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EXCALIBUR MINING CORPORATION LIMITED

ABN 91 008 021 118

PROSPECTUS

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION. IT AND THE ACCOMPANYING APPLICATION FORM SHOULD BE READ IN THEIR ENTIRETY. IF YOU ARE IN DOUBT ABOUT WHAT TO DO, YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER WITHOUT DELAY.

Securities offered by this Prospectus are of a speculative nature.

IMPORTANT INFORMATION

This Prospectus is dated 19 December 2007 and was lodged with the ASIC on that date. The ASIC and ASX take no responsibility for the contents of this Prospectus.

No Securities will be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

A copy of this Prospectus is available for inspection at the offices of the Company at Suite 4, 16 Ord Street West Perth, Western Australia 6005, during normal business hours. The Company will provide a copy of this Prospectus to any person on request. The Company will also provide copies of other documents on request (see Section 4.5).

The Company will apply to ASX within 7 days of the date of this Prospectus for Official Quotation by ASX of the Securities offered by this Prospectus.

The Securities offered by this Prospectus should be considered speculative. Please refer to Section 3 for details relating to investment risks.

Applications under the Offers can only be submitted on an Application Form accompanying this Prospectus.

Revenues and expenditures disclosed in this Prospectus are recognised exclusive of the amount of goods and services tax, unless otherwise disclosed.

Applications for Securities will only be accepted on an Application Form accompanying this Prospectus or in its paper copy form as downloaded in its entirety from www.excaliburmining.com.au. Persons having received a copy of this Prospectus in its electronic form may obtain an additional paper copy of this Prospectus and the Application Form (free of charge) by contacting the Company. The Offers constituted by this Prospectus in electronic form are only available to persons receiving an electronic version of this Prospectus and Application Form in Australia.

The Corporations Act prohibits any person from passing on to another person an Application Form unless it is accompanied by, or attached to, a complete and unaltered copy of this Prospectus.

No person is authorised to give any information or to make any representation in connection with the Offers described in this Prospectus which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offers.

No action has been taken to permit the offer of Securities under this Prospectus in any jurisdiction other than Australia and New Zealand.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws. This Prospectus does not constitute an offer of Securities in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

The Company collects information about each Applicant provided on an Application Form for the purposes of processing the application and, if the application is successful, to administer the Applicant's security holding in the Company.

By submitting an Application Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Application Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the share registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

If you do not provide the information required on the Application Form, the Company may not be able to accept or process your Application Form.

An Applicant has a right to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

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CORPORATE DIRECTORY

Directors	Solicitors to the Company	
Mr Ian Murie – Non-Executive Chairman Mr Alex Bajada – Managing Director Mr Mark Smith – Non-Executive Director	Hardy Bowen Level 1 28 Ord Street WEST PERTH, WA 6005	
Company Secretary	Share Registry	
Mr Mark Smith	Advanced Share Registry Services 110 Stirling Highway NEDLANDS, WA 6009	
Principal Office	Stock Exchange Listing	
Suite 4, 16 Ord Street West Perth, WA 6005 Tel: (08) 9481 1122 www.excaliburmining.com.au	ASX Limited Home Branch – Perth Exchange Plaza 2 The Esplanade PERTH, WA 6000	
Registered Office	ASX Code	
10 Canning Highway SOUTH PERTH, WA 6151	Shares	EXM
	Options – Dec 2009	EXMO

PROPOSED TIMETABLE

Lodgement of Prospectus with ASIC and ASX	19 December 2007
Closing date for acceptance of offer under Dec 2012 Option Offer and New Option Offer (Dec 2012 Option Closing Date)*	7 January 2008
Closing Date of Placement Offer (Placement Closing Date) *	31 January 2008
Dispatch of holding statements to participants in the Placement Offer	5 February 2008
Trading of Securities issued under the Placement Offer commences	11 February 2008

* Subject to the Listing Rules, and the *Corporations Act 2001*, the Directors reserve the right to amend the Dec 2012 Option Closing date and the Placement Closing Date. Any amendments of either of these closing dates will have a consequential effect on the anticipated date for allotment and issue of the Securities.

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- (a) To fund ongoing exploration at Tennant Creek;
- (b) To fund the future exploration in the Tanami region and other areas; and
- (c) To fund the Company's working capital.

Refer to Sections 2.2 and 2.3 for more details.

1.3 Dec 2012 Option Offer

To minimise the dilutionary effect of the Placement Offer, the number of Shares to be issued under the Placement Offer will be reduced by the number of Dec 2009 Options that are exercised prior to the Dec 2012 Option Closing Date.

The Company will offer to Dec 2009 Optionholders who exercise their Dec 2009 Options prior to the Dec 2012 Option Closing Date one Dec 2012 Option for each Dec 2009 Option exercised on or before the Dec 2012 Option Closing Date ("**Dec 2012 Option Offer**").

The Dec 2012 Option Offer will not raise any funds as the Dec 2012 Options are being issued free of charge.

Shares issued on exercise of the Dec 2009 Options and the issue of Dec 2012 Options under the Dec 2012 Option Offer are proposed to occur progressively.

If Dec 2009 Optionholders do not exercise their Dec 2009 Options prior to the Dec 2012 Option Closing Date then the Dec 2009 Optionholder will:

- (a) not be issued with a Dec 2012 Option; and
- (b) will continue to hold the Dec 2009 Option which will continue to be quoted and the rights attaching to those Dec 2009 Options will not be affected.

Application under the Dec 2012 Option Offer shall be made on the Option Offer Application and Exercise Form attached to this Prospectus. Should you wish to apply for Dec 2012 Options under the Dec 2012 Option Offer, then complete the Option Offer Application and Exercise Form in accordance with the instructions referred to in this Prospectus and on the Option Offer Application and Exercise Form. Please read the instructions carefully.

If you wish to exercise your Dec 2009 Options and make an application under the Dec 2012 Option Offer then complete the Option Offer Application and Exercise Form. Completing the Option Offer Application and Exercise Form will exercise your Dec 2009 Option and make an application under the Dec 2012 Option Offer. Completed Option Offer Application and Exercise Form must be accompanied by a cheque in Australian dollars, crossed "Not Negotiable" and made payable to "**Excalibur Mining Corporation Limited**" for the Exercise Monies in respect of the Dec 2009 Options exercised.

Completed Option Offer Application and Exercise Forms may be lodged at any time after the issue of this Prospectus and on or before the Dec 2012 Option Closing Date at the Company's share registry (by delivery or by post) at:

By delivery

**Excalibur Mining Corporation Limited
C/- Advanced Share Registry Services
110 Stirling Hwy, Nedlands WA 6009**

By post

**Excalibur Mining Corporation Limited
C/- Advanced Share Registry Services
PO Box 1156, Nedlands WA, 6009**

If you are in doubt as to the course of action, you should consult your professional adviser.

1.4 Application forms

Acceptance of a completed Application Form by the Company creates a legally binding contract between the Applicant and the Company for the number of Securities accepted by the Company. The Application Form does not need to be signed to be a binding acceptance of the Offer.

If the Application Form is not completed correctly it may still be treated as valid. The Directors' decision as to whether to treat the acceptance as valid and how to construe, amend or complete the Application Form is final.

1.5 Application Monies held on trust

All Application Monies received for the Securities under the Placement Offer will be held in trust in a bank account maintained solely for the purpose of depositing such Application Monies received pursuant to this Prospectus until the Securities are issued. All Application Monies will be returned (without interest) if the Securities are not issued.

1.6 Issue and dispatch

Securities issued under the Dec 2012 Option Offer are expected to be allotted and security holder statements dispatched progressively but in any event no later than 11 February 2008.

Securities issued under the Placement Offer are expected to be allotted and security holder statements dispatched in accordance with the proposed timetable.

It is the responsibility of Applicants to determine their allocation prior to trading in the Securities. Applicants who sell Securities before they receive their holding statements will do so at their own risk.

1.7 ASX quotation

Application will be made to ASX no later than 7 days after the date of this Prospectus for the official quotation of the Shares offered by this Prospectus. If permission is not granted by ASX for the official quotation of the Shares offered by this Prospectus within 3 months after the date of this Prospectus (or such period as the ASX allow), the Company will repay, as soon as practicable, without interest, all Application Monies received pursuant to this Prospectus.

The Company may make an application for the official quotation of the Dec 2012 Options offered by this Prospectus. Until the Company makes an application and the ASX grants official quotation of the Dec 2012 Options the Dec 2012 Options will be unlisted. There can be no guarantee that the Company will make an application or that the ASX will grant official quotation of the Dec 2012 Options issued under this Prospectus.

1.8 CHESS

The Company participates in the Clearing House Electronic Subregister System, known as CHESS. ASTC, a wholly owned subsidiary of ASX, operates CHESS in accordance with the Listing Rules and Securities Clearing House Business Rules.

Under CHESS, Applicants will not receive a certificate but will receive a statement of their holding of Securities.

If you are broker sponsored, ASTC will send you a CHESS statement.

The CHESS statement will set out the number of Securities issued under this Prospectus, provide details of your holder identification number, the participant identification number of the sponsor and the terms and conditions applicable to the Securities, including a notice to exercise the Dec 2012 Options.

If you are registered on the Issuer Sponsored subregister, your statement will be dispatched by Advanced Share Registry Services Pty Ltd and will contain the number of Securities issued to you under this Prospectus and your security holder reference number.

A CHESS statement or Issuer Sponsored statement will routinely be sent to Shareholders and Optionholders at the end of any calendar month during which the balance of their Shareholding changes. Shareholders may request a statement at any other time, however, a charge may be made for additional statements.

1.9 Overseas security holders

No action has been taken to register or qualify the Securities to be issued under this Prospectus in any jurisdiction outside Australia.

The distribution of this Prospectus within jurisdictions outside Australia may be restricted by law and persons into whose possession this Prospectus comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws.

The Prospectus does not constitute an offer of Securities in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

It is the responsibility of any overseas Applicant to ensure compliance with all laws of any country relevant to his or her application. The return of a duly completed Application Form will be taken by the Company to constitute a representation and warranty that there has been no breach of such law and that all necessary approvals and consents have been obtained.

1.10 Risk factors

An investment in the Securities should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are specific risks associated with an investment in the Company which are in Section 3.

1.11 Taxation implications

The Directors do not consider that it is appropriate to give persons advice regarding the taxation consequences of subscribing for Securities under this Prospectus.

The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to persons. As a result, persons should

consult their professional tax adviser in connection with subscribing for Securities under this Prospectus.

1.12 Major activities and financial information

A summary of the major activities and financial information relating to the Company for the financial year ended 30 June 2007 is contained in the Annual Report, which was lodged with ASX on 24 October 2007.

A summary of activities relating to the Company for the three month period ended 30 September 2007 is contained in the Quarterly Activities Report, which was lodged with ASX on 30 October 2007. Copies of the 2007 Annual Report and September 2007 Quarterly Activities Report are available at www.excaliburmining.com.au or from the Company Secretary on (08) 9468-1122.

1.13 Enquiries concerning Offers

If you have any queries concerning the Offers please contact:

Advanced Share Registry Services Pty Ltd
110 Stirling Highway
NEDLANDS WA 6009

Telephone: (08) 9389 8033

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2. Effect of the Offer

2.1 Capital structure on completion of the Offer

Issued Capital	Number of Shares	Share Capital \$
Balance at the date of this Prospectus	1,377,068,966	39,245,981
Placement	259,956,451 ⁽¹⁾	7,798,693
Capital raising costs	-	(450,000)
Total securities after the Offers	1,637,025,417	46,594,674

- (1) The number of Shares to be issued under the Placement Offer will be reduced by the number of Dec 2009 Options exercised prior to the Dec 2012 Option Closing Date.

Options	Jan 2008 15 cent Options	Dec 2009 3 cent Options	Dec 2012 6 cent Options
Balance at the date of this Prospectus	4,996,684	187,956,451	8,000,000
Dec 2009 Options exercised	N/A	(159,956,451) ⁽¹⁾	N/A
Placement	N/A	N/A	259,956,451
Total options after the Offers		28,000,000⁽²⁾	267,956,451

- (1) This assumes all Dec 2009 Options that were on issue at the date that the Placement Offer was announced are exercised prior to the Dec 2012 Option Closing Date.
- (2) These Dec 2009 Options were granted after the announcement of the Placement Offer and will not participate in the Dec 2012 Option Offer.

2.2 Use of Funds and Future Strategy

The total funds to be raised under this Prospectus is \$7,798,693 before costs of the Offers. The Company plans to use the funds to:

- (a) Drill test the priority exploration targets at Tennant Creek;
- (b) To complete first pass exploration on the Tanami and WA uranium projects; and
- (c) improve the Company's working capital position.

Set out below is a summary of the use of funds (assuming full subscription of the Placement Offer):

Project	\$'000
Exploration activities	
- Tennant Creek	4,130
- Tanami	940
- WA Uranium	225
Working Capital	2,504
Total	7,799

If any of this expenditure is not carried out or incurred, the Company will re-allocate that expenditure to further exploration on other tenements and/or pursue other exploration opportunities within its current portfolio of tenements or working capital.

2.3 Pro forma balance sheet

Proforma Financial Position for 31/10/07					
	Actual (Audited) 30-06-07 \$	Actual (Unaudited) 31-10-07 \$	Notes	Adj	Pro Forma (Unaudited) 31-10-07 \$
Current Assets					
Cash assets	3,119,954	2,410,997	1	7,233,693	9,644,690
Trade and other receivables	269,661	241,646	5	(230,000)	11,646
Other financial assets	172,180	148,500	6	(40,000)	108,500
Assets classified as held for trading	147,442	465,042	7	(265,000)	200,042
Other assets	8,850	10,112		-	10,112
Total Current Assets	3,718,087	3,276,297		6,698,693	9,974,990
Non-Current Assets					
Property, plant & equipment	-	223,025		-	223,025
Exploration expenditure	6,128,454	6,128,454	8	1,125,000	7,253,454
Other financial assets	-	-		-	-
Total Non-Current Assets	6,128,454	6,351,479		1,125,000	7,476,479
Total Assets	9,846,541	9,627,776		7,823,693	17,451,469
Current Liabilities					
Trade and other payables	310,706	286,494		-	286,494
Provisions	381	-		-	-
Total Current Liabilities	311,087	286,494		-	286,494
Total Liabilities	311,087	286,494		-	286,494
NET ASSETS	9,535,454	9,341,282		7,823,693	17,164,975
Equity					
Contributed equity	38,444,675	38,445,980	2	8,148,693	46,594,673
Reserve	473,333	473,333	3	344,000	817,333
Accumulated losses	(29,382,554)	(29,578,031)	4	(669,000)	(30,247,031)
Total Equity	9,535,454	9,341,282		7,823,693	17,164,975

(a) Basis of Preparation

The pro forma balance sheet has been prepared in accordance with the draft ASIC Guide to Disclosing Pro Forma Financial Information (issued July 2005). The pro forma balance sheet is based on the balance sheet as per the 2007 audited Annual Financial Report that has then been adjusted to reflect the following material transactions:

NOTES TO THE PROFORMA BALANCE SHEET

Note 1 Reconciliation of Cash at Bank

	\$
Cash at Bank 31 October 2007	2,410,997
Estimated Outflows November 2007	(300,000)
Estimated Outflows December 2007 up to prospectus lodgement date.	(350,000)
Inflows of cash in November and December from realising current assets into cash. <i>See notes 5, 6 and 7.</i>	535,000
Funds to be raised from the Placement	7,798,693
Estimated costs of the Issue	(450,000)
Proforma Cash on Hand	<u>9,644,690</u>

Note 2 Issued capital

Issued capital 31 October 2007	38,445,980
Issued Shares in consideration for the acquisition of Clement Resources Limited (see note	800,000
Funds to be raised from the Placement	7,798,693
Costs of capital raising	(450,000)
Proforma Issued capital	<u>46,594,673</u>

Note 3 Reserves

Issued capital 31 October 2007	473,333
Expenses relating to Options issued to Directors pursuant to Nov AGM	344,000
Proforma Issued capital	<u>817,333</u>

Note 4 Accumulated losses

Accumulated losses 31 October 2007	29,578,031
Estimated loss November 2007	669,000
Proforma Accumulated losses	<u>30,247,031</u>

Note 5 Adjustments to Trade and other receivables

Trade and other receivables balance 31 October 2007	241,646
Adjustments	(230,000)
Proforma balance	<u>11,646</u>

Note 6 Adjustments to Other financial assets

Other financial assets balance 31 October 2007	148,500
Adjustments	(40,000)
Proforma balance	<u>108,500</u>

Note 7 Adjustments to Assets classified as held for trading

Assets classified as held for trading balance 31 October 2007	465,042
Adjustments	(265,000)
Proforma balance	<u>200,042</u>

Note 8 Exploration Expenditure

Exploration balance 31 October 2007	6,128,454
Acquisition of Clement Resources Limited	800,000
Adjustments for November and December	325,000
Proforma balance	<u>7,253,454</u>

2.4 Market price of Shares

The highest and lowest closing market sale prices of the Shares on ASX during the 3 months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

Highest: \$0.046 per Share on 6 December 2007

Lowest: \$0.026 per Share on 20 September 2007

The latest available market sale price of the Company's Shares on ASX prior to the date of lodgement of this Prospectus with the ASIC was \$0.036 on 18 December 2007.

2.5 Dividend policy

The Shares issued will rank pari passu in all respects (including dividend and bonus issues) with all existing Shares in the capital of the Company from the date of allotment and issue. The Company does not envisage earning profits and doesn't until and if it can successfully discover, define and develop a mine in the future. If sufficient profits are available, the Company does intend to pay dividends however, any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend upon the availability of distributable earnings, the operating results and financial condition of the Company, future capital requirements, general business and other factors considered relevant by the Directors. No assurances in relation to the payment of dividends or the franking credits attached to such dividends can be given.

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3. Risk Factors

3.1 Introduction

There are a number of risk factors which may affect the financial performance of Excalibur and the value of the Shares. While some of these risks can be minimised some are outside the control of the Company. There are also specific risks associated with Excalibur's business and investment in the gold exploration industry.

This Section identifies certain, but not all, risks associated with an investment in the Company. Prior to making an investment decision, Shareholders should carefully consider the following risk factors as well as the other information in this Prospectus.

3.2 General risks

Share Market Risks

There are risks associated with investment in equities generally. The trading price of Excalibur securities may fluctuate with movements in equity capital markets in Australia and internationally, which in turn are driven by factors including investor sentiment, general economic conditions, interest rates and federal government monetary and fiscal policies. Returns from an investment in Excalibur securities will depend on general share market and economic conditions as well as the specific performance of the Company. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

Economic Conditions

General economic conditions may affect interest rates, inflation rates and other economic variables. Movements in these factors may benefit or adversely affect the Company's earnings. Movement in general economic conditions may also affect companies with which the Company conducts its business which may also affect the Company's earnings.

Changes to Laws and Regulations

The introduction of new policies, legislation or amendments to existing policies or legislation by governments or the interpretation of those laws could impact adversely on the assets, operations and ultimately financial performance of the Company.

3.3 Business risks

General Operating Risk

The business may be disrupted by a variety of risks and hazards which are beyond the control of the Company, including environmental hazards, industrial accidents, technical failures, processing deficiencies, labour disputes, unusual or unexpected rock formations, severe seismic activity, flooding and extended interruptions due to inclement or hazardous weather conditions, fire, explosions, customs and ports delays.

Dependence on Key Personnel

The Company's success depends to a significant extent upon the recruitment and retaining of key management personnel, as well as other management and technical personnel. The loss of the services of certain personnel in the future could have an adverse effect upon the Company and its operations.

Conflicts of interest

Certain Directors and officers of the Company are or may become associated with other natural resource companies which may give rise to conflicts of interest. In accordance with the Corporations Act, Directors who have a material interest in any person who is a party to a material contract or a proposed material contract with the Company will be required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract. In addition, the Directors are required to act honestly and in good faith with a view to the best interests of the Company. The Directors and certain officers of the Company have either other full-time employment or other business or time restrictions placed on them and accordingly, the Company's activities will not be the only affairs of these Directors and officers.

Gold Price Volatility

The earnings of the Company will ultimately be derived from the sale of gold and therefore will be extremely dependent on the price of gold. Gold prices fluctuate and are affected by numerous factors beyond the control of the Company. Factors tending to affect the price of gold include:

- level of sales or leasing of gold by governments and central banks;
- expectations of the rate of inflation;
- the relative exchange rate of the US dollar with other major currencies;
- global and regional economic activity;
- political conditions;
- speculative trading;
- demand for gold for industrial uses, use in jewellery and investment;
- supply of gold from production, disinvestment, scrap and hedging;
- the production and cost levels for gold in major gold-producing nations; and
- the cost level (in local currencies) for gold in major consuming nations.

The effect of these factors, individually or in aggregate, on the price of gold is impossible to predict with accuracy. Fluctuations in gold prices may adversely affect the Company's financial performance or results of operations. Further, if the market price of gold falls, profitability and cash flow will suffer and the Company may experience losses, asset write-downs and may curtail or suspend some or all of its exploration, development and mining activities.

Furthermore, sustained low gold prices can: (1) reduce revenues further by production cutbacks due to cessation of the mining of deposits or portions of deposits that have become uneconomic at the then prevailing gold price; (2) halt or delay the development of new projects; (3) reduce funds available for exploration,

with the result that depleted mineral reserves are not replaced; (4) reduce the existing mineral reserves where they cannot be economically mined or treated at prevailing prices; and (5) result in the recording of a write-down of mining interests due to the determination that future cash flows do not recover the carrying value.

The earnings, revenue and profitability of the Company could also be affected, albeit to a lesser extent than by the price of gold, by the prices of other commodities such as copper.

Insurance

Excalibur intends to maintain adequate insurance over its operations within ranges of coverage that the Company believes to be consistent with industry practice and having regard to the nature of activities being conducted. However, insurance of all risks associated with mineral exploration, project development and production is not always possible and, where available, the cost can be high. Accordingly, Excalibur will not be insured against all possible losses, whether because of the unavailability of cover or because the premiums may be excessive relative to the benefits that would accrue.

Tenements

The validity and ownership of mining property holdings can be uncertain and may be contested. Although the Company has attempted to acquire satisfactory title to its properties, some risk exists that some titles, particularly titles to undeveloped properties, may be defective.

There may be a limited supply of desirable mineral lands available for acquisition, claim staking or leasing in the areas where the Company contemplates expanding its operations and conducting exploration activities. Many participants are engaged in the mining business, including large, established mining companies with substantial capabilities and long earnings records. Accordingly, there can be no assurance that the Company will be able to compete successfully for new mining properties.

Development Capital Costs

The capital cost of the Company's future mine development could vary with changes in a variety of factors, including exchange rates which affect imported capital equipment prices, geological and technical conditions encountered during drilling and mine development, and the construction of new production facilities. A substantial development cost overrun could have a material adverse effect on the Company.

Joint venture partners

Certain of the properties in which the Company has an interest are operated through joint ventures with other mining companies. Any failure of such other companies to meet their obligations to the Company or to third parties could have a material adverse effect on the joint ventures. In addition, the Company may be unable to exert control over strategic decisions made in respect of such properties.

Licences and permits

The operations of the Company require licenses and permits from various governmental authorities. The Company believes that it will hold all necessary licenses and permits under applicable laws and regulations. However, such licenses and permits are subject to change in various circumstances. There can be no guarantee that the Company will be able to obtain or maintain all necessary

licenses and permits as are required to explore and develop its properties, commence construction or operation of mining facilities and properties under exploration or development or to maintain continued operations that economically justify the cost.

Funding Requirements

Excalibur's ability to effectively implement its business strategy over time may depend in part on its ability to raise additional funds. There can be no assurance that the Company will be able to raise additional funding or that such funding will be on favourable terms. If adequate funds are not available on acceptable terms, the Company may not be able to take advantage of opportunities or otherwise respond to competitive pressures.

3.4 Mineral Exploration Risks

Investment Opportunities and Strategy

The success of Excalibur partially depends upon the Company's ability to identify and select investments, as well as their ability to realise the maximum value from existing investments. There is a risk that Excalibur will be unable to secure future gold investments on appropriate terms, thereby potentially limiting the growth of Excalibur.

If Excalibur makes only a limited number of investments, poor performance by one or a few of these could severely affect the performance of Excalibur and thereby severely impact the returns to investors.

The integration of new investments by Excalibur may also be more difficult, and involve greater costs, than anticipated.

Exploration

The nature of the Company's business is highly speculative due to its involvement in the exploration, development and production of minerals. Exploration for minerals involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. There is no assurance that any commercial quantities of ore will be discovered by the Company. The commercial viability of a mineral deposit, if discovered, depends upon a number of factors including the particular attributes of the deposit (principally size and grade), the proximity to the infrastructure, the impact of mine development on the environment, environmental regulations imposed by various levels of government and the competitive nature of the industry which causes precious metal prices to fluctuate substantially over short periods of time. Most of these factors are beyond the control of the Company. Mineral exploration and development are highly speculative and few properties that are explored are ultimately placed into commercial production. Accordingly the Company's exploration development programs may not result in any new economically viable mining operations.

Most of the properties in which the Company will have an interest or the right to acquire an interest, are in the early exploration stage and are without either resources or reserves. Development of these mineral properties will only follow upon obtaining satisfactory exploration results.

Substantial expenditures are required to establish reserves through drilling, to develop metallurgical processes to extract the metal from the resources and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralised deposit, no assurance can be

given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis.

Competition

The mining industry is intensely competitive and the Company must compete in all aspects of its operations with a number of other corporations which may have greater technical operational and/or financial resources. The Company competes with numerous other companies and individuals in the search for and the acquisition of attractive mineral properties. The Company's ability to acquire properties and potential reserves in the future will depend not only on its ability to develop its present properties, but also on its ability to select and acquire suitable producing properties or prospects for mineral exploration.

Resource estimates

The Company has carefully prepared and verified the mineral resource figures and believe the methods of estimating resources have been verified by mining experience. However, such figures are estimates, and no assurance can be given that the indicated level of mineral will be produced. Fluctuations in the price of gold and other commodities or by-products may render mineral resources containing lower grades of mineralisation uneconomic. Moreover, short-term operating factors relating to the mineral resources, such as the need for orderly development of mineral bodies or the processing of new or different grades, may cause mineral resources to be modified. There can be no assurance that the Company will obtain the prices assumed in determining resources. Market price fluctuations of gold and other commodities may render the present indicated and measured resources unprofitable for periods of time. This could cause the Company to reduce its mineral resources.

Continued development

The Company's continuing right to earn or maintain its ownership in its mineral properties will be dependent upon compliance with applicable laws and with agreements to which it is a party. Failure to make required payments could result in a loss of one or more of the Company's mineral properties. There is no assurance that the Company will be able to obtain and/or maintain all required permits and licences to carry on its operations. Additional expenditures may be required by the Company to maintain its interest in its mineral properties. These additional expenditures may be required to conduct a feasibility study to prove an economic ore body and to bring it into production. There can be no assurance that the Company will have the funds, will be able to raise the funds or will be able to comply with the provisions of the agreements relating to its properties which would entitle it to its interests therein and if it fails to do so its interest in its mineral properties may be reduced or be lost.

Laws and Regulations

The Company's exploration activities are subject to extensive federal, provincial and local laws and regulations controlling the mining and exploration of mineral properties. Existing and possible future legislation and regulations could cause additional expense, capital expenditures, restrictions and delays in the exploration and development of the properties in which the Company has an interest, the extent of which cannot be predicted.

The Company may not be successful in finding additional appropriate mineral properties to acquire. If it is successful in acquiring further properties outside of Australia, the Company's exploration and development activities could occur in

foreign countries and as such, the Company may be affected by possible political or economic instability in those countries. Changes in mining or investment policies or shifts in political attitude in those countries may adversely affect the Company's business. Operations may be affected in varying degrees by government regulations with respect to restrictions on production price controls, income taxes, expropriation of property, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety. The effect of these factors cannot be accurately predicted.

Native Title and Aboriginal Cultural Heritage

The Company has established that native title issues will not pose a material impediment to mining or exploration on the granted tenements. These rights, where they may exist, may impact on obtaining grants of exploration and mining tenements, and the carrying out of activities on those tenements.

Processes under the *Native Title Act 1993* (Cth) need to be followed in relation to the grant of tenements over land where native title may exist. As a result of such processes, conditions may be imposed on grants of tenements to protect native title, or, very rarely, at the most extreme, grants not allowed.

The Company has been able to establish that the possible existence of native title rights are unlikely to materially affect its use of the tenements it currently holds. However, native title processes may impact on the grant of any future mining lease or exploration tenement applications over land where native title may exist. The extent of that impact will not be known until the processes are underway.

Aboriginal Land

Many of the Company's tenements in the Tanami and Marla regions are located on Aboriginal land. The effect of this is that the Company cannot undertake exploration or mining on Aboriginal land without the agreement of the Central Land Council and the parties which they represent. In respect of the Marla tenements there are in existence agreements with the Central Land Council to allow for access to the tenements. The Tanami tenements are all applications. All of the Tanami tenements are on Aboriginal land and exploration deeds in respect of the Tanami tenements will need to be negotiated prior to their grant.

There is a risk that should the Central Land Council not enter into an agreement with the Company to allow the Company to carry out exploration activities the Tanami and Marla projects may be significantly delayed or be frustrated.

In addition, the terms of any exploration deeds are only viable if the parties maintain a good relationship. Should the relationship between the Central Land Council and the parties they represent deteriorate, the projects could be delayed causing significant loss to the Company.

Environment

Excalibur's operations and projects are subject to Northern Territory, Western Australian and Commonwealth laws and regulations regarding environmental matters including the discharge of waste and materials. The Company intends to conduct its operations in an environmentally responsible manner and in accordance with applicable laws.

Although the Company believes it complies in all material respects with all applicable environmental laws and regulations, there are risks inherent in its activities, such as accidental spills, leakages or other unforeseen circumstances, which could subject the Company to extensive liability.

The Company requires, and has obtained, approval from the relevant authorities to undertake its prescribed activities. Failure to maintain such approvals may prevent the Company from undertaking its desired activities. The Company is unable to predict the effect of additional environmental laws and regulations which may be adopted in the future, including whether such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area.

There can be no assurance that new environmental laws and regulations or stricter enforcement policies, once implemented, would not oblige the Company to incur expenses and investments which could have a material adverse effect on the Company's business, financial condition or operational results.

The cost and complexity of complying with applicable environmental laws and regulations may prevent the Company from being able to develop mineral deposits.

Specific Risks Associated with the Uranium Industry

The approval processes for uranium mining are more rigorous than for the mining of other metals, as both Commonwealth and State Government legislation needs to be satisfied. There is a risk that, should economic deposits of uranium be discovered, the necessary government approvals may not be granted, or may be significantly delayed.

The Federal Government currently permits the mining and export of uranium under strict international agreements designed to prevent nuclear proliferation. The export of uranium is tightly controlled by the federal government through its licensing process and Australian uranium can only be exported to those countries who undertake to use it for peaceful purposes.

Although Western Australia currently has no legislation that prohibits uranium mining, there is a State Government policy opposing uranium mining. All mining leases granted since 22 June 2002, have been issued subject to a condition prohibiting the mining of uranium. While there is no restriction on the Company exploring and evaluating their uranium prospects, the development of any discovered uranium deposits will be contingent upon a change of Western Australian State Government policy.

4. Additional information

4.1 Rights and obligations attaching to Shares

Details of the rights attaching to Shares arise from a combination of statute, general law and the Constitution. The following is a summary of the more significant rights, privileges and restrictions attaching to Shares and the Constitution. This summary is not intended to be exhaustive and must be read subject to the full text of the Constitution. Shares issued under this Prospectus will rank *pari passu* in all respects with the existing Shares.

(a) Voting

Shareholders are entitled to notice of and to attend general meetings of the Company. Subject to the voting rights of preference Shares and any other shares which may in the future be issued with special or preferential rights, every Shareholder present in person or by proxy, attorney or representative has one vote on a show of hands, and on a poll, one vote for each fully paid Share. In the case of an equality of votes, the chairman of the meeting shall not have a second or casting vote.

(b) Dividends

Subject to the dividend rights of preference Shares and any shares which may in the future be issued with special or preferential rights, the Directors may declare a dividend to be paid to Shareholders entitled to that dividend. The Directors may set aside out of the profits of the Company such amounts as they determine as reserves to be applied at the discretion of the Directors for any purpose for which the profits of the Company may be properly applied. Dividends may be paid wholly or partly by the distribution of specific assets, including paid up shares in, or debentures of, the Company or any other body corporate.

If the Company pays a dividend by distributing paid up shares in a body corporate whether by issue or transfer, each member agrees to become a member of that body corporate and in the case of a transfer of shares appoints the Company and each Director of the Company as its agent to execute the relevant instrument of transfer.

(c) Capital Reductions

In accordance with Part 2J.1 of the Corporations Act, a meeting of members may, by resolution, resolve that the Company may reduce its share capital by the distribution of specific assets, including paid up shares in, or debentures of, the Company or securities in any other body corporate.

If the Company reduces its share capital by distributing paid up shares in a body corporate whether by issue or transfer, each member agrees to become a member of that body corporate and in the case of a transfer of shares appoints the Company and each Director of the Company as its agent to execute the relevant instrument of transfer.

(d) Capitalisation of Profits and Conversion of Shares

Subject to the Listing Rules, the Directors may capitalise and distribute any undivided profits of the Company.

The Company in general meeting may convert all or any of its Shares into a larger or smaller number of Shares by resolution.

(e) Rights on Winding Up

Subject to any rights or restrictions attached to a class of Shares, on a winding up of the Company, any surplus must be divided among the members in the proportions which the amount paid on the Shares of a member is of the total amounts paid and payable on the Shares of all members.

The liquidator in a winding up may, with the sanction of a special resolution of members, divide among the members the whole or any part of the property of the Company and determine how the division is to be carried out as between the members or different classes of members.

(f) Offer of Shares

Without prejudice to any special rights conferred on the holders of any Shares or class of Shares and subject to the Constitution, the Corporations Act and the ASX Listing Rules, the Directors may issue shares and options on such terms and conditions as the Directors think fit.

(g) Transfer of Shares

Subject to the Constitution, the Corporations Act, the Listing Rules and the ASTC Settlement Rules, the Shares are freely transferable. A member may transfer Shares by a market transfer in accordance with any manner required or permitted by the ASX Listing Rules, the Corporations Act or the ASTC Settlement Rules. Shares may also be transferred by an instrument in writing in any usual or common form or in such other form as the Directors approve or in such form as is required by the ASTC Settlement Rules.

(h) Unmarketable Parcels

The Constitution provides that the Directors may cause the Company to sell a member's Shares if that member holds less than a marketable parcel of shares. Provided that the procedures set out in the Constitution are followed. A non-marketable parcel of shares is defined in the ASX market rules and is, generally, a holding of shares with a market value less than \$500.

(i) ASX Listing Rules

While the Company is admitted to the Official List, notwithstanding anything in the Constitution, if the Listing Rules prohibit an act being done, the act must not be done. If the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done, and if the Listing Rules require a provision to be included in the Constitution, the Constitution will be treated as containing that provision. If any provision of the Constitution becomes inconsistent with the Listing Rules, the Constitution will not be treated as containing that provision to the extent of the inconsistency.

(j) Variation of Rights

The Company may only modify or vary the rights attaching to any class of Shares with the consent in writing of the Shareholders with at least 75% of the votes in the class or by special resolution passed at a meeting of the holders of the issued shares of that class.

(k) Directors

The minimum number of Directors is 3 and the maximum is 10 unless the Company in a general meeting determines otherwise. A Director is not required to hold any shares.

At the Company's annual general meeting, one-third of all Directors shall retire from office and a Director must retire no later than the third annual general meeting or 3 years following their last election or appointment.

(l) Directors' Resolutions

The Directors may pass a resolution in a meeting by a majority of the votes cast by the Directors entitled to vote on the resolution or without a Directors' meeting being held if all of the Directors entitled to vote on the resolution sign a document containing a statement that they are in favour of the resolution set out in the document.

In the case of an equality of votes, the chairman of directors shall have a casting vote in addition to any vote which he or she has as a Director.

(m) Directors' Indemnity and Insurance

To the extent permitted by the Corporations Act, the Company may indemnify every person who is or has been an officer of the Company and, where the Board considers it appropriate, any person who is or has been an officer of a related body corporate of the Company against any liability incurred in his or her capacity as an officer of the Company or a related body corporate.

Except to the extent prevented by the Corporations Act, the Company may pay, or agree to pay, a premium for a contract insuring an officer of the Company or a related body corporate of the Company against any liability incurred by the person in that capacity, except a liability (other than one for legal costs) arising out of:

- (i) conduct involving a wilful breach of duty in relation to the Company; or
- (ii) a contravention of sections 182 or 183 of the Corporations Act.

(n) Alteration to the Constitution

The Corporations Act provides that the Constitution can only be amended by a special resolution passed by at least 75% of the votes cast by members entitled to vote on the resolution.

4.2 Terms and conditions attaching to Dec 2012 Options

Exercise price

Each Option entitles the holder to subscribe for 1 fully paid ordinary share in Excalibur at an exercise price of \$0.06 per share.

Manner of exercise

The Options are exercisable at any time on or prior to 5pm (WSDT) on 31 December 2012 by completing an option exercise form and delivering it to Excalibur's share registry together with payment for the number of Shares in respect of which the Options are exercised and the option holding statement for those Options.

Transferability of options

Subject to the Corporations Act, the ASX Listing Rules and Excalibur's constitution, the Options are freely transferable and Excalibur will apply to ASX for the Options to be admitted to quotation. Should ASX not admit the Options to quotation, they will be issued as unlisted options.

Ranking and quotation of shares

All shares issued upon exercise of Options will rank equally in all respects with Excalibur's then existing fully paid ordinary shares. Within 10 business days after the issue of shares upon exercise of Option, Excalibur will apply to ASX for those shares to be admitted to quotation.

Participation rights

Holders of Options may only participate in a new issue of securities to holders of ordinary shares in Excalibur if an Option has been exercised and a share(s) issued in respect of that Option before the record date for determining entitlements to the new issue. Excalibur must give holders of Options at least 6 business days' notice of the record date for determining entitlements to that new issue in accordance with the ASX Listing Rules.

No change to option terms

There will be no change to the exercise price of an Option or the number of shares over which an Option is exercisable in the event of Excalibur making a pro rata issue of shares or other securities to holders of ordinary shares in Excalibur (other than a bonus issue).

Bonus issue

If there is a bonus issue of ordinary shares (Bonus Issue) to holders of ordinary shares in Excalibur, the number of shares over which an Option is exercisable will be increased by the number of shares which the holder would have received if the Option had been exercised before the record date for determining entitlements to the Bonus Issue. The Bonus Shares must be paid up by Excalibur out of profits or reserves (as the case may be) in the same manner as applied in the Bonus Issue and upon issue rank equally in all respects as the other shares of that class on issue as at the date of issue of the Bonus Shares.

Reorganisation of capital

If, prior to the expiry of the Options, there is a reorganisation of the issued capital of Excalibur, the rights of holders of Options will be changed to the extent necessary to comply with the ASX Listing Rules applying to reorganisations at that time.

4.3 Directors Interests

The Directors or their nominees currently each hold Shares, Dec 2009 and Dec 2012 Options.

The Directors' and their nominees' current shareholdings and interests in Shares and Options are as follows:

	Mr Alex Bajada	Mr Mark Smith	Mr Ian Murie
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Current Number of Shares	8,358,170	31,296,507	14,856,266
Current number of Dec 2009 Options (listed)	4,800,000	4,400,000	2,800,000
Current number of Dec 2012 Options (unlisted)	4,000,000	2,000,000	2,000,000
Current number of 19/01/08 Options(unlisted)	181,097	-	720,000

At the date of this Prospectus the Directors have indicated that they will exercise all of their Dec 2009 Options held at the time that the Placement Offer was first announced by the Company and make an application under the Dec 2012 Option Offer in respect of those Dec 2009 Options. The Dec 2009 Options issued under the approvals obtained at the Company's last annual general meeting will not be exercised. Following the Directors' subscription under the Dec 2012 Option Offer their holdings will be:

	Mr Alex Bajada	Mr Mark Smith	Mr Ian Murie
Current Number of Shares	8,358,170	31,296,507	14,856,266
Shares issued on exercise of Dec 2009 Options	800,000	2,400,000	800,000
Total shares on issue	9,158,170	33,696,507	15,656,266
Dec 2009 Options (listed)	4,000,000	2,000,000	2,000,000
Dec 2012 Options (listed)	4,800,000	4,400,000	2,800,000
19/01/08 Options (unlisted)	181,097	-	720,000

Except as disclosed in this Prospectus, no Director or proposed Director, and no firm in which a Director or proposed Director is a partner:

- (a) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the Offer or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (b) has been paid or given or will be paid or given any amount or benefit to induce him or her to become, or to qualify as, a Director, or otherwise for services rendered by him or her in connection with the formation or promotion of the Company or the Offer.

4.4 Company is a disclosing entity

The Company is a disclosing entity under the Corporations Act. It is subject to regular reporting and disclosure obligations under both the Corporations Act and the Listing Rules.

Copies of documents lodged with the ASIC in relation to the Company may be obtained from, or inspected at, an ASIC office (see Section 4.5 below).

4.5 Copies of documents

Copies of documents lodged by the Company in connection with its reporting and disclosure obligations may be obtained from, or inspected at, an office of ASIC. The Company will provide free of charge to any person who requests it during the period of the Offer, a copy of:

- (a) the Financial Report of the Company for the year ended 30 June 2007, being the last financial year for which an annual financial report has been lodged with the ASIC in relation to the Company before the issue of this Prospectus; and
- (b) the following continuous disclosure notices given by the Company to notify ASX of information relating to the Company during the period from the date of lodgement of the annual financial report referred to in paragraph (b) and before the date of issue of this Prospectus:

18-12-07	Change in substantial holding from ASP
13-12-07	Change of Director's Interest Notice
13-12-07	Change of Director's Interest Notice
13-12-07	Change of Director's Interest Notice
11-12-07	Appendix 3B
30-11-07	Results of Annual General Meeting
30-11-07	Progress Report - Tennant Creek
28-11-07	Sale of Unmarketable Parcels
28-11-07	Change in substantial holding from ASP
30-10-07	September 2007 Quarterly Activities Report
30-10-07	Quarterly Cashflow Report
29-10-07	Progress Report
25-10-07	Notice of Annual General Meeting/Proxy Form
24-10-07	Annual Report to shareholders
19-10-07	Notification of Company Website

In addition, the following documents are available for inspection throughout the application period of this Prospectus during normal business hours at the offices of the Company at Suite 4, 16 Ord Street West Perth, Western Australia:

- (a) this Prospectus;
- (b) the Company's Constitution; and
- (c) the consents referred to in Section 4.11 and the consents provided by the Directors to the issue of this Prospectus.

4.6 Information excluded from continuous disclosure notices

There is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules, and which is required to be set out in this Prospectus.

4.7 Determination by the ASIC

The ASIC has not made a determination which would prevent the Company from relying on Section 713 of the Corporations Act in issuing the Securities under this Prospectus.

4.8 Directors remuneration

Shareholders have approved an aggregate amount of up to \$300,000 to be paid as Directors' fees.

The Directors have resolved that each Director receive the amount of \$50,000 per annum as Director's fees.

The Company uses the office, administration and management services of Advanced Energy Ltd, a company of which Mr Alex Bajada is a director.

The Company uses the accounting, company secretarial, management and administration services of Edwards Karwacki Smith Pty Ltd, a company of which Mr Mark Smith is a director.

The Company uses legal services of Muries Lawyers, a firm of which Mr Ian Murie is the proprietor.

Services to the Company are based on normal commercial terms and charged on a time basis. Amounts invoiced to the group for the last 2 years are:

Director	Payments to Directors and associated entities Year ended 30/06/06 \$	Payments to Directors and associated entities Year ended 30/06/07 \$	Payments to Directors and associated entities YTD 19/12/07 \$
Mr Alex Bajada	93,979	140,000	65,834
Payments to Advanced Energy Ltd and Spartan Nominees Pty Ltd	-	171,927	46,072
Mr Mark Smith	93,254	49,996	20,835
Payments to Edwards Karwacki Smith Pty Ltd	147,710	127,646	51,210
Mr Ian Murie	93,254	49,992	20,830
Payments to Muries Lawyers	15,099	99,271	9,893

The Directors are also entitled to reimbursement of all reasonable travelling, accommodation and other expenses that a Director or alternate Director properly incurs in attending meetings of Directors or any meetings of committees of Directors, in attending any meetings of members and in connection with the business of the Company. The Directors do not receive any other emoluments.

4.9 Interests of other persons

Hardy Bowen will be paid \$10,000 in fees for legal services in connection with the Offers. Hardy Bowen have been paid \$23,500 in relation to the previous services provided by Hardy Bowen to the Company in the last 2 years.

Except as disclosed in this Prospectus, no expert, promoter or other person named in this Prospectus as performing a function in a professional, advisory or other capacity:

- (a) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the Offer or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or

- (b) has been paid or given or will be paid or given any amount or benefit in connection with the formation or promotion of the Company or the Offer.

4.10 Expenses of Offers

The estimated expenses of the Offers are as follows:

	\$
ASIC Lodgement fee	2,010
ASX quotation fee	32,750
Broker fees	389,935
Legal expenses	10,000
Share registry	4,000
Printing, mailing and other expenses	11,305
Total	450,000

4.11 Consents

The following consents have been given in accordance with the Corporations Act and have not been withdrawn as at the date of lodgement of this Prospectus with the ASIC:

Hardy Bowen has given, and has not withdrawn, their written consent to being named in this Prospectus as solicitors to the Company. Hardy Bowen have not authorised or caused the issue of this Prospectus or the making of the Offers. Hardy Bowen make no representation regarding, and to the extent permitted by law exclude any responsibility for, any statements in or omissions from any part of this Prospectus.

Advanced Share Registry Services Pty Ltd has given and, as at the date hereof, has not withdrawn, its written consent to be named as share registrar in the form and context in which it is named. Advanced Share Registry Services Pty Ltd has had no involvement in the preparation of any part of this Prospectus other than being named as share registrar of the Company. Advanced Share Registry Services Pty Ltd has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of this Prospectus.

4.12 Privacy

The Company collects information about each Applicant provided on an Application Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's security holding in the Company.

By submitting an Application Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Application Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Share Registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

If an Applicant becomes a security holder, the Corporations Act requires the Company to include information about the security holder (including name, address and details of the securities held) in its public register. The information contained in the Company's public register must remain there even if that person ceases to be a security holder. Information contained in the Company's register is also used to facilitate distribution payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its security holders) and compliance by the Company with legal and regulatory requirements.

If you do not provide the information required on the Application Form, the Company may not be able to accept or process your Application.

An Applicant has a right to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

4.13 Electronic Prospectus

Pursuant to Class Order 00/44 the ASIC has exempted compliance with certain provisions of the Corporations Act 2001 to allow distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please contact the Company and the Company will send you either a hard copy or a further electronic copy of the Prospectus or both, free of charge. Alternatively, you may obtain a copy of the Prospectus from the Company's website at www.excaliburmining.com.au.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

5. Authorisation

This Prospectus is authorised by each of the Directors of the Company.

This Prospectus is signed for and on behalf of Company by:



Alex Bajada
Managing Director

Dated: 19 December 2007

6. Glossary of Terms

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

"Annual Report" means the financial report lodged by the Company with ASIC in respect to the year ended 30 June 2007 and includes the corporate directory, review of operations, financial report of the Company and its controlled entities for the year ended 30 June 2007, together with a Directors' report in relation to that financial year and the auditor's report on that Financial Report.

"Applicant" means a person who submits an Application Form.

"Application Form" means an application form attached to or accompanying this Prospectus including (without limitation) a Placement Offer Application Form and Option Offer Application and Exercise Form.

"Application Monies" means application monies for Securities received by the Company under an Application Form other than Exercise Monies.

"ASIC" means Australian Securities and Investments Commission.

"ASTC" means ASX Settlement and Transfer Corporation Pty Ltd ACN 008 504 532.

"ASX" means ASX Limited ABN 98 008 644 691 and where the context permits the Australian Securities Exchange operated by ASX Limited.

"Board" means the Directors of the Company meeting as a board.

"Business Day" means Monday to Friday inclusive, other than a day that ASX declares is not a business day.

"CHESS" means ASX Clearing House Electronic Subregistry System.

"Company" means Excalibur Mining Corporation Limited ACN 008 021 118.

"Constitution: means the constitution of the Company as at the date of this Prospectus.

"Corporations Act" means Corporations Act 2001 (Cth).

"Director" means a director of the Company as at the date of this Prospectus.

"Dec 2009 Option" means an option granted by the Company and which entitles the holder to subscribe for one Share each with an exercise price of \$0.03 exercisable on or before 31 December 2007.

"Dec 2009 Optionholder" means the holder of a Dec 2009 Option.

"Dec 2012 Option" means an option granted by the Company and which entitles the holder to subscribe for one Share each with an exercise price of \$0.06 exercisable on or before 31 December 2012 on the terms and conditions in Section 4.2 of this Prospectus.

"Dec 2012 Option Closing Date" has the meaning in the proposed timetable.

"Dec 2012 Optionholder" means a holder of a Dec 2012 Option.

"Dec 2012 Option Offer" has the meaning in Section 1.3.

"Exercise Monies" means exercise monies received by the Company on exercise of a Dec 2009 Option.

"Financial Report" means the financial report of the Company within the meaning of the Corporations Act.

"Issuer Sponsored" means securities issued by an issuer that are held in uncertificated form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHESS.

"Listing Rules" means the listing rules of ASX.

"Official List" means the official list of ASX.

"Official Quotation" means quotation of Securities on the Official List.

"Offers" means the Placement Offer and the Dec 2012 Option Offer.

"Option" means the right to acquire one ordinary fully paid Share in the capital of the Company.

"Option Offer Application and Exercise Form" means the option offer application and exercise form attached to this Prospectus.

"Optionholder" means a holder of an Option.

"Placement Closing Date" has the meaning in the proposed timetable.

"Placement Offer" has the meaning in Section 1.1.

"Placement Offer Application Form" means a placement offer application form sent by the Company to proposed participants in the Placement Offer.

"Prospectus" means this prospectus.

"Section" means a section of this Prospectus.

"Securities" means the Shares and Dec 2012 Options offered pursuant to this Prospectus.

"Shareholders" means a holder of a Share.

"Share" means a share in the capital of the Company.

"Timetable" means the proposed timetable in this Prospectus.

"\$" means Australian dollars.

"WSDT" means Western Standard Time, being the time in Perth, Western Australia.

Excalibur Mining Corporation Limited

ABN 21 008 021 118

Option Offer Application and Exercise Form

Dec 2012 Option Offer Closing Date 5.00pm WSDT on 7 January 2008

Please return to:

Advanced Share Registry Services
110 Stirling Highway
NEDLANDS WA 6009

OR

PO Box 1156
NEDLANDS WA 6009

To be completed by Dec 2009 Optionholder for exercise of Dec 2009 Options:

A. Number of Dec 2009 Options to be exercised:

B. Amount enclosed at A\$0.03 per Dec 2009 Option exercised:

I/We enclose my/our payment for the amount shown above being payment of \$0.03 per Dec 2009 Option exercised. I/We hereby authorise you to register me/us as the holder(s) of the Shares allotted to me/us, and I/we agree to be bound by the Constitution of the Company.

C. Cheque payment details

Please fill out your cheque details and make your cheque payable to: **"Excalibur Mining Corporation Limited"**

Drawer	Cheque number	BSB number	Account number	Total amount of cheque

Return of the Option Offer Application and Exercise Form with your cheque for the Application Monies will constitute your offer to subscribe under the Dec 2012 Offer for the number of Dec 2012 Options which is equal to the number of Dec 2009 Options exercised under this Option Offer Application and Exercise Form. I/We declare that:

- this Application is completed according to the declaration/appropriate statements on the reverse of this form and agree to be bound by the Constitution of the Company on exercise of the Dec 2012 Options; and
- I/we have received personally a copy of the Prospectus accompanying the Option Offer Application and Exercise Form, before applying for the Dec 2012 Options.

No signature is required.

You should read the Prospectus dated 19 December 2007 carefully before completing this Option Offer Application and Exercise Form. The Corporations Act 2001 (Cth) prohibits any person from passing on this Option Offer Application and Exercise Form (whether in paper or electronic form) unless it is attached to or accompanies a complete and unaltered copy of the Prospectus and any relevant supplementary prospectus (whether in paper or electronic form).

Guide to Excalibur Mining Corporation Limited Option Offer Application and Exercise Form

This Option Offer Application and Exercise Form relates to the Offer to Dec 2009 Optionholders who exercise their Dec 2009 Options prior to the Dec 2012 Option Closing Date of one Dec 2012 Option for each Dec 2009 Option exercised on or before the Dec 2012 Option Closing Date.

The expiry date of the Prospectus is the date which is 13 months after the date of the Prospectus. The Prospectus contains information about investing in the securities of the Company and it is advisable to read this document before applying for or exercising securities. A person who gives another person access to this Option Offer Application and Exercise Form must at the same time and by the same means give the other person access to the Prospectus, and any supplementary prospectus (if applicable). While the Prospectus is current, the Company will send paper copies of the Prospectus, and any supplementary prospectus (if applicable), and an Offer Option Application and Exercise Form, on request and without charge.

Please complete all relevant sections of the Option Offer Application and Exercise Form using BLOCK LETTERS. These instructions are cross referenced to each section of the Option Offer Application and Exercise Form. Further particulars and the correct forms of registrable titles to use on the Option Offer Application and Exercise Form are contained below.

- A** Insert the number of Dec 2009 Options that you wish to exercise.
- B** Insert the relevant amount of Application monies. To calculate your Application monies, multiply the number of Options exercised by the sum of \$0.03.
- C** Please complete cheque details as requested:
Make your cheque payable to "**Excalibur Mining Corporation Limited**" in Australian currency and cross it "Not Negotiable". Your cheque must be drawn on an Australian Bank. The amount should agree with the amount shown in Section B. Sufficient cleared funds should be held in your account, as cheques returned unpaid are likely to result in your Application being rejected.

Before completing the Option Offer Application and Exercise Form the Applicant(s) should read the Prospectus to which the Option Offer Application and Exercise Form relates. By lodging the Option Offer Application and Exercise Form, the Applicant(s) agrees that this Application is for Securities in the Company upon and subject to the terms of this Prospectus, agrees to take any number of Securities equal to or less than the number of Securities that may be allotted to the Applicant(s) pursuant to the Prospectus and declares that all details and statements made are complete and accurate. It is not necessary to sign the Option Offer Application and Exercise Form.

Privacy – Please refer to Section 5.13 of the Prospectus for details about the collection, holding and use of your personal information. If you do not provide the information required on this Option Offer Application and Exercise Form, the Company may not be able to accept or process your Application.

Return your completed Option Offer Application and Exercise Form to:

By Post

Advanced Share Registry
PO Box 1156
NEDLANDS WA 6009

Or Delivered to

Advanced Share Registry
110 Stirling Highway
NEDLANDS WA 6009

Option Offer Application and Exercise Forms must be received no later than 5.00 pm WSDT time on the Dec 2012 Option Closing Date.