

## FORM 7

### MONTHLY PROGRESS REPORT

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

Trading Symbol: **EXBR**

Number of Outstanding Listed Securities: **64,316,696**

Date: **January 4, 2008**

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

#### ***During the month of December, 2007 the Company:***

- (a) ***entered into an option to acquire a 100% interest in the Cariboo Group Claims and the Princess and Cleopatra Claims, representing a total of five claim units near the City of Nelson, in the Kootenay District of British Columbia;***
- (b) ***announced that Dr. Hamid Mumin Ph.D., P.Eng., P.Geo., an independent consultant to the Company, has prepared a report entitled "Exploration and Development Potential of the Former Silver King Mine Property, Nelson, British Columbia, Canada". The report is intended to review, evaluate and report on the mineral potential of the Company's Silver King Mine Property located approximately seven km SSW of Nelson, British Columbia. In view of the potential for additional resources within and adjacent to existing workings and considerable potential of the remainder of the property, a systematic program of detailed surface exploration and diamond drilling is recommended for the Silver King property. Dr. Mumin's report is available for review on the Company's website under the heading "Silver King Property".***
- (c) ***announced the commencement of drilling on its Needles silver-gold exploration target located in Nye County, Nevada.***

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.

***The Company announced the commencement of drilling on its Needles silver-gold exploration target located in Nye County, Nevada. The Needles Project occurs north of the historic Reveille Mining District, also known as the Arrowhead and Needles District. Access to the property is via Highway 6 East of Tonopah, South on Highway 25 and via a network of small gravel roads in the north part of the Reveille Range and comprises 104 Bureau of Land Management contiguous claims amounting to 861 hectares (2,128 acres).***

***Thirteen drill-holes, representing approximately 5,000 feet of diamond drilling, has been recommended by W.A. Hubacheck Consultants Ltd. in its NI-43-101 Technical Report on the Needles Property, Nye County, Nevada. The drill program is being overseen by John J. Gardiner & Associates LLC of Denver, Colorado and Jim Helgeson P.Geol., of Reno, Nevada, who is the on-site qualified person directing the program.***

***Drill Core from the first hole has been sent to American Assay Labs in Reno, Nevada for analysis. It is expected that, weather permitting, additional holes will be drilled in January, 2008***

***The program is designed to explore three principal targets on the property which demonstrate widespread gold and silver mineralization. The targets include the Arrowhead Mine shaft area, the Blanca Zone which is the westward extension of the old Arrowhead Mine and the Whopper Junior target to the north end of the property. Other pits and showings will also be tested.***

***A longitudinal view illustrating the conceptual target on the west side of the Arrowhead Lineament Fault and a detailed geological description contained in the Company's 43-101 consultant's report can be accessed at the Company's web-site under the heading "Needles Property".***

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 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.

***The Company entered into a binding Letter of Intent with an arm's length party (the "Optionor") for an option to acquire a 100% interest in the Cariboo Group claims and the***

**Princess and Cleopatra claims, representing a total of five claim units near the City of Nelson, in the Kootenay District of British Columbia.**

**Under the terms of the Letter of Intent, which contemplates the execution of a definitive option agreement by the parties, the Company can acquire the claims by making the following option payments to the Optionor in cash and shares:**

- **\$10,000 and 25,000 shares upon signing of the Letter of Intent;**
- **\$15,000 and 40,000 shares on or before December 11, 2008;**
- **\$20,000 and 50,000 shares on or before December 11, 2009;**
- **\$25,000 and 100,000 shares on or before December 11, 2010.**

**The Company is required to issue 200,000 shares to the Optionor on receipt by the Company of a positive feasibility study, either in the form of a preliminary feasibility study or a bankable study, or upon commencement of commercial production. In addition, a 2% Net Smelter Return royalty is payable to the Optionor on each of the mineral tenures. Upon commencement of commercial production the Company will have the right to purchase 50% of the NSR for \$500,000.**

**The Cariboo Group claims comprise approximately 58 hectares (143 acres). The Princess and Cleopatra claims represent 17.7 hectares (43.7 acres) and 11.2 hectares (27.7 acres) respectively. The Cariboo claims lie mainly contiguous to the south-east of the Silver King Mine property boundary with some small gaps. The Cleopatra and Princess claims are located north-east of and approximately 2.5 km from the Silver King boundary.**

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 trade-marks.

**Not applicable.**

10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

**Not applicable.**

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.

**Not applicable.**

14. Provide details of any securities issued and options or warrants granted.

**The Company issued 25,000 shares at a deemed price of \$0.05 per share in respect of the Cariboo Group, Princess and Cleopatra Claims located near the City of Nelson, in the Kootenay District of British Columbia. See details in Item 7 herein for further details.**

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.  
**Not applicable.**
17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.  
**None.**

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 CNQ 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 CNQ Requirements (as defined in CNQ Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

**Dated January 4, 2008.**

*"Anthony Garson"*

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**President**

**For Month Ended: December, 2007**

**Issuer Details:**

*Excalibur Resources Ltd.*  
*Suite 2300, 1066 West Hastings Street, Vancouver, BC V6E 3X2*  
*Tel No. (604) 681-2961 Fax No. (604) 684-3451*  
*Website Address: [www.excaliburresources.ca](http://www.excaliburresources.ca)*

**Contact Name:**

*Dianne Szigety*  
*Corporate Secretary*  
*Contact Tel No.: (604) 681-2961*  
*Contact Email Address: [info@excaliburresources.ca](mailto:info@excaliburresources.ca)*