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**EXCALIBUR RESOURCES LTD. ACQUIRES OPTION FOR SILVER KING MINE
IN THE KOOTENAY DISTRICT, BRITISH COLUMBIA**

Vancouver, British Columbia, July 5, 2007 – Excalibur Resources Ltd. (the “Corporation”) is pleased to announce that it has entered into a binding letter of intent with Arbutus Resources Ltd. (“Arbutus”), a private British Columbia company, for an option to acquire 100% of Arbutus’ interest in the Silver King Mine property comprised of 24 Crown grants and six claims in the Kootenay District of British Columbia (the “Silver King Property”).

Under the terms of the letter of intent, which contemplates the execution of a definitive option agreement by the parties, the Corporation can acquire Arbutus’ 100% interest in the Silver King Property by making the following option payments in cash and shares:

- \$30,000 (plus a \$1,500 reimbursement of 2007 taxes) and 70,000 shares upon signing of the letter of intent;
- \$40,000 and 90,000 shares on or before June 1, 2008;
- \$55,000 and 140,000 shares on or before June 1, 2009;
- \$70,000 and 190,000 shares on or before June 1, 2010; and
- \$90,000 plus the greater of \$250,000 or 125% of the 2011 assessed value of each of the surface rights of certain lots comprising the Silver King Property and 250,000 shares on or before June 1, 2011.

The Silver King Property is a former producer of silver and copper, located on Toad Mountain about 4 ½ miles south of Nelson, British Columbia at an average elevation of 6,000 feet above sea level. It is readily accessible from Nelson, with a road distance of approximately 8 miles, and is located in proximity to several existing gold discoveries in the area. The claims were originally staked in 1885. In 1895, Hall Mines Co. Ltd. of London, England began large scale development of the mine and construction of a smelter at Nelson to treat the Silver King ores and ores from other mines in the district. Between 1889 and 1958, over 15 million lbs. of copper and 4 million oz. of silver were produced from an estimated production of 222,721 tons. Most of this was produced before 1915 and was mined from the upper 100 meters of the Silver King veins. Development at this time included three portals, ten levels, an internal and an external shaft. The main Silver King vein, one of several quartz-filled shears on the property, has been responsible for nearly all the tonnage mined to-date.

The Corporation believes that the reported grade of the ore mined from the Silver King Property at the turn of the century of almost 20 oz/t silver and more than 3% copper constitutes an attractive exploration target. The Corporation also believes that one of the most promising locations for finding vein material with minable grades is on the down plunge extension of the portions of the Silver King veins which have already been mined.

No National Instrument 43-101 compliant technical reports have yet been completed on the Silver King Property. The Corporation intends to commission a National Instrument 43-101 compliant technical report for the purposes of confirming the exploration potential and economics of the property and will prepare a budget for the exploration program.

Under the terms of the letter of intent, the Corporation is required to issue an additional 200,000 shares to Arbutus on receipt by the Corporation 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, Arbutus is entitled to receive a three percent (3.0%) net smelter returns royalty on the Silver King Property (the "NSR"), which shall be in an amount not be less than \$50,000, adjusted by the Statistics Canada Consumer Price Index for British Columbia using 2006 as a base year. Arbutus is also entitled to receive an advanced royalty in the base amount of \$50,000, adjusted by the Statistics Canada Consumer Price Index for British Columbia using 2006 as a base year, due on December 31 in each year that the Silver King Property is not in commercial production for a full 12 months, starting in the year in which the option is exercised by the Corporation. The NSR will be reduced by the total of any advance royalty paid. Upon commencement of commercial production, the Corporation will have the right to purchase 50% of the NSR for \$1,500,000.

Excalibur Resources Ltd. is a junior exploration mining company focused on the discovery, development and mining of economically viable precious and base metal mineral resources. The Corporation is aggressively investigating the potential acquisition of other precious metal targets within the United States, Canada and northern Europe. The Corporation intends to acquire a portfolio of properties through project acquisitions, joint ventures and alliances.

On behalf of the Board of Directors:

Edwin Bergsteinsson
Chairman

For more information please contact:

Investor Relations: 1 866 631 6537
Email: info@excaliburresources.ca
Website: www.excaliburresources.ca

The CNQ has not in any way passed upon the merits of the transaction and has neither approved nor disapproved of the contents of this press release.