

FORM 7
MONTHLY PROGRESS REPORT

Name of CNSX Issuer: **EXCALIBUR RESOURCES LTD.** (the "Issuer").

Trading Symbol: **XBR**

Number of Outstanding Listed Securities: **78,424,831**

Date: **January 8, 2014**

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the CNSX Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the CNSX.ca website.

This report is intended to keep investors and the market informed of the Issuer's ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the CNSX Policies. The discussion in this report must be factual, balanced and non-promotional.

General Instructions

- (a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
- (b) The term "Issuer" includes the Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

Report on Business

1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.

The Company is a junior exploration mining company focused on the discovery, development and mining of economically viable precious and base metal mineral resources in North America. The Company's primary focus is a 49% joint venture interest in a gold production project on the 143 hectare Catanava property within the Municipality of Pinos, State of Zacatecas, Mexico. On October 2, 2013 the Company signed a Letter of Intent for an addendum to the September 22, 2010 Joint Venture Agreement whereby its 49%-owned subsidiary, Minera Catanava de C.V. ("Catanava") will acquire 100% of the Pinos District mining claims held by its 51% partner, Minera Apolo de C.V., in exchange for the forgiveness of the \$2 million loan that the Company has provided to finance the construction and operation of the 150 tpd plant at Catanava.

On October 8, 2013 the Company announced it signed a second Letter of Intent for an Addendum to the September 22, 2010 Joint Venture Agreement to increase its ownership in Catanava from 49% to 60% of Minera Apolo S.A. de C.V. for US\$1,000,000 and a 2% NSR on anything produced in the Pinos District, excluding production from the existing Catanava area.

The Company holds the Sturgeon Lake claims, volcanogenic massive sulphide and gold-copper targets comprising 108 square kilometers in NW Ontario.



The Company also holds the Cariboo, Princess and Cleopatra Claims (the "Cariboo Group Claims") near Nelson, British Columbia, a 58 hectare prospective property.

2. Provide a general overview and discussion of the activities of management.

The Company continues to advance \$150,000 per month to fund operations at the Catanava project.

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

On December 2, 2013 the Company reported sample results from the recently initiated development of the Natas Vein at its 49% Catanava Property (60% pending the closing of October 8, 2013 deal with Minera Apolo), after recent work in the mine confirmed the continuity of high-grade gold-silver mineralization in this area. This vein is exposed at surface less than 100 meters east of the plant and will be connected with the southwest extension of the Camino adit. It was first mapped and sampled in 2012 by the Company with good results. See news release dated December 2, 2013 for further details.

On December 5, 2013 the Company provided an operations update. See news release dated December 5, 2013 for further details.

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

No drilling, exploration or production programs have been amended or abandoned.

5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

Not applicable.

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

Not applicable.

7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

Not applicable.



8. Describe the acquisition of new customers or loss of customers.
Not applicable.
9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trademarks.
Not applicable.
10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.
Given the current lack of investor interest in the resource sector, the Company has significantly reduced Canadian administration, financial consulting, corporate secretary, investor relations, office rent and travel costs reducing headcount by four people, which will decrease Canadian head office costs by over \$300,000 per year.
11. Report on any labour disputes and resolutions of those disputes if applicable.
Not applicable.
12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.
None.
13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.
None.
14. Provide details of any securities issued and options or warrants granted.
No securities were issued and no options or warrants granted.
15. Provide details of any loans to or by Related Persons.
Not applicable.
16. Provide details of any changes in directors, officers or committee members.
On December 6, 2013 the Company announced the re-election of the following Board members: Timothy Gallagher, Charles Beaudry, David Libby and Andrew Robertson along with the election of Oscar Fitch Gomez to the Board and the resignation of Dianne Szigety from the Board and as Corporate Secretary. See news release Dated December 6, 2013 for further details.
17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.
Not applicable.

Certificate of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there were is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to CNSX that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all CNSX Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated: January 8, 2014

"Tim Gallagher"

Chief Executive Officer

For Month Ended: December 2013

Issuer Details:

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