
X-Cal Resources Ltd.

**Third Quarter Report
(Unaudited)**
December 31, 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, Vancouver, British Columbia

SHARES LISTED

The Toronto Stock Exchange

TRANSFER AGENT

Computershare Investor Services Inc., Toronto, Canada

CORPORATE ADDRESS

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January 31, 2007

To the Shareholders of X-Cal Resources Ltd.

The Company's auditors, Smythe Ratcliffe, has not performed a review of these interim financial statements for the period ended December 31, 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
(Unaudited)

	December 31, 2006 (unaudited)	March 31, 2006 (audited)
Assets		
Current		
Cash and term deposits	\$ 3,174,502	\$ 1,289,270
Receivables and prepayments	127,522	334,762
	<u>3,302,024</u>	<u>1,624,032</u>
Prepaid insurance (Note 3)	2,198,539	
Reclamation bond– commutation account (Note 3)	3,600,080	
Environmental bonds	67,907	
Mineral property interests (Note 4)	25,500,615	20,158,750
Property and equipment (Note 5)	82,979	71,515
	<u>\$ 34,752,143</u>	<u>\$ 21,854,297</u>
Liabilities		
Current		
Payables and accruals	\$ 253,649	\$ 190,707
Environmental obligations (Notes 3 and 6)	1,032,727	468,949
	<u>1,286,376</u>	<u>659,656</u>
Shareholders' Equity		
Capital Stock, net of issuance costs (Note 7)	47,289,003	33,809,188
Subscriptions received in advance		168,000
Contributed Surplus (Note 7)	2,537,918	1,965,060
Deficit	(16,361,154)	(14,747,607)
	<u>33,465,767</u>	<u>21,194,641</u>
	<u>\$ 34,752,143</u>	<u>\$ 21,854,297</u>

(See accompanying notes to the consolidated financial statements)

Approved by the Directors:

"Shawn Kennedy"
Director

"John Arnold"
Director

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

	Three months ended		Nine months ended	
	December 31	December 31	December 31	December 31
	2006	2005	2006	2005
General and administrative expenses				
Accounting	\$ 35,000	\$ 20,162	\$ 92,278	\$ 58,127
Amortization	5,894	7,316	18,862	21,806
Insurance	16,164	33,858	51,876	137,951
Investor relations	62,087	12,278	81,695	36,649
Shareholder communications	25,702	7,529	82,958	52,345
Legal	21,360	16,651	102,910	46,155
Office and other	7,979	29,927	44,121	92,052
Regulatory fees	12,261	7,336	67,308	32,378
Rent	4,511	9,320	33,136	33,523
Salaries, consultants & directors fees	129,855	126,638	530,646	260,298
Stock-based compensation	17,780	-	454,459	-
Telecommunications	10,467	-	27,172	-
Travel	46,679	20,363	123,690	37,750
	<u>395,740</u>	<u>291,378</u>	<u>1,711,112</u>	<u>809,034</u>
Other				
Foreign exchange gain (loss)	109,721	(6,633)	(15,371)	(128,747)
Interest and other income	47,466	35,143	89,219	92,101
Accretion expense		(15,521)		(47,046)
Sale of capital assets, expense recovery	(1,274)	-	23,717	-
Cash contribution members	-	128,808	-	416,777
	<u>(239,827)</u>	<u>(149,581)</u>	<u>(1,613,547)</u>	<u>(475,949)</u>
Net loss for the period	<u>(239,827)</u>	<u>(149,581)</u>	<u>(1,613,547)</u>	<u>(475,949)</u>
Deficit, beginning of period	<u>(16,121,327)</u>	<u>(13,542,893)</u>	<u>(14,747,607)</u>	<u>(13,216,525)</u>
Deficit, end of period	<u>\$ (16,361,154)</u>	<u>\$ (13,692,474)</u>	<u>\$ (16,361,154)</u>	<u>\$ (13,692,474)</u>
<i>Net loss per share, basic and diluted</i>	\$ 0.002	\$ 0.002	\$ 0.014	\$ 0.006
<i>Weighted average common shares Outstanding</i>	<u>123,640,690</u>	<u>76,135,255</u>	<u>114,316,036</u>	<u>76,135,255</u>

(See accompanying notes to the consolidated financial statements)

X-Cal Resources Ltd.
Consolidated Statements of Cash Flow
(Unaudited)

	Three Months Ended December 31		Nine Months Ended December 31	
	2006	2005	2006	2005
Cash derived from (applied to)				
Operating				
Net loss	\$ (239,827)	\$ (149,581)	\$ (1,613,547)	\$ (475,949)
Stock-based compensation	17,780	-	454,458	-
Amortization	5,894	7,316	18,862	21,806
Accretion expense	-	(15,521)	-	(97,193)
Changes in receivable and payables	170,010	(90,750)	270,180	(223,007)
	<u>(46,143)</u>	<u>(248,536)</u>	<u>(870,048)</u>	<u>(774,343)</u>
Financing				
Shares issued for cash	-	-	10,472,000	-
Cost of share issuance	-	-	(373,685)	-
	<u>-</u>	<u>-</u>	<u>10,098,315</u>	<u>-</u>
Investing				
Mineral property acquisition	-	-	(5,000,000)	-
Mineral property interest	(1,323,456)	(320,359)	(2,312,709)	(1,828,737)
Acquisition of property and equipment	(94)	(1,165)	(30,326)	(5,299)
	<u>(1,323,550)</u>	<u>(321,524)</u>	<u>(7,343,035)</u>	<u>(1,834,036)</u>
Net increase (decrease) in cash	(1,369,693)	9570,0600	1,885,232	(2,608,379)
Cash and term deposits				
Beginning of period	4,544,195	2,272,085	1,289,270	4,310,404
End of period	<u>\$ 3,174,502</u>	<u>\$ 1,702,025</u>	<u>\$ 3,174,502</u>	<u>\$ 1,702,025</u>
Non-cash investing & 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	507,843
Accounts payable related to mineral property interests	11,567	402,263	124,027	612,561
Accounts receivable related to mineral property interests	(56,700)	165,198	22,437	198,788
Prepaid insurance and commutation account	130,564	-	5,866,525	-

(See accompanying notes to consolidated financial statements)

X-Cal Resources Ltd.
Notes to the Consolidated Financial Statements
Nine months ended December 31, 2006
(Unaudited)

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 100% interest in New Sleeper Gold LLC.

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 period. Translation gains and losses are included in the results of operations for the period.

X-Cal Resources Ltd.
Notes to the Consolidated Financial Statements
Nine months ended December 31, 2006
(Unaudited)

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 by the company 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 sold by the company 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
Nine months ended December 31, 2006
(Unaudited)

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, and accounts payable and accrued liabilities, 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.

X-Cal Resources Ltd.
Notes to the Consolidated Financial Statements
Nine months ended December 31, 2006
(Unaudited)

3. Comparative Figures

Due to the acquisition of the remaining 50% interest in the New Sleeper Gold LLC joint venture during the period ended December 31, 2006, certain 2005 comparative figures have not been reclassified to conform to the financial statement presentation adopted for 2006. 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 \$3,452,728 in its 2006 financial statements.

4. Mineral Property Interests

	December 31, <u>2006</u>	December 31, <u>2005</u>
Sleeper Gold Project – Nevada, USA	\$ 22,665,171	\$ 17,793,521
Mill Claims – Nevada, USA	2,444,020	2,334,533
Reese River – Nevada, USA	376,940	26,695
Spring Valley – Nevada, USA	14,484	-
	<u>\$ 25,500,615</u>	<u>\$ 20,154,749</u>

On May 16, 2006 the Company acquired the remaining 50% interest in the Sleeper Gold Project from New Sleeper Gold Corporation.

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.

X-Cal Resources Ltd.
Notes to the Consolidated Financial Statements
Nine months ended December 31, 2006
(Unaudited)

4. Mineral Property Interests (cont'd)

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.

Title of the York Leased Lands, which are part of the Sleeper Gold Project, has been signed over to the Company concurrent with a buy out agreement between the Company and York Mines. The buyout was initiated with a payment to York Mines consisting of US \$150,000 and 50,000 common shares. The remaining balance to complete the buyout is US \$600,000 and 200,000 common shares of X-Cal. Payment can be made as four equal payments over four years or accelerated at the Company's discretion.

Mill Claims

The Mill Creek Gold Property is owned 100% by X-Cal. The property, located in Lander County, Nevada, is an early stage (grass roots) gold project. The Mill Creek Gold Property is located in an area where commercial gold deposits, such as Placer Dome's Cortez and Pipeline projects are known to occur. The area is also known as the "Cortez Area" within the Battle Mountain-Cortez-Eureka Trend. A US\$1,600,000 exploration work program that included drilling, mapping, sampling and geophysics has been completed by X-Cal on the Mill Creek Gold Property.

The company has completed an extensive permitting process for the Mill Creek (Goat Window) Property which has resulted in approval of a Plan of Operations Permit. The permit will facilitate the testing of the targets described in the technical report. X-Cal will consider joint ventures partners for funding of continued work on this property.

Reese River

The Company has entered into a formal agreement with Placer Dome to jointly explore three claim blocks, in the Reese River Pediment, 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.

Spring Valley

The Company has staked 38 claims totaling 760 acres located in the Spring Valley area, Pershing County, Nevada.

X-Cal Resources Ltd.
Notes to the Consolidated Financial Statements
 Nine months ended December 31, 2006
 (Unaudited)

5. Property and Equipment

December 31, 2006	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>
Vehicles	\$ 109,697	\$ 51,806	\$ 57,891
Office equipment	103,028	78,881	24,147
Leasehold improvements	<u>18,650</u>	<u>17,709</u>	<u>941</u>
	<u>\$ 231,375</u>	<u>\$ 148,396</u>	<u>\$ 82,979</u>
December 31, 2005	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>
Vehicles	\$ 146,346	\$ 95,950	\$ 50,396
Office equipment	94,148	70,822	23,326
Leasehold improvements	<u>18,650</u>	<u>16,863</u>	<u>1,787</u>
	<u>\$ 259,144</u>	<u>\$ 183,635</u>	<u>\$ 75,509</u>

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.

X-Cal Resources Ltd.
Notes to the Consolidated Financial Statements
 Nine months ended December 31, 2006
 (Unaudited)

7. Capital Stock and Contributed Surplus

(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	-	-		555,078
Issued for cash	23,517,001	6,584,760		-
Issued for cash	10,482,999	2,935,240		-
Issued for cash				
Property acquisition (deemed value)	10,000,000	3,200,000		-
Share Issuance Costs		(373,685)		
Stock-based compensation – options granted				17,780
Issued for cash	3,500,000	1,120,000		
Property acquisition (deemed value)	50,000	13,500		
Balance, December 31, 2006	<u>123,685,255</u>	<u>\$ 47,289,003</u>	<u>\$</u>	<u>2,537,918</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.

X-Cal Resources Ltd.
Notes to the Consolidated Financial Statements
 Nine months ended December 31, 2006
 (Unaudited)

Summary of stock option activity:

	2006		2005	
	Number of Shares	Weighted Average Exercise Price	Number of Shares	Weighted Average Exercise Price
Outstanding, beginning of period	6,015,000	\$ 0.45	5,155,000	\$ 0.68
Granted	2,795,000	\$ 0.35	-	-
Exercised	-	-	-	-
Expired	(1,450,000)	\$ 0.47	(1,840,000)	\$ 0.68
Cancelled	-	-	-	-
Outstanding, end of period	7,360,000	\$ 0.41	3,315,000	\$ 0.57

As at December 31, 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>
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
20,000	\$ 0.35	July 28, 2009
175,000	\$ 0.35	December 1, 2008
7,360,000		

(d) Warrants

Summary of share warrant activity:

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

X-Cal Resources Ltd.
Notes to the Consolidated Financial Statements
Nine months ended December 31, 2006
(Unaudited)

(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 nine months ended December 31, 2006. No options were granted during the comparable period 2005:

	<u>2006</u>	<u>2005</u>
Risk-free rate of return	3.83% - 4.22%	-
Expected dividend yield	-	-
Expected stock price volatility	71% - 88%	-
Expected option life in years	2-5	-

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.

During the nine months ended December 31, 2006, the compensation cost of stock options granted was \$572,858, of which \$454,458 was expensed and \$118,400 was capitalized to mineral properties. Stock-based compensation was attributable to directors - \$385,787, employees and consultants - \$187,071, (2005: Nil).

8. Related Party Transactions

The Company paid legal fees and expenses of \$25,490 to a law firm of which a director of the Company is a partner. The Company paid an aggregate of \$42,500 in consulting fees and expenses to a director and officer of the Company. The Company also paid \$30,000 in directors' fees and a \$150,000 bonus to the president 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	\$ (1,384,166)	\$ (296,553)
USA	(229,381)	(221,123)
	<u>\$ (1,613,547)</u>	<u>\$ (517,676)</u>
Assets		
Canada	\$ 3,257,481	\$ 2,323,868
USA	31,494,662	20,183,163
	<u>\$ 34,752,143</u>	<u>\$ 22,507,031</u>

X-Cal Resources Ltd.
Notes to the Consolidated Financial Statements
Nine months ended December 31, 2006
(Unaudited)

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.

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

There are no further materially reportable events.

X-Cal Resources Ltd.
Consolidated Schedules of Mineral Acquisition and Exploration Costs
For the nine months ended December 31, 2006 and 2005
(Unaudited)

	2006					2005				
	Sleeper Gold Project	Pipeline Area - Mill Claims	Reese River	Spring Valley	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	8,384,920	-	-	-	8,384,920	-	-	-	-	
	\$ 8,384,920	\$ -	\$ -	\$ -	\$ 8,384,920	\$ -	\$ -	\$ -	\$ -	
Exploration Expenditures										
Consulting	293,050	22,822	18,869	125	334,866	284,435	18,022	847	303,304	
Geology, including consultant	249,636	59	-	-	249,695	631,484	-	-	631,484	
Drilling & Assaying	461,816	-	215,400	-	677,216	357,404	7,131	-	364,535	
Field expenses	235,283	4,268	47,459	135	287,145	-	45,591	-	45,591	
Insurance	60,820	-	-	-	60,820	-	3,500	-	3,500	
Geophysics & Geochemistry	531	-	6,421	-	6,952	191,696	13,139	-	204,835	
Licenses, fees & claim fees	215,358	5,756	44,184	14,172	279,470	-	5,940	23,532	29,472	
Reclamation	807	-	-	-	807	-	-	-	-	
Stock-based compensation	118,400	-	-	-	118,400	-	-	-	-	
Office, wages, prof fees & travel expenses	611,640	7,464	7,379	52	626,535	90,457	85,384	2,316	178,157	
	\$ 2,247,341	\$ 40,369	\$ 339,713	\$ 14,484	\$ 2,641,907	\$ 1,555,476	\$ 178,707	\$ 26,695	\$ 1,760,878	
Option payments received							(61,575)	-	(61,575)	
Mineral property interests written off - acquisition	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Mineral exploration expenditures and interests before other costs (recoveries)	\$ 28,350,133	\$ 2,444,020	\$ 376,940	\$ 14,484	\$ 31,185,577	\$ 24,202,918	\$ 2,334,533	\$ 26,695	\$ 26,564,146	
Prepaid reclamation obligation insurance	-	-	-	-	-	1,132,658	-	-	1,132,658	
Funds held by insurer for reclamation obligation	-	-	-	-	-	1,642,979	-	-	1,642,979	
Deferred environmental cost	-	-	-	-	-	657,389	-	-	657,389	
Acquisition/Joint Venture adjustment	(5,684,962)	-	-	-	(5,684,962)	(9,842,423)	-	-	(9,842,423)	
Mineral interests, end of year	\$ 22,665,171	\$ 2,444,020	\$ 376,940	\$ 14,484	\$ 25,500,615	\$ 17,793,521	\$ 2,334,533	\$ 26,695	\$ 20,154,749	

