

George

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X-CAL RESOURCES LTD. (XCL-T)

FURTHER DIAMOND- Shawn Kenneday, president, has reported DRILLING PLANNED X-Cal Resources Ltd. has focused on the Snowbird gold deposit at Ft. St. James, B.C. The next phase of diamond drilling will be concentrated on the North Zone where the most consistent drill results have occurred to date. The current possible reserve of 250,000 tons of 0.20 oz.gold/ton is in this zone. A total of 10,000 feet of drilling, in two stages has been planned. The next stage beyond this should be underground bulk sampling of the North Zone.

Recent surface work has concentrated on mapping and trenching of the East zone which resulted in the discovery of a gold bearing granite adjoining the East zone. The granite is a new host rock for gold on the property. A 0.25 oz.gold/t sample has been cut along with an anomalous set of soil values conforming to the granite. This target will be drill tested.

Recent staking has increased the holdings to 12,000 acres. Several major mining companies have expressed interest in the Snowbird project.

During the 3 months ended 30Jun89 the company spent \$154,000 on flow through exploration and ended the period with \$334,952 cash on hand.

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