Quarterly Report for the period ended 31 December 2012

Project Activity

Tennant Creek

During the previous quarter the company had completed Phase 1 of a three Phase program set out by Excalibur in conjunction with SRK Consulting to test a set of highly prospective targets identified by a rigorous 3D modeling and targeting venture. The drilling campaign was designed to ensure that maximum data was obtained through each hole with strong focus on structural, geological and geophysical interpretations.

The results of Phase 1 are presently being analysed and interpreted in relation to structural controls over gold mineralisation of the Tennant Creek area. Once this analysis has been finalised the programs for Phase 2 and 3 will be refined and implemented.

Zambia

In October 2012 the company announced the potential acquisition of mineral and prospecting licenses in Zambia. This included the Jessie Mine (64%) and three large gold prospecting licenses (80%) which are currently under application at the Department of Mines in the Republic of Zambia. These prospecting licenses cover an area of 766 km². The due diligence on this acquisition is nearing completion and the company will advise the ASX when it is completed.

The company is also negotiating with third parties regarding the acquisition of additional mining projects in Zambia.

Once the due diligence has been completed the company will be convening a shareholders meeting to approve the acquisitions and re-organise the capital of the company and seek approval for the issue of new capital.

Alex Bajada Executive Chairman