to follow.

In Ontario, X-Cal has acquired an undivided 25% interest in 20,000 acres of mineral claims. The location and details of the project will be announced in the near



X-Cal crew at work on the addition to the company's field office in the Bridge River/Bralorne area of British Columbia. Construction is expected to be completed this month.

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