EXCALIBUR RESOURCES LTD.

Consolidated Financial Statements
Six Months Ended November 30, 2015 and 2014
(In Canadian dollars)

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Excalibur Resources Ltd.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING and NOTICE TO READER

The accompanying Condensed Consolidated Interim Financial Statements (unaudited) of Excalibur Resources Ltd. (the "Company") for the six months ended November 30, 2015 (the "Interim Financial Statements") are the responsibility of the Company's Management and have been prepared by Management and include the selection of appropriate accounting principles, judgments and estimates necessary to prepare these Interim Financial Statements in accordance with International Financial Reporting Standards for Interim Financial Statements.

In accordance with National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the Interim Financial Statements, they must be accompanied by a notice indicating that the Interim Financial Statements have not been reviewed by an auditor. The Company's independent auditor has not performed a review of these Interim Financial Statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of Interim Financial Statements by an entity's auditor.

Excalibur Resources Ltd.

Consolidated Statements of Financial Position (Unaudited)
(In Canadian dollars)

As at	**November 30, 2015**	May 31, 2015
	($)	($)
Assets		
Current		
Cash	**5,413**	119,198
Prepaid expenses and sundry receivables	**6,807**	7,279
HST receivable	**6,194**	7,282
	18,414	133,759
Non-current		
Property, plant and equipment *(Note 5)*	**358**	660
	18,772	134,419
Liabilities		
Current		
Trade and other payables	**61,966**	113,151
Subscription receipts *(Note 6(a))*	**140,000**	100,000
Other loans *(Note 6(b))*	**193,880**	175,778
	395,846	388,929
Shareholders' Equity		
Capital stock (*Note 7*)	**16,719,348**	16,719,348
Warrants *(Note 8)*	**156,053**	156,053
Contributed surplus	**3,516,123**	3,516,123
Deficit	**(20,768,598)**	(20,646,034)
	(377,074)	(254,510)
	18,772	134,419

Nature of Operations and Going Concern (Note 1)

APPROVED BY THE BOARD:

Signed "Andrew Robertson" , Director

Signed "Tim Gallagher" , Director

See accompanying notes to the condensed consolidated interim financial statements

Excalibur Resources Ltd.

Consolidated Statements of Income (Loss) and Comprehensive Income (Loss) (Unaudited)
(In Canadian dollars)

	Three Months Ended November 30,		Six Months Ended November 30,	
	2015	2014	**2015**	2014
Expenses				
Exploration *(Note 10)*	**$(3,028)**	**$-**	**$32,342**	**$-**
General and administrative *(Note 11)*	**46,215**	**77,734**	**89,687**	**157,487**
Loss from operating activities	**(43,187)**	**(77,734)**	**(122,029)**	**(157,487)**
Mining ore sales (net)	**-**	**-**	**15,040**	**-**
Other income	**5,000**	**10,000**	**5,000**	**10,000**
Interest income (expense)	**(3,960)**	**36**	**(7,767)**	**145**
Gain (loss) from foreign exchange	**(13,023)**	**(238)**	**(12,808)**	**(326)**
Loss from continuing activities	**(55,170)**	**(67,936)**	**(122,564)**	**(147,668)**
Discontinued operations *(Note 17)*	**-**	**(80,916)**	**-**	**(12,851)**
Net loss and comprehensive loss	**(55,170)**	**(148,852)**	**(122,564)**	**(160,519)**
Loss per share – basic and diluted	**$0.001**	**$0.002**	**$0.001**	**$0.002**
Weighted average number of common shares outstanding – basic and diluted	**82,924,831**	**82,924,831**	**82,924,831**	**82,924,831**

See accompanying notes to the condensed consolidated interim financial statements

Excalibur Resources Ltd.

Consolidated Statements of Cash Flows (Unaudited)
(In Canadian dollars)

Six Months Ended November 30,	2015 ($)	2014 ($)
Operating activities		
Net (loss) from continuing operations	**(122,564)**	(147,668)
Items not affecting cash:		
Depreciation	**302**	302
Reclamation bonds and guarantee deposits	**-**	10,000
Net changes in non-cash working capital		
Prepaid expenses and HST receivable	**1,562**	39,311
Accounts payable and accrued liabilities	**(33,085)**	(42,484)
Cash used in operating activities	**(153,785)**	(140,539)
Investing activities		
Exploration and evaluation asset expenditures	**-**	(41,171)
Cash used in investing activities	**-**	(41,171)
Financing		
Subscription receipts	**40,000**	100,000
Other loans	**-**	107,500
Cash provided by financing activities	**40,000**	207,500
Net cash flows for continuing operations	**(113,785)**	25,790
Net cash flows for discontinued operations *(Note 17)*	**-**	(33,178)
Net change in cash	**(113,785)**	(7,388)
Cash, beginning of period	**119,198**	13,452
Cash, end of year of period	**5,413**	6,064

See accompanying notes to the condensed consolidated interim financial statements

Excalibur Resources Ltd.

Consolidated Statements of Changes in Shareholders' Equity
(Unaudited)
(In Canadian dollars)

		Issued Capital	Equity Reserves			
	Number of Shares	Capital Stock ($)	Warrants ($)	Contributed Surplus ($)	Accumulated Deficit ($)	Total ($)
Balance – May 31, 2014	**82,924,831**	**16,719,348**	**156,053**	**3,516,123**	**(15,452,119)**	**4,939,405**
Net (loss) for the period	-	-	-	-	(160,519)	(160,519)
Balance – November 30, 2014	**82,924,831**	**16,719,348**	**156,053**	**3,516,123**	**(15,612,638)**	**4,778,886**
Net (loss) for the period	-	-	-	-	(5,033,396)	(5,033,396)
Balance – May 31, 2015	**82,924,831**	**16,719,348**	**156,053**	**3,516,123**	**(20,646,034)**	**(254,510)**
Net (loss) for the period	-	-	-	-	(122,564)	(122,564)
Balance – November 30, 2015	**82,924,831**	**16,719,348**	**156,053**	**3,516,123**	**20,768,598**	**(377,074)**

See accompanying notes to the condensed consolidated interim financial statements

1. NATURE OF OPERATIONS AND GOING CONCERN

Excalibur Resources Ltd. ("Excalibur" or the "Company") was incorporated under the laws of Canada on May 11, 1983. Excalibur is a junior mining company focused on the discovery, development, mining and ore trading of economically viable precious and base metal mineral resources.

The Company is listed on The Canadian Stock Exchange. The Company's head office and principal address are located at 8 King St East, Suite 1010, Toronto, Ontario, Canada, M5C 3B5.

The current financial equity market conditions and the low price of the Company's common shares make it difficult to raise funds by private placements of shares, making the success of any alternative financing ventures uncertain. This uncertainty, in conjunction with the Company's inability to generate cash from operations, casts significant doubt upon the Company's ability to continue as a going concern. In addition to obtaining funding through private placements, management is examining other strategic alternatives to address the uncertainties discussed above, including reorganizations, mergers, sales of assets, and other forms of debt and equity financing. There is no assurance that any of these endeavours will be successful.

These condensed consolidated interim financial statements do not reflect any adjustments to the carrying values and classification of assets, or the amounts of, and classification of liabilities that would be necessary if the going concern assumption was not appropriate. Such adjustments could be material.

The Company's condensed consolidated interim financial statements were authorized for issue by the Board of Directors on January 28, 2016.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Consolidation

These condensed consolidated interim financial statements include the accounts of the Company and its wholly-owned subsidiary, Excalibur Resources (US) Inc.("ERI"), which was inactive during the period. Effective May 27, 2015, the Company sold its 49% interest in Minera Catanava S.A. ("MCSA") to the owner of the remaining 51% of MCSA, namely Minera Apolo S.A. de C.V. (the "Sale Transaction"). Therefore, the accounts for the six months ended November 30, 2015 have been reclassified to include the Company's 49% interest in MCSA as "discontinued operations". See Note 17.

2.2 Statement of Compliance

These condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standard ("IAS") 34 - *Interim Financial Reporting* using the accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the IAS Board.

The accounting policies applied in these condensed consolidated interim financial statements are based on IFRS policies issued and outstanding as of the date the Board of Directors approved the statements (January 28, 2016). The same accounting policies and methods of computation are followed in these unaudited condensed consolidated interim financial statements as those applied in note 2 of the Company's most recent annual consolidated financial statements for the year ended May 31, 2015 and have been consistently applied throughout all periods presented, as if these policies had always been in effect. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending May 31, 2016 could result in the restatement of these condensed consolidated interim financial statements.

2.3 Basis of Presentation

These condensed consolidated interim financial statements have been prepared on a historical cost basis using the accrual basis of accounting except for financial instruments classified as fair value through profit or loss ("FVTPL"), which are stated at their fair values. The accounting policies have been applied consistently throughout all periods presented in these condensed consolidated interim financial statements.

2.4 Use of Estimates and Judgments

The application of the Company's accounting policies in compliance with IFRS requires the Company's Management to make certain judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. These estimates and assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Significant assumptions about the future and other sources of estimation uncertainty that Management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

(i) the inputs used in accounting for valuation of warrants and options which are included in the condensed consolidated interim statement of financial position;

(ii) the inputs used in accounting for stock-based compensation expense in the condensed consolidated interim statement of loss;

(iii) the nil provision for decommissioning and restoration obligations which are included in the condensed consolidated interim statement of financial position; and

(iv) the existence and estimated amount of contingencies *(Note 15).*

3. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

(a) The Company has adopted the following new and revised standards, along with any consequential amendments, effective July 1, 2015. These changes were made in accordance with the applicable transitional provisions. The nature and effect of the changes are explained below.

IFRS 8 - Operating Segments ("IFRS 8") was amended to require an entity to disclose the judgments made by management in aggregating segments. IFRS 8 was also amended to clarify that an entity needs to present a reconciliation between the total reporting segment's assets to the entities' total assets if this information is usually provided to the chief operating decision maker. The amendments are effective for annual periods beginning on or after July 1, 2015.

The Company conducted a review of the amendment to this standard and determined that it did not result in any material change to the condensed consolidated interim financial statements.

IFRS 13 – Fair Value Measurement ("IFRS 13") was amended to clarify that the exception which allows fair value measurements of a group of financial assets and liabilities on a net basis applies to all contracts within the scope of IAS 39 or IFRS 9, regardless of whether they meet the definitions of financial assets or liabilities as defined in IAS 32. The amendment is effective for annual periods beginning on or after July 1, 2015.

The Company conducted a review of the amendment to this standard and determined that it did not result in any material change to the condensed consolidated interim financial statements.

IAS 24 – Related Party Disclosures ("IAS 24") was amended to clarify that an entity providing key management services to the reporting entity or the parent of the reporting entity is a related party of the reporting entity. The amendments also require an entity to disclose amounts incurred for key management personnel services provided by a separate management entity. The amendments to IAS 24 are effective for annual periods beginning on or after July 1, 2015.

The Company conducted a review of the amendment to this standard and determined that it did not result in any material change to the condensed consolidated interim financial statements.

(b) The following revised standards and amendments, unless otherwise stated, are effective on or after January 1, 2016, with early adoption permitted, and have not been applied in preparing these unaudited condensed consolidated interim financial statements. Management has not yet considered the potential impact of their adoption and does not plan to adopt these standards early.

IFRS 9 - Financial Instruments ("IFRS 9") was issued by the IASB in November 2009 with additions in October 2010 and May 2013 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

IFRS 10 - Consolidated Financial Statements ("IFRS 10") and IAS 28 – Investments in Associates and Joint Ventures ("IAS 28") were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The amendments are effective for annual periods beginning on or after January 1, 2016. Earlier adoption is permitted.

IAS 1 - **Presentation of Financial Statements ("IAS 1")** was amended in December 2014 in order to clarify, among other things, that information should not be obscured by aggregating or by providing immaterial information, that materiality consideration apply to all parts of the financial statements and that even when a standard requires a specific disclosure, materiality considerations do apply. The amendments are effective for annual periods beginning on or after January 1, 2016. Earlier adoption is permitted.

(In Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS

(a) Sale of Minera Catanava

Effective May 27, 2015, the Company completed the sale of its 49% interest in Minera Catanava S.A. to its 51% partner Minera Apolo S.A. (the "Purchaser") for USD $75,000. *See Note 17 – Discontinued Operations.*

(b) Other - Peru

On June 25, 2014, the Company announced that it had signed a letter of intent with Carbocol Peru S.A.C. ("Carbocol") to purchase a 900 hectare gold concession held in the state of Piura in northern Peru, for one million shares of Excalibur ("San Pedro I"). Carbocol is controlled by German Castaño, a director of the Company. This transaction has not been completed.

Effective October 24, 2014 the Company announced the acquisition of an additional 900 hectares mineral concession from the Peruvian government, called San Pedro II. This concession is adjacent to San Pedro I.

The Company planned to work with and provide equipment to local informal miners on these concessions to increase production and sell the ore to local processing plants and metal buyers. However, numerous operational issues arose that resulted in the Company examining other strategies for procuring and selling ore.

On July 10, 2015, the Company announced its first purchase of high grade 16.8% copper ore of 70 tons for US $27,000, which was resold in August for US $38,766.

5. PROPERTY, PLANT AND EQUIPMENT - *See Note 17 – Discontinued Operations*

Cost	Tools $	Furniture and Fixtures $	Equipment $	Computers and Software $	Total $
At May 31, 2015	-	2,991	-	-	2.991
At November 30, 2015	**-**	**2,991**	**-**	**-**	**2,991**

Accumulated Depreciation	Tools $	Furniture and Fixtures $	Equipment $	Computers and Software $	Total $
At May 31, 2015	-	2,331	-	-	2,331
Additions	-	302	-	-	302
At November 30, 2015	**-**	**2,633**	**-**	**-**	**2,633**

Net Book Value	Tools $	Furniture and Fixtures $	Equipment $	Computers and Software $	Total $
At November 30, 2015	**-**	**358**	**-**	**-**	**358**

(In Canadian dollars)

Cost	Tools $	Furniture and Fixtures $	Equipment $	Computers and Software $	Total $
At May 31, 2014	19,047	6,082	611,157	18,157	654,443
Additions	-	-	3,528	-	3,528
At November 30, 2014	19,047	6,082	614,685	18,157	657,971
Accumulated Depreciation	**Tools $**	**Furniture and Fixtures $**	**Equipment $**	**Computers and Software $**	**Total $**
At May 31, 2014	11,139	2,742	309,385	17,717	341,183
Additions	1,905	309	58,998	293	61,505
At November 30, 2014	13,044	3,051	368,583	18,010	402,688
Net Book Value	**Tools $**	**Furniture and Fixtures $**	**Equipment $**	**Computers and Software $**	**Total $**
Continuing operations	-	358	-	-	358
Discontinued operations	6,003	2,673	246,102	146	254,925
As at November 30, 2014	6,003	3,031	246,102	146	255,283

6. SUBSCRIPTION RECEIPTS and OTHER LOANS

(a) Subscription Receipts –

On June 25, 2014 a shareholder advanced $100,000 to the Company, for working capital, as part of a future private placement

On October 22, 2015 a shareholder advanced $40,000 to the Company, for working capital, as part of a future private placement.

(b) Other loans - notes payable

(i) On September 12, 2014 a shareholder advanced $50,000 to the Company as a one-year 12% bridge loan. To November 30, 2015, a total of $7,299 has been recorded as interest expense. The loan has been continued on the same terms.

(ii) On November 6, 2014 a shareholder advanced USD $50,000 to the Company in the form of a royalty note on production from San Pedro.

(iii) On April 16, 2015 a shareholder advanced USD $50,000 to the Company as a one-year 15% bridge loan. To November 30, 2015 a total of $6,090 has been recorded as interest expense. The loan has been continued on the same terms.

7. CAPITAL STOCK

Authorized: an unlimited number of common shares without par value.

(a) There were no issuances of common shares during the six months ended November 30, 2015 and 2014.

(In Canadian dollars)

(b) Issued and outstanding common shares:

	Number of Shares	Fair Value
Balance - May 31, 2014 and 2015, and November 30, 2015	**82,924,831**	**$16,719,348**

8. WARRANTS

The following summarizes the warrants activity and outstanding warrants for the six months ended November 30, 2015 and 2014:

	Number of Warrants and Broker Warrants	Weighted Average Exercise Price ($)	Estimated Fair Value at Date of Grant ($)
Balance – May 31, 2014 and 2015, and November 30, 2015	**4,500,000**	**0.15**	**156,053**

Number of Warrants Outstanding	Exercise Price ($)	Expiry Date
2,500,000	0.15	February 25, 2016
2,000,000	0.15	May 22, 2016
4,500,000		

The weighted average contractual life remaining for warrants outstanding at November 30, 2015 is 0.34 (2014 - 1.34) years.

The above warrants have not been included in the computation of diluted net loss per share as they are anti-dilutive.

Option-pricing models require the use of highly subjective estimates and assumptions including the expected stock price volatility. Volatility is based on the historical volatility of comparable companies. Changes in the underlying assumptions described in Note 8 can materially affect the fair value estimates.

9. SHARE-BASED COMPENSATION

The Company maintains a Stock Option Plan (the "Plan") for the benefit of directors, officers, employees and consultants. The maximum number of common shares reserved for issuance with respect to the Plan cannot exceed 10% of the issued and outstanding common shares of the Company at the date of grant. Stock options granted generally vest immediately.

(a) Effective August 31, 2014 a total of 1,130,000 stock options previously granted to directors and consultants were cancelled.

(b) On January 12, 2015 a total of 892,250 stock options previously granted to consultants and directors expired, unexercised.

(c) Effective March 31, 2015, a total of 350,000 stock options previously granted to directors, consultants, and employees were cancelled.

(In Canadian dollars)

(d) Effective August 26, 2015 a total of 200,000 stock options previously granted to officers of MCSA, were cancelled.

The following summarizes the stock option activities during the six months ended November 30, 2015 and 2014:

	Number of Options	Weighted Average Exercise Price ($)
Balance - May 31, 2014	**6,972,250**	**0.15**
Expired or cancelled *(Note 9(a))*	(1,130,000)	0.15
Balance – November 30, 2014	**5,842,250**	**0.14**
Expired or cancelled *(Note 9(b-c))*	(1,242,250)	0.14
Balance – May 31, 2015	**4,600,000**	**0.14**
Expire or cancelled *(Note 9(d))*	(200,000)	0.19
Options outstanding at November 30, 2015	**4,400,000**	**0.14**

The following summarizes the exercisable stock options outstanding at November 30, 2015:

Number of Exercisable Options	Exercise Price	Expiry Date	Estimated fair value ($) at the date of grant
300,000	$0.16	December 5, 2015	40,683
200,000	$0.25	March 15, 2016	31,008
900,000	$0.12	February 1, 2017	86,500
200,000	$0.25	March 15, 2018	92,996
2,200,000	$0.12	February 28, 2019	197,209
300,000	$0.12	May 22, 2019	21,663
300,000	$0.12	May 30, 2019	20,380
4,400,000			

The weighted average contractual life remaining for stock options at November 30, 2015 is 2.38 (2014 – 2.95 years).

The above options were not included in the computation of diluted net loss per share as they are anti-dilutive.

Option-pricing models require the use of highly subjective estimates and assumptions including the expected stock price volatility. Volatility is based on the historical volatility of comparable companies. Changes in the underlying assumptions described in Note 9 can materially affect the fair value estimates.

The Company has valued the options granted to non-employees based on the fair value of the equity instruments granted in the absence of a reliable estimate of the fair value of the goods and services received.

(In Canadian dollars)

10. EXPLORATION EXPENSE

(a) Ongoing operations:

	Three Months Ended November 30, 2015	Three Months Ended November 30, 2014(1)	Six Months Ended November 30, 2015	Six Months Ended November 30, 2014(1)
Expenses				
Geological and other consulting	**$-**	$-	**$11,000**	$-
Travel	**150**	-	**16,180**	-
Supplies	**(3,178)**	-	**5,000**	-
Travel	**-**	-	**4,162**	-
	$(3,028)	$-	**$32,342**	$-

(1) In 2014 E&E costs were generally capitalized as described in (b).

(b) Discontinued operations:

During the six months ended November 30, 2014, the majority of the $513,924 of deferred exploration and evaluation expenditures were related to the Catanava project. These costs are categorized as related to security, plant, general mining, laboratory costs and general overhead.

In each category, the costs include salaries and benefits, technical assessment, geology, sampling and testing, roads and other maintenance, utilities, and environment studies, where applicable.

The following summarizes the E&E costs from discontinued operations that were capitalized for June 1 to November 30,

	Catanava 2015	Catanava 2014	Peru 2015	Peru 2014	TOTAL 2015	TOTAL 2014
Operations:						
- mining	**$-**	$96,966	**$-**	$-	**$-**	$96,966
- laboratory	-	18,837	-	-	-	18,837
- plant	-	216,446	-	-	-	216,446
- security	-	26,060	-	-	-	26,060
G&A expenses	-	171,060	-	-	-	171,060
Acquisition and other	**-**	-	**-**	41,171	**-**	41,171
Less concentrate sales	**-**	(56,614)	**-**	**-**	**-**	(56,614)
Period Expenditures	**$-**	$472,755	**$-**	$41,171	**$-**	$513,926

(In Canadian dollars)

11. GENERAL AND ADMINISTRATIVE EXPENSE

	Three Months Ended November 30,		Six Months Ended November 30,	
	2015	2014	**2015**	2014
Expenses				
Management fees	**$32,000**	$30,000	**$64,000**	$62,000
Regulatory and transfer agent fees	**2,872**	10,473	**9,005**	14,898
Professional fees	**5,000**	10,560	**7,748**	20,560
Office and general	**2,633**	2,516	**4,771**	7,252
Investor relations	**3,559**	24,034	**3,862**	52,475
Depreciation	**151**	151	**302**	302
	$46,215	$77,734	**$89,687**	$157,487

12. RELATED PARTY TRANSACTIONS AND KEY EXECUTIVE COMPENSATION

Related parties include the Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. Transactions with related parties are incurred in the normal course of business.

During the six months ended November 30, 2015

(i) Management fees of $64,000 (2014 - $62,000) plus applicable taxes were paid or accrued to officers of the Company for consulting services rendered. Included in accounts payable and accrued liabilities at November 30, 2015 is $2,260 (2014 - $nil) owed to the above related parties.

(ii) Two directors of the Company advanced $nil (2014 - $8,876) to the Company, to be used as working capital. These advances were non-interest bearing and were repaid during the period.

During the three months ended November 30, 2015:

(iii) Management fees of $32,000 (2014 - $30,000) plus applicable taxes were paid or accrued to officers of the Company for consulting services rendered

There was no share-based compensation awarded during the three and six months ended November 30, 2015.

13. CAPITAL DISCLOSURES

The Company's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Company includes equity, comprised of issued capital stock, warrants, contributed surplus and deficit, in the definition of capital.

The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to advance exploration on its properties. To secure the additional capital necessary to pursue these plans, the Company may attempt to raise additional funds through the issuance of equity and warrants, debt or by securing strategic partners.

The Company is not subject to externally imposed capital requirements and there has been no change with respect to the overall capital risk Management strategy during the six months ended November 30, 2015.

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company may be exposed to a variety of financial risks by virtue of its activities, in particular: interest rate risk, credit risk, commodity price risk, currency risk and liquidity risk. The overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on financial performance.

Risk management is carried out by Management under policies approved by the Board of Directors. Management is charged with the responsibility of establishing controls and procedures to ensure that financial risks are mitigated in accordance with the approved policies.

(a) Interest Rate Risk

Interest rate risk is the risk that the future cash flows or fair value of a financial instrument will fluctuate because of changes in market interest rates. Financial assets and financial liabilities with variable interest rates expose the Company to cash flow interest rate risk. The Company's cash earns interest at market rates. The Company does not use derivative instruments to reduce its exposure to interest rate risk.

(b) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they fall due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. Senior Management is also actively involved in the review and approval of planned expenditures.

At November 30, 2015, the Company had $5,413 (May 31, 2015 -$119,198) of cash to settle current trade and other payables and short term loans of $395,846 (May 31, 2015 - $388,929). These liabilities are short-term and due within 12 months. Certain loans are interest bearing – *See Note 6 - Subscription Receipts and Other Loans.* The proceeds from payables and loans were used as working capital.

Historically the Company has been totally dependent on equity financing to fund its activities; however Management's current budgeting also includes additional sources of financing including ore trading profits, potential stock option and warrant exercises and bridge loans.

Excalibur's future success is highly dependent on positive exploration results and securing adequate financing through the above mentioned sources, to advance its projects and meet its ongoing obligations.

(c) Credit Risk

The Company is not exposed to any credit risks attributable to customers and does not engage in any sales activities. The Company's cash is held in major Canadian and International financial institutions.

(d) Commodity Price Risk

The ability of the Company to develop its mineral properties and the future profitability of the Company is directly related to the market price of gold.

(In Canadian dollars)

(e) Currency Risk

Currency risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will fluctuate because of changes in foreign exchange rates. The Company's functional currency is the Canadian dollar. Historically the Company has funded certain operations, exploration and administrative expenses in Mexico and Peru using US dollars and Mexican Pesos. The Company has therefore been subject to gains and losses due to fluctuations in the US dollar and Mexican Peso against the Canadian dollar. Management believes the sensitivity of fluctuations in foreign currencies to be immaterial to the net loss.

(f) Fair Value

Fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore cannot be determined with precision.

Changes in assumptions could significantly affect estimates.

The carrying values of cash, sundry receivables and trade and other payables approximate fair values due to the relatively short term maturities of these instruments.

15. COMMITMENTS AND CONTINGENCIES

The Company's exploration activities are subject to various federal, and international laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive.

16. SEGMENTED INFORMATION

At November 30, 2015, the Company has one operating and reporting segment being its exploration operations.

At November 30, 2014, the Company had four geographical segments, being Canada, Mexico, USA and Peru. *See Note 19 - Discontinued Operations*. The Company's information about its assets and net loss by geographic location is detailed below:

November 30, 2015	Property, Plant and Equipment $	Mining Interests $	Total Assets $	Net Income (Loss) $
Canada	358	-	18,772	(122,564)
	358	**-**	**18,772**	**(122,564)**

(In Canadian dollars)

November 30, 2014	Property, Plant and Equipment $	Mining Interests $	Total Assets $	Net Income (Loss) $
Canada	956	-	54,203	(137,960)
Mexico	254,327	4,761,115	5,429,097	(22,559)
Peru, USA	-	115,847	115,847	-
	255,283	**4,876,962**	**5,599,147**	**(160,519)**

17. DISCONTINUED OPERATIONS

On May 27, 2015, the Company completed the sale of its 49% interest in Minera Catanava S.A. ("MCSA") to its 51% partner Minera Apolo S.A. ("MASA") in exchange for US $75,000 (the "Discontinued Operations").

The Company has reclassified the results of operations of the Discontinued Operations during the six months ended November 30, 2014.

Below summarizes the results of Discontinued Operations for the six months ended:

	November 30, 2015 ($)	November 30, 2014 ($)
Mining sales	**-**	(56,614)
Foreign exchange (gain) loss	**-**	8,030
Depreciation	**-**	35,733
Net loss (gain) from discontinued operations	**-**	(12,851)

Below summarizes the breakdown of the net cash flows used in Discontinued Operations for the three months ended:

	November 30, 2015 ($)	November 30, 2014 ($)
Net cash flows provided by operating activities	-	22,882
Net cash flows used in investing activities	-	(472,753)
Net cash flows provided by financing activities	-	418,749
Net cash flows used in discontinued operations	-	(33,178)