

**FORM 7**  
**MONTHLY PROGRESS REPORT**

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

Trading Symbol: **XBR**

Number of Outstanding Listed Securities: **147,079,988**

Date: **December 4, 2009**

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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 CNSW 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.

***The Company is a junior exploration mining company focused on the discovery, development and mining of economically viable precious and base metal mineral resources. The Company has fulfilled its mission of acquiring early to advanced stage exploration properties in North America. To date these include: The Silver King Mine property near Nelson BC, adjacent land positions on strike of the Silver King property, and volcanic massive sulphide targets comprising 8,956 ha. in NW Ontario.***

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

***During the month of November, 2009:***

- (1) Tim Gallagher, Director and Chairman, was appointed Chief Financial Officer of the Company;***
- (2) 21 drill holes have been completed on the Silver King project for a total of approximately 2100 meters. From preliminary assay results received to date, significant Silver, Copper and Gold mineralization has been intersected;***
- (3) A total of \$700,000 was raised by a non-brokered private placement of shares at \$0.01 per share;***
- (4) The Company settled aggregate debt totalling \$172,325 by the issuance of 6,537,500 common shares and a cash payment of \$2,400;***
- (5) An exploration program in the Sturgeon Lake Mining Camp was launched;***
- (6) Effective November 30, 2009 the Company changed the location of its head office from Vancouver to 20 Adelaide Street, Suite 400, Toronto, Ontario M5C 2T6, Telephone: 416.925.0090.***

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 commenced a Phase One diamond drilling program on its Silver King Property near Nelson, British Columbia. The assay results from the first three drill holes are completed. Drill hole XB-09-04 intersected 3.95 meters of 14.13 oz/t Ag, 0.70 g/t Au, 3.18% Cu, 0.36% Zn and 0.10% Pb. The results were intersected near surface between 13.45 meters and 17.40 meters (true width has not been determined). Holes XB-09-01 and 02 intersected near surface strongly leached and oxidized portions of the mineralized zone with minor metal values. Results from further holes will be released as received and compiled. Twenty-five holes over approximately 2100 meters were drilled before the program was terminated due to snow conditions on the mountain.***

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.

***A major exploration program in the former Sturgeon Lake Zn-Cu-Pb-Ag-Au VMS mining camp of Northwestern Ontario was launched in November. The Company contracted Geotech Ltd. of Aurora, Ontario to execute a VTEM geophysical survey on 100 meter line spacings across its entire 27 kilometer long property located immediately east and along strike of six past producing ore deposits.***

***The Company is executing a systematic full-sequence exploration targeting strategy that commenced with researching and compiling existing information and reconnaissance visits to the property. The current VTEM survey will be used to isolate zones of maximum sulphide accumulation. These target zones will be prioritized for detailed follow-up ground work commencing in the spring of 2010, including line cutting, geological mapping and sampling, alteration and structural mapping, boulder tracing, soil geochemical discrimination surveys and other work as appropriate. The Company expects to commence Phase One drilling for initial target testing by August, 2010.***

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 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.  
***The Company settled aggregate debt of \$78,325 owing to former directors and officers of the Company by the issuance of 3,037,500 common shares. In addition, the amount of \$24,000 owing to PubliCo Services Ltd., a private company controlled by a director and officer of the Company, was settled by a cash payment of \$2,400.***  
***The Company also settled debt owing to the Estate of Edwin Bergsteinsson, deceased, (the "Estate") pursuant to Promissory Notes and accrued interest totalling \$70,000. The debt was assigned by the Executors of the Estate to Tim Gallagher, the Chairman, CFO and a director of the Company. Mr. Gallagher settled the debt with the Company and received a total of 3,500,000 common shares.***
14. Provide details of any securities issued and options or warrants granted.  
***(1) The Company settled debt of \$148,325 by the issuance of 6,537,500 common shares;***  
***(2) The Company completed a non-brokered flow through and non flow through private placement of 70,000,000 common shares at \$0.01 per share. Of the total \$700,000 raised, \$431,500 will be utilized for eligible Canadian exploration expenses incurred in exploration programs on the Company's Silver King project located in the Nelson Mining Division of British Columbia and the Sturgeon Lake project located in northwestern Ontario. The remaining \$268,500 non flow through proceeds will be used for general working capital purposes.***  
***(3) The Company paid finder's fees of \$14,500 cash and issued 600,000 common shares at \$0.01 per share to arm's length parties on a portion of the gross proceeds raised.***
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.
- Mr. Timothy D. Gallagher was appointed Chief Financial Officer of the Company.**
17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

**Resource exploration and development is a speculative business and involves a high degree of risk, including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but from finding mineral deposits which, though present, are insufficient in size to return a profit from production. The marketability of natural resources that may be acquired or discovered by the Company will be affected by numerous factors beyond the control of the Company. These factors include market fluctuations, the proximity and capacity of natural resource markets, government regulations, including regulations relating to prices, taxes, royalties, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital. The great majority of exploration projects do not result in the discovery of commercially mineable deposits of ore.**

**Even if commercial quantities of mineral deposits are discovered by the Company, there is no guarantee that a profitable market will exist for the sale of the metals produced. Factors beyond the control of the Company may affect the marketability of any substances discovered. The prices of various metals have experienced significant movement over short periods of time, and are affected by numerous factors beyond the control of the Company, including international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates and global or regional consumption patterns, speculative activities and increased production due to improved mining and production methods. The supply of and demand for metals are affected by various factors, including political events, economic conditions and production costs in major producing regions. There can be no assurance that the price of any mineral deposit will be such that any of its mineral properties could be mined at a profit.**

**The Company does not presently have sufficient financial resources to undertake by itself the exploration and development of all of its planned exploration and development programs. The development of the Company's properties will therefore depend upon the Company's ability to obtain financing through the joint venturing of projects, private placement financing, public financing or other means. There can be no assurance that the Company will be successful in obtaining the required financing. Failure to raise the required funds could result in the Company losing, or being required to dispose of, its interest in its properties. In particular, failure by the Company to raise the funding necessary to maintain its properties in good standing could result in the loss of its rights to such properties. Continued market volatility and declines in commodity prices presents challenges to the Company. Management is looking into financing alternatives for the Company to mitigate any dilution through a private placement in the face of the current poor market conditions and the depressed share price.**

**In recent years, global securities markets have experienced a high level of price and volume volatility, and the market price of securities of many companies, particularly those considered exploration and development stage companies, have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual and extreme fluctuations in price will not occur.**

***The Company is very dependent upon the personal efforts and commitment of its existing management who are not full-time employees of the Company. To the extent that management's services would be unavailable for any reason, the Company's operations could be disrupted.***

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 December 4, 2009.**

*"Dianne Szigety"*

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**President**

**For Month Ended: November, 2009**

**Issuer Details:**

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