



3 August 2009

PLACEMENT TO RAISE \$10 MILLION

The Board of Excalibur Mining Corporation Limited (Excalibur) wishes to advise that it has undertaken a private placement (Placement) of 1,000 million fully paid ordinary shares each at an issue price of \$0.01 to raise a total of \$10,000,000. Of the total shares placed, 235 million shares will be issued pursuant to the Company's 15% placement capacity with the balance being subject to shareholder approval. A general meeting of shareholders is expected to be called for early September 2009 for the purposes of considering this and other matters.

The Placement was managed by Bell Potter Securities Limited and was made on a global basis to a range of institutional, professional and sophisticated investors.

EXM's Managing Director, Tim Lagdon said: "We are extremely pleased with the level of response to the offering. The money raised properly capitalizes the Company and puts it in a strong position to continue drilling of our Tennant Creek Project and complete the work program which has been previously announced."

Directors of the Company and related parties have committed \$580,000 as part of the Placement. Shareholder approval for directors' participation in the Placement will be sought at the general meeting. The notice of the general meeting will include further information on the placement to directors and related parties.

Proceeds from the Placement will be used for conducting further drilling of the Tennant Creek Project including reserve drilling at Juno, completing engineering studies, permitting and environmental studies and general corporate purposes. Excalibur's plan is to complete the work programme on Juno and satellite near surface deposits so that it will be in a position by the end of 2010 to commit to development of the mine.

A copy of the Investor Presentation is attached.

At the general meeting approval will also be asked for a remuneration and incentive plan for current and past directors. The plan comprises unlisted options and performance shares which aligns director remuneration with shareholder gains. The options consist of 300 million unlisted options with an expiry date of 2014 and an exercise price of \$0.04. The performance shares will each be purchased at the greater of the price of the Placement (i.e. \$0.01/share) and an independent valuation. They will be issued in three tranches and convert to ordinary shares upon achieving the milestones referred to in the table below relating to EXM's share price. The issue of the performance shares will be funded by an interest free, limited recourse loan from Excalibur which is not repayable until the milestones are achieved. If the milestones are not achieved within the required time the structure collapses. Full details of the incentive plan will be included in the notice of general meeting.

| | Number of Performance Shares | Excalibur Share Price Milestone | Latest Date for Milestone |
|-----------|------------------------------|---------------------------------|---------------------------|
| Tranche 1 | 72 million | \$0.03 | 31 August 2012 |
| Tranche 2 | 72 million | \$0.04 | 31 August 2014 |
| Tranche 3 | 132 million | \$0.05 | 31 August 2019 |
| Total | 276 million | | |

The Company hereby requests that the suspension of trading in its shares be lifted. An Appendix 3B will follow.

Yours faithfully

Tim Lagdon
Managing Director
Excalibur Mining Corporation Limited

Contact Details

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