

# Excalibur Mining Corporation Limited

## Non-Renounceable Rights Issue



*25 March 2014*

THIS IS NOT A PROSPECTUS

ACN 008 021 118



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## OFFER DOCUMENT

### Non-renounceable rights issue

Offer Document for a non-renounceable pro rata entitlement issue to Shareholders of one (1) Ordinary Share for every one (1) ordinary fully paid share held by eligible shareholders on the Record Date at an issue price of 1.0 cent (\$0.01) per share to raise approximately \$674,800 before costs (Offer).

This Offer opens on 25th March 2014 and closes at 5:00pm WST on 24th April 2014. Valid acceptances must be received before that time.

*This document is not a prospectus and does not contain all of the information that an investor may require in order to make an informed investment decision regarding the Shares offered by this document.*

*This document and the accompanying Entitlement and Acceptance Form are important and require your immediate attention. They should be read in their entirety. If you do not understand their content or are in doubt as to the course you should follow or have any questions about the Shares being offered by this document, you should consult your stockbroker or other professional adviser.*

*The Shares offered by this Offer Document should be considered as speculative.*

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## **IMPORTANT INFORMATION**

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Offer Document. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer.

### **This document is not a prospectus**

This Offer Document is dated 25th March 2014, has been prepared by Excalibur Mining Corporation Ltd and is for a rights issue of continuously quoted securities (as defined in the Corporations Act) of the Company. This Offer Document is not a prospectus under the Corporations Act and has not been lodged with the ASIC. It does not contain all of the information that an investor would find in a prospectus or which may be required in order to make an informed investment decision regarding, or about the rights attaching to, the Shares offered by this document.

This Offer Document including each of the documents attached to it and which form part of this Offer Document are important and should be read in their entirety prior to making an investment decision. In particular, Shareholders should refer to the risk factors set out in section 3 of this document. If you do not fully understand this Offer Document or are in any doubt as to how to deal with it, you should consult your professional adviser.

### **Section 708AA of the Corporations Act**

This Offer Document has been prepared in accordance with section 708AA of the Corporations Act and applicable ASIC Class Order CO 08/35. In general terms, section 708AA permits certain companies to undertake rights issues without being required to use or provide to shareholders a prospectus or other disclosure document. Accordingly the level of disclosure in this Offer Document is significantly less than the level of disclosure required in, and what you would expect in, a prospectus. Eligible Shareholders should rely on their own knowledge of the Company, refer to disclosures made by the Company to ASX and consult their professional advisers before deciding to accept the Offer.

### **Eligibility**

Applications for Shares by Eligible Shareholders can only be made on an original Entitlement and Acceptance Form, as sent with this Offer Document. The Entitlement and Acceptance Form sets out an Eligible Shareholder's Entitlement to participate in the Offer.

### **Overseas shareholders**

This Offer may only be accepted by Eligible Shareholders and does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Offer Document.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of the Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offer is not being extended and Shares will not be issued to Shareholders with a registered address which is outside Australia or New Zealand.

Shareholders resident in New Zealand should consult their professional advisors as to whether any government or other consents are required, or other formalities need to be observed, to enable them to take up their Entitlement under the Offer.

## Privacy Act

If you complete an Entitlement and Acceptance Form, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and uses that information to assess your application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Offer Document.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the Entitlement and Acceptance Form, the Company may not be able to accept or process your application.

## CORPORATE DIRECTORY

### Directors

Alexander Bajada, Executive  
Chairman  
Terry Jones, Non Executive Director  
Mark Smith, Non Executive Director

### Company Secretary

Mark Smith

### Registered Office

Suite 4 16 Ord Street  
WEST PERTH WA 6005  
Telephone: +61 8 9429 2900  
Facsimile: +61 8 9486 1011

### Share Registry\*

Advanced Share Registry Services  
150 Stirling Hwy  
NEDLANDS WA 6009  
Telephone: +61 8 9389 8033  
Facsimile: +61 8 9389 7871

### Auditor\*

Somes & Cooke  
Level 3  
35 Outram Street  
WEST PERTH WA 6005

### ASX Code

EXM

\*These parties have been included for information purposes only. They have not been involved in the preparation of this Offer Document.

1. DETAILS OF THE OFFER

1.1 The Offer

For a non-renounceable pro rata entitlement issue to Shareholders of one (1) Ordinary Share for every one (1) ordinary fully paid share held by eligible shareholders on the Record Date at an issue price of 1.0 cent (\$0.01) per share to raise approximately \$674,800 before costs (Offer).

The Directors may at any time decide to withdraw this Offer Document and the offer of Shares made under this Offer Document in which case the Company will return all Application monies (without interest) within 28 days of giving such notice of withdrawal.

The Company intends to apply the funds raised from the Offer towards:

Item of Expenditure	Amount (\$)	Percentage (%)
Investigating new acquisition proposals and working capital requirements with regard to further drilling of Tennent Creek tenements	550,000	81.50%
Further due diligence with regard to the Zambia copper leases	100,000	14.80%
Expenses of the Offer	\$24,800	3.70%
<b>TOTAL</b>	<b>\$674,800</b>	<b>100.00%</b>

The above table is a statement of the Board's current intentions as at the date of this Offer Document. However, Shareholders should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors, including the outcome of operational and development activities, regulatory developments, market and general economic conditions and environmental factors. In the light of this, the Board reserves the right to alter the way the funds are applied.

As at the Record Date, the Company has on issue 67,483,852 Shares. The Company expects that up to approximately 67,483,852 Shares will be issued under this Offer.

Where the determination of the Entitlement of any Eligible Shareholder results in a fraction of a Share, such fraction will be rounded up to the nearest whole Share.

## 1.2 Timetable

Entity announces Rights Issue	Tuesday, 25 March 2014
Lodgement of Offer Document, Appendix 3B, and s708AA Cleansing Notice with ASX	Tuesday, 25 March 2014
Entity sends notice to security holders containing information required by Appendix 3B	Tuesday, 25 March 2014
Existing Shares quoted on an “ex” basis	Friday, 28 March 2014
Record date	Thursday, 3 April 2014
Offer Document and Entitlement and Acceptance Form dispatched to Eligible Shareholders	Tuesday, 8 April 2014
Closing Date*	Thursday, 24 April 2014
Securities quoted on a deferred basis	Monday, 28 April 2014
ASX notified of under subscriptions	Wednesday, 30 April 2014
Anticipated date of issue of the Shares**	Monday, 5 May 2014
Anticipated date of dispatch of holding statements**	Monday, 5 May 2014
Deferred settlement trading ends	Monday, 5 May 2014
Quotation of Shares issued under the Offer	Tuesday, 6 May 2014

\* Subject to the Listing Rules and the Corporations Act, the Directors reserve the right to extend the Closing Date for the Offer at their discretion. Should this occur, the extension will have a consequential effect on the anticipated date of issue for the Shares offered under this Offer Document.

\*\* Indicative date only.

## 1.3 Entitlements and acceptance

The Entitlement of Eligible Shareholders to participate in the Offer will be determined on the Record Date. Your Entitlement is shown on the Entitlement and Acceptance form accompanying this Offer Document.

Acceptances must not exceed your maximum Entitlement (as shown on the Entitlement and Acceptance Form), although you may accept for a lesser number of Shares should you wish to take up only part of your Entitlement. If your acceptance exceeds your Entitlement, acceptance will be deemed to be for your maximum Entitlement and any surplus Application monies will be returned to you, unless you are subscribing for New Shares under the Top-Up facility as detailed in section 1.6.

## 1.4 No rights trading

The rights to Shares under the Offer are non-renounceable. Accordingly, there will be no trading of rights on the ASX and you may not dispose of your rights to subscribe for Shares under the Offer to any other party. If you do not take up your Entitlement to Shares under the Offer by the Closing Date, the Offer to you will lapse.



## 1.5 Shortfall

If you do not wish to take up any part of your Entitlement you are not required to take any action. That part of your Entitlement not taken up will form part of the Shortfall and will revert to the Directors. The Shortfall shall be placed at the direction of the Directors in consultation with the Company.

## 1.6 Top Up Facility

ASX Listing Rule 7.11.4 and section 708AA(13)(a) of the Corporations Act (as modified by ASIC Class Order 08/35) permit the Company to make an additional offer of the New Shares that may be comprised in any shortfall. Accordingly, Eligible Shareholders are also able to participate in a further discretionary offer of New Shares, being the New Shares that have been initially offer to Eligible Shareholders under the Entitlement Offer (**Top-Up Facility**). It is a condition of participating in the Top-Up Facility that the New Shares being offered may only be issued to a successful applicant where an Offer of the New Shares has first been made to, but not accepted by, another Eligible Shareholder under the Entitlement Offer. New Shares that might otherwise have been offered to persons outside Australia and New Zealand will not be included in the Top-Up Facility.

In addition:

- (a) The Top-Up Facility is only made to persons to whom Offers were made under the Entitlement Offer (i.e. to Eligible Shareholders);
- (b) There is no guarantee that any Application in the Top-Up Facility will be successful and the Directors reserve the right to allocate and satisfy Applications received under the Top-Up Facility at their sole discretion;
- (c) The Top-Up Facility has the same Closing Date; and
- (d) The issue price of New Shares under the Top-Up Facility is the same price as the New Shares offered under the Entitlement Offer.

If you wish to subscribe for New Shares in addition to your Entitlement then you should nominate the maximum number of New Shares you wish to subscribe for on the Entitlement and Acceptance Form and make corresponding payment for your full Entitlement plus the additional New Shares.

The Directors reserve their right to allot and issue New Shares under the Top-Up Facility at their discretion, having regard to the circumstances as at the close of the Entitlement Offer. Any scaleback of applications for New Shares under the Top-Up Facility will be at EXCALIBUR's discretion and EXCALIBUR's decision on the number of New Shares to be allocated to Eligible Shareholders will be final. No New Shares will be issued under the Top-Up Facility to a Shareholder which will result in them increasing their voting power in EXCALIBUR above 19.9%.

The practical effect of Top-Up Facility is that an Eligible Shareholder can potentially increase its relevant interest in EXCALIBUR, but no Eligible Shareholder can increase its relevant interest to more than 20% by way of application for additional New Shares under the Top-Up Facility.

Persons who are unsuccessful in their Application under the Top-Up Facility or whose Application is only part accepted will have their excess Application Monies returned by cheque within five days of the Closing Date without interest. Please note it is not practical to refund amounts of less than \$2.00 and any refunds owing for this amount will be retained by EXCALIBUR.

## 1.7 Opening and Closing Dates

The Offer opens on the Opening Date, being 25th March 2014. The Company will accept Entitlement and Acceptance Forms until 5:00 pm WST on the Closing Date, being 24th April 2014 or such other date as the Directors in their absolute discretion shall determine, subject to the Listing Rules.

## 1.8 Issue

Shares issued pursuant to the Offer will be issued in accordance with the ASX Listing Rules and the timetable set out in this Offer Document.

Pending the issue of the Shares or payment of refunds pursuant to this Offer Document, all Application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

Holding statements for Shares issued under the Offer will be mailed in accordance with the ASX Listing Rules and the timetable set out in this Offer Document.

## 1.9 ASX listing

Application for official quotation by ASX of the Shares offered pursuant to this Offer Document will be made within 7 days after the date of this Offer Document. If approval is not obtained from ASX before the expiration of 3 months after the date of this Offer Document (or such period as varied by the ASIC) the Company will not issue any Shares and will repay all Application monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant official quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares now offered for subscription.

## 1.10 CHESS

The Company will apply to ASX to participate in CHESS, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Shares issued to them under this Offer Document. The notice will also advise holders of their Holder Identification Number (**HIN**) and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

## 1.11 Rights and Liabilities Attaching to Shares

The Shares offered under this Offer Document will rank equally in respect of dividends and have the same rights in all other respects (eg voting, bonus issues) as existing Shares.

Full details of the rights and liabilities attaching to Shares are set out in the Company's Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

### 1.12 Overseas Eligible Shareholders

No Offer is being made to Shareholders with a registered address outside Australia and New Zealand. It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of the Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. No action has been taken to comply with legal and regulatory requirements of jurisdictions outside Australia and New Zealand to permit an offer of the Shares in any jurisdiction outside Australia and New Zealand.

Shares to which any Shareholders who do not have a registered address in Australia or New Zealand would otherwise be entitled will form part of the Shortfall to be dealt with in accordance with 1.5.

- This Offer Document and accompanying Entitlement and Acceptance Form do not, nor are they intended to, constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer.

### 1.13 Control Implications

The potential effect that the issue of Shares under the Offer will have on the control of the Company is as follows:

- (a) if all Eligible Shareholders take up their entitlements for Shares, the issue of Shares under the Offer will have no effect on the control of the Company and all Shareholders will hold the same percentage interest in the Company, subject only to changes resulting from ineligible shareholders being unable to participate in the Offer;
- (b) in the more likely event that there is a Shortfall, Eligible Shareholders who do not subscribe for their full entitlement of Shares under the Offer will be diluted relative to those Eligible Shareholders who subscribe for some or all of their entitlement of Shares; and
- (c) the Directors will either place the Shortfall or take up the Shortfall itself. The Directors will ensure that no person will be issued Shares if such issue will result in their voting power in the Company exceeding 19.9%.

### 1.14 Taxation implications

The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of subscribing for Shares under this Offer Document. The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders.

Shareholders should consult their professional tax adviser in connection with subscribing for Shares under this Offer Document.

### 1.15 Risk factors

An investment in Shares should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are specific risks associated with an investment in the Company which are described in Section 3.

#### 1.16 Continuous disclosure obligations

The Company is a “disclosing entity” (as defined in Section 111AC of the Corporations Act) for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX and, as such, the Company is subject to regular reporting and disclosure obligations under the Corporations Act and the Listing Rules.

Specifically, the Company is required to notify ASX of information about specific events and matters as they arise for the purposes of the ASX making that information available to the securities markets conducted by the ASX. In particular, the Company has an obligation under the ASX Listing Rules (subject to certain exceptions) to notify the ASX immediately of any information of which it is or becomes aware which a reasonable person would expect to have a material effect on the price of value of its securities.

This Offer Document is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include information that would be included in a disclosure document or which investors ought to have regard to in deciding whether to subscribe for Shares under the Offer. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

All announcements made by the Company are available from its website [www.excaliburmining.com.au](http://www.excaliburmining.com.au) or the ASX [www.asx.com.au](http://www.asx.com.au).

Additionally, the Company is also required to prepare and lodge with ASIC yearly and half-yearly financial statements accompanied by a directors’ statement and report, and an audit report or review. These reports are released to ASX and published on the Company’s and the ASX websites.

This Offer Document (including the Entitlement & Acceptance Form) and the contracts that arise from acceptance of the Applications are governed by the laws applicable in Western Australia and each Applicant submits to the non- exclusive jurisdiction of the courts of Western Australia.

#### 1.17 Rights Issue Notice

The Company has lodged with ASX a notice in accordance with section 708AA of the Corporations Act which sets out, amongst other information, the effect of the Offer on the control of the Company. This notice may be reviewed on the websites of the Company and ASX.

#### 1.18 Enquiries concerning Offer Document

Enquiries concerning the Entitlement and Acceptance Form should be directed to Advanced Share Registry Services Pty Ltd by telephone on (08) 9389 8033. Enquiries relating to this Offer Document should be directed to the Company Secretary, Mark Smith by telephone on (08) 9367 8279.

## 2. ACTION REQUIRED BY SHAREHOLDERS

### 2.1 How to Accept the Offer

Your acceptance of the Offer must be made on the Entitlement and Acceptance Form accompanying this Offer Document. Your acceptance must not exceed your Entitlement as shown on that form. If it does, your acceptance will be deemed to be for the maximum Entitlement.

You may participate in the Offer as follows:

- (a) if you wish to accept your Entitlement in full:
  - (i) complete the Entitlement and Acceptance Form, filling in the details in the spaces provided; and
  - (ii) attach your cheque, drawn on an Australian bank or bank draft or money order made payable in Australian currency, for the appropriate Application monies (at \$0.01 per share) or pay via BPAY® by following the instructions set out below and in the Entitlement and Acceptance Form; or
- (b) if you only wish to accept part of your Entitlement:
  - (i) fill in the number of Shares you wish to accept in the space provided on the Entitlement and Acceptance Form; and
  - (ii) attach your cheque, drawn on an Australian bank or bank draft or money order made payable in Australian currency, for the appropriate Application monies (at \$0.01 per share) or pay via BPAY® by following the instructions set out below and in the Entitlement and Acceptance Form; or
- (c) if you do not wish to accept all or part of your Entitlement, you are not obliged to do anything.
- (d) if you wish to subscribe for shares under the Top-up facility you should nominate the maximum number of New Shares you wish to subscribe for on the Entitlement and Acceptance form and make corresponding payment for your full entitlement plus the additional New Shares.

Your completed Entitlement and Acceptance Form and cheque must reach the Company no later than 5:00pm (WST) on the Closing Date.

The Offer is non-renounceable. Accordingly, a holder of Shares may not sell or transfer all or part of their Entitlement.

Please read the instructions on the Entitlement and Acceptance Form carefully.

### 2.2 Implications of an acceptance

Returning a completed Entitlement and Acceptance Form or paying any Application monies by BPAY® will be taken to constitute a representation by you that:

- (a) you have received a copy of this Offer Document and the accompanying Entitlement and Acceptance Form, and read them both in their entirety;
- (b) you acknowledge that once the Entitlement and Acceptance Form is returned, or a BPAY® payment instruction is given in relation to any Application monies, the Application may not be varied or withdrawn except as required by law.

### 2.3 Payment by cheque/bank draft/money order

All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to “Excalibur Mining Corporation Limited - Share Issue Trust Account” and crossed “Not Negotiable”.

Your completed Entitlement and Acceptance Form and cheque, bank draft or money order must reach the Company’s share registry, at one of the addresses listed below, no later than 5.00pm WST on the Closing Date.

By delivery	By Post
Excalibur Mining Corporation Limited	Excalibur Mining Corporation Limited
C/- Advanced Share Registry Services	C/- Advanced Share Registry Services
150 Stirling Hwy	PO Box 1156
NEDLANDS WA 6009	NEDLANDS WA 6909

### 2.4 Payment by BPAY®

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY® you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form.

It is your responsibility to ensure that your BPAY® payment is received by the share registry by no later than 5.00pm WST on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment. Any Application monies received for more than your entitlement allocation of Shares (only where the amount is \$2.00 or greater) will be refunded. No interest will be paid on any Application monies received or refunded.

### 3. RISK FACTORS

#### 3.1 Introduction

An investment in the Company is not risk free and prospective investors should consider the risk factors described below, together with information contained elsewhere in this Offer Document, before deciding whether to apply for Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

#### 3.2 Key investment risks

Potential investors should be aware that subscribing for Shares in the Company involves a number of risks. Prospective investors should read this Offer Document in its entirety before deciding whether to apply for Shares under this Offer Document.

These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Shares pursuant to this Offer Document.

Risk	Description
Mining	Mining exploration is inherently associated with risk. Notwithstanding the experience, knowledge and careful evaluation a company brings to an exploration project there is no assurance that recoverable mineral resources will be identified. Even if identified, other factors such as technical difficulties, geological conditions, adverse changes in government policy or legislation or lack of access to sufficient funding may mean that the resource is not economically recoverable or may otherwise preclude the Company from successfully exploiting the resource.
Reliance on Key Management	The responsibility of overseeing the day-to-day operations and the strategic management of the Company and its controlled entities depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these senior management, key personnel or employees cease their involvement or employment with the Company or its associated entities.
Exploration costs	The Company's potential exploration costs are based on assumptions with respect to the method and timing of exploration. Accordingly, these estimates and assumptions are subject to significant uncertainties and the actual costs may materially differ from these estimates and assumptions.
Mineral price volatility and exchange rate risk	If the Company achieves success leading to minerals production, the revenue it will derive through the sale of these minerals exposes the potential income of the Company to price and exchange rate risks. Furthermore, international prices of minerals are generally denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

<p>Operating</p>	<p>There can be no absolute assurance that the Company's intended goals will lead to a successful mining and production operation. Further, no absolute assurance can be given that the Company will be able to initiate or sustain minerals production, or that its operations will achieve commercial viability.</p> <p>The current and future operations of the Company may be affected by various factors including:</p> <ul style="list-style-type: none"> <li>a) geological and hydrogeological conditions;</li> <li>b) limitations on activities due to seasonal weather patterns and monsoon activity;</li> <li>c) failure to achieve required or operational resource quantities for efficient and profitable mining activities as no JORC compliant resource has been confirmed at this stage;</li> <li>d) unanticipated operational and technical difficulties encountered in survey, drilling and production activities;</li> <li>e) electrical and/or mechanical failure of operating plant and equipment, industrial and environmental accidents, industrial disputes and other force majeure events;</li> <li>f) equipment failure, fires, spills or industrial and environmental accidents;</li> <li>g) unavailability of aircraft or equipment to undertake airborne surveys and other geological and geophysical investigations;</li> <li>h) risk that exploration, appraisal, development, plant or operating costs prove to be greater than expected or that the proposed timing of exploration, development or production may not be achieved;</li> <li>i) failure to achieve predicted grades in exploration and mining;</li> <li>j) the supply and cost of skilled labour;</li> <li>k) unexpected shortages or increases in the costs of consumables, diesel fuel, spare parts, plant and equipment, and;</li> <li>l) prevention and restriction of access by reason of political unrest, outbreak of hostilities and inability to obtain consents or approvals.</li> </ul> <p>No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of the project interests.</p>
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Risk	Description
Exploration success	<p>Mineral exploration is a high-risk undertaking, there can be no assurance that exploration of the Company's mining tenements will result in the discovery of an economic mineral deposit.</p> <p>The success of the Company also depends on access to required further capital, suitable price of mineral commodities, securing and maintaining title to the Company's exploration and mining tenements and obtaining all consents and approvals necessary for the conduct of its exploration activities. Even if an apparently viable prospect is identified, there is no certainty that it can be economically exploited.</p>
Title Risk	<p>The exploration and/or mining licences or claims in which the Company will, or may, acquire an interest in the future are subject to the applicable local laws and regulations. There is no guarantee that any licences, claims, applications or conversions in which the Company has a current or potential interest will be granted.</p> <p>Licences, claims (or applications) in which the Company has an interest are (or, if granted, will be) subject to the relevant conditions applying in each jurisdiction. Failure to comply with these conditions may render the licences or claims liable to forfeiture.</p> <p>All of the projects in which the Company has or will have an interest will be subject to application for licence/claim renewal from time to time. Renewal of the term of each licence/claim is subject to applicable legislation. If the licence/claim is not renewed for any reason, the Company may suffer significant damage through loss of the opportunity to develop and discover any mineral resources on that licence/claim. The Directors are not aware of any reason why renewal of the term of any licence/claim will not be granted.</p>
Insurance Risk	<p>The Company will maintain insurance for certain activities within ranges of coverage that it believes to be consistent with industry practice and having regard to the nature of activities being conducted. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.</p>

### 3.3 General Risks

#### General economic conditions

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

Further, share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (a) general economic outlook;
- (b) interest rates and inflation rates;
- (c) currency fluctuations;
- (d) changes in investor sentiment toward particular market sectors;
- (e) the demand for, and supply of, capital; and
- (f) terrorism or other hostilities.

#### Additional requirements for capital

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company will require further financing in addition to amounts raised under the Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programs as the case may be, which could have a material adverse impact on the Company's business and financial condition.

#### Dividends

The Company's future dividend levels will be determined by the Board of the Company having regard to financial results and the financial position of the Company. There is no guarantee that any dividend will be paid in the future.

#### Insurance risks

The Company will maintain insurance for certain activities within ranges of coverage that it believes to be consistent with industry practice and having regard to the nature of activities being conducted. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

## **Market risk and interest rate volatility**

From time to time, the Company may borrow money and accordingly will be subject to interest rates which may be fixed or floating. A change in interest rates would be expected to result in a change in the interest cost to the Company and, hence, may affect its profit.

## **Competition**

There is a risk that the Company will not be able to continue to compete profitably in the competitive industry in which it operates. The potential exists for the nature and extent of the competition to change rapidly, which may cause loss to the Company.

## **Share market**

There are general risks associated with any investment and the share market. The price of the Company's securities on the ASX may rise and fall depending on a range of factors beyond the Company's control and which are unrelated to the Company's financial performance. These factors may include movements on international stock markets, interest rates and exchange rates, together with domestic and international economic conditions, inflation rates, investor perceptions, changes in government policy, commodity supply and demand, government taxation and royalties, war, global hostilities and acts of terrorism.

Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

## **Liquidity risk**

There is a risk that if the market for the Company's securities become illiquid for any reason, shareholders will be unable to realise their investment in the Company.

## **Taxation**

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of accepting the Offer.

## **Potential acquisitions**

As part of its business strategy, the Company may make acquisitions of, or significant investments in, complementary companies and/or other prospects. Any such transactions will be accompanied by risks commonly encountered in making such acquisitions.

## **No representation or warranty as to the accuracy or completeness of the information**

The information in this Offer Document may not be complete and may be changed, modified or amended at any time by the Company, and is not intended to, and does not, constitute representations and warranties of the Company. Neither the Company, nor any other advisor of the Company intends to update this IM or accepts any obligation to provide the recipient with access to information or to correct any additional information or to correct any inaccuracies that may become apparent in the Offer Document or in any other information that may be made available concerning the Company. Investors should conduct their own due diligence investigations regarding the Company and the prospectively of the Company's exploration and mining assets.

## **Investment Speculative**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Offer Document. Therefore, the Shares to be issued pursuant to this Offer Document carry no guarantee with respect to the payment of dividends, returns of capital or the market value of the Shares.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Offer Document.

#### 4. DEFINED TERMS

**Applicant** refers to a person who submits an Entitlement and Acceptance Form.

**Application** refers to the submission of an Entitlement and Acceptance Form.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited (ACN 008 021 118) or, where the context permits, the Australian Securities Exchange operated by ASX Limited.

**Closing Date** means 5.00pm WST on 24th April 2014 unless extended in accordance with the Listing Rules

**Company** means Excalibur Mining Corporation Ltd (ACN 008 021 118).

**Directors** means the directors of the Company.

**Eligible Shareholder** means a Shareholder whose details appear on the Company's register of Shareholders as at the Record Date and have a registered address in Australia or New Zealand.

**Entitlement** means the entitlement to subscribe for one (1) Share for every one (1) Share held by an Eligible Shareholder on the Record Date

**Entitlements** has a corresponding meaning.

**Entitlement and Acceptance Form** means the Entitlement and Acceptance Form accompanying this Offer Document.

**Listing Rules** means the Listing Rules of the ASX.

**New Shares** means the fully paid ordinary shares in EXM offered under Entitlement Offer.

**Offer** means the non-renounceable pro rata offer of Shares at an issue price of 1.0 cent (\$0.01) each on the basis of one (1) Share for every one (1) Share under held on the Record Date

**Offer Document** means this Offer Document dated 25th March 2014.

**Opening Date** means 25th March 2014.

**Record Date** means 3rd April 2014.

**Section** means a section of this Offer Document.

**Share** means an ordinary fully paid share in the capital of the Company.

**Shareholder** means a holder of Shares.

**Shortfall** means those Shares under the Offer not applied for by Shareholders under their Entitlement.

**Top-Up Facility** means the facility described in Section 1.6 under which eligible shareholders may apply for additional New Shares in excess of their entitlements.

**WST** means Australian Western Standard Time.