

**EXCALIBUR MINING CORPORATION
LIMITED**

ABN 91 008 021 118

PROSPECTUS

For a renounceable pro rata offer of up to 5,922,359,092 Shares at an issue price of \$0.001 each on the basis of two Shares for every one Share held at the Record Date.

THIS OFFER CLOSSES AT 5.00 PM WST ON 14 DECEMBER 2011

VALID ACCEPTANCES MUST BE RECEIVED BEFORE THAT TIME.

Please read the instructions in this Prospectus and on the accompanying Entitlement and Acceptance Form regarding the acceptance of your entitlement.

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION. IT SHOULD BE READ IN ITS ENTIRETY

IF YOU ARE IN DOUBT ABOUT WHAT TO DO, YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER WITHOUT DELAY.

THE SHARES OFFERED BY THIS PROSPECTUS ARE OF A SPECULATIVE NATURE.

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CORPORATE DIRECTORY

Directors

Mr Alex Bajada – Executive Chairman

Mr Jeremy Niemi – Executive Director

Mr David Marsh – Executive Director

Mr Andrew Kent – Non-Executive Director

Company Secretary

Mr Mark Smith

Company Office

Suite 2

16 Ord Street

West Perth WA 6005

Telephone: +61 8 9322 8000

Facsimile: +61 8 9321 8668

Registered Office

Suite 7

Level 1, 10 Canning Highway

South Perth WA 6151

Share Registry

Advanced Share Registry Services

Suite 2

150 Stirling Highway

Nedlands WA 6009

Telephone: +61 8 9389 8033

Facsimile: +61 8 9389 7871

Stock Exchange Listing

Australian Securities Exchange

ASX Code for Shares: **EXM**

Corporate Advisors to the Company

DWCorporate Pty Ltd

Solicitors to the Company

Hardy Bowen Lawyers

IMPORTANT NOTICES

This Prospectus is dated 16 November 2011 and was lodged with the ASIC on that date with the consent of all Directors. Neither ASIC and ASX take any responsibility for the contents of this Prospectus.

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

A copy of this Prospectus is available for inspection at the registered office of the Company at Level 1, 10 Canning Highway, South Perth, Western Australia, 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 5.3).

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

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

The Prospectus will be made available in electronic form. Persons having received a copy of this Prospectus in its electronic form may obtain an additional paper copy of this Prospectus and the Entitlement and Acceptance Form (free of charge) from the Company's principal place of business any time before the Closing Date by contacting the Company. The offer contemplated by this Prospectus is only available in electronic form to persons receiving an electronic version of this Prospectus and Entitlement and Acceptance Form within Australia.

The Entitlement and Acceptance Form accompanying this Prospectus is important. Please refer to instructions in Section 2 regarding the acceptance of your Entitlement. Acceptances of Shares can only be submitted on an original Entitlement and Acceptance Form sent with a copy of this Prospectus by the Company. The Entitlement and Acceptance Form sets out an Eligible Shareholder's Entitlement to participate in the Offer.

Applications for Shortfall Shares must be made on the Entitlement and Acceptance Form or the Shortfall Application Form enclosed with a copy of this Prospectus. The issue of Shortfall Shares to Shareholders is in the absolute discretion of the Directors. More information on the Shortfall Offer is contained in Section 1.6.

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

No person is authorised to give any information or to make any representation in connection with the Offer and Shortfall Offer 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 Offer and Shortfall Offer.

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

The distribution of this Prospectus in jurisdictions outside Australia or New Zealand may be restricted by law and therefore persons in to 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 Shares in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

This document is important and should be read in its entirety before deciding to participate in the Offer. This does not take into account the investment objectives, financial or taxation or particular needs of any Applicant. Before making any investment in the Company, each Applicant should consider whether such an investment is appropriate to his/her particular needs, and considering their individual risk profile for speculative investments, investment objectives and individual financial circumstances. Each Applicant should consult his/her stockbroker, solicitor, accountant or other professional adviser without delay. Some of the risk factors that should be considered by potential investors are outlined in Section 3.

By returning an Entitlement and Acceptance Form, you acknowledge that you have received and read this Prospectus and you have acted in accordance with the terms of the Offer detailed in this Prospectus.

Definitions of certain terms used in this Prospectus are contained in Section 7. All references to currency are to Australian dollars and all references to time are to WST, unless otherwise indicated.

Eligible Shareholders with registered addresses in Australia and New Zealand only can obtain a copy of this Prospectus during the period of the Offer on the Company's website, www.excaliburmining.com.au. The electronic version of this Prospectus does not include the Entitlement and Acceptance Form which accompanies the printed copy of this Prospectus to be mailed to Eligible Shareholders with registered addresses in Australia and New Zealand on or around 29 November 2011.

PROPOSED TIMETABLE

Event	Date
Lodgement of Prospectus with ASIC and provision of copies to ASX	16 November 2011
Company sends letter to Shareholders containing information required by Appendix 3B	18 November 2011
Rights trading commences Existing Shares quoted on an "ex" basis	21 November 2011
Record date for determining Entitlements	25 November 2011
Prospectus and Entitlement and Acceptance Form despatched to Eligible Shareholders	29 November 2011
Rights trading ends	7 December 2011
New Shares quoted on a deferred settlement basis	7 December 2011
Closing Date	14 December 2011
Notification of Shortfall	16 December 2011
Anticipated date for allotment of New Shares	20 December 2011
Anticipated date for despatch of holder statements (and last day for the Company to confirm to ASX all information required by Appendix 3B)	20 December 2011
Anticipated date for commencement of trading of New Shares	21 December 2011

This timetable is indicative only and subject to change. Subject to the Listing Rules, the Directors reserve the right to vary these dates, including the Closing Date for the Offer, without prior notice. Any extension of the Closing Date will have a consequential effect on the anticipated date for allotment and issue of the Shares. The Directors also reserve the right not to proceed with the whole or part of the Offer at any time prior to allotment. In that event, the relevant Application Monies will be returned without interest.

1. Details of the Offer

1.1 The Offer

The Company is making a renounceable pro rata offer of Shares at an issue price of \$0.001 each to Eligible Shareholders on the basis of two Shares for every one Share held at 5:00pm (WST) on the Record Date (**Offer**).

At the date of this Prospectus the Company has 2,961,179,546 Shares and 214,580,265 Options on issue. On the basis that no Options are exercised prior to the Record Date, the Offer is for 5,922,359,092 Shares.

Where the determination of the Entitlement of any Eligible Shareholder results in a fraction of a Share, such fraction will be rounded down to the nearest whole Share.

The Prospectus is also for the offer of the Shortfall Shares. Refer to Section 1.6 for further information and details of the Shortfall Offer.

Refer to Section 5.1 for a summary of the rights attaching to the Shares.

1.2 Recapitalisation and New Direction of the Company

As announced on 2 September 2011, in addition to undertaking the Offer, the Company is also preparing to undertake the following recapitalization and strategic measures:

- (a) undertake a listing on the Toronto Stock Exchange;
- (b) undertake a consolidation of its Shares on the basis of one Share for every 100 Shares, subject to obtaining of the requisite Shareholder approval; and
- (c) change its name, subject to shareholder approval, to "Pendragon Resources Ltd".

The Company is also considering implementing a procedure to procure the disposal of Shareholder's Shares where a Shareholder holds less than a marketable parcel of Shares within the meaning of the Listing Rules (being a parcel of Shares with a market value of less than \$500). The Company encourages those Eligible Shareholders who currently hold an unmarketable parcel of Shares to participate in the Offer.

1.3 Purpose of the Offer

Completion of the Offer will result in an increase in the cash on hand of up to approximately \$5,922,359 (before payment of associated costs).

The funds raised pursuant to the Offer will allow the Company to continue the exploration and development of its interests in the Northern Territory and to pursue new opportunities in the resources sector.

The funds raised under the Offer are proposed to be expended as follows:

Description of Cash Outflows		A\$
1.	Exploration, appraisal and development activities	3,000,000
2.	Identification and acquisition of new business opportunities and projects	1,500,000
3.	Working Capital	1,382,573
4.	Costs of Offer	39,786
Total funds raised under the Offer		\$5,922,359

Actual expenditure may differ significantly from the above estimates due to a number of factors including market conditions, the development of new opportunities, the results obtained from the staged approach to exploration, appraisal and development activities and other factors (including the risk factors outlined in Section 3).

The Company also intends to capitalise on other resource opportunities as they arise which may result in costs being incurred which are not included in the above estimates. To capitalise on future opportunities and depending on the success of its activities the Company may require further equity fund raisings.

Unallocated working capital may be utilised by the Company to pay for cost overruns in budgeted expenditures (if any), additional exploration and development expenditure, the acquisition of new resource opportunities and in the administration of the Company.

1.4 Your Entitlement and Acceptance

Your Entitlement to participate in the Offer will be determined on the Record Date, being 25 November 2011. The Entitlement of Eligible Shareholders receiving this Prospectus is shown on the Entitlement and Acceptance Form sent to Eligible Shareholders with this Prospectus.

1.5 Opening and Closing Dates

The Company will accept Entitlement and Acceptance Forms from the Record Date for determining Eligible Shareholders' Entitlements (25 November 2011), until 5.00pm WST on the Closing Date, being 14 December 2011 or such other date as the Directors in their absolute discretion shall determine, subject to the requirements of the Listing Rules.

1.6 Shortfall

The Offer is not underwritten. Shortfall Shares will be offered by the Company pursuant to this Prospectus as a separate offer at the same issue price under the Offer and will remain open for up to 3 months following the Closing Date (**Shortfall Offer**). The Directors reserve the right, subject to any restrictions imposed by the Corporations Act and Listing Rules, to issue the Shortfall Shares at their sole discretion.

Shortfall Shares will be offered at an issue price of \$0.001 each which is the issue price at which the Offer has been made to Eligible Shareholders. The Shortfall Shares shall have the same rights as all other Shares as detailed in Section 5.1.

Applications for Shortfall Shares can be made by Eligible Shareholders by completing and returning the relevant part of the Entitlement and Acceptance Form. Persons who are not Eligible Shareholders but whom the Company makes Shortfall Offers can apply for Shortfall Shares by completing and returning a Shortfall Application Form.

The Company may pay brokerage and/or handling fees in respect to applications for Shortfall Shares by holders of an appropriate Australian Financial Services Licence.

The Company reserves the right to issue to an applicant for Shortfall Shares a lesser number of Shortfall Shares than the number applied for or reject an application or not proceed with the issuing of the Shortfall Shares or part thereof. If the number of Shortfall Shares issued is less than the number applied for in an Entitlement and Acceptance Form or Shortfall Application Form or if no Shortfall Shares are issued surplus Application Monies will be refunded in full. Interest will not be paid on any Application Monies refunded.

1.7 Rights trading

Entitlements under the Offer are renounceable. This enables Eligible Shareholders who do not wish to subscribe for some or all of the Shares to which they are entitled under this Offer to sell their respective rights and also enables Eligible Shareholders and other persons resident in Australia and New Zealand to purchase additional rights if they wish.

Trading of the rights to subscribe for Shares pursuant to the Offer will commence on ASX on 21 November 2011 and will cease trading on 7 December 2011.

1.8 Entitlement and Acceptance Form

Acceptance of a completed Entitlement and Acceptance Form by the Company, or alternatively, a BPAY[®] payment, creates a legally binding contract between the Applicant and the Company for the number of Shares accepted. The Entitlement and Acceptance Form does not need to be signed to be a binding acceptance of Shares.

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

1.9 Issue and dispatch

All Shares offered by this Prospectus are expected to be issued, and security holder statements dispatched, on or before the date specified in the proposed timetable in this Prospectus.

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

1.10 Application Monies held on trust

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

1.11 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. 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 ASX allows), the Company will repay, as soon as practicable, without interest, all Application Monies received pursuant to this Prospectus.

1.12 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 Shares.

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

The CHESS statement will set out the number of Shares 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 Shares.

If you are registered on the Issuer Sponsored subregister, your statement will be dispatched by Advanced Share Registry Services and will contain the number of Shares 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 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.

1.13 Overseas Shareholders

The Offer is not being extended to any Shareholders whose registered address is outside Australia or New Zealand. The Company is of the view that it is unreasonable to make the Offer to shareholders outside Australia and New Zealand, having regard to:

- (a) the number of those Shareholders;
- (b) the number and value of Shares to be offered to those persons; and
- (c) the cost of complying with overseas legal requirements.

The Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer other than for Shareholders in Australia and New Zealand. The Company is not required to make offers under the Prospectus to Shareholders other than in Australia and New Zealand. Where the Prospectus has been dispatched to Shareholders domiciled outside Australia or New Zealand and where the country's securities code or legislation prohibits or restricts in any way the making of the offers contemplated by the Prospectus, the Prospectus is provided for information purposes only.

1.14 Risk factors

An investment in Shares 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.

1.15 Taxation implications

The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of subscribing for Shares under this Prospectus.

The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders. As a result, Shareholders should consult their professional tax adviser in connection with subscribing for Shares under this Prospectus.

1.16 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 2011 is in the Annual Financial Report which was lodged with ASX on 29 September 2011.

The Company's continuous disclosure notices (i.e. ASX announcements) since 29 September 2011 are listed in Section 5.3.

Copies of these documents are available free of charge from the Company. Directors strongly recommend that Shareholders review these and all other announcements prior to deciding whether or not to participate in the Offer.

1.17 Enquiries concerning Prospectus

Enquiries concerning the Entitlement and Acceptance Form can be obtained by contacting Advanced Share Registry Services by telephone on **(08) 9389 8033**.

Enquiries relating to this Prospectus should be directed to the Company Secretary by telephone on **(08) 9322 8000**.

2. Action required by Shareholders

Important Notice – Your Entitlement may have value

Eligible Shareholders should be aware that their rights may have value. The Offer is renounceable, which allows Eligible Shareholders who do not wish to take up some or all of their Entitlement to sell their Entitlement to the Shares they are not going to take up. Eligible Shareholders should either take up their Entitlement in whole or in part or deal with their Entitlement as outlined below. You do not need to take up your full Entitlement. You will receive no benefit if your rights lapse.

2.1 If you wish to take up all of your Entitlement

Should you wish to accept all of your Entitlement, then applications for Shares under this Prospectus must be made on the Entitlement and Acceptance Form which accompanies this Prospectus or by completing a BPAY® payment, in accordance with the instructions referred to in this Prospectus and on the Entitlement and Acceptance Form. Please read the instructions carefully.

Please complete the Entitlement and Acceptance Form by filling in the details in the spaces provided and attach a cheque for the Application Monies indicated on the Entitlement and Acceptance Form.

If you wish to pay via BPAY® you must follow the instructions in the Entitlement and Acceptance Form. You will be deemed to have accepted your entitlements upon receipt of the BPAY® payment by the Company. Eligible Shareholders who elect to pay via BPAY® do not need to return their completed Entitlement and Acceptance Form.

If you elect to pay via BPAY® then your payment must be made before 3.00pm (WST) on the Closing Date. Please read the instructions carefully.

Completed Entitlement and Acceptance Forms must be accompanied by a cheque in Australian dollars, crossed "Not Negotiable" and made payable to "**Excalibur Mining Corporation Limited – Subscription Account**" and lodged and received at any time after the issue of this Prospectus and on or before the Closing Date at the Company's office (by delivery or by post) at:

By Delivery Suite 2
 16 Ord Street
 WEST PERTH WA 6005

By Post PO BOX 1779
 WEST PERTH WA 6872

The Company shall not be responsible for any postal or delivery delays or delay in the receipt of the BPAY® payment.

2.2 If you wish to take up all of your Entitlement and apply for Shortfall Shares

If you wish to apply for Shares in excess of your Entitlement you may do so by completing the relevant sections of the Entitlement and Acceptance Form which accompanies this Prospectus, in accordance with the instructions referred to in this Prospectus and on the entitlement and Acceptance Form (see Section 1.6). Any Shares applied for in excess of

your entitlement will be made under the Shortfall Offer and will be issued at the complete discretion of the Directors as detailed in Section 1.6.

2.3 If you wish to take up part of your Entitlement only

Should you wish to only take up part of your entitlement, then applications for Shares under this Prospectus must be made on the Entitlement and Acceptance Form which accompanies this Prospectus or by completing a BPAY[®] payment in respect of the portion of your entitlement you wish to take up, in accordance with the instructions referred to in this Prospectus and on the Entitlement and Acceptance Form. Please read the instructions carefully.

Please complete the Entitlement and Acceptance Form by filling in the details in the spaces provided, including the number of Shares you wish to accept and the Application Monies (calculated at \$0.001 per Share accepted), and attach a cheque for the appropriate Application Monies.

If you wish to pay via BPAY[®] you must follow the instructions in the Entitlement and Acceptance Form. You will be deemed to have accepted your entitlements upon receipt of the BPAY[®] payment by the Company. Eligible Shareholders who elect to pay via BPAY[®] do not need to return their completed Entitlement and Acceptance Form. If you elect to pay via BPAY[®] then your payment must be made before 3.00pm (WST) on the Closing Date. Please read the instructions carefully.

Completed Entitlement and Acceptance Forms must be accompanied by a cheque in Australian dollars, crossed "Not Negotiable" and made payable to "**Excalibur Mining Corporation Limited – Subscription Account**" and lodged and received at any time after the issue of this Prospectus and on or before the Closing Date at the Company's office (by delivery or by post) at:

By Delivery Suite 2
 16 Ord Street
 WEST PERTH WA 6005

By Post PO BOX 1779
 WEST PERTH WA 6872

The Company shall not be responsible for any postal or delivery delays or delay in the receipt of the BPAY[®] payment.

2.4 If you wish to sell all or part of your entitlements on ASX

If you wish to sell (renounce) all or part of your entitlements on ASX, contact your stock broker or agent and follow their instructions. Official quotation of the rights on ASX will commence on 21 November 2011. Sale of your rights must be completed by no later than 2.00pm (WST) on 7 December 2011, when rights trading ceases. Though your rights may be quoted there is no guarantee you will be able to sell your rights.

2.5 If you wish to sell (renounce) all or part of your Entitlement other than on-market with ASX

If you wish to transfer all or part of your Entitlement to another person or party other than on-market on the ASX, then you must forward the following documents:

- (a) a completed standard renunciation or transfer form (obtainable from your stock broker or the Company's share registry) completed by the buyer and yourself;
- (b) an Entitlement and Acceptance Form completed by the buyer; and
- (c) the buyer's cheque or banker's draft (drawn on an Australian bank and denominated in Australian currency) for the amount due in respect of the Shares,

to the Company's office (by delivery or by post) at:

By Delivery Suite 2
 150 Stirling Highway
 NEDLANDS WA 6009

By Post PO Box 1779
 WEST PERTH WA 6872

2.6 If you do not wish to accept any of your entitlement

If you do not wish to accept any of your Entitlement, you are not obliged to do anything.

The number of Shares you hold and the rights attached to those Shares will not be affected should you choose not to accept any of your entitlement.

2.7 Enquiries concerning your entitlement

If you have any queries concerning your Entitlement please contact:

Advanced Share Registry Services
Suite 2
150 Stirling Highway
NEDLANDS WA 6009

Telephone: **(08) 9389 8033**

3. Risk Factors

Activities in the Company and its controlled entities, as in any business, are subject to risks, which may impact on the Company's future performance. The Company and its controlled entities have implemented appropriate strategies, actions, systems and safeguards for known risks, however, some are outside its control.

The Directors consider that the following summary, which is not exhaustive, represents some of the major risk factors which Shareholders need to be aware of in evaluating the Company's business and risks of increasing your investment in the Company. Shareholders should carefully consider the following factors in addition to the other information presented in this Prospectus.

The principal risks include, but are not limited to, the following:

3.1 Specific Risks associated with the Company

(a) New Projects and Acquisitions

The Company has to date and will continue to actively pursue and assess other new business opportunities in the resources sector. These new business opportunities may take the form of direct project acquisitions, joint ventures, farm-ins, acquisition of tenements/permits, or direct equity participation.

The acquisition of projects (whether completed or not) may require the payment of monies (as a deposit and/or exclusivity fee) after only limited due diligence and prior to the completion of comprehensive due diligence. There can be no guarantee that any proposed acquisition will be completed or be successful. If the proposed acquisition is not completed, monies already advanced may not be recoverable, which may have a material adverse effect on the Company.

If an acquisition is completed, the Directors will need to reassess, at that time, the funding allocated to current projects and new projects, which may result in the Company reallocating funds from other projects and/or the raising of additional capital (if available). Furthermore, notwithstanding that an acquisition may proceed upon the completion of due diligence, the usual risks associated with the new project/business activities will remain.

Furthermore any new project or business acquisition may change the risk profile of the Company, particularly if the new project is located in another jurisdiction, involving a new commodity and/or changes the Company's capital/funding requirements.

Should the Company propose or complete the acquisition of a new project or business activity, investors should re-assess their investment in the Company in light of the new project/business activity.

(b) Operating Risks of the Company as an Exploration Company

The success of the Company in the short to medium term is dependent upon a number of factors, including the successful:

- (i) completion of a positive feasibility study which demonstrates that the Company's projects can be successfully commercialised;

- (ii) design, construction and commissioning of the infrastructure required for the projects; and
- (iii) raising of the funding required to develop and operate the projects.

The prospects of the Company must be considered in light of the considerable risks, expenses and difficulties frequently encountered by companies in the early stage of resource exploration and development activities.

Furthermore, as no projects of the Company have yet commenced operations, there can be no guarantee that the business will operate in line with assumed cost structures. Should the level of costs required to operate the business be higher than anticipated then it may have a materially adverse affect on the future performance and prospects of the Company.

There can be no assurance that any new or current projects will be profitable in the future. Should production commence, the operating expenses and capital expenditures of the projects may increase in future years as targeted resources are more difficult to extract.

The amounts and timing of expenditures will depend on the progress of ongoing exploration and development, the results of consultants' analyses and recommendations, the rate at which operating losses are incurred, the execution of any joint venture agreements with strategic partners, and other factors, many of which are beyond the Company's control.

The Company expects to incur losses unless and until such time as any new or current projects enter into commercial production and generate sufficient revenues to fund their continuing operations. The development of the new and current projects will require the commitment of substantial resources. There can be no assurance that the Company will generate any revenues or achieve profitability.

(c) Additional Requirements for Funding

The Company's funding requirements depend on numerous factors including the Company's ability to generate income from its projects, the results of joint venture operations, future exploration and work programs and the acquisition of new projects. It may require further funding in addition to current cash reserves to fund exploration activities.

Additional equity financing, if available, may be dilutive to Shareholders and at lower prices than the current market price. Debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion.

(d) Markets

The marketability of the Company's production depends in part upon the availability, proximity and capacity of infrastructure such as ports, railways, pipelines and processing facilities. Federal and state regulation of resources production and transportation, tax and energy policies, changes in supply and demand and general economic conditions all could adversely affect the ability to produce and market mineral commodities.

(e) Service Capacity

Exploration and development activities may be undertaken in locations that have limited or no spare service capacity. There may be delays in securing drilling rigs or other equipment and personnel required to carry out the Company's planned activities.

Due to the demand for equipment and personnel there may also be upward pressure on costs and mechanical failure may result in delays.

Any of these factors may result in cost and time overruns which may have a material impact on the Company's profitability and cash flows.

3.2 Mineral Industry Risks

(a) Exploration and development risks

The exploration tenements of the Company are in the early stages of exploration and potential investors should understand that mineral exploration, development and mining are high-risk enterprises, only occasionally providing high rewards. In addition to the normal competition for prospective ground, and the high average costs of discovery of an economic deposit, factors such as demand for commodities, stock market fluctuations affecting access to new capital, sovereign risk, environmental issues, labour disruption, project financing difficulties, foreign currency fluctuations and technical problems all affect the ability of a company to profit from any discovery.

There is no assurance that exploration and development of the mineral interests owned by the Company, or any other projects that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be profitably exploited.

The exploration for, and development of, mineral deposits involves a high degree of risk. Few properties which are explored are ultimately developed into producing mines. Resource exploration and development is a speculative business, characterised by a number of significant risks, including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits, but also from finding mineral deposits that, although present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by the Company may be affected by numerous factors that are beyond the control of the Company and that cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection, the combination of which factors may result in the Company not receiving an adequate return on investment capital.

Whether a mineral deposit will be commercially viable depends on a number of factors, which include, without limitation, the particular attributes of the deposit, such as size, grade and proximity to infrastructure, metal prices, which fluctuate widely, and government regulations, including, without limitation, regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The combination of these factors may result in the Company expending significant resources (financial and otherwise)

on a property without receiving a return. There is no certainty that expenditures made by the Company towards the search and evaluation of mineral deposits will result in discoveries of an economically viable mineral deposit.

The Company has relied on and may continue to rely on consultants and others for mineral exploration and exploitation expertise. The Company believes that those consultants and others are competent and that they have carried out their work in accordance with internationally recognised industry standards. However, if the work conducted by those consultants or others is ultimately found to be incorrect or inadequate in any material respect, the Company may experience delays or increased costs in developing its properties.

There can be no assurance that the Company's mineral exploration activities will be successful. If such commercial viability is never attained, the Company may seek to transfer its property interests or otherwise realise value or may even be required to abandon its business and fail as a "going concern".

(b) Resource estimates

Ore Reserve and Mineral Resource estimates are expressions of judgment based on drilling results, past experience with mining properties, knowledge, experience, industry practice and many other factors. Estimates which are valid when made may change substantially when new information becomes available. Ore estimation is an interpretive process based on available data and interpretations and thus estimations may prove to be inaccurate.

The actual quality and characteristics of ore deposits cannot be known until mining takes place, and will almost always differ from the assumptions used to develop resources. Further, Ore Reserves are valued based on future costs and future prices and consequently, the actual Ore Reserves and Mineral Resources may differ from those estimated, which may result in either a positive or negative effect on operations.

Should the Company encounter mineralisation or formations different from those predicted by past drilling, sampling and similar examinations, resource estimates may have to be adjusted and mining plans may have to be altered in a way which could adversely affect the Company's operations.

(c) Payment obligations

Under the exploration permits and licences and certain other contractual agreements to which the Company is or may in the future become party, the Company is or may become subject to payment and other obligations. In particular, the permit holders are required to expend the funds necessary to meet the minimum work commitments attaching to the permits and licences. Failure to meet these work commitments will render the permit liable to be cancelled. Further, if any contractual obligations are not complied with when due, in addition to any other remedies which may be available to other parties, this could result in dilution or forfeiture of interests held by the Company.

(d) Operating risks

The operations of the Company may be affected by various factors including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration or mining, operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, mechanical

failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment, fire, explosions and other incidents beyond the control of the Company.

These risks and hazards could also result in damage to, or destruction of, production facilities, personal injury, environmental damage, business interruption, monetary losses and possible legal liability. While the Company currently intends to maintain insurance within ranges of coverage consistent with industry practice, no assurance can be given that the Company will be able to obtain such insurance coverage at reasonable rates (or at all), or that any coverage it obtains will be adequate and available to cover any such claims.

(e) Results of Studies

Upon acquisition of a suitable new project, and subject to the results of any future exploration and testing programs, the Company may progressively undertake a number of studies in respect to the Company's new projects. These studies may include scoping, pre-feasibility and bankable feasibility studies.

These studies will be completed within certain parameters designed to determine the economic feasibility of the Company's projects within certain limits. There can be no guarantee that any of the studies will confirm the economic viability of the Company's projects or the results of other studies undertaken by the Company (e.g. the results of a feasibility study may materially differ to the results of a scoping study).

Further, even if a study determines the economics of the Company's projects, there can be no guarantee that the project will be successfully brought into production as assumed or within the estimated parameters in the feasibility study once production commences including but not limited to operation costs, mineral recoveries and commodity prices. In addition, the ability of the Company to complete a study may be dependent on the Company's ability to raise further funds to complete the study if required.

(f) Reliance on key personnel

The Company is reliant on a number of key personnel. The loss of one or more of its key personnel could have an adverse impact on the business of the Company.

Furthermore, it may be particularly difficult for the Company to attract and retain suitably qualified and experienced people, given the current high demand in the industry and relatively small size of the Company, compared with other industry participants.

(g) Commodity price volatility

It is anticipated that any revenues derived from mining will primarily be derived from the sale of precious and base metals. Consequently, any future earnings are likely to be closely related to the price of these commodities and the terms of any offtake agreements which it enters into.

Metal prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include world demand for minerals and metals,

forward selling by producers, and production cost levels in major mineral-producing regions.

Moreover, metal prices are also affected by macro economic factors such as expectations regarding inflation, interest rates and global and regional demand for, and supply of, the metal as well as general global economic conditions. These factors may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

(h) **Insurances**

Insurance of all risks associated with exploration and production is not always available and, where it is available, the cost may be high. The Company will have insurance in place considered appropriate for the Company's needs.

The business of the Company is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to properties of the Company or others, delays in mining, monetary losses and possible legal liability.

Although the Company maintains insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance will not cover all the potential risks associated with its operations and insurance coverage may not continue to be available or may not be adequate to cover any resulting liability, particularly as the Company is seeking to acquire new projects which are located in other jurisdictions or involve a new commodity.

It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks because of high premiums or other reasons. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to the Company or to other companies in the mining industry on acceptable terms. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

3.3 Environmental risks

(a) **Environmental risk**

The operations and activities of the Company are subject to regulations concerning the environment. The Government and other authorities that administer and enforce environmental laws determine these requirements. As with all exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if mine development proceeds. The Company intends to conduct its activities in an environmentally responsible manner and in accordance with applicable laws.

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

Although the Company believes that it is in compliance in all material respects with all applicable environmental laws and regulations, there are certain risks inherent to its activities, such as accidents or other unforeseen circumstances, which could subject the Company to extensive liability.

Further, the Company may require approval from the relevant authorities before it can undertake activities that are likely to impact the environment. Failure to obtain such approvals will 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 any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area.

The Company has not incurred any significant costs for contamination resulting from its activities to date and the Board believes that it is in material compliance with all applicable laws relating to the protection of the environment, including laws regulating the discharge of materials. However, there can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige the Company to incur significant expenses and undertake significant investments in such respect which could have a material adverse effect on the Company's business, financial condition and results of operations.

(b) Previous exploration

Previous small scale mining activities undertaken by past tenement holders could in the future give rise to costs for environmental, rehabilitation, damage, control and losses. As at the date of this Prospectus, the Company has received no indication or instruction that rehabilitation of these areas is required. The enforcement of any environmental regulation could lead to increased costs for the Company which in turn could adversely affect the Company's financial performance and available cash reserves.

3.4 General Risks

(a) Securities investments

There are risks associated with any securities investment. The prices at which the Shares trade may fluctuate in response to a number of factors.

Furthermore, the stock market, and in particular the market for mining and exploration companies, has experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of such companies. There can be no guarantee that these trading prices will be sustained. These factors may materially affect the market price of the Shares regardless of the Company's operational performance.

(b) Share market conditions

Share market conditions may affect the value of Shares regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) interest rates and inflation rates;

- (iii) changes in investor sentiment toward particular market sectors;
- (iv) the demand for, and supply of, capital; and
- (v) terrorism or other hostilities.

The market price of the Shares may fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company, or any return on an investment in the Company.

(c) Economic Risk

Changes in the general economic climate in which the Company operates may adversely affect the financial performance of the Company. Factors that may contribute to that general economic climate include the level of direct and indirect competition against the Company, industrial disruption, the rate of growth of gross domestic product in Australia, or any other country in which the Company may operate, interest rates and the rate of inflation.

(d) Changes in Government Policies and Legislation

Any material adverse changes in government policies or legislation of Australia or any other country where the Company may acquire economic interests may affect the viability and profitability of the Company.

(e) Competition

The Company will compete with other companies, including major mineral exploration and mining companies. Some of these companies have greater financial and other resources than the Company and, as a result, may be in a better position to compete for future business opportunities. Many of the Company's competitors not only explore for and produce minerals, but also carry out refining operations and produce other products on a worldwide basis. There can be no assurance that the Company can compete effectively with these companies.

3.5 Investment Speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company.

The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus. Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares. Potential investors should consider that the investment in the Company is speculative and should consult their professional adviser before deciding whether to apply for Shares pursuant to this Prospectus.

4. Effect of the Offer

4.1 Capital Structure on completion of the Offer

	Number of Shares	Number of Options
Balance at the date of this Prospectus	2,961,179,546	214,580,265
To be issued under the Offer	5,922,359,092	-
Balance after the Offer (if fully subscribed)	8,883,538,638¹	214,580,265¹

(1) As disclosed in the Company's ASX announcement dated 2 September 2011, the Company intends to undertake a consolidation on a basis of 1 security for 100 securities on completion of the Offer.

4.2 Proposed Offer

Basis of Preparation

The pro-forma statement of financial position has been prepared in accordance with the draft ASIC Guide to Disclosing Pro-Forma Financial Information (issued July 2005). The pro-forma statement of financial position is based on the unaudited statement of financial position at 30 September 2011 that has then been adjusted to reflect the following material transactions:

	Unaudited as at 30 September 2011	Adjustments	Pro-forma statement of financial position
	\$	\$	\$
Current Asset			
Cash and cash equivalents	708,940	6,232,073	6,941,013
Trade and other receivables	36,160	-	36,160
Other financial assets	150,202	-	150,202
Investments	276,578	-	276,578
Total current Assets	1,171,880	6,232,073	7,403,953
Non-current Assets			
Other financial assets	122,850	-	122,850
Property, plant and equipment	351,804	-	351,804
Exploration	10,992,777	-	10,992,777

	Unaudited as at 30 September 2011 \$	Adjustments \$	Pro-forma statement of financial position \$
expenditure			
Total Non-current Assets	11,467,431	-	11,467,431
TOTAL ASSETS	12,639,311	6,232,073	18,871,384
Current Liabilities			
Trade and other Payables	222,515	-	222,515
Employee benefits	7,219	-	7,219
Total Current Liabilities	229,734	-	229,734
TOTAL LIABILITIES	229,734	-	229,734
NET ASSETS	12,409,577	6,232,073	18,641,650
EQUITY			
Share Capital	52,186,092	6,232,073	58,418,165
Reserves	1,009,709	-	1,009,709
Accumulated Losses	(40,786,224)	-	(40,786,224)
TOTAL EQUITY	12,409,577	6,232,073	18,641,650

The Pro-Forma Statement of Financial Position includes the following adjustments:

- (a) on 11 November 2011, the issue of 349,500,000 Shares at a price of \$0.001 pursuant to a share placement to raise net funds of \$349,500 (no costs of issue); and
- (b) the issue of 5,922,359,092 Shares pursuant to the Offer to raise \$5,922,359 before estimated costs of \$39,786.

Note that the Pro-Forma Statement of Financial Position does not take into account operating costs and capitalised exploration expenditure incurred by the Company since 30 September 2011, estimated to be \$278,000.

4.3 Market price of Shares

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

Highest: \$0.003 per Share on 25 August; 2, 12, 13 & 26 September; and 19

October 2011
Lowest: \$0.001 per Share on 22 & 23 September; and 3, 4 & 10 October
2011

The latest available market sale price of the Company's Shares on ASX prior to the date of lodgement of this Prospectus with ASIC was \$0.002 per Share on 15 November 2011.

4.4 Dividend policy

The Directors are not able to say when and if dividends will be paid in the future, as the payment of any dividends will depend on the future profitability, financial position and cash requirements of the Company.

5. Additional information

5.1 Rights attaching to Shares

(a) General

The Shares to be issued pursuant to this Prospectus are ordinary shares and will, as from their allotment, rank equally in all respects with all ordinary shares in the Company.

The rights attaching to the Shares arise from a combination of the Company's Constitution, statute and general law.

Copies of the Company's Constitution are available for inspection during business hours at its registered office. The Constitution has been lodged with ASIC.

A summary of the more significant rights is set out below and assumes that the Company is admitted to the Official List of the ASX. This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of the Company's Shareholders. To obtain such a statement, persons should seek independent legal advice.

(b) Reports and Notices

Shareholders are entitled to receive all notices, reports, accounts and other documents required to be furnished to shareholders under the Company's Constitution, the Corporations Act and the Listing Rules.

(c) General Meetings

Directors may call a meeting of members whenever they think fit. Members may call a meeting as provided by the Corporations Act. All members are entitled to a notice of meeting. A meeting may be held in two or more places linked together by audio-visual communication devices. A quorum for a meeting of members is 3 eligible voters.

The Company will hold annual general meetings in accordance with the Corporations Act and the Listing Rules.

Shareholders are entitled to be present in person, or by proxy, attorney or representative (in the case of a company) to speak and to vote at general meetings of the Company.

(d) Voting

Subject to any rights or restrictions at the time being attached to any class or classes of shares, at a general meeting of the Company on a show of hands, every ordinary Shareholder present in person, or by proxy, attorney or representative (in the case of a company) has one vote and upon a poll, every Shareholder present in person, or by proxy, attorney or representative (in the case of a company) has one vote for any Share held by the Shareholder. In the case of an equality of votes, the chairperson has a casting vote.

A poll may be demanded by the chairperson of the meeting, any 5 Shareholders entitled to vote in person or by proxy, attorney or representative or by any one or

more Shareholders holding not less than 5% of the total voting rights of all Shareholders having the right to vote.

(e) Dividends

Subject to the Corporations Act, the Listing Rules and any rights or restrictions attached to a class of shares, the Company may pay dividends as the Directors resolve but only out of profits of the Company. The Directors may determine the method and time for payment of the dividend.

(f) 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 Shareholders in the proportions which the amount paid (including amounts credited) on the Shares of a Shareholder is of the total amounts paid and payable (including amounts credited) on the Shares of all Shareholders. Subject to any rights or restrictions attached to a class of Shares, on a winding up of the Company, the liquidator may, with the sanction of a special resolution of the Shareholders:

- (i) distribute among Shareholders the whole or any part of the property of the Company; and
- (ii) decide how to distribute the property as between the Shareholders or different classes of Shareholders.

The liquidator of the Company may settle any problem concerning a distribution.

(g) Transfer of Shares

Generally, Shares in the Company are freely transferable, subject to formal requirements, and to the registration of the transfer not resulting in a contravention of, or failure to observe, the provisions of a law of Australia.

(h) Issue of Further Shares

The Directors may, subject to any restrictions imposed by the Constitution and the Corporations Act, allot, issue and grant options over further Shares, on such terms and conditions as they see fit.

(i) Directors

The business of the Company is to be managed by or under the direction of the Directors.

Directors are not required under the Constitution to hold any Shares.

Unless changed by the Company in general meeting, the minimum number of Directors is 3 and the maximum is 10. The existing Directors may appoint a new Director to fill a casual vacancy or as an addition to the Board. Any such Director must retire at the next following annual general meeting of the Company (at which meeting he or she may be eligible for election as a Director).

The Constitution contains provisions relating to the rotation and election of directors. No Director other than the Managing Director may hold office later than

the third annual general meeting after his or her appointment or election without submitting himself or herself for re-election.

For a person to be eligible for election as a Director, a nomination for the office of Director and the written consent of the proposed director must be received at the Company's registered office:

- (i) 30 business days prior to the meeting, in the case of a meeting of members that the Directors have been requested by members to call; and
- (ii) 35 business days prior to the meeting, in any other case.

(j) Variation of Shares and Rights Attaching to Shares

Shares may be converted or cancelled with member approval and the Company's share capital may be reduced in accordance with the requirements of the Corporations Act.

Class rights attaching to a particular class of shares may be varied or cancelled with the consent in writing of holders of 75% of the shares in that class or by a special resolution of the holders of shares in that class.

(k) Unmarketable Parcels

The Company may procure the disposal of Shares where the member holds less than a marketable parcel of Shares within the meaning of the Listing Rules (being a parcel of shares with a market value of less than \$500). To invoke this procedure, the Directors must first give notice to the relevant member holding less than a marketable parcel of Shares, who may then elect not to have his or her Shares sold by notifying the Directors.

(l) Share Buy-Backs

The Company may buy-back Shares in itself in accordance with the provisions of the Corporations Act.

(m) Indemnity and Insurance of Officers

Under the Constitution the Company is obliged, to the extent permitted by law, to indemnify an officer (including Directors) of the Company against liabilities incurred by the officer in that capacity, against costs and expenses incurred by the officer in successfully defending civil or criminal proceedings, and against any liability which arises out of conduct not involving a lack of good faith.

To the extent permitted by law the Company may also pay the premium on any insurance policy for any person who is or has been an officer against a liability incurred by that person in his or her capacity as an officer of the Company provided that the liability does not arise out of conduct involving a wilful breach of duty.

(n) Changes to the Constitution

The Company's Constitution can only be amended by a special resolution passed by at least three quarters of the members present and voting at a general

meeting of the Company. At least 28 days' written notice specifying the intention to propose the resolution as a special resolution must be given.

(o) Listing Rules

Provided the Company remains admitted to the Official List of the Australian Securities Exchange Ltd, then despite anything in the Constitution, no act may be done that is prohibited by the Listing Rules, and authority is given for acts required to be done by the Listing Rules. The Company's Constitution will be deemed to comply with the Listing Rules as amended from time to time.

5.2 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 of ASX.

Copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an ASIC office (see Section 5.3 below).

5.3 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 issue, a copy of:

- (a) the Annual Financial Report of the Company for the year ended 30 June 2011, being the last financial year for which an annual financial report has been lodged with 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 (a) and before the date of issue of this Prospectus are as follows:

Date Lodged	Subject of Announcement
11/11/2011	Notice under Section 708A
11/11/2011	Appendix 3B
11/11/2011	Exploration Update
31/10/2011	Annual Report to Shareholders
31/10/2011	Quarterly Activities Report
31/10/2011	Quarterly Cashflow Report
27/10/2011	Notice of Annual General Meeting/Proxy Form
10/10/2011	New Drilling Programme and Tennant Creek Project
29/09/2011	Full Year Statutory Accounts

The following documents are available for inspection throughout the application period of this Prospectus during normal business hours at the registered office of the Company at Suite 7, 10 Canning Highway, South Perth, Western Australia:

- (i) this Prospectus;
- (ii) Constitution; and
- (iii) the consents referred to in Section 5.9 and the consents provided by the Directors to the issue of this Prospectus.

5.4 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.

5.5 Determination by ASIC

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

5.6 Directors' interests

- (a) Directors' Holdings

Set out in the table below are details of Directors' relevant interests in the securities of the Company at the date of this Prospectus:

Director	No of Shares Held ⁽¹⁾	No. of Options Held	Entitlement to Subscribe for Shares ⁽²⁾
Alex Bajada	9,158,190	9,800,000	18,316,380
Andrew Kent	113,007,144	Nil	226,014,288
Jeremy Neimi	Nil	Nil	Nil
David Marsh	Nil	Nil	Nil

(1) Held directly or indirectly by the Director or a related party of the Director.

(2) Entitlement to subscribe for Shares that will be held directly or indirectly.

- (b) Remuneration of Directors

No person has paid or agreed to pay any amount or has given any benefit to any Director to induce them to become, or qualify as a Director or for services provided by the Director, in connection with:

- (i) the formation or promotion of the Company; or
- (ii) the offer of Shares under this Prospectus, except asset out below or elsewhere in this Prospectus.

The Company's Constitution provides that the Company may remunerate the Directors. The remuneration shall, subject to any resolution of a general meeting, be fixed by the Directors.

The maximum aggregate amount of fees that can be paid to Non-Executive Directors is subject to approval by shareholders at a General Meeting. Total directors' fees paid to all non-executive directors is not to exceed \$300,000 per annum. Director's fees paid to Non-Executive Directors accrue on a daily basis. Fees for Non-Executive Directors are not linked to the performance of the economic entity. However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company and Non-Executive Directors may receive incentive options in order to secure and/or retain their services.

Fees cover main board activities only. Non-Executive Directors may receive additional remuneration for other services provided to the Company, including but not limited to, membership of committees.

Remuneration (plus superannuation where applicable) for the Chairman (Mr Bajada) is presently \$140,000, remuneration for executive Directors Mr Marsh and Mr Niemi is presently \$100,000 and CDN\$100,000 respectively and remuneration for Mr Kent is presently \$40,000 per annum.

Directors received the following remuneration for the preceding two financial years:

Directors	Year	Salary & Fees \$	Super-annuation \$	Options \$	Other non-cash Benefits \$	Total
Alex Bajada <i>Executive Chairman</i>	2011	100,000	Nil	Nil	22,509	122,509
	2010	110,000	Nil	1,232,000 ⁽¹⁾	35,389	1,377,389
David Marsh <i>Executive Director</i>	2011	Nil	Nil	Nil	Nil	Nil ⁽²⁾
	2010	Nil	Nil	Nil	Nil	Nil ⁽²⁾
Andrew Kent <i>Non-Executive Director</i>	2011	40,000	Nil	Nil	22,509	62,509
	2010	40,000	Nil	1,232,000 ⁽¹⁾	35,389	1,307,389
Jeremy Niemi <i>Executive Director</i>	2011	12,329	Nil	Nil	Nil	12,329
	2010	Nil	Nil	Nil	Nil	Nil ⁽³⁾

(1) Options cancelled on 30 November 2010

(2) David Marsh appointed on 31 August 2011

(3) Jeremy Niemi appointed on 17 May 2011

(c) Other interests

The Company has entered into Deeds of Indemnity, Access and Insurance on standard terms with each of its current directors, Messrs Bajada, Kent, Niemi, Marsh and its most recent former director, Mr Tim Lagdon. Those deeds indemnify these Directors in respect of certain liabilities and legal expenses incurred by them whilst acting as Directors and insures them against certain risks they are exposed to as Directors. The Company has paid insurance premiums to insure each of the Directors against liabilities for costs and expenses incurred by them in defending any legal proceedings while acting in the capacity of a Director.

5.7 Interests of Named Persons

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.

DWCorporate Pty Ltd will be paid fees of approximately \$8,000 (plus GST) in relation to the preparation of this Prospectus. In the past two years DWCorporate Pty Ltd has provided corporate advisory services to the Company to a total value of approximately \$17,000.

Hardy Bowen will be paid fees of approximately \$10,000 (plus GST) in relation to the preparation of this Prospectus. In the past two years Hardy Bowen has provided legal services to the Company to a total value of approximately \$104,628.

Advanced Share Registry Services has been appointed to conduct the Company's share registry functions and to provide administrative services in respect to the processing of Applications received pursuant to this Prospectus, and will be paid for these services on standard industry terms and conditions.

5.8 Expenses of issue

The estimated expenses of the issue are as follows:

	\$
ASIC lodgement fee	2,137
ASX quotation fee	12,649
Legal & corporate advisory expenses	18,000
Printing, mailing and other expenses	7,000
Total	<u>39,786</u>

5.9 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 ASIC.

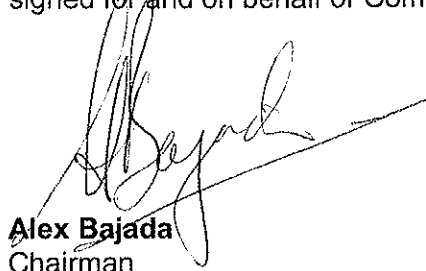
The following persons have consented to being named in this Prospectus but, except as noted above, have not made any statements that are included in this Prospectus or statements identified in this Prospectus as being based on any statements made by those persons, and have not withdrawn their consent before lodgement of this Prospectus with ASIC:

- (a) DWCorporate Pty Ltd – as corporate adviser;
- (b) Hardy Bowen Lawyers – as legal adviser; and
- (c) Advanced Share Registry Services – the Company's share registry.

To the maximum extent permitted by law, each of the persons referred to above expressly disclaims and takes no responsibility for any part of this Prospectus other than the references to their name.

6. 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
Chairman

Dated: 16 November 2011

7. Glossary of Terms

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

Acceptance means a valid application for Shares made pursuant to this Prospectus on an Entitlement and Acceptance Form, or through a BPAY[®] payment.

Annual Financial Report means the financial report lodged by the Company with ASIC in respect to the year ended 30 June 2011 and includes the corporate directory, Shareholder information, Directors' declaration, financial statements and the notes thereto, of the Company and its controlled entities for the year ended 30 June 2011, together with a Directors' report in relation to that financial year and the auditor's report for the year to 30 June 2011.

Applicant means a person who submits an Entitlement and Acceptance Form or makes a BPAY[®] payment.

Application Monies means application monies for Shares received by the Company from an Applicant.

ASIC means Australian Securities and Investments Commission.

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

ASX means ASX Limited ACN 008 624 691.

Board means the Directors 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 Subregister System.

Closing Date means 14 December 2011 or such later date as the Directors may determine.

Company or **Excalibur** 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 (Cth) 2001.

Directors mean the directors of the Company as at the date of this Prospectus.

Eligible Shareholder means a person registered as the holder of Shares on the Record Date whose registered address is in Australia or New Zealand.

Entitlement means the entitlement to Shares under the Offer.

Entitlement and Acceptance Form or Form means the entitlement and acceptance form attached to this Prospectus that sets out the Entitlement of Shareholders to subscribe for Shares pursuant to the Offer.

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.

Offer means as defined in Section 1.1.

Official List means the official list of ASX.

Official Quotation means quotation of Shares on the Official List.

Option means the right to acquire one Share in the capital of the Company.

Prospectus means this prospectus dated 16 November 2011.

Record Date means the day specified in the proposed timetable.

Section means a section of this Prospectus.

Shareholder means a holder of Shares.

Share means a fully paid ordinary share in the capital of the Company.

Shortfall Application Form means the application form attached to this Prospectus to subscribe for Shortfall Shares.

Shortfall Offer means as defined in Section 1.6.

Shortfall Shares means that number of the Shares that have not validly been applied for under the Offer by the Closing Date.

\$ means Australian dollars.

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

Guide to Excalibur Mining Corporation Limited – Shortfall Application Form

This Shortfall Application Form relates to the Shortfall Offer contained in the Prospectus dated 16 November 2011. A person who gives another person access to this Shortfall Application 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 a Shortfall Application Form, on request and without charge.

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

- A** Insert the number of Shortfall Shares you wish to apply for.
- B** Insert the relevant amount of Application Monies. To calculate your Application Monies, multiply the number of Shortfall Shares applied for by A\$0.001.
- C** Write the full name you wish to appear on the statement of holdings. This must be either your own name or the name of the company. Up to three joint applicants may register. You should refer to the table below for the correct forms of registrable title. Applicants using the wrong form of title may be rejected. Clearing House Electronic Sub-Register System (CHES) participants should complete their name and address in the same format as that are presently registered in the CHES system.
- D** Enter your Tax File Number (TFN) or exemption category. Where applicable, please enter the TFN for each joint Applicant. Collection of TFN(s) is authorised by taxation laws. Quotation of your TFN is not compulsory and will not affect your Application.
- E** Enter your postal address for all correspondence. All communications to you from the share registry will be mailed to the person(s) and address as shown. For joint applicants, only one address can be entered.
- F** Enter your telephone number(s), area code, email address and contact name in case we need to contact you in relation to your Application.
- G** The Company will apply to ASX to participate in CHES, operated by ASX Settlement and Transfer Corporation Pty Ltd, a wholly owned subsidiary of ASX Limited. If you are a CHES participant (or are sponsored by a CHES participant) and you wish to hold Shares allotted to you under this Application in uncertificated form on the CHES sub register, complete Section G or forward your Shortfall Application Form to your sponsoring participant for completion of this section prior to lodgement. Otherwise, leave Section G blank and on allotment, you will be sponsored by the Company and an SRN will be allocated to you.
- H** Your Application Monies must be paid by cheque payable to "Excalibur Mining Corporation Limited – Subscription Account" account as described in Section H. The amount should agree with the amount shown in Section B.
- I** By lodging the Shortfall Application Form the applicant(s) warrant that they are excluded investors under one of the provisions of section 708 of the Corporations Act and agrees that this application is for shares in the Company and to take any number of Shortfall Shares equal to or less than the number of Shortfall Shares indicated in Section A that may be allotted to the applicant(s) and declares that all details and statements made are complete and accurate. It is not necessary to execute the Shortfall Application Form.

Correct Form of Registrable Title

Only legal entities are allowed to hold Shares. Applications must be in the name(s) of a natural person(s), companies or other legal entities acceptable to the Company. At least one full given name and the surname is required for each natural person. The name of the beneficiary or any other non-registrable title may be included by way of an account designation if completed exactly as described in the example of correct forms of registrable title below:

Type of investor	Correct form of Registrable Title	Incorrect form of Registrable Title
Individual Use names in full, no initials	Mr John Alfred Smith	JA Smith
Minor (a person under the age of 18) Use the name of a responsible adult, do not use the name of a minor.	John Alfred Smith <Peter Smith>	Peter Smith
Company Use company title, not abbreviations	ABC Pty Ltd	ABC P/L ABC Co
Trusts Use trustee(s) personal name(s), do not use the name of the trust	Mrs Sue Smith <Sue Smith Family A/C>	Sue Smith Family Trust
Deceased Estates Use executor(s) personal name(s), do not use the name of the deceased	Ms Jane Smith <Est John Smith A/C>	Estate of late John Smith
Partnerships Use partners personal names, do not use the name of the partnership	Mr John Smith and Mr Michael Smith <John Smith and Son A/C>	John Smith and Son

Lodgement of Shortfall Application Form

Return your completed Shortfall Application Form to the Company by hand or fax along with the Application Monies agreeing to the amount shown in Section B.

By Hand:

Suite 2, 16 Ord Street

WEST PERTH WA 6005

By Post:

Po Box 1779

WEST PERTH WA 6872

By Facsimile:

+61 8 9486 1011