



**17 March 2013**

## **New Zambian Project**

### **Highlights**

- Excalibur has executed an option agreement to acquire 100% of Buffalo Group Management Ltd, a company which holds rights to earn an 80% interest in a 710 km<sup>2</sup> gold prospecting license in Zambia (Buffalo Project).
- Excalibur to seek shareholder approval for the consolidation of share capital on the basis of 1 new share for every 100 shares currently held;
- Excalibur will also seek shareholder approval to raise up to \$3m to fund further exploration at Tennant Creek and in Zambia
- Excalibur continuing to assess several additional gold prospecting leases in Zambia.
- Excalibur will reassess its exploration programme at Tennant Creek and will explore the possible farm out of the projects
- The Heads of Agreement executed with Giratina Pty Ltd in October 2012 has lapsed without advancing to finalisation of purchase agreement.

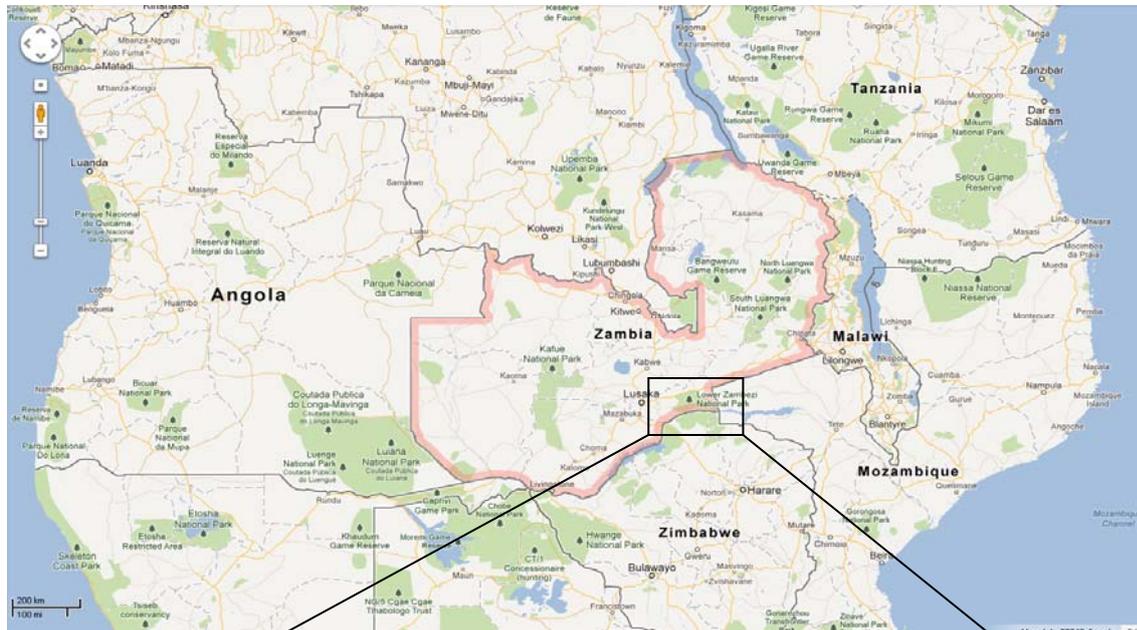
Excalibur Mining Corporation Ltd (**Excalibur** or **Company**) is pleased to announce that it has executed an option agreement to acquire 100% of Buffalo Group Management Ltd (**Buffalo**), a company which has the right to acquire an 80% interest in a 710km<sup>2</sup> prospecting license (**Buffalo Project**). The agreement is subject to due diligence and the satisfaction of a number of conditions, including shareholder approval.

### **The Buffalo Project**

The Buffalo Project is a 710km<sup>2</sup> large prospecting license that surrounds the historic Jessie Gold Mine and includes the Buffalo 1 and 2 Mines and the Chateka Mine.

The Project is located in the southern part of Zambia approximately 170 km east of the capital, Lusaka with access by way of a sealed, bitumen road and some gravel roads.

## Location of the Buffalo Project in Zambia

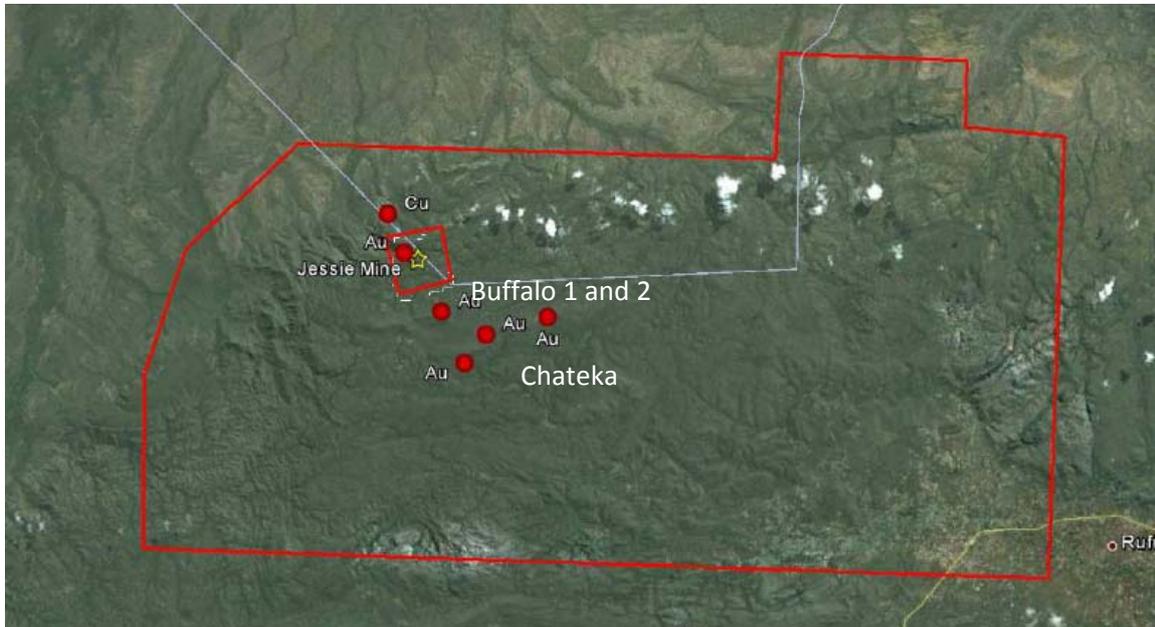


## Prospectivity

The large prospecting license surrounds the Jessie Mine license that Excalibur endeavoured to acquire in 2012. Sound Mining Solutions undertook a desktop review of the license area in January 2013 and observed that there were nine gold occurrences grouped around the Jessie Mine that were hosted by a thick sequence of Muva-age mica schists, displaying similar structural geology. The map below gives an indication of the location of some of the

recorded gold occurrences. It has been recorded that alluvial gold occurs for a distance of about 20km along the Chipawa River, the source of the gold has not been located, but it is thought that the source is located in the area north of the Mibanga hills approximately 50km's North of the project area (Coats, 2001)

### Mineral Occurrences within the License



South east of Jessie Mine is the Buffalo location. Mineral occurrences have been identified at this location, picked samples of gold bearing rubble have been assayed with the assays being recorded to be between 1.7 grams and 6 grams/tonne.

The Board is of the view that the size of the license, the production history of the Jessie Mine and the mineral occurrences found to the southeast of the Jessie Mine area presents good potential drilling targets.

### Consolidation of Shares

As previously announced, the Company intends to seek shareholder approval to undertake a consolidation of its share capital on the basis of 1 new share for every 100 shares currently held (**Consolidation**). The Company currently has 4,368,416,095 shares on issue. Post-Consolidation, the Company will have approximately 43,684,161 shares on issue.

### Terms of the Acquisition

#### Consideration

Subject to satisfaction of the Conditions Precedent (see below), the Company will acquire 100% of the issued share capital of Buffalo by the issue of 1,000,000,000 fully paid ordinary shares in the Company on a pre-Consolidation basis (**Consideration Shares**) and reimbursement of costs associated with the acquisition and development of the Buffalo License (estimated to be approximately US\$200,000).

#### Conditions Precedent

Completion of the Transaction is subject to satisfaction of the following conditions precedent:

- the Company completing due diligence investigations on the business operations of Lakeshore (including the Buffalo License) and being satisfied with the outcome of such investigations (in its absolute discretion);
- the Company obtaining all necessary regulatory and shareholder approvals required to complete the Transaction; and
- the Company securing letters of acceptance from all Buffalo shareholders for its proposed offer to acquire their shares in Buffalo.

If all of the Conditions Precedent are not satisfied or waived by 17 June 2013, the Transaction will not proceed.

### **Expiry of Previous Agreement**

The Company announced in October 2012 that it had executed an agreement, subject to due diligence, to acquire a company that had the rights to acquire interests in three gold prospecting licenses and the license that contains the historic Jessie Mine. The Company has decided not to proceed with this agreement, as the prospecting licenses remain 'under application' and the vendor has been unable to secure the Jessie Mine.

### **Capital Raising**

The Company plans to undertake a placement to raise up to \$3,000,000 before costs. It is proposed that the placement would be undertaken Post-Consolidation at an issue price of \$0.10 and would therefore involve the offer of 30,000,000 shares.

### **Tennant Creek Work Program**

Excalibur completed five initial holes of its previously announced drilling programme in 2012. The results of the initial programme were not significant in their own right but have assisted in the structural mapping of the Nobles Nob lease. Excalibur's in-house geological team has recommended a programme of gravity and structural geological mapping to be carried out during the coming season. This data will then be merged with current drill data so that any future drilling will be more likely to discover new deposits and extend existing ore grade deposits. The Board of Excalibur is currently assessing approaches from several Australian resource companies to farm in to selected areas within the lease areas at Tennant Creek.

### **FOR FURTHER INFORMATION PLEASE CONTACT:**

Alex Bajada, Executive Chairman

+61 (0) 8 9429 2900