

Title Page for Reporting under the NT Mining Act

Titleholder	Palace Recourses Limited
Operator	Excalibur Mining Corporation
Tenement Manager	M & M Walter Consulting
Titles/Tenements	EL 25207
Mine/Project Name	Brown's Range
Report title including type of report and reporting period including a date	Annual Report for period ending 11/1/2011
Personal author	Peter Thomas
Corporate author	Excalibur Mining Corporation
Company reference number	Tanami
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Annual Technical Report

Browns Range Project NT

EL 25207

Period 10/03/10 – 10/03/2011

Author:

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Contents

Executive Summary

- 1. Introduction**
- 2. Location**
- 3. Tenement Status**
- 4. Geology**
- 5. Previous Exploration**
- 6. Exploration During the Reporting Period**
- 7. Expenditure During the Reporting Period**
- 8. References**

Tables

- 1. Tenement Status**

Figures

- 1. Project Location Map**
- 2. Tenement Location and Geology**
- 3. Drillholes TD1 – TD61**
- 4. Drillholes TD62 – TD223**
- 5. Drillholes TD224 – TD267**

Appendices

- 1 EL25207_2010_A_01_Drillcollars.txt**
- 2 EL25207_2010_A_02_LithoLogs.txt**
- 3 EL25207_2010_A_03_LithoCodes.txt**
- 4 EL25207_2010_A_04_DownholeGeochem.txt**
- 5 EL25207_2010_A_05_DownholeGeochem.txt**
- 6 EL25207_2010_A_06_SurfaceGeochem.txt**
- 7 EL25207_2010_A_07_SurfaceGeochem.txt**
- 8 Expenditure Report**

Executive Summary

In late June 2010 Excalibur commenced a RAB drilling program to test Uranium prospective geophysical targets over an early – mid proterozoic unconformity in the north west corner of EL 25207. Ten drill traverses were completed with 267 holes for 8758m. The program was completed in early August.

Four meter composite drill chip samples were analysed on-site with an Innov-X Systems Delta series field portable XRF. Selected samples were also submitted to the laboratory.

Geological chip logging, XRF and laboratory analysis revealed no evidence of significant mineralization in the targeted areas.

Introduction

The NW corner of EL 25207 (the project area) has been identified as being geological similar to Arnhem Land / Alligator River unconformity associated uranium deposits. In early 2008, Palace Resources Limited commissioned an airborne electromagnetic-magnetic survey from Southern Geoscience Consultants to help assess the area for its uranium potential.

The survey was successful in identifying and mapping a number of targets and proving a situation broadly analogous to the geological setting of the Arnhem Land uranium deposits. The Southern Geoscience report¹ recommended “geological mapping and or shallow drilling ... to confirm the nature of the basement lithologies within this interpreted graphitic-sulphidic metasediment – metavolcanic package”.

Exploration during the reporting period was focused on follow-up of the geophysical targets. Preliminary field reconnaissance revealed extremely poor outcrop over the target areas so a first pass RAB drilling program was planned and executed from June – August 2010. The results of the field reconnaissance and drilling program were the only activity on the tenement during the encaptioned period and are presented in this report.

¹ SGC Report No. 1932 “Palace Resources Ltd. Browns Range Project Airborne EM & Magnetics Interpretation” Bruce Craven, *Southern Geoscience Consultants*, April, 2009

Location

EL 25207 is located in the Western Tanami Desert within the Suplejack Downs Pastoral Lease. The Suplejack Homestead is approximately 800kms NW of Alice Springs via the Tanami Road. Suplejack can also be access via the Tanami Road from Halls Ck WA and via Kalkarindji and Lajamanu.

All access roads to the Homestead are unsealed and sometimes closed in wet weather. The project area is approximately 50kms west of the homestead via station tracks and overland.

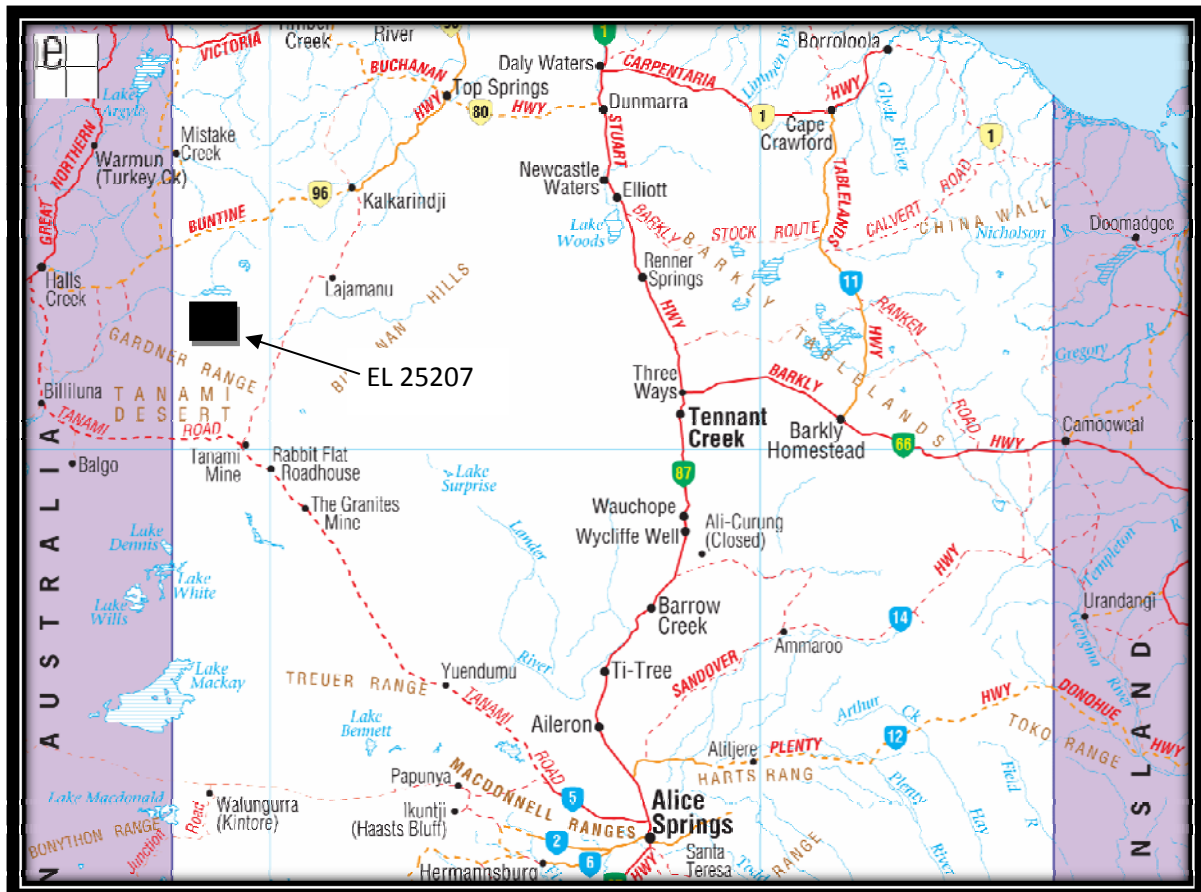


Figure 1 Project Location Map

Tenement Status

EL 25207 is a mineral exploration lease covering 488 blocks (1570kms²) and was granted on the 12/02/2007 (Table 1). Palace Resources is the current holder of the lease and Excalibur is the current operator of the lease.

Tenure Type	Exploration Licence
Number	25207
Date Effective	12/02/2007
Status	grant
Area	488 SBKS (1,574.0 sqkm)
Grant Date	12/02/2007
Expiry Date	11/02/2013
Renewal Application Date	
Renewal Grant Date	

Holders Information

Name	Percent	Type
M & M WALTER CONSULTING		Contact
PALACE RESOURCES LIMITED	100.00%	Current Holder

Transactional History Information

Transaction Type	Effective Date	Expiry Date	Period	Area (km2)
Application	27/02/2006		6	1574
Landholder Notification	13/03/2006			
Native Title	28/03/2006	03/01/2007		
Advertisements	30/08/2006			
Advertisements	30/08/2006			
Offer Of Grant	01/02/2007	28/02/2007	6	1574
Grant	12/02/2007	11/02/2013	6	1574
Gazettals	21/02/2007		1	
Reduction Deferral	12/01/2009		3	
Reduction Deferral	08/01/2010		4	

Table 1 Tenement Status (NT Titles Information System)

On the 17/11/2009, Excalibur entered into a joint venture agreement with Palace Resources to earn up to 90% of the Uranium Rights. In accordance with the joint venture documentation, Excalibur must expend a total of \$500,000 to earn up to a 90% interest in the uranium rights plus other minerals. Upon satisfaction of expenditure obligation Palace will be deemed to have transferred to Excalibur 90% of its uranium right plus title and interests in the tenements; and Excalibur will have deemed to have transferred to Palace 10% of its right, title and interests in the gold rights with the effect that Excalibur will own a 90% Participating Interest and Palace will own a 10% Participating Interest.

From the commencement of the joint venture and until the completion of the expenditure obligations Excalibur will:

- Solely fund expenditure on the tenement
- Be solely responsible for the determination of the works programs on the tenements
- Be manager of the tenements

- Pay all rates and rentals due in respect of the tenements
- Comply with the conditions of any mining titles, leases, licences, permits, approvals or other rights in relation to the tenements and to ensure that it does not breach any statutory requirements in relation to the tenements.
- Excalibur shall be manager of the joint venture.

Geology

Geology and previous exploration have been researched and previously reported by Ravensgate Mineral Industry Consultants² and is summarised herein. The project area covers the eastern extent of both the Palaeoproterozoic Tanami Complex and Lower-Mid Proterozoic sediments of the Birrindudu-Victoria Basin.

Deformed Granitoids and sediments of the 1800-1850 Ma old Ware Group (sandstones, volcanoclastics) and the Killi Killi Formation comprise most of the Tanami Complex lithologies known to occur within the project area, which are unconformably overlain by sandstones, grits and conglomerates of the Lower Proterozoic (1700-1750 Ma) Birrindudu-Victoria Basin, including, Gardiner and Pargee Sandstone members.

Deposition in Birrindudu Basin began with sandstone transgressing over metamorphic and crystalline basement around 1.7 Ga. Transgression was associated with regionally extensive north-trending growth faults and volcanism, which may indicate rifting. The Birrindudu and Tolmer groups represent the exposed section of this basin and may be up to 6,000m thick locally. These units are dominated by coarse clastic sedimentary rocks with minor felsic volcanics (tentatively assigned to undifferentiated Birrindudu Group) and carbonate rocks and shale in the upper Tolmer Group.

The Gardiner Range Sandstone is a flat lying sequence starting with a basal conglomerate which passes upwards into a series of feldspathic sandstones and grits. The lower sandstone unit is overlain by a sequence of flaggy sandstones and grits.

Overlying the basal Birrindudu sediments are a thick package of predominantly siliclastic and carbonate rocks, with minor shales and muddy sediments.

Areas of the project, particularly those underlain by Lower Proterozoic rocks are covered by surficial deposits including alluvium and windblown sand. The plateau areas which are underlain by the Gardiner Formation are frequently capped by a silcrete layer of variable thickness. Such areas may have hindered exploration in the past by masking potential zones of mineralisation.

In the east of the project area are mafic volcanics and sediments assigned to the Cambrian Wiso Basin.

² Passeres Group P/L to Ravensgate "Independent Geologists Report on Australian Uranium Prospects" for Palace Resources Limited, David Holden, September 2006.

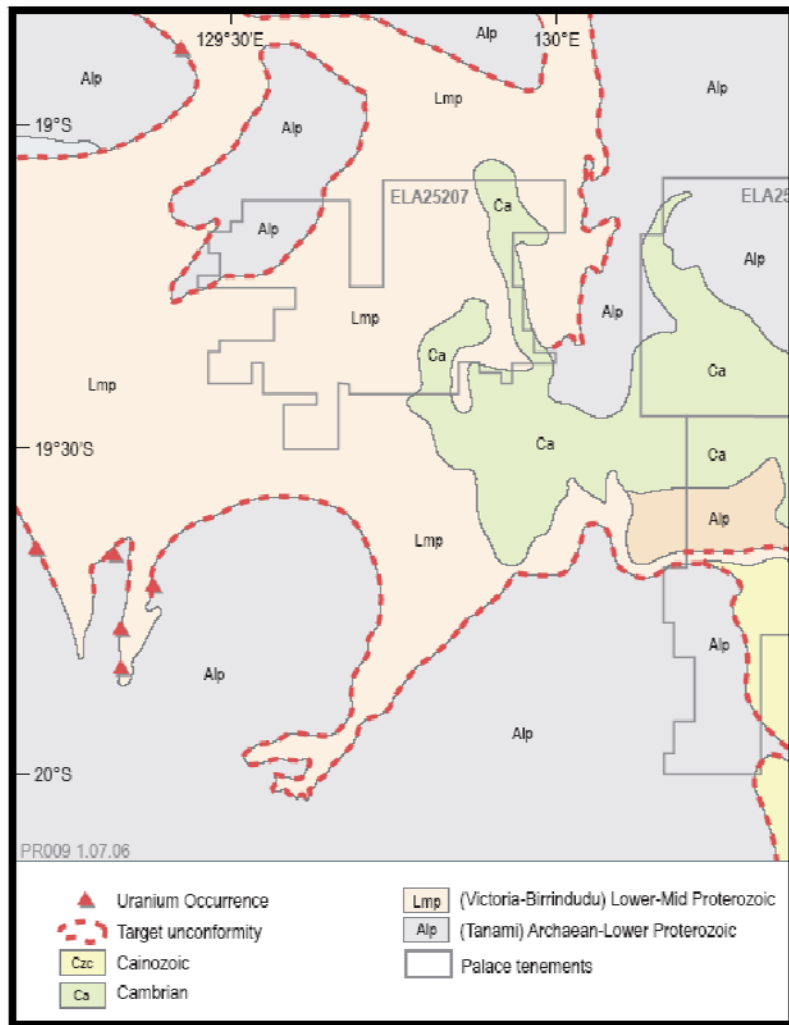


Figure 2 Tenement Location and Geology

Previous Exploration

Uranium exploration was first carried out in the Tanami area in the 1960s by New Consolidated Gold Fields in the Killi Killi Hills.. Mineralisation was discovered in radioactive conglomerates and sandstones in the basal part of mid-Proterozoic Gardiner sandstone, unconformably overlying lithologies of the Tanami Complex (Killi Killi Formation). Maximum assays of 0.23% U_3O_2 and 5% rare earths were returned from selected surface rock samples.

In the early 1980's the Mineral Reserves Group of Canada discovered polymetallic vein-related uranium, gold, nickel and copper mineralization associated with autunite and metatorbernite mineralization in the Gardiner Range (The Don Uranium Prospect, Morrison, 1985, Stocklmayer, 1987). Mineralisation occurs within structurally controlled chloritic shear zones close to the Tanami Complex-Birrindudu unconformity. Drilling encountered narrow widths with assays including 0.4m @ 1.7% U_3O_8 and 2.0 g/t Au.

PNC Exploration Australia's exploration of the Browns Range Dome area for unconformity style mineralisation was carried out from 1986 to 1990 (Conan-Davies, 1989, Percy, 1991, 1992). Exploration activities include aerial photography, geological reconnaissance mapping, airborne

geophysical interpretation, Landsat lineament and interpretation mapping, airborne magnetics and radiometrics, geological mapping and sampling for geochemistry and petrology, ground EM and magnetics, gravity helicopter surveys, ground magnetics, radiometric and radon surveys, as well as diamond and percussion drilling. A number of uranium prospects were located.

The main focus for uranium exploration was Area 15, where uraniferous chloritic shears were discovered, whilst at Area 10, gossanous, radioactive quartz veins which returned assays with uranium values up to 0.1% U₃O₈ as well as elevated As, Cu and Pb values. Limited drilling at Area 10 returned inconclusive results.

Another prospect, Area 32 comprised an uraniferous linear anomaly 400m long, 100m wide in recent fluvial sands and clays, overlying the Gardiner sandstone, although the area was not conclusively tested.

PNC also located several other areas of uranium mineralisation, areas 19, 20 and 21. All have a spatial association with the Tanami Complex-Birrindudu unconformity.

Other historical exploration in the region for uranium has been limited, and has focussed on targeting the unconformity between the Tanami Complex (Killi Killi Formation) and the Gardiner Sandstone.

Other companies to have explored the area for uranium include WMC (Barrat, 1992, 1994, Norris 1993), Otter Mines NL (1978), Kratos Uranium (1973) and Sigma Resources (Sutherland, 1983).

The majority of exploration in the region occurred prior to 1983, when the then Labour Government introduced the 'Three Mines Policy'. Since then the area has been the subject of intensive exploration for gold, which has produced several discoveries and currently operating mines.

Previous on ground exploration of EL25207 has been very limited. Most work by the Joint Venture to date has been a review of available geology and geophysical data, and the flying of a detailed aeromagnetic and electromagnetic survey. This work has identified several large coincident geophysical anomalies lying below the unconformity.

Exploration During the Reporting Period

Exploration during the reporting period focused solely upon investigation of the geophysical targets delineated in the Southern Geoscience Report. This involved mobilization from Excalibur's Tennant Creek office for 2 field reconnaissance trips and 1 RAB drilling program. The reconnaissance trips involved stakeholder discussions, assessment of site access, establishment of a field camp and mapping and rock chip collection. The subsequent drilling program comprised 10 drill traverses with 267 holes for 8758m. The all on-site activities were completed in early August.

Four meter composite drill chip samples were analysed on-site with an Innov-X Systems Delta series field portable XRF. Selected samples were also submitted to the laboratory. Data relating to the drilling program is present in this report electronically as:

- Appendix 1 Drill Hole Register
- Appendix 2 FPXRF Results
- Appendix 3 Laboratory Results

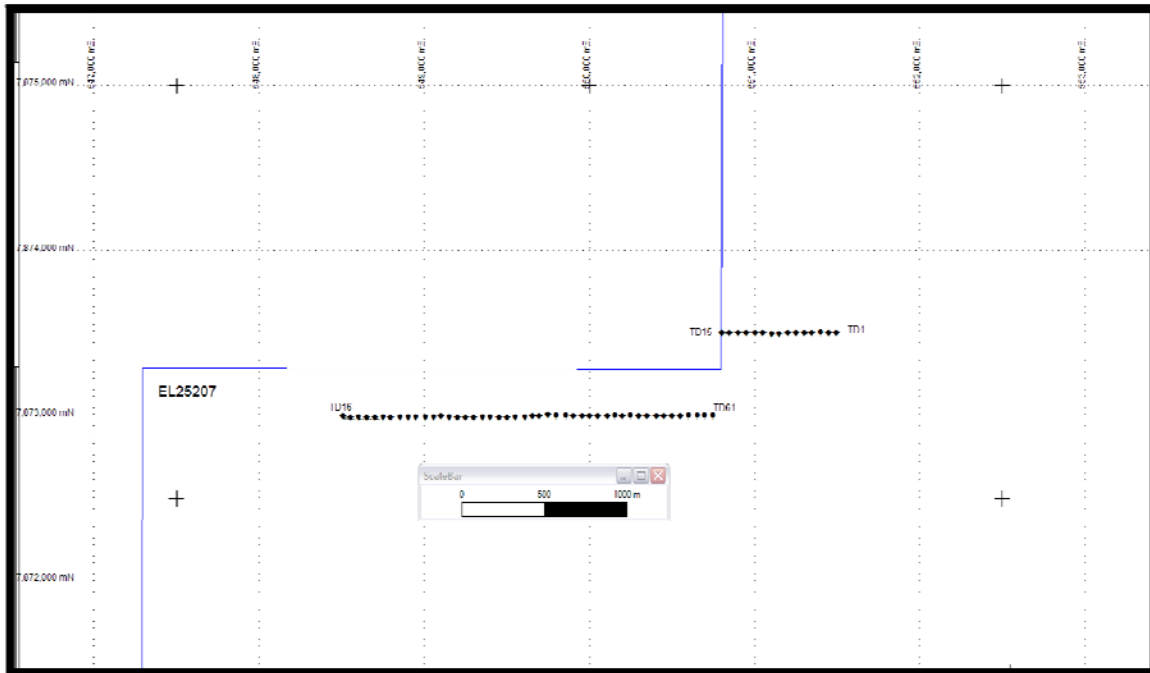


Figure 3 Drillholes TD1 – TD61

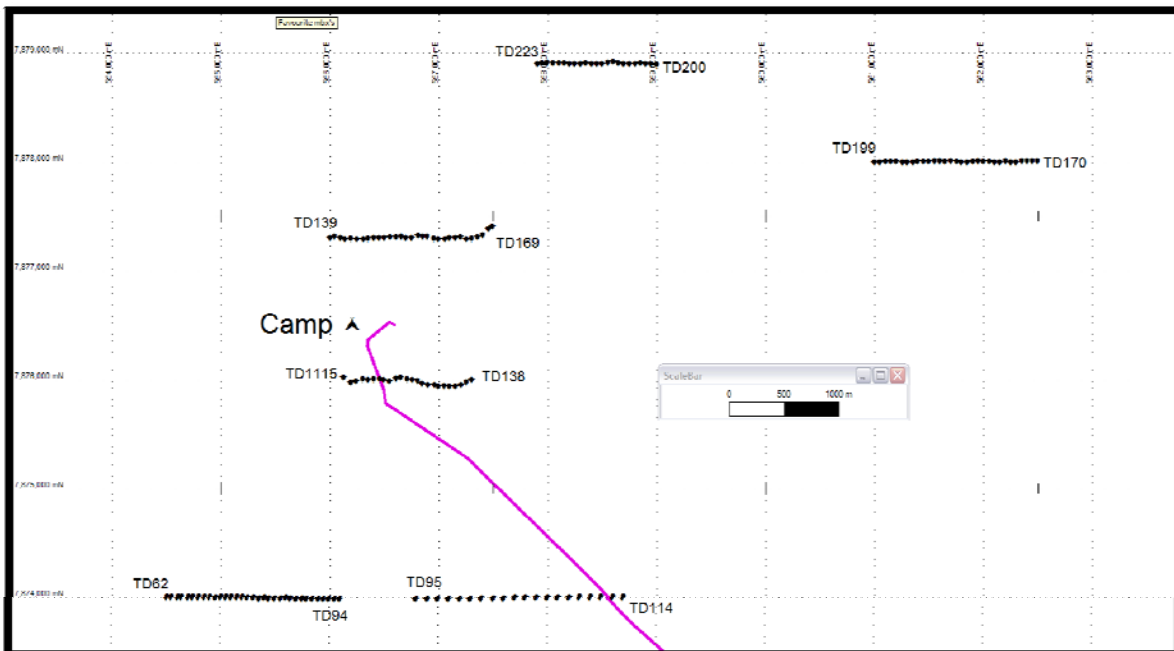


Figure 4 Drillholes TD62 – TD223

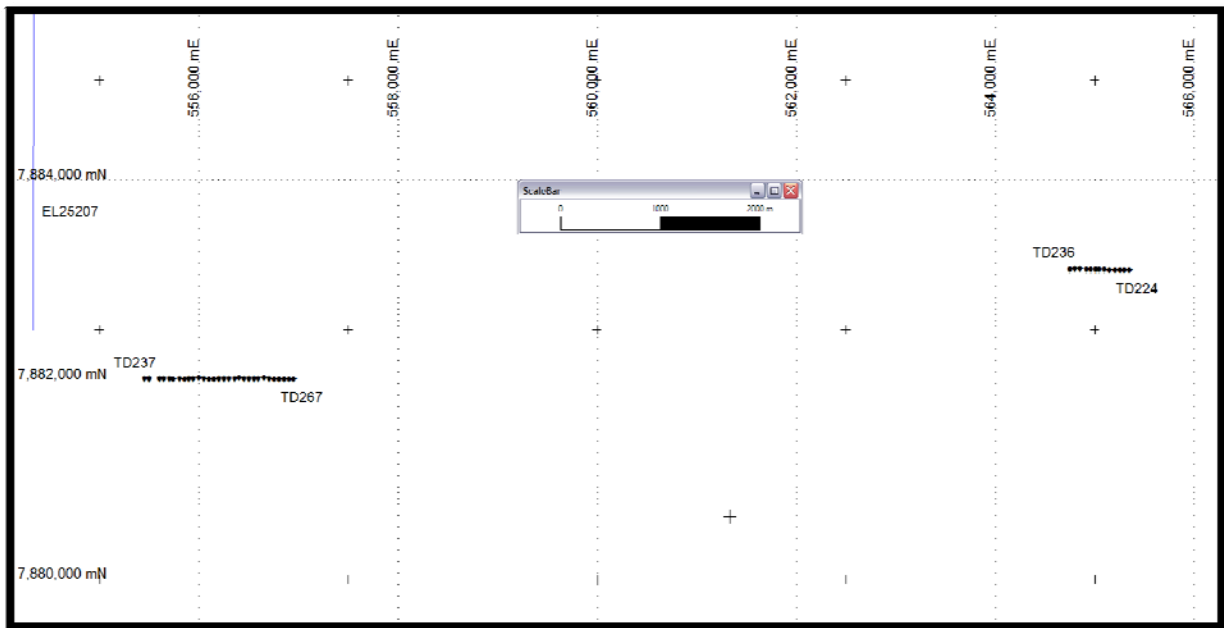


Figure 5 Drillholes TD224 – TD267

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