



EXCALIBUR MINING (ASX: EXM)
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ASX ANNOUNCEMENT - 10 March 2010

Project Update: Juno Resource

- **Preliminary findings from independent review of Juno resource received**
- **Downgrade of Juno indicated resource category anticipated**
- **Downgrade does not impact Excalibur's other projects at Tennant Creek, including Up Dip Juno, M10 or the Nobles Nob Shallows**
- **Drilling work at Juno is continuing and additional results are pending**

Excalibur Mining Corporation Limited (ASX: EXM) has an active program to advance its portfolio of Tennant Creek assets. This includes an ongoing drilling campaign and an external resource review, leading to a planned update to its resource position. The recent focus of the program has been a comprehensive analysis of the Juno resource estimate.

At this stage, Excalibur does not have a new reportable resource position for Juno, but a substantial reduction in the indicated portion is anticipated.

Based on the initial findings, the previous mining at Juno had a larger impact on Excalibur's resource than previously calculated. Excalibur's earlier resource estimates were based on an electronic data-base inherited from the Normandy Group.

The preliminary findings of the Juno review and the resultant changes to drilling plans will delay the next resource statement from the previously planned March/April time frame.

Excalibur Managing Director, Tim Lagdon said, "This does not change our conviction as to the quality of Excalibur's other Tennant Creek projects where, through our own drilling, we have demonstrated exceptional results".

Background

A core focus of the Company over the last 7 months has been to review the robustness of all of Excalibur's assets as a precursor to commencing a detailed feasibility process.

This included Excalibur undertaking a rigorous program in relation to the Juno resource, which encompassed:

- Validation drilling to confirm stope locations, remnant pillars and drive locations;
- Verification of the resource database using the original hard-copy geological drilling logs and stope plans, which were recently located and acquired; and,
- An independent resources review by an external party.

Cube Consulting ("Cube"), a respected specialist independent geo-scientific group, was engaged to work with Excalibur to undertake the resources review.

Excalibur Mining Corporation Limited – ASX: EXM

The review identified a number of inaccuracies in the original electronic database, including errors in the stope models (which are critical for determining depletion from previous mining), spatial orientation and various typographical and transformation errors. A critical component has been the location of the ore body relative to survey points. As a direct consequence of information obtained earlier this year and the Juno verification drilling currently underway, the stopes have now been accurately positioned. With these changes, there is a much closer alignment of the modeled high grade ore and the previously mined stopes.

The preliminary findings show that there is a poor reconciliation between the original electronic database and the new recreated database. The impact is that the previous Juno indicated resource was substantially overstated. While the magnitude of the overstatement is not yet known, Excalibur no longer has the requisite level of confidence in the previously reported Juno resource.

The Board immediately sought a trading halt in Excalibur shares as soon as it became apparent that the review may result in a material downgrade of the Juno resource.

Further work is required to determine the resource position at Juno. This will delay our planned resource update as we seek to reconcile the results and also incorporate the recent drilling; including an estimate of the mineralisation around the newly discovered Up-Dip portion of Juno when sufficient drilling results are available. The resource review will be expanded to cover the results from Excalibur's Juno drilling completed over the last 4 months as these have not yet been incorporated.

It should be noted that the anticipated resource downgrade relates specifically to the previous Juno indicated resource estimate. The inferred portion of the Juno resource has not yet been included in the resource analysis by Cube. Testing of these areas is in progress as part of the current drilling campaign. The change in resources at Juno will not impact the Up-dip portion of Juno where the recent drilling has been undertaken by Excalibur or in relation to M10 or around the Nobles Nob Shallows including Rising Sun, Weabers Find, Nobles Nob West and the newly discovered NM4 deposit.

We will keep the market informed as results come to hand and will be reviewing Excalibur's strategy based on the findings. Additional results of drilling at Juno will be released to the ASX shortly.

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