
X-CAL RESOURCES LTD.

Interim unaudited
CONSOLIDATED FINANCIAL STATEMENTS
For the three months ended June 30, 2006

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X-CAL RESOURCES LTD.

CORPORATE INFORMATION

DIRECTORS

John M. Arnold
William E. Bateman
Shawn M. Kennedy
Derek Bartlett
Robert Preston
Larry Kornze

AUDITORS

Smythe Ratcliffe Chartered Accountants, Vancouver, British Columbia

SHARES LISTED

The Toronto Stock Exchange

TRANSFER AGENT

Computershare Investor Services Inc., Toronto, Canada

CORPORATE ADDRESS

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AUDITOR REVIEW

August 10, 2006

To the Shareholders of X-Cal Resources Ltd.

The Company's independent auditor has not performed a review of these interim financial statements for the period ended June 30, 2006, in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

X-Cal Resources Ltd.

“John M. Arnold”

John M. Arnold
Chief Financial Officer

X-Cal Resources Ltd.

Consolidated Balance Sheets

	June 30, 2006	March 31, 2006
Assets		
Current		
Cash and term deposits	\$ 4,545,135	\$ 1,289,270
Prepaid expenses and deposits	<u>151,712</u>	<u>334,762</u>
	4,696,847	1,624,032
Prepaid insurance (Note 3)	2,198,539	
Reclamation-commutation account (Note 3)	3,460,142	
Reclamation bonds (Note 3)	77,281	
Mineral property interests (Note 4)	23,650,973	20,158,750
Property and equipment (Note 5)	<u>98,228</u>	<u>71,515</u>
	<u>\$ 34,182,010</u>	<u>\$ 21,854,297</u>
Liabilities		
Current		
Payables and accruals	\$ 336,993	\$ 190,707
Reclamation and environmental obligations (Note 6)	<u>1,032,727</u>	<u>468,949</u>
	1,369,720	659,656
Shareholders' Equity		
Capital stock (Note 7)	46,529,188	33,809,188
Subscriptions received in advance		168,000
Share issuance costs	(373,685)	-
Contributed surplus (Note 7)	2,516,225	1,965,060
Deficit	<u>(15,859,438)</u>	<u>(14,747,607)</u>
	32,812,290	21,194,641
	<u>\$ 34,182,010</u>	<u>\$ 21,854,297</u>
Commitments (Note 10)		
Subsequent Events (Note 11)		

(See accompanying notes to the consolidated financial statements)

On behalf of the board:

"Shawn Kennedy"
Director

"John Arnold"
Director

X-Cal Resources Ltd.
Consolidated Statements of Operations and Deficit

Three Months Ended	June 30, 2006	June 30, 2005
General and administrative expenses		
Accounting and audit	\$ 44,938	\$ 37,965
Amortization	7,074	7,215
Insurance	18,631	33,913
Investor relations	10,296	11,872
Shareholder communications	15,539	6,805
Legal	63,423	7,498
Office and other	27,315	30,563
Regulatory fees	34,606	9,080
Rent	13,773	10,936
Salaries and directors' fees and consulting	268,944	91,766
Stock-based compensation (Note 7)	432,765	-
Telecommunications	10,370	4,500
Travel	34,807	12,804
	<u>982,481</u>	<u>264,917</u>
Loss before other items	(982,481)	(264,917)
Other income (expenses)		
Foreign exchange	(149,302)	12,767
Interest and other income	10,792	33,326
Accretion expense -	-	(16,169)
Capital asset – gain (write-off)	9,160	-
	<u>(149,302)</u>	<u>29,924</u>
Net loss	(1,111,831)	(234,993)
Deficit, beginning of period	<u>(14,747,607)</u>	<u>(13,216,535)</u>
Deficit, end of period	\$ <u>(15,859,438)</u>	\$ <u>(13,451,528)</u>
Loss per share	\$ <u>(0.013)</u>	\$ <u>(0.003)</u>
Weighted average number of common shares outstanding	<u>85,329,532</u>	<u>76,135,255</u>

(See accompanying notes to the consolidated financial statements)

X-Cal Resources Ltd. Consolidated Statements of Cash Flows

Three Months Ended	June 30, 2006	June 30, 2005
Cash derived from (applied to)		
Operating		
Net loss	\$ (1,111,831)	\$ (234,993)
Non-cash items:		
Stock-based compensation	432,765	-
Amortization	7,074	7,215
Accretion expense – reclamation obligations	-	(22,339)
Changes in non-cash working capital balance:		
Prepaid expenses and deposits, payables and accruals	296,011	(86,334)
	<u>(375,981)</u>	<u>(336,451)</u>
Financing		
Shares issued for cash	9,352,000	-
Cost of share issuance	(373,685)	-
Cash Provided by Financing Activities	<u>8,978,315</u>	<u>-</u>
Investing		
Mineral property acquisition	(5,000,000)	-
Mineral property interests	(312,682)	(883,765)
Purchase of property and equipment	(33,787)	(1,713)
Cash Used in Investing Activities	<u>(5,346,469)</u>	<u>(885,478)</u>
Net increase (decrease) in cash	3,255,865	(1,221,929)
Cash and term deposits		
Beginning of period	1,289,270	4,310,404
End of period	\$ <u>4,545,135</u>	\$ <u>3,088,475</u>
Non-cash investing and financing activities:		
Stock-based compensation capitalized in mineral property interests	\$ 118,400	\$ -
Shares issued for mineral property acquisition	\$ 3,200,000	\$ -
Reclamation and environmental obligation	\$ 563,778	\$ 657,389
Accounts payable related to mineral property interests	\$ 112,460	\$ -
Accounts receivable related to mineral property interests	\$ 79,137	\$ -
Prepaid insurance and commutation account	\$ 5,735,961	\$ -

(See accompanying notes to consolidated financial statements)

X-Cal Resources Ltd.

Notes to the Consolidated Financial Statements

Three months ended June 30, 2006

1. Nature of Operations and Basis of Presentation

X-Cal Resources Ltd. (the "Company") is engaged in the exploration of its mineral property interests and has not determined whether its properties contain reserves that are economically recoverable. The business of exploring for resources involves a high degree of risk. Few properties that are explored ultimately are developed into producing mines. Major expenses may be required to establish ore reserves, to develop metallurgical processes, and to construct mining and processing facilities at a particular site. There is no assurance that the Company will be successful in its search.

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles on a going-concern basis. This presumes funds will be available to finance on-going development, operations and capital expenditures, and the realization of assets and the payment of liabilities in the normal course of operations for the foreseeable future.

The recovery of the amount recorded for mineral property interests is dependent upon the ability of the Company to locate economically recoverable reserves, obtain the financing necessary to complete exploration and development of the properties, future mineral prices, and upon future profitable production.

2. Summary of Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles.

Principles of consolidation

The consolidated financial statements include the accounts of the Company and X-Cal U.S.A. Inc., its wholly-owned subsidiary and its newly acquired 100% interest in the former New Sleeper Gold LLC joint venture which are accounted for using the proportionate consolidation method.

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 amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenue Recognition

Interest income is accrued as earned on the term deposits at the stated rate over the term to maturity. The Company recognizes income on the sale of assets in accordance to sales agreements.

Translation of foreign currencies

Unless otherwise noted, all amounts presented in these financial statements are expressed in Canadian dollars.

Foreign currency transactions are translated by the temporal method whereby monetary assets and liabilities are translated at the rate of exchange in effect at the balance sheet date; non-monetary assets are translated at rates prevailing when acquired; and revenue and expenses are translated at average rates of exchange for the year. Translation gains and losses are included in the results of operations for the period.

X-Cal Resources Ltd.

Notes to the Consolidated Financial Statements

Three months ended June 30, 2006

2. Summary of Significant Accounting Policies (cont'd)

Cash and term deposits

The Company considers cash to include cash and short-term investments readily convertible into cash.

Mineral property interests

Mineral interests represent acquisition, holding and exploration costs, less amounts recovered, written off or written down to date. If production is attained, these costs will be amortized using the unit-of-production method based on estimated reserves. Costs related to properties that are abandoned or considered uneconomic in the foreseeable future are written off.

When properties are acquired under agreements requiring future acquisition payments to be made at the sole discretion of the Company, those future payments, whether in cash or shares, are recorded only when the Company has made or becomes obliged to make the payment or to issue the shares.

When properties are acquired under agreements requiring future purchase payments to be made at the sole discretion of the purchaser, those future payments, whether in cash or shares, are recorded only when the purchaser has made or becomes obliged to make the payment or to issue the shares.

Reclamation and environmental costs

The Company is subject to the laws and regulations relating to environmental matters in jurisdictions in which it operates, including those relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its existing properties and properties in which it previously had an interest.

The Company has adopted the new standards for accounting for reclamation and environmental obligations as set out in Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3110. Those standards require that the fair value of the Company's reclamation and environmental obligations be recognized in the financial statements as a liability in the period in which the obligation is assumed on acquisition or is incurred in exploration of properties. The fair value of the liability is initially recorded at the discounted value of expected future cash outlays to satisfy the obligations, with a corresponding increase to mineral property interests. The liability is adjusted at the end of each period to reflect changes in the present value of the estimated future cash outlays underlying the obligation. The Company records that increase in the carrying amount of the obligation as accretion expense.

Property and equipment

Property and equipment are recorded at cost less accumulated amortization calculated over their estimated useful lives. All property and equipment is amortized on the straight-line method over 5 years.

Capital stock issued for other than cash

Capital stock issued for other than cash is valued at the price at which the stock traded on the principal stock exchange on which the stock trades at the time the related agreement to issue stock is made or, if such issuance is at the option of the Company, at the time the Company determines to issue such stock.

X-Cal Resources Ltd.

Notes to the Consolidated Financial Statements

Three months ended June 30, 2006

2. Summary of Significant Accounting Policies (cont'd)

Stock-based compensation

The Company follows the recommendations of CICA Handbook Section 3870, "Stock-Based Compensation and Other Stock-Based Payments". This section establishes standards for the recognition, measurement and disclosure of stock-based compensation and other stock-based payments made in exchange for goods and services. The standard requires that all stock-based awards be measured and recognized using a fair value based method.

Future income taxes

The Company follows the liability method of accounting for income taxes. Under the liability method future income tax assets and liabilities are computed on differences between the carrying amounts of assets and liabilities on the balance sheet and their corresponding tax values, using enacted income tax rates at each balance sheet date. Future income tax assets also include the benefit that may be derived from loss carry-forwards and unclaimed other deductions. The valuation of future income tax assets is reviewed annually and adjusted by a valuation allowance to reflect the estimated realizable amount.

Loss per share

Loss per share is determined by dividing net loss by the weighted average number of common shares outstanding during the period. The Company uses the treasury stock method to determine the dilutive effect of stock options. This method assumes that proceeds received from the exercise of in the money stock options and warrants are used to repurchase common shares at the average market price during the period. No exercise or conversion is assumed during the years in which a net loss is incurred as the effect is anti-dilutive.

Financial Instruments

(a) Fair value

The carrying values of cash and term deposits, deposits, accounts payable and accrued liabilities, reclamation and environmental obligations approximate their fair values because of the short-term maturity of these financial instruments.

(b) Interest rate risk

The Company is not exposed to significant interest rate price risk due to the short-term maturity of its monetary assets and liabilities.

(c) Foreign currency risk

The Company incurs expenditures in both Canadian and US dollars and obtains financing in Canadian dollars. Therefore, the Company is exposed to foreign currency risk. The Company does not use derivative instruments to mitigate that risk.

3. Comparative Figures

Due to the acquisition of the remaining 50% interest in the New Sleeper Gold LLC joint venture during 2006, certain 2005 comparative figures have not been reclassified to conform to the financial statement presentation adopted for 2006.

X-Cal Resources Ltd.
Notes to the Consolidated Financial Statements
 Three months ended June 30, 2006

4. Mineral Property Interests

	<u>2006</u>	<u>2005</u>
Sleeper Gold Project – Nevada, USA	\$ 21,187,742	\$ 16,940,292
Mill Claims – Nevada, USA	2,421,848	2,215,613
Reese River	41,383	-
	<u>\$ 23,650,973</u>	<u>\$ 19,155,906</u>

On May 16, 2006 the Company acquired the remaining 50% interest in the Sleeper Gold Project from New Sleeper Gold Corporation. The 2005 comparative figures for the Sleeper Gold Project have not been reclassified as the Company owned 50% of the project during that period. 2005 includes among other things, prepaid insurance and reclamation bonds capitalized in the property, 2006 does not. The Company has reclassified the prepaid insurance: \$2,198,539; and the reclamation-commutation account \$3,460,142 in its 2006 financial statements.

Sleeper Gold Project

From December 1993 to December 2003, the Company acquired rights to explore and develop the Sleeper Gold Project properties. Also, the Company had an option to purchase the 50% interest of a joint venturer.

In January 2004, the Company purchased the interest of the former joint venturer, Kinross Gold Corporation, and formed a new joint venture with New Sleeper Gold Corporation to finance exploration of the property. Certain terms of the new joint venture are set out below:

- New Sleeper Gold Corporation contributed US \$20,000,000 in cash to the joint venture.
- The Company contributed its interest in the Sleeper Gold Project to the joint venture.
- The US \$20,000,000 cash contribution by New Sleeper Gold Corporation was applied to:
 - i) US \$4,000,000 to exercise the option to purchase the Kinross Gold interest in the properties;
 - ii) US \$8,000,000 to fund a reclamation and pollution legal liability insurance policy and a reclamation reserve of which US \$5,300,000 was expended by March 31, 2004; the remaining US \$2,700,000 was released subsequently and made available for exploration and general operating purposes; and
 - iii) the balance of US \$8,000,000 for exploration and general operating purposes.

The Company acquired the remaining 50% interest in the New Sleeper Gold LLC joint venture on May 16, 2006 by a cash payment of \$5,000,000 and the issue of 10,000,000 shares of its common stock at a deemed value of \$0.32 per share, representing an aggregate of \$8,200,000 paid to New Sleeper Gold Corporation. The Company now owns 100% of New Sleeper Gold LLC.

- (a) Certain claims of the Sleeper Gold Project are subject to royalty obligations to Leland York under a lease agreement. New Sleeper Gold LLC is obliged to make advance royalty payments of \$3,000,000 payable at \$50,000 per year. Any commercial production from those claims is subject to a 3% net smelter return that may be offset in full to the extent of royalties paid in advance. When \$3,000,000 has been paid, the royalty will be reduced to 0.5%. New Sleeper Gold LLC has the right of first refusal to purchase the remaining 0.5% royalty at a price to be negotiated should the holder offer it for sale.

X-Cal Resources Ltd.
Notes to the Consolidated Financial Statements
 Three months ended June 30, 2006

4. Mineral Property Interests (cont'd)

Mill Claims

The Mill claims were acquired by staking in 1992. The Company owns a 100% interest in this 720-acre group of 36 lode mineral claims.

On June 28, 2005, the Company entered into an option agreement with Placer Dome U.S., Inc. ("Placer"), which allowed Placer the right to purchase the company's Mill Creek Gold property, located in the Cortez Area, Lander County, Nevada for US \$5,000,000. A non-refundable signing fee of US \$50,000 paid to the Company initiated the agreement.

Placer had until January 16, 2006 to determine if they will pay US \$5,000,000 for the Mill Creek Gold property. The agreement was terminated January 19, 2006.

Reese River

The Company has entered into a formal agreement with Placer Dome to jointly explore in the Reese River Pediment, three claim blocks totaling 3,000 acres located in Lander County, Nevada. Title of the claims has been transferred from Placer Dome to the Company. The Company has agreed to carry out and fully fund a minimum US \$200,000 drilling program developed by both parties, prior to December 31, 2006. Placer Dome has a one time right to expend triple the Company's expenditures in years two and three to earn back a 51% interest in the properties.

5. Property and Equipment

June 30, 2006	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>
Vehicles	\$ 155,016	\$ 80,214	\$ 74,802
Office equipment	96,841	74,779	22,062
Leasehold improvements	<u>18,650</u>	<u>17,286</u>	<u>1,364</u>
	<u>\$ 270,507</u>	<u>\$ 172,279</u>	<u>\$ 98,228</u>
June 30, 2005	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>
Vehicles	\$ 145,182	\$ 85,223	\$ 59,959
Office equipment	91,724	67,380	23,344
Leasehold improvements	<u>18,650</u>	<u>16,439</u>	<u>2,211</u>
	<u>\$ 255,556</u>	<u>\$ 169,402</u>	<u>\$ 86,514</u>

X-Cal Resources Ltd.
Notes to the Consolidated Financial Statements
Three months ended June 30, 2006

6. Reclamation and Environmental Obligations

Subject to the laws and regulations relating to environmental matters, the Company may be held liable for future site restoration costs. On May 16, 2006 the Company acquired the remaining 50% interest in the New Sleeper Gold LLC joint venture, a result of which is that it acquired 100% of the liability for the asset retirement obligation, \$1,032,727 (2005 – 50%, \$535,651)

7. Capital Stock

(a) Authorized:

Unlimited common shares without par value.

(b) Issued:

	<u>Shares</u>	<u>Amount</u>	<u>Contributed Surplus</u>
Balance, March 31, 2005	76,135,255	\$ 33,809,188	\$ 1,475,025
Stock-based compensation – options granted	-	-	490,035
Balance, March 31, 2006	76,135,255	\$ 33,809,188	\$ 1,965,060
Stock-based compensation – options granted	-	-	551,165
Issued for cash	23,517,001	6,584,760	-
Issued for cash	10,482,999	2,935,240	-
Property acquisition (deemed value)	10,000,000	3,200,000	-
Balance, June 30, 2006	<u>120,135,255</u>	<u>\$ 46,529,188</u>	<u>\$ 2,516,225</u>

(c) Stock options

The Company has a 10% rolling stock option plan under which directors, officers and other key employees and consultants to the Company and its subsidiaries may be granted options to purchase shares. The number of common shares subject to options granted under the plan is 5% of the issued capital at the date of the grant with respect to any one optionee, not to exceed 10% of the issued and outstanding common shares of the Company in aggregate (2005 - 7,500,000). Options issued under the Plan may be exercised during a period determined by the board of directors, which cannot exceed five years.

Summary of stock option activity:

	<u>2006</u>		<u>2005</u>	
	<u>Number of Shares</u>	<u>Weighted Average Exercise Price</u>	<u>Number of Shares</u>	<u>Weighted Average Exercise Price</u>
Outstanding, beginning of period	6,015,000	\$ 0.45	5,155,000	\$ 0.68
Granted	2,600,000	\$ 0.35	-	-
Exercised	-	-	-	-
Expired	-	-	(90,000)	\$ 0.68
Cancelled	-	-	-	-
Outstanding, end of period	<u>8,615,000</u>	<u>\$ 0.42</u>	<u>5,065,000</u>	<u>\$ 0.68</u>

X-Cal Resources Ltd.
Notes to the Consolidated Financial Statements
Three months ended June 30, 2006

7. Capital Stock (cont'd)

(c) Stock options (cont'd)

As at June 30, 2006, the Company had stock options outstanding and exercisable, enabling the holders to acquire shares as follows:

<u>Number of Shares</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
1,450,000	\$ 0.47	December 6, 2006
50,000	\$ 0.50	January 28, 2007
750,000	\$ 0.80	March 11, 2007
225,000	\$ 0.50	December 13, 2007
200,000	\$ 0.45	April 1, 2008
640,000	\$ 0.50	December 13, 2009
1,500,000	\$ 0.33	February 16, 2009
1,200,000	\$ 0.33	February 16, 2011
1,700,000	\$ 0.35	May 31, 2011
900,000	\$ 0.35	May 31, 2009
<u>8,615,000</u>		

(d) Warrants

Summary of share warrant activity:

	<u>2006</u>		<u>2005</u>	
	<u>Number</u>	<u>Weighted Average Exercise Price</u>	<u>Number</u>	<u>Weighted Average Exercise Price</u>
Outstanding, beginning of period	Nil	-	3,250,000	\$ 0.72
Issued	-	-	-	-
Exercised	-	-	-	-
Expired	-	-	-	-
Outstanding, end of period	<u>Nil</u>		<u>3,250,000</u>	<u>\$ 0.72</u>

(e) Stock-based compensation

The Company uses the Black-Scholes option pricing model to estimate the value of the options at each grant date using the following assumptions for the three months ended June 30, 2006. No options were granted during the comparable period 2005:

	<u>2006</u>	<u>2005</u>
Risk-free rate of return	4.22%	-
Expected dividend yield	-	-
Expected stock price volatility	81.0%	-
Expected option life in years	4.31	-

Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore, the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options.

X-Cal Resources Ltd.
Notes to the Consolidated Financial Statements
 Three months ended June 30, 2006

7. Capital Stock (cont'd)

(e) Stock-based compensation (cont'd)

During the three months ended June 30, 2005, the compensation cost of stock options granted was \$551,165, of which \$432,765 was expensed and \$118,400 was capitalized to mineral properties. Stock-based compensation was attributable as to directors - \$385,787, employees and consultants - \$165,378, (2005: Nil).

8. Related Party Transactions

The Company paid legal fees of \$12,643 (2005 - \$7,600) to a law firm of which a director of the Company is a partner. The Company paid an aggregate of \$10,398 (2005 - \$6,000) in consulting fees and expenses to a director and officer of the Company. The Company also paid a \$150,000 bonus to a director and officer of the Company.

All of the above transactions and balances are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

9. Segmented Information

The Company operates in one industry segment, the mineral resource industry, and in two geographical segments, Canada and the United States of America. All current exploration activities are conducted in Nevada, US. The net loss and assets identifiable with those geographic areas are as follows:

	<u>2006</u>	<u>2005</u>
Net loss		
Canada	\$ (933,722)	\$ (141,836)
USA	(178,110)	(93,158)
	<u>\$ (1,111,832)</u>	<u>\$ (234,993)</u>
Assets		
Canada	\$ 4,592,385	\$ 2,726,908
USA	29,589,625	19,986,924
	<u>\$ 34,182,010</u>	<u>\$ 22,713,832</u>

10. Commitments

(a) Office lease

The Company leases office space in Vancouver until July 31, 2007, under which it must pay \$26,187 annually as its share of base rent and operating costs.

(b) Management agreements

The Company has a five-year Employment Agreement dated September 1, 2004 whereby it will pay an administrative manager \$72,000 per annum. Currently, by mutual agreement between the parties, the employee is receiving \$36,000 per annum as payment in full for services provided. Should the Company terminate the agreement or should the Company have an effective change of control, it will be liable for payment of one year's salary at the full rate of \$72,000.

X-Cal Resources Ltd.
Notes to the Consolidated Financial Statements
Three months ended June 30, 2006

10. Commitments (cont'd)

(b) Management agreements (cont'd)

The Company has an employment contract with its President. Under the terms of that contract, remuneration is reviewable on October 1st of each year, when such remuneration may be increased but not decreased. The remuneration for the President was increased during the period to \$160,000 per annum from \$120,000 per annum. Additionally, the contract provides that, in the event of termination by the Company, the President shall receive three times the annual amount of salary in the year of termination plus US \$150,000.

11. Subsequent Events

The Company granted 20,000 incentive stock options to a consultant of the Company. The options are exercisable at \$0.35 per share and expire July 28, 2009.

X-Cal Resources Ltd.
Consolidated Schedules of Mineral Acquisition and Exploration Costs
For the three months ended June 30, 2006 and 2005

	2006				2005			
	Sleeper Gold Project	Pipeline Area - Mill Claims	Reese River	Total	Sleeper Gold Project	Pipeline Area - Mill Claims	Reese River	Total
Mineral acquisitions and exploration expenditures, beginning of year	\$ 17,717,872	\$ 2,403,651	\$ 37,227	\$ 20,158,750	\$ 22,647,442	\$ 2,217,401	\$ -	\$ 24,864,843
Acquisition and holding costs incurred								
Advance royalties	-	-	-	-	-	-	-	-
Property acquisitions	8,200,000	-	-	8,200,000	-	-	-	-
	\$ 8,200,000	\$ -	\$ -	\$ 8,200,000	\$ -	\$ -	\$ -	\$ -
Exploration Expenditures								
Claim Staking	-	-	-	-	-	-	-	-
Consulting	223,772	11,486	1,707	236,965	3,891	5,095	-	8,986
Geology	-	-	-	-	365,195	-	-	365,195
Drilling & Assaying	8,830	-	-	8,830	275,569	3,445	-	279,014
Field expenses	47,690	-	-	47,690	171,009	1,910	-	172,919
Insurance	23,020	-	-	23,020	1,750	1,750	-	3,500
Geophysics & Geochemistry	-	-	-	-	106,666	293	-	106,959
Licenses and fees	58,876	314	1,773	60,964	-	5,544	-	5,544
Reclamation	-	-	-	-	-	-	-	-
Stock-based compensation	118,400	-	-	118,400	-	-	-	-
Office, wages, prof fees & travel expenses	125,913	6,397	676	132,986	31,940	41,750	-	73,690
	\$ 606,501	\$ 18,197	\$ 4,156	\$ 628,854	\$ 956,020	\$ 59,787	\$ -	\$ 1,015,807
Option payments received						(61,575)		(61,575)
Mineral property interests written off - acquisition	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Mineral exploration expenditures and interests before other costs (recoveries)	\$ 26,524,373	\$ 2,421,848	\$ 41,383	\$ 28,987,604	\$ 23,603,462	\$ 2,215,613	\$ -	\$ 25,819,075
Prepaid reclamation obligation insurance	-	-	-	-	1,202,173	-	-	1,202,173
Funds held by insurer for reclamation obligation	-	-	-	-	1,736,498	-	-	1,736,498
Deferred environmental cost	-	-	-	-	657,389	-	-	657,389
Acquisition/Joint Venture adjustment	(5,336,631)	-	-	(5,336,631)	(10,259,200)	-	-	(10,259,200)
Mineral interests, end of year	\$ 21,187,742	\$ 2,421,848	\$ 41,383	\$ 23,650,973	\$ 16,940,322	\$ 2,215,613	\$ -	\$ 19,155,935

X-Cal Resources Ltd.
Consolidated Schedules of Mineral Acquisition and Exploration Costs
For the three months ended June 30, 2006 and 2005