

Title Page for Reporting under the NT Mining Act

Titleholder	Palace Resources Limited
Operator	Excalibur Mining Corporation
Tenement Manager	M & M Walter Consulting
Titles/Tenements	EL 25207
Mine/Project Name	Brown's Range
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Annual Technical Report

Brown's Range Project

EL25207

Period 10/02/2011 – 10/02/2012

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April 2012

Executive Summary

During the reporting period Excalibur's main focus was to assess the potential for uranium and/or gold deposits at the Brown's Range project site. The information collected over the previous year's programs allowed for desk top studies by consulting geologists.

An environmental audit of the site was also undertaken in January 2012 by Environ Consulting to assess the status of rehabilitation.

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1. Introduction

This report details activities undertaken by Excalibur Mining Corp Ltd at the Brown's Range project area during the reporting period 10/02/2011 to 10/02/2012.

2. Location

EL25207 is located in the Western Tanami Desert within the Supplejack Downs Pastoral Lease. The Supplejack Homestead is approximately 800 km north-west of Alice Springs via the largely unsealed Tanami Road. Supplejack can also be accessed via the Tanami Road from Halls Creek to the north-west in Western Australia and via Kalkarindji and Lajamanu from the north (Figure and 2).

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

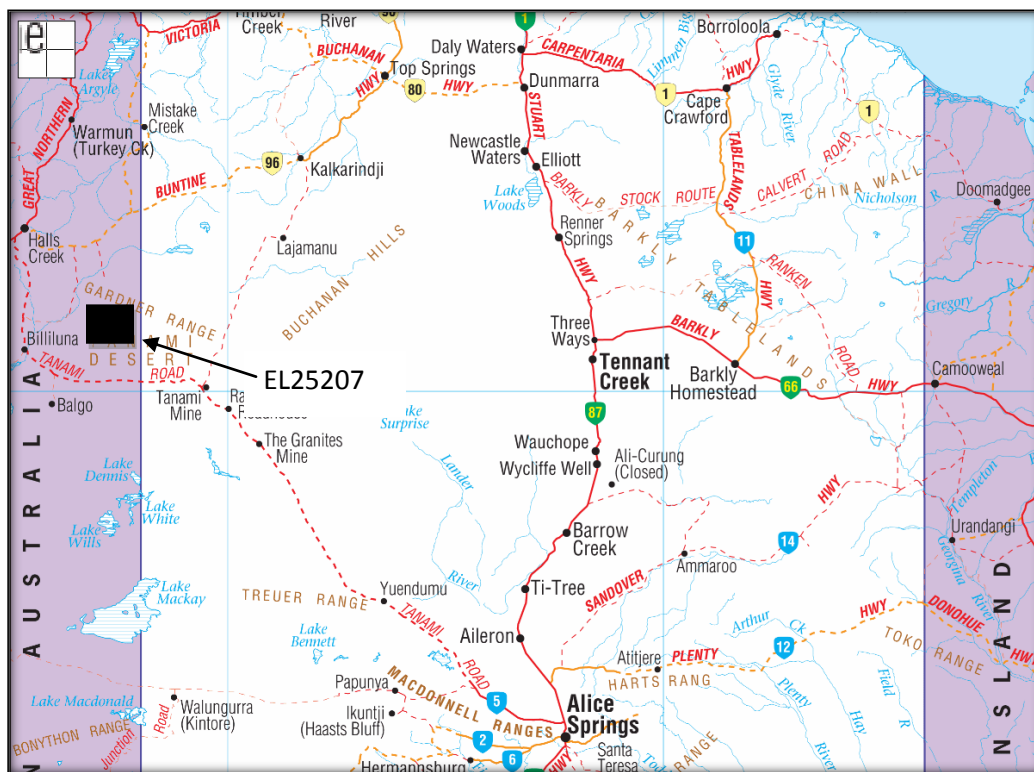


Figure 1: Project location map

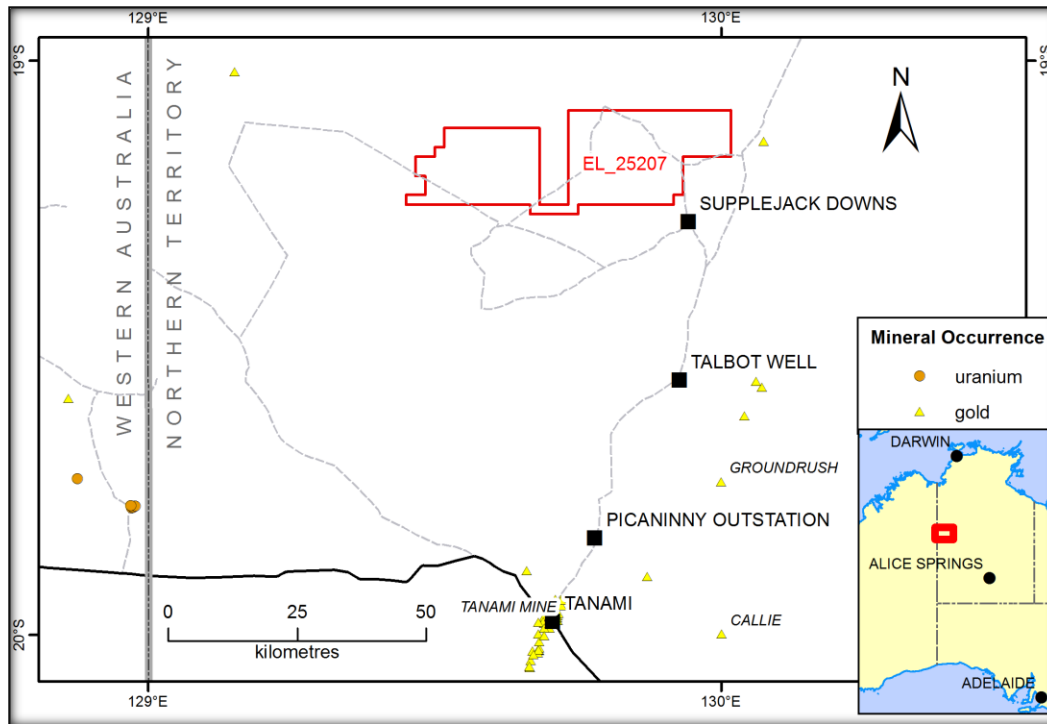


Figure 2: Detailed location map

3. Tenement status

EL25207 is a mineral exploration lease covering 488 blocks (1,570 km²) and was granted on the 12 February 2007. Palace is the registered holder of the lease.

On the 17 November 2009, Excalibur entered into a joint venture agreement with Palace to earn up to 90% of the uranium rights plus other minerals to EL25207. Excalibur must expend a total of \$500,000 to earn up to a 90% interest in the uranium rights. Upon satisfaction of the expenditure obligation, Palace will be deemed to have transferred to Excalibur 90% of its uranium rights plus title and interests in the tenements. 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 until the completion of the expenditure obligations, Excalibur will:

- solely fund expenditure on the tenement;
- be solely responsible for the determination of the work programmes 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; and

- Excalibur shall be manager of the joint venture.

4. Geology

Geology and previous exploration have been researched and reported by Ravensgate Mineral Industry Consultants¹ 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 (Figure 3

Deformed granitoids and sediments of the 1800 to 1850 Ma Ware Group (sandstones, volcanoclastics) and the Killi Killi Formation comprise most of the Tanami Complex lithologies known to occur within the project area. These units are unconformably overlain by sandstones, grits and conglomerates of the lower Proterozoic (1700 to 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 6,000 m 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 felspathic 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.

¹ Passeres Group P/L to Ravensgate "Independent Geologists Report on Australian Uranium Prospects" for Palace Resources Limited, David Holden, September 2006.

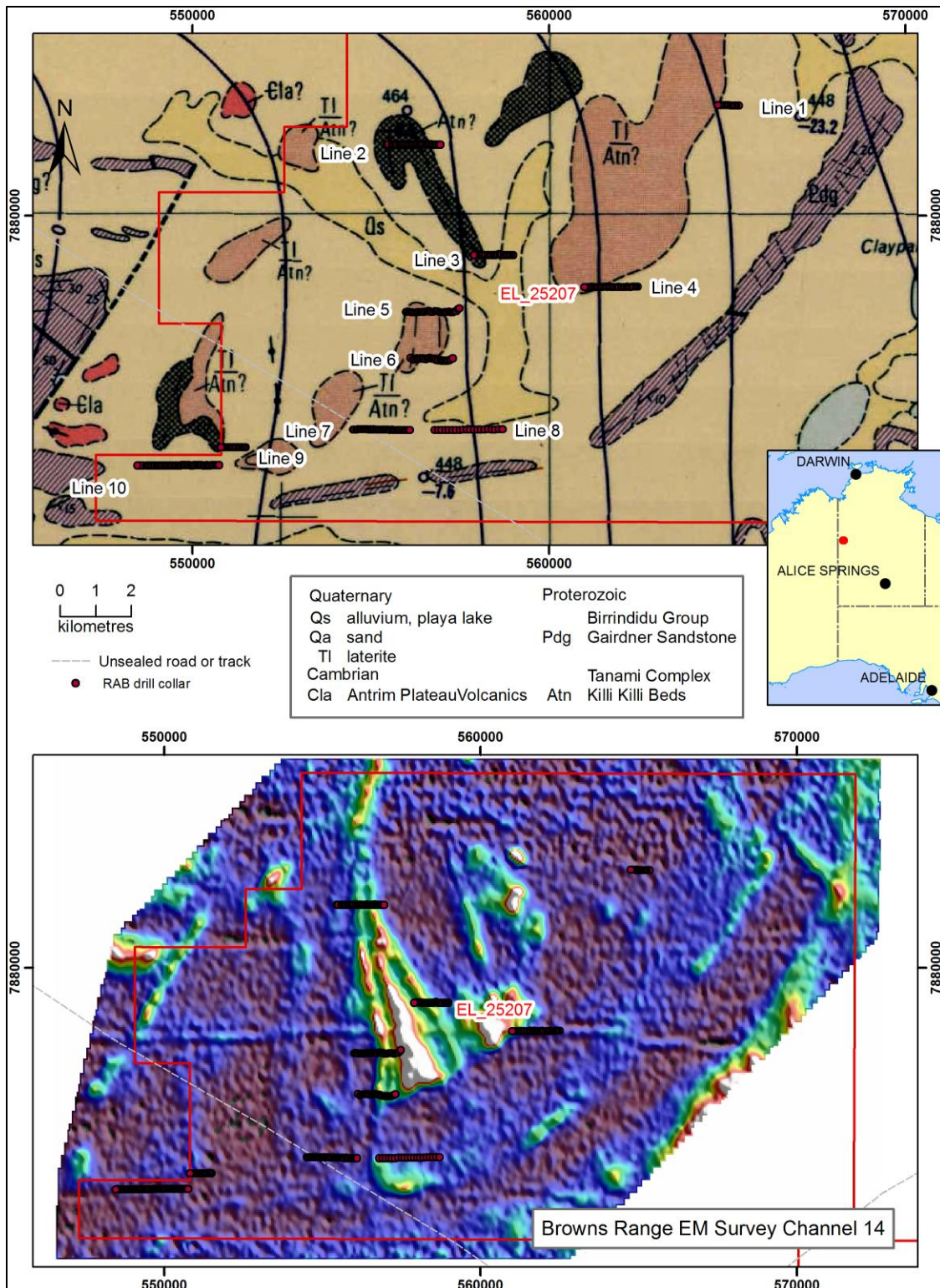


Figure 3: Geology (top) and EM image (bottom) for the Browns Range area

5. 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). Assays up to 0.23% U_3O_8 and 5% combined rare earth elements were returned from selected surface rock samples.

In the early 1980s the Mineral Reserves Group of Canada discovered polymetallic vein-related uranium-gold-nickel-copper mineralisation associated with autunite and metatorbernite mineralisation 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 0.4 m at 1.7% U_3O_8 and 2.0 g/t Au (reference the hole ID and from depth).

PNC Exploration's (PNC) 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 included 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, heliborne gravity 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. At Area 10, gossanous, radioactive quartz veins returned assays with uranium values up to 0.1% U_3O_8 as well as elevated As, Cu and Pb values. Limited drilling at Area 10 returned inconclusive results.

Another prospect, Area 32 comprised a uraniferous linear anomaly 400 m long, 100 m 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 focused 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. 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. To date, most work by Palace and Excalibur has been a review of available geology and geophysical data, and the flying of a detailed aeromagnetic and electromagnetic survey in 2009. This work identified several large coincident

geophysical anomalies lying below the unconformity which lead to a RAB drill program being completed in 2010.

6. Activity during the reporting period

Late 2010 saw the completion of a 267 hole RAB program, however it was not until May 2011 that these results were assessed. Initially the project was seen to have a high potential for uranium, and this is what the RAB program was aimed at. 2 consultant geologists were used to assess the program via desktop studies. Firstly, looking through the geophysical reasoning behind the program design and then studies on the geochemical analysis – both from the hand held XRF results and also the laboratory results received from NAL in Pine Creek, NT.

Logging data and assay results were placed into Micromine and sections were created to assess results. The findings showed some elevated copper results which corresponded to geophysical anomalies. The initial presumption that uranium and REE would be present was lacking in the results.

Due to the lack of on ground field work undertaken the company commissioned an audit of site to ensure that environmental commitments had been met by the previous drilling program and that re-vegetation was progressing. The site visit, conducted by Excalibur and Envriion showed that all holes had been rehabilitated correctly, all waste had been removed and that significant growth of vegetation was underway over drill sites, the camp grounds and disused access tracks.

7. Planned activities for up-coming reporting period

As the previous exploration model focused on the discovery of uranium and REE deposits it is believed that Tanami style gold indicators may have been overlooked. In the new reporting year Excalibur has commissioned SRK Consulting to carry out a review of the potential on the Brown's Range area. Any future programs (which might include ground surveys and drilling) will be determined by their recommendations.

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