



Stateside Report



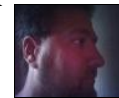
“A Unique Report Service for the Intelligent Resource Investor”



Vince “Stateside” Marciano, MBA, CPA

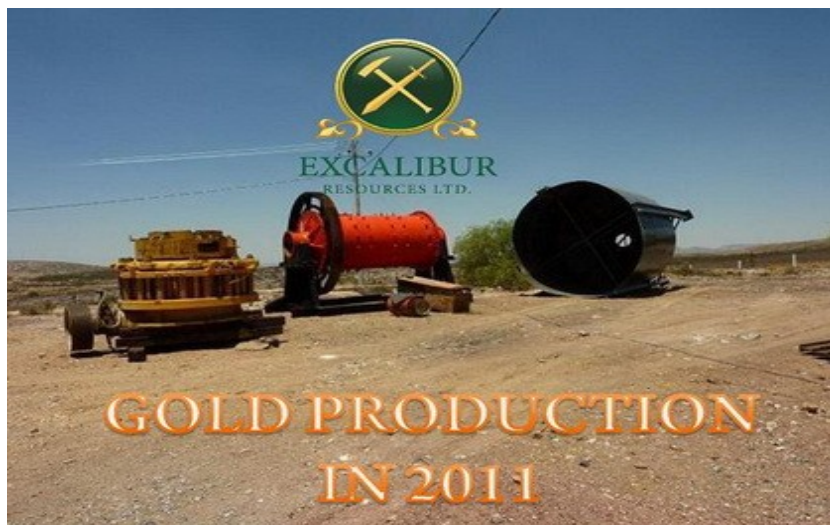
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Introducing:

Excalibur Resources (XBR)



“An extremely undervalued near-term production opportunity”

November 9, 2011

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| <ul style="list-style-type: none"> ^ Full-scale production first quarter 2012 in Mexico (producing a dore bar shipped to a refiner where gold/silver will be extracted) ^ \$7 million market cap with \$4.5 million Net Income forecast for 2012 start-up year ^ Beyond 2012, PE forecast of less than 2 ^ Paying a dividend in 2012 ^ 20,000 gross (10,000 net) high grade gold ounces/yr once mine is fully optimized ^ Simple mineralogy; veins 99% pure quartz ^ 250 ton/day operation in Zacatecas ^ Excellent exploration potential | <ul style="list-style-type: none"> ^ Strong management team ^ Tight share structure ^ Plans to move to the TSX-V in 2012 ^ Silver King property in Nelson, British Columbia <ul style="list-style-type: none"> o Former silver-copper mine o High grade silver exploration o Trenched Cariboo gold target; awaiting assays ^ Sturgeon Lake VMS property |
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Summary

It isn't often that an extremely undervalued opportunity presents itself that should be obvious to everyone yet no one seems to care. Even though gold is firmly above \$1,700 and the gold producers will make more money over the next two years than they did during the past 10 years, retail and institutional resource investors still refuse to take the time to analyze those smaller companies who will profit the most from this continuing gold bull market. How else can you explain a company with a forecast 2012 PE multiple of less than two when the average is in the 10-20 range? I would argue that once such a story is unveiled to a wider investor audience, a re-rating to the average PE range would occur. Below is the story of **Excalibur Resources (XBR).....the near-term producer story with a forecasted 2012 PE of less than two.**



- ▲ Share price at 11/8/11 - \$.09/share
- ▲ 49% ownership in a near-term producer in Mexico
- ▲ Shares issued and outstanding: 45.6 million-shares 75.0 FD
- ▲ Market Cap: approximately \$6 million Fully Diluted
- ▲ Tim Gallagher – Director, Chairman and CFO
- ▲ Website: <http://www.excaliburresources.ca>
- ▲ Phone: 416-925-0090
- ▲ Email: tim@excliburresources.ca
- ▲ 2012 forecast PE of less than two (\$.06/share net income)

The History (sourced from Minera Apolo S.A. De C.V. data)

The story of Excalibur's Catanava project begins in 1546 with mining at Pinos as one of only three bonanza gold districts discovered by the Spanish in Mexico. The Spanish discovered a lot of bonanza silver but only Pinos and two other districts were bonanza gold deposits. They worked the Pinos bonanzas until 1810 when they were kicked out of Mexico. For the following 50 years, the district only produced by grubbing (“gambusino” mining).

In the 1860's, the Pinos District was taken over by Cornish miners and from then until the 1910 Revolution, when almost all Mexican mining ceased for lack of material and manpower, the Cornish miners very efficiently operated in Pinos. They sunk many excellent, lined shafts which are still in good condition today.

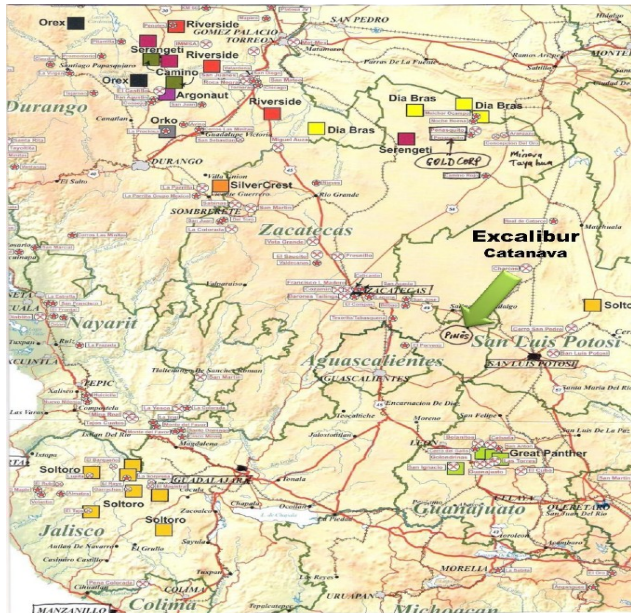
There are over 50 shafts in good to excellent condition in the Old Pinos District. The average gold grade produced by the Cornish mining operations was over 30 grams per ton. Most of the bonanzas and good grade veins were only mined to the then water table at 90-110 meter depth, but one mine installed a Cornish water pump and was still in the bonanza at 330 meters depth when the mine was forced to close in 1910.

Until 1975, when Bethlehem Steel Corp. began claiming the Old District, there had been no modern exploration of the Pinos deposits. Spanish and Cornish miners discovered the veins by mining down small surface outcrops of veins or sinking shafts along projections of known vein trends.



Underground, they never did cross cut drifting for exploration, hence missing the up to 20 parallel virgin veins in each of the four vein systems later discovered by Bethlehem's drilling. Reports from the time of the Cornish mining never separated the bonanza grades from the overall grades of bonanza ore plus regular vein ore; however, they mined out almost all the main veins from the surface to at least the water table for kilometers and the overall grades were 60 grams per ton gold, so, the bonanzas were indeed rich.

From the Revolutionary days, (1910 - 1920) until the middle 30s, there was very little activity in Pinos; a few small tonnage operations high grading the veins was all. In the middle 1930s the then owner operated a 300 to 350 ton per day mining-milling operation in one vein system until he died in the early 1940s. From his death through the 1950s several small "gambusino" miners high-graded along the numerous veins but there were no systematic or larger mining operations. Next a Canadian mined a few ore shoots until he left in the early 1970s at which time a Mexican owner took over on a small scale until his death in 1974.



In total, from 1546 to 1975, there were around 3 million tons of veins mined, yielding over 5 million ounces of gold and over 25 million ounces of silver. In 1975 Bethlehem Steel Corp. and a Mexican holding company started a joint venture working on Pinos including completing a favorable final feasibility study. Bethlehem Steel Corp. exited the mining business in the early 1980s that concluded their involvement in Pinos. The Mexican holding company never did any additional work on the property and eventually sold the claims to a previous exploration manager who has become the principal behind the joint venture partner with Excalibur Resources.

Prior to Excalibur Resources, a number of companies optioned the properties and worked on them. The most significant of these Hecla Mining Co. (1996-1997) which spent \$2 million exploring Pinos but they wanted an open pit, heap-leach project and decided to drop the option. The most recent company to work the property was Romarco (2006-7) but they soon focused their attention on their Haile discovery in South Carolina, US.

Pinos Exploration Information and Results

An enormous amount of data was generated from 1975 until 1983 by Bethlehem Steel Corp. and later by Hecla Mining Company. Bethlehem's results determine that there were over 5 million metric tons of veins to only the drilling depth of 250 m below the surface. This drilling depth was used because it was about 150 m below the average depth of most of the old mine workings. Most mining stopped at around 100 m depth which was the water table. **The grades of this ore ranges between 8 - 12 and 12 - 20 grams per ton gold and 100 to 1500 grams per ton silver.**

Based on \$5 million of recent modern exploration work completed by Bethlehem Steel Corp., All North Resources, Hecla Mining Company, Romarco and the current JV partner, several areas in the Old Gold District have been delineated **which are ready or near ready for production- including the Catanava project.** Bethlehem Steel Corp. confirmed that less than one third of the vein ore known in the Old Pinos Gold District has been mined. The Old Pinos Gold District is about 2 km southwest of the 5 x 6 km oval Herradura Dorado Caldera and the veins are in both pre-existing sedimentary rocks and rhyolitic material. Mineralization is directly related to the final stages of the caldera formation of probable late Oligocene time. Herradura Dorado Caldera is one of a very large number of calderas within or near the northwest trending Sierra Madre Occidental Mountain Range of northern and central Mexico.



At Pinos, owing to many good outcrops and the mining and drilling, the stratigraphy is well defined. The sedimentary sequence below the rhyolitic tuffs consists of the uppermost Cretaceous Caracol Formation remnants, followed by the Upper K Cuesta del Cura Limestones, then by a series of sandstones, greywackes, shales and limestones which are the western "feathering-out" of the entire Jurassic section. Below the Jurassic are the black shales (actually metamorphosed to brittle "slates") which are the upper part of the subaqueous series of sediments and volcanics collectively known as the "Zacatecas Rocas Verdes". They are probably Paleozoic or even possibly Precambrian age rocks. Mineralizing fluids, near the end of the rhyolitic caldera forming phase, were low-temperature and sought low pressure avenues of escape. These avenues were faults and fractures formed during the caldera formation; the mineralized fluids just "filled holes" for the most part (no wall rock alteration). After the fault fractures were filled with gold bearing quartz vein material, the remaining fluids seeped out into the porosity openings of the country rocks as "disseminations", forming ore deposits where there were stratigraphic or structural "traps". Eight of these disseminated areas are known within the Pinos properties.

Catanava Property within the Pinos Gold District

Catanava not only has the richest of the 18 (known) bonanzas worked by the Spanish and Cornish miners, but recent exploration and development has uncovered several virgin bonanzas and at least 12 other excellent bonanza possibilities; **small hand samples from some of the small mines have run up to several hundred ounces per ton of gold.** Veins range from about 1 1/2 meters down to 20 to 30 cm width- generally though the narrower the vein the higher the grade. Twelve or more of the major veins (plus numerous minor gold bearing veins) are continuous through the Catanava block. The entire Catanava block is a bonanza project. Veins are known to at least 250 m of depth. In addition to the down dip ore of the known bonanzas there are numerous parallel veins known from drilling and mapping as well as the high-grade, but non-bonanza, parts of veins. To 250 m below the surface, there will be in excess of 1,000,000 tons of high-grade to bonanza ore, but, if all of veins in the block are included this amount could be more than triple. The property has a good 120 meter shaft plus 4 excellent 60-90 meter shafts all ready for outfitting and production. There are a number of ore shoots that are prepared and ready for production of waiting mining and milling equipment (pure gravity concentration) and the installation process is underway



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Catanava has the highest undeveloped grades in the district plus it has four known and over a dozen potential bonanza ore bodies that were completely missed by the Spanish and subsequent miners. The block was previously mined on a small-scale but was not extensively exploited because it is covered by thin, more recent, tuff beds: three of the four Pinos vein systems converge beneath these tuffs at the northern end of the Old District. Each vein system has up to 20 parallel veins (mostly discovered by recent drilling); immediately south of the block, in the main part of the Old District, from one to six of the main veins of each system were mined extensively between 1546 and the 1910 Mexican Revolution, producing around 5+ million ounces of gold and over 25 million ounces of silver before 1910. Prior to 1910, along with 3,000,000 tons of excellent grade but non-bonanza vein ore, 18 bonanza ore bodies were discovered and mined in the main Old District. The Catanava block is believed to have over 1,000,000 tons of high-grade reserves plus Catanava has the four known bonanza ore bodies being developed, with several ounces per ton gold, and substantial evidence of at least a dozen other bonanza bodies in the block that were missed by the old-time miners.

All 18 of the known and mined old-time bonanza ore shoots in the Old District had many common features:

- ⤴ they are found at vein-vein or fault-vein intersections;
- ⤴ grades dramatically increase in the bonanza ore shoots but tonnage does not increase (i.e. vein widths remain the same)
- ⤴ most of the old-time mining was forced to stop at, or slightly below the then, water table (between 90 and 110 meters depth). The mine on the very large Canderleria bonanza (southeast of Catanava) installed a Cornish water pump and was still in bonanza ore at 330 meters when forced to close by the 1910 Revolution.
- ⤴ Ore shoots are usually from 100 meters to about 400 meters along strike

Mineralization

Mineralization here is found in a large number of typical , epithermal quartz and quartz-calcite veins. These veins are grouped into four major vein zones. Such “zones” usually consist of two or more major veins and 15 or more smaller ones. Veins strike northerly, northeasterly and north northwesterly and usually dip moderately to steeply west. **Veins vary from a few centimeters to more than 4 meters in width and average about 1.2 meters.** In detail, these veins exhibit features typical of epithermal systems with splits, irregular bends and vein breccias being common. Textures are similarly typical with vugs, banding, cockades and bladed, boiling textures commonly observed. This is a low sulfur system with minor pyrite. **Mineralogical work indicates that gold and silver are fine-grained, present mostly as native metals** and electrum with possibly some silver sulphides or sulphosalts. Gold and silver values can vary significantly over short distances.

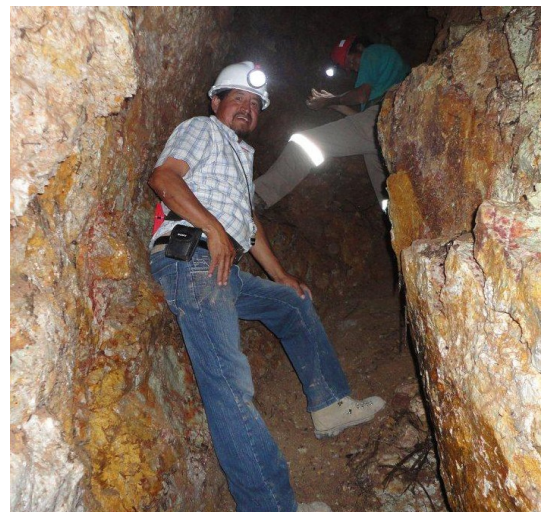
The property is underlain by a gently dipping sequence of Cretaceous sediments overlain unconformably by a succession of rhyolite flows, tuffs and associated epiclastic sediments. A complex set of high angle faults displaces the various rock units. One or more periods of hydrothermal activity has produced widespread epithermal, gold-silver mineralization both as classic, narrow vein occurrences and in the more widespread stockworks and disseminations.

Mining Approach

It is now known that bonanzas are found at vein-vein or fault-vein intersections, and it is known where three main systems intersect at the northern end of the Old District beneath the thin tuff cover in the Catanava block. The JV partner has discovered four unmined bonanzas and very strong evidence of where over a dozen more are located. These bonanzas are the primary objectives of the Catanava block project. The partner has opened two of the four known, unmined bonanzas and, after generating cash flow from this location, the other bonanzas will be mined.

Veins in Pinos are 99% pure quartz and the only metals present are free-milling native gold, silver, electrum, silver sulfide and in a few places a small amount of silver chloride, very rarely a small amount of pyrite. **Metallurgical testing has shown that 90% - 96% of these metals can be freed and recovered by crushing, grinding to-200 mesh and then concentration by gravity, ending up with a dore bar of gold and silver to send to a refinery.**

Currently, a 250 ton per day mining-milling used plant has been purchased and is being installed near the Infantita bonanza mine. The mill will be about 500 meters from the shaft on land which has water, electricity and tailings space. Total operating costs will be in the order of \$100 per ton and with silver credits, the cost to produce an ounce of gold could approach zero.



While the Catanava block has high-grade reserves on one of the 11 main veins known in the block (“main veins” mean those mined extensively immediately south of the block), plans are to exploit the high-grade reserves after exploitation of one or more of a bonanza ore bodies. While the high-grade “Cinco Estrellas Vein” is fully prepared for mining, including 2 reconditioned, lined 70 meter shafts ready for outfitting, the bonanzas will be placed in production first. On a parallel vein, known as “Infantita”, a filled in 30 meter shaft was cleaned out and a 10 ton bulk sample was mined from this ore shoot. **Hand sampling here came up with grades ranging between 2 and 31 ounces of gold per ton and up to 59 ounces of silver.** This vein, as well as the other 10 northerly trending main veins, will be accessed from the crosscutting “Guapo” vein. The Guapo vein has about 20 grams per ton gold and up to 550 grams per ton silver and is about 1.5 meters wide. Plans are to exploit this bonanza and one or more of the other three known bonanzas; at the same time extend exploration crosscuts to evaluate the projected other 12 or so bonanzas nearby.

Physiography

The Pinos district lies within the Mesa Central physiographic province, a high arid plateau lying between the Cordilleras Occidental and Oriental within central Mexico the average elevation for this part of Mexico is about 2,300 meters. Vegetation is sparse and consist of scattered deciduous brush and various kinds of cactus. Small clumps of larger trees are occasionally found along some of the arroyos. Climate is arid, however because of the elevation, temperatures are not as extreme even in summer.

Location

Catanava, Pinos, Zacatecas is only an hour's drive by paved highway from any of three major cities. San Luis Potosi, Aguascalientes or Zacatecas. San Luis Potosi is the largest, but all three have full services, including jetports. Infrastructure for mining in the old mining district and the town is excellent.

San Luis Potosi, a major mining center with an electrolytic zinc refinery. The property is accessible by approximately 100 km of paved road from the city of San Luis Potosi, (population of over 1,000,000 people) served by several daily commercial flights from Mexico City. From San Luis Potosi, State Route 49 leads northwesterly for approximately 75 km where a secondary road leads south for about 25 km to the town of Pinos located at the center of the claim block. A number of good dirt roads provide access to the nearby claims. The town of Pinos (population of the approximately 7,000) has limited facilities and accommodations. However, the city of San Luis Potosi has all modern facilities and is a center for most of the mining activity of central Mexico.



Management

Tim Gallagher

Position: Director, Chairman & Chief Financial Officer

Mr. Gallagher is a graduate in commerce from McMaster University, and holds a Master of Business Administration from York University and is a Chartered Financial Analyst. He's a director of Xtierra Inc., Xmet Inc., and Femin Inc. Previously he was in institutional sales for Loewen Ondaatje McCutcheon and Union Bank of Switzerland (Canada). As President of Inflection Capital Inc., Mr. Gallagher has assisted a number of companies implement their growth plans primarily through the TSX Venture Exchange Capital Pool Program since 1997.

Dianne Szigety

Position: Director, Corporate Secretary

Ms. Szigety has over 20 years experience in the securities industry and since 1994 has offered regulatory filing solutions and legal assistant consulting services to both public and private companies. Previously, Ms. Szigety was a senior legal assistant in the corporate securities department of Campney & Murphy, Barristers & Solicitors, in Vancouver, BC. Ms. Szigety is a director and/or officer of several publicly-listed and private companies.

Charles Beaudry

Position: Director

Mr. Beaudry is a Professional Geologist with over 30 years experience in project generation, business development, exploration chemistry and hands-on project management. Charles previously held the position of General Manager of new business opportunities with IAMGOLD Corporation from 2008 until 2009, after having spent nearly 17 years in various positions for Noranda-Falconbridge-Xstrata, including as country manager of Brazil from 1996 to 2001 and manager of the Frieda River Project from 2005 to 2006. Charles holds a Bachelors of Science in Geology from the University of Ottawa and a Masters of Geology from McGill University and is currently President and COO of Xmet Inc., a junior gold exploration company. Charles has broad expertise in metallogenic modelling, project generation, geochemistry, QAQC, statistics and Six Sigma quality improvement methodologies.

David J. Libby

Position: Director

Mr. Libby is a Mining Engineer and is currently a Senior Associate and Consultant with Behre Dolbear & Company Ltd., Toronto, Ontario. Mr. Libby served as Executive Vice-President, Mining and Vice-President Mining Operations-Chile with Aur Resources Inc. from 1994 until retirement in 2007. Mr Libby is a graduate of the Camborne School of Mines and a registered Professional Engineer in the Province of Ontario; and,

Andrew Robertson

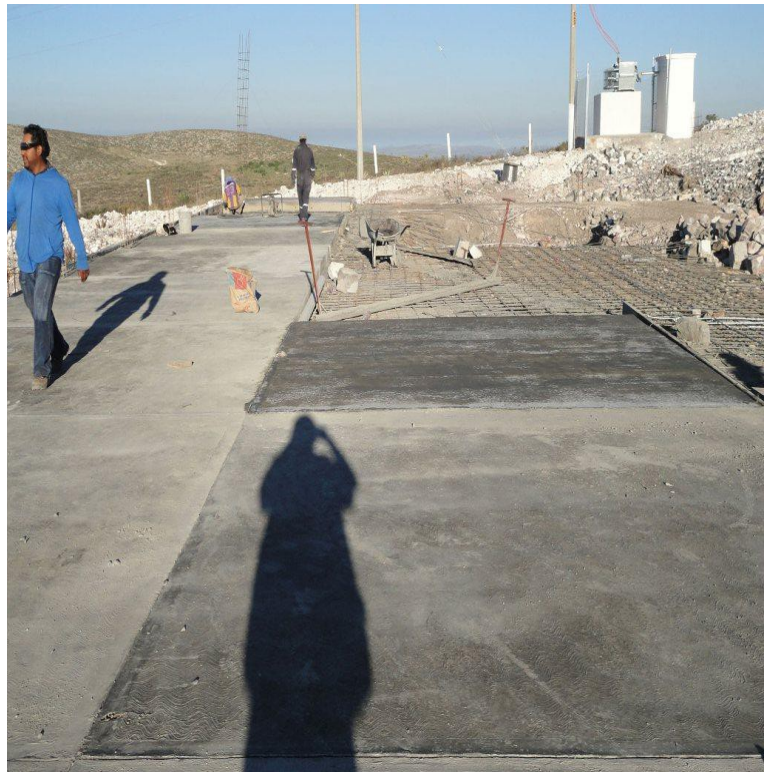
Position: Director

Mr. Robertson currently serves as a Vice President at Inflection Capital Inc. Prior to this position his career spanned 25 years in the debt financial markets with roles that included Senior Vice-President at GE Capital Solutions, Director, Private Debt Investments at Canada Life Assurance Company and Director, Loan Syndications at RBC Capital Markets. Mr. Robertson received a B.Comm(Hon) degree from Carleton University and an MBA from the University of Toronto.

The Near-Term Production Story

I will be going on an analyst tour to Catanva in December to view the progress of the plant construction. The current plan is to do production testing in late December and be ready to be up and running by the first quarter of the new year.

As this is a near term production story, it's important to lay out the expected volumes/pricing to gauge what we can expect as far as a potential stock price in 2012 based on comparable small gold producers. The market is valuing most gold plays as if gold were trading at under \$1,000. This has led to an extreme under-performance in all gold shares with gold trading near the \$1,700 level at the time of this report. To be conservative, we will perform a first year start-up phase analysis using lower grades and current pricing and then two different gold price forecasts to peer into the future to see what 2013 and beyond may be expected to bring to Excalibur and it's shareholders.



Some assumptions based on testing/expectations start-up phase Year 1:

Gold grades: avg 3 g/t (low grade material in dumps)

Silver grades: avg 110 g/t

Recovery : 93%

Production Rate: 250 tons/day

Total Operating Costs: \$100/ton (based on industry average for underground mines)

With gold at current levels of \$1,700/ounce and silver at \$35 (start-up phase case):

Sales price/ton: \$295/ton * 93% recovery = \$275

Operating costs/ton = \$100

Net Profit price/ton = \$175

Annual Net Revenue = \$175*250 tons/day * 310 days = \$14 million

Annual Net Revenue after taxes of 34% = \$9 million

Excalibur's shares at 49% = \$4.5 million

Earnings per share fully diluted \$4.5 million/75 million shares=\$.06/share – Start-up phase Year 1 with a net of approximately 3,500 oz of gold sold net to Excalibur.

Some assumptions based on testing/expectations life of mine beyond year 1 start-up phase:

Gold grades: avg 9 g/t

Silver grades: avg 200 g/t

Recovery : 93%

Production Rate: 250 tons/day

Total Operating Costs: \$100/ton (based on industry average for underground mines)

**With gold at \$1,000/ounce and silver at \$20
(Low Level Case):**

Sales price/ton: \$419/ton * 93% recovery = \$390

Operating costs/ton = \$100

Net Profit price/ton = \$290

Annual Net Revenue = \$290*250 tons/day * 310 days = \$23 million

Annual Net Revenue after taxes of 34% = \$15 million

Excalibur's shares at 49% = \$7.4 million

Earnings per share fully diluted \$7.4 million/75 million shares=\$.10/share – Low Level Case

**With gold at \$1,500/ounce and silver at \$30
(Base case):**

Sales price/ton: \$628/ton * 93% recovery = \$584

Operating costs/ton = \$100

Net Profit price/ton = \$484

Annual Net Revenue = \$484*250 tons/day * 310 days = \$37 million

Annual Net Revenue after taxes of 34% = \$24 million

Excalibur's shares at 49% = \$11.8 million

Earnings per share fully diluted \$11.8 million/75 million shares=\$.16/share – Base case

In summary, we can expect net income of **\$.06 share or a PE of under 2** (current market price \$.09) during year one (2012) as the mine process is fine tuned and the lower grade 3 g/t gold, 110 g/t silver is processed from the dump using current gold and silver levels of \$1,700 and \$35 respectively. After year one and using the Low Level Case of \$1,000 gold and \$20 silver gives us a **PE of 1 as net income climbs to \$.10/share**. Using the Base Case of \$1,500/oz gold and \$30/oz silver gives us a **PE of less than 1 as net income climbs to \$.16/share**. As most readers already know, my forecast for gold is over \$2,500 and over \$50 for silver over the next few years but I wanted to be conservative in my analysis to show that this project can be economical even under less than favorable economic conditions.

Let's then look at what the market is giving gold producers as far as a PE ratio's. Kitco provides a list of over 100 small-cap gold and micro-cap gold companies and their current forecasted PE's for 2011 and 2012 based on the current share prices at http://www.kitco.com/ind/matlack/oct272011_juniors.html. On average, in 2011, small junior gold companies are trading at a 14 PE and for 2012, trading at an average PE of 12.

Small-Cap Gold	Symbol	Rating	Price 21-Oct-11	Shrs O/S (MM)	Mkt Cap (US\$MM)	Earnings Per Share					Price/Earnings			Commodity/Country	
						2010	2011E	2012E	2013E	2014E	2011E	2012E	2013E		2014E
Allied Gold Ltd (CN)	ALG	3.0	AUD\$2.30	200	\$469	--	0.02	0.36	0.63	--	NM	6.3	3.7	--	Au/Indonesia
Ampella Mining Ltd (AU)	AMX	1.8	AUD\$1.51	205	\$318	--	(0.10)	(0.11)	(0.03)	0.13	--	--	--	11.7	Au/Burkina Faso
Argonaut Gold Ltd (CN)	AR	1.5	C\$5.25	90	\$473	0.05	0.32	0.42	0.80	0.98	16.2	12.6	6.5	5.3	Au/Mexico
ATAC Resources Ltd (CN)	ATC	2.3	C\$3.41	97	\$323	(0.03)	(0.21)	(0.01)	(0.01)	--	--	--	--	--	Au/Canada
Avion Gold Corp (CN)	AVR	1.8	US\$1.93	439	\$848	0.09	0.13	0.21	0.23	0.30	15.2	9.4	8.3	6.4	Au/Ghana
Avocet Mining (UK)	AVM	1.6	US\$3.75	199	\$746	0.07	0.19	0.23	0.39	0.26	19.8	16.0	9.7	14.4	Au/Burkina Faso
B2Gold Corp (CN)	BTO	1.3	US\$3.18	344	\$1,094	0.04	0.25	0.30	0.27	0.36	13.0	10.7	11.8	8.8	Au/Colombia, Nicaragua
Banro Corp	BAA	2.0	US\$3.80	193	\$732	(0.02)	0.00	0.59	1.33	--	--	6.5	2.9	--	Au/DR Congo
Beadell Resources Ltd (AU)	BDR	1.4	AUD\$0.69	656	\$468	--	(0.03)	0.08	0.18	0.14	--	8.2	3.9	5.0	Au/Brazil
Canaco Resources (CN)	CAN	2.0	C\$1.68	199	\$329	--	--	--	--	--	--	--	--	--	Au/Tanzania
CGA Mining Ltd (CN)	CGA	1.7	US\$2.42	333	\$808	0.15	0.28	0.40	0.48	0.58	8.6	6.1	5.1	4.2	Au/Philippines
Chesapeake Gold Corp (CN)	CKG	1.7	C\$13.96	40	\$645	(0.15)	(0.14)	(0.25)	(0.27)	--	--	--	--	--	Au/Mexico
Colossus Minerals Ltd (CN)	CSI	1.7	C\$6.33	105	\$652	--	(0.23)	(0.13)	1.33	1.56	--	--	4.8	4.1	Au/Brazil
Continental Gold Ltd (CN)	CNL	1.4	US\$6.61	108	\$712	(0.12)	--	--	--	--	--	--	--	--	Au/Colombia
Detour Gold Corp (CN)	DGC	1.9	C\$29.99	99	\$2,904	(0.96)	(0.54)	(0.54)	2.17	3.58	--	--	13.8	8.4	Au/Canada
Dundee Precious Metals (CN)	DPM	1.6	US\$6.75	125	\$845	0.22	0.81	1.22	1.30	1.09	11.1	5.5	5.2	6.2	Au/Bulgaria
Exeter Resource Corp	XRA	2.3	C\$3.55	87	\$304	(0.46)	(0.10)	--	--	--	--	--	--	--	Au/Chile
Extorre Gold Mines Ltd (CN)	XG	2.0	C\$8.02	92	\$725	(0.42)	(0.36)	(0.32)	0.81	--	--	--	9.9	--	Au, Ag/Argentina
G-Resources Group Ltd (HK)	1051	2.3	HK\$0.47	16880	\$1,009	--	(0.00)	0.05	0.08	--	--	10.0	6.0	--	Au/Indonesia
Gabriel Resources Ltd (CN)	GBU	2.6	C\$6.61	379	\$2,461	(0.07)	(0.03)	(0.06)	(0.05)	(0.19)	--	--	--	--	Au/Romania
Gold One International Ltd (AU)	GDO	--	AUD\$0.54	809	\$443	0.02	0.10	0.09	0.08	--	5.5	5.8	6.5	--	Au/South Africa
Gryphon Minerals Ltd (AU)	GRY	1.9	AUD\$1.46	300	\$447	--	(0.02)	(0.03)	0.02	0.25	--	--	84.6	5.9	Au/Burkina Faso
Guyana Goldfields Inc (CN)	GUY	1.9	C\$8.19	84	\$673	(0.09)	(0.09)	(0.16)	--	--	--	--	--	--	Au/Guyana
High River Gold Mine Ltd (CN)	HRG	2.3	C\$1.31	840	\$1,080	0.14	0.18	0.17	0.18	0.16	7.5	7.7	7.3	8.2	Au/Russia, Burkina Faso
International Minerals Corp (CN)	IMZ	2.0	US\$6.74	120	\$812	--	0.48	0.49	--	--	14.2	13.8	--	--	Au, Ag/Peru, Ecuador
International Tower Hill	THM	2.3	C\$4.82	87	\$410	--	(0.10)	(0.11)	(0.09)	--	--	--	--	--	Au/US
Intrepid Mines Ltd (AU)	IAU	1.6	US\$1.01	522	\$526	(0.07)	(0.06)	(0.06)	(0.07)	(0.02)	--	--	--	--	Au/Australia
Jaguar Mining Inc (CN)	JAG	3.0	US\$4.02	84	\$340	(0.19)	0.26	0.63	0.80	0.58	15.7	6.4	5.0	6.9	Au/Brazil
Keegan Resources Inc	KNR	2.8	C\$5.52	75	\$408	--	(0.51)	(0.26)	(0.05)	0.34	--	--	--	16.4	Au/Ghana
Kirkland Lake Gold (CN)	KGI	1.7	C\$16.16	70	\$1,108	--	0.77	1.62	2.82	--	21.0	10.0	5.7	--	Au/Canada
Minefinders Corp Ltd	MFN	2.4	US\$13.12	81	\$1,066	0.09	1.06	1.43	1.80	0.97	12.4	9.2	7.3	13.6	Au, Ag/Mexico
Minera Andes Inc (CN)	MAI	1.0	C\$1.79	283	\$497	0.11	0.21	0.33	--	--	8.5	5.4	--	--	Au, Ag/Argentina
Mineral Deposits Ltd (AU)	MDL	1.5	AUD\$5.73	84	\$478	--	0.04	0.28	0.50	0.62	NM	20.6	11.5	9.3	Au, Ti sands/Senegal
Novagold Resources Inc	NG	2.8	C\$7.64	240	\$1,797	(0.95)	(0.16)	(0.15)	(0.07)	--	--	--	--	--	Au/Alaska, Canada
Oceanagold Corp (AU)	OGC	2.3	US\$2.19	263	\$575	0.16	0.20	0.23	0.45	0.32	11.1	9.4	4.9	6.8	Au/Australia, NZ, Philippines
Premier Gold Mines Ltd (CN)	PG	1.3	C\$5.19	122	\$621	(0.08)	(0.07)	(0.03)	0.03	--	--	NM	--	--	Au/Canada
Pretium Resources (CN)	PVG	2.0	C\$9.10	87	\$776	--	(0.14)	(0.16)	(0.06)	--	--	--	--	--	Au, Ag, Cu/Canada
Primerio Mining Corp (CN)	P	1.9	US\$2.76	88	\$243	(0.20)	(0.03)	0.63	0.63	0.96	--	4.4	4.4	2.9	Au/Mexico
Queenston Mining Inc (CN)	QMI	1.0	C\$5.50	82	\$445	(0.05)	(0.12)	(0.09)	(0.16)	--	--	--	--	--	Au/Canada

Knowing these averages, we can forecast what the market may value Excalibur as a share price if they can hit their targeted grades and production levels after the start-up phase later in 2012/2013:

Low level Case:

If the market values Excalibur as they do other small/micro-cap gold companies at a PE of 12 in 2013, a case can be made that the shares may trade at \$.10 earnings per share * 12 PE = **\$1.20**.

Base case:

If the market values Excalibur as they do other small/micro-cap gold companies at a PE of 12 in 2013 a case can be made that the shares may trade at \$.16 earnings per share * 12 PE = **\$1.92**.

Obviously these share price targets sound ridiculously high based on the current share price of \$.09 and as many know in the mining business many things can go wrong (and often do) when starting up a mine. I provide these numbers not as an exact target price of where Excalibur's stock price may be by 2013 but more to show the extreme undervaluation of the current share price. I would argue that most of the undervaluation of the current share price is due in large part to this near term production story not being known to most junior resource investors. Once Excalibur goes into production and the story starts to work it's way out to retail and institutional investors, a re-rating of the share price will likely follow.

The current plan is for a 10 year mine life and to outline a 300,000 gold oz 43-101 compliant resource. The area is ripe for exploration potential and Excalibur plans to use half of their generated cash flow to plow back into exploring the surrounding areas for more high grade gold and silver veins. The other half of the cash flow will go back to shareholders in the form of a dividend.

Next Steps

Construction is far advanced and the water permit has already been signed. The explosive permit is currently pending. Production testing will commence in December with full-scale production occurring during the first quarter of 2012. I will be making a trip to Catanava in December along with Excalibur's Chairman to view the progress and get a feel for the vast exploration potential of the project. Currently, there are approximately 20 employees on staff. Once full-scale production begins, there will be 3 shifts per day with 8 areas/face and 3 men per face. Several options exist to sell the gold/silver dore including among others Johnson Matthey. Discussions will be held over the next few months to firm up the commitments.

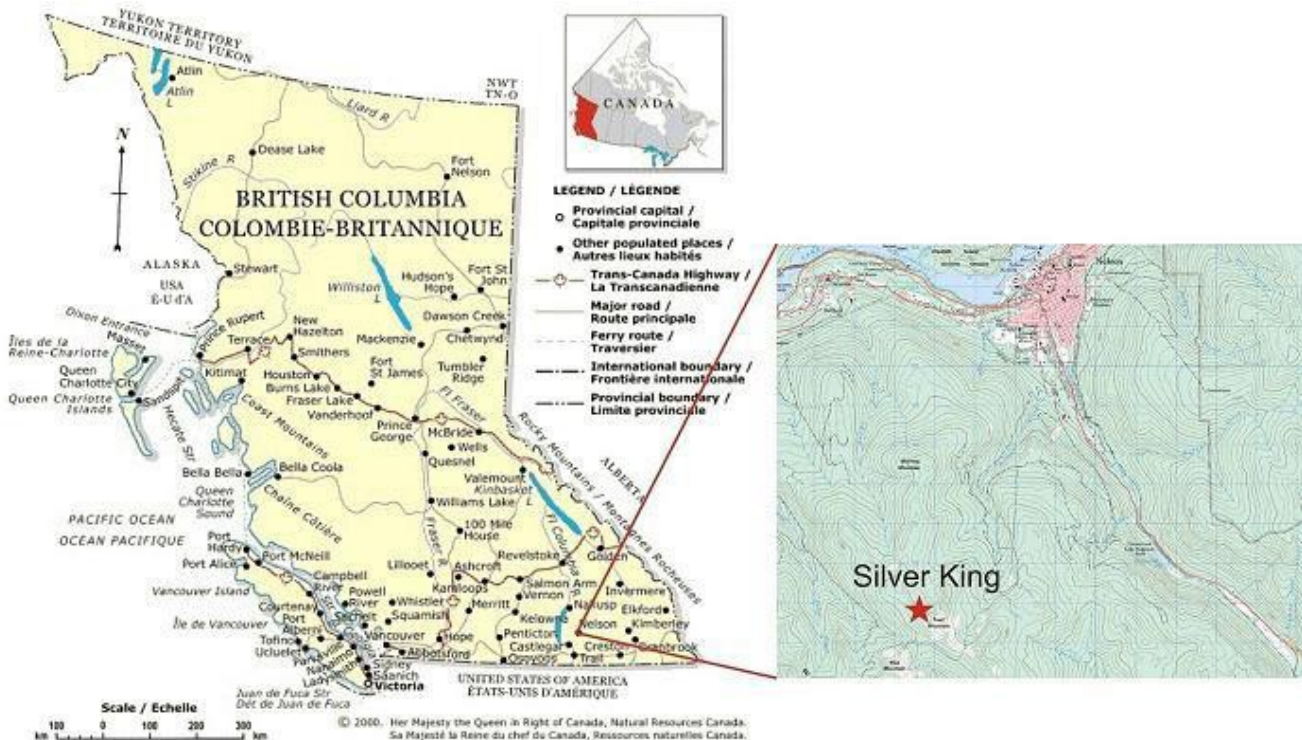
Gold production stories with excellent exploration potential are getting premium value from investors as you get the best of both worlds with cash flow and exploration news flow. Unlike the Yukon and British Columbia where news flow stops in the Winter and Spring, Catanava will provide constant news flow year round in Mexico.

I will be providing another update in December once I return back from the Catanava site visit.

Other Properties

The focus of this report is on the near-term production opportunity that Catanava presents but Excalibur has two other projects that deserve a mention.

Silver King Project



The Silver King property is a former well known producer of silver and copper, located on Toad Mountain about 7 km south of Nelson at an average elevation of 6,000 feet above sea level. It is readily accessible from Nelson, a road distance of 13 km. The mine was closely connected with the early history of Nelson.

The Silver King Mine is located in proximity to several existing recent gold discoveries in the area. The property lies in the midst of the Nelson gold-silver camp, an area of numerous skarn and vein deposits of gold, silver and copper and an occurrence of copper-molybdenum in a porphyry deposit.

The claims were originally privately staked in 1885. In 1895, Hall Mines Co. Ltd. of London, England began large scale development of the mine and the construction of a smelter at Nelson to treat the Silver King ores and ores from other mines in the district.

Large scale production commenced in 1896 and continued until 1902 when mining operations were suspended. In this period over 128,000 tons averaging 18.6 oz. of silver per ton and 3.3 % copper were sent to the smelter.

New ownerships and limited production from the mine occurred between 1902 and 1912. In 1912, Consolidated Mining and Smelting Company (Cominco) purchased a controlling interest. Over the next two years, development work and 5,000 feet of diamond drilling was completed. Limited production of 13,421 tons grading 8 oz. of silver per ton and 2% copper per ton occurred. The mine was closed in 1914 due to war conditions. Further development work took place during the war including 6,485 feet of diamond drilling. The property was closed in 1919 and remained dormant except for a few years during which token quantities of ore were mined and shipped.

Between 1889 and 1958 from an estimated production of 222,721 tons, over 15 million lbs of copper and 4 million oz. of silver were produced. Small quantities of gold, lead and zinc were also produced. 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.

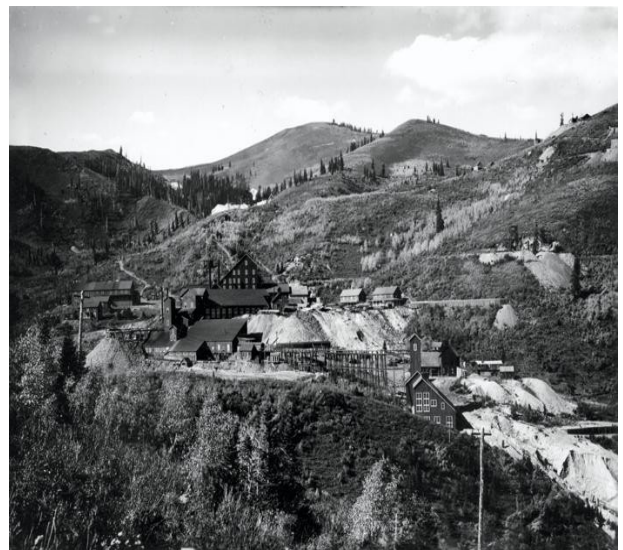
Through various owners, exploration programs were carried out in 1952, 1965-1967, 1973, 1981 and 1983. In 2009, Excalibur conducted a 25-hole drill program where significant levels of silver were intersected in most of the holes.

Since 1983, soil geochemical analysis, and trenching on the property has been reported. In late 2005, three excavator trenches tested a 170 metre long section of the foot wall rocks adjacent to the historic Silver King Mine. The reported results of the trenching program resulted in encouraging silver and copper values ranging between 39 g/t silver to 188.6 g/t silver and copper assays of 0.19% to 0.82% with some included widths assaying as high as 593 g/t silver and 1.19 % copper.

Current Plans

Per Excalibur's press release of a few weeks ago:

Excalibur Resources Ltd. is pleased to announce it has begun its Fall exploration program on its Cariboo Property located adjacent and east of its Silver King Property, 7 kilometres south of the town of Nelson in southeastern BC. The Silver King Property hosts the past-producing Silver King Mine which was in continuous production from 1889 to 1914, then intermittently until 1958 and produced 4.4 million ounces of silver and 15 million pounds of copper at an average grade of 694 g/t silver and 3.36% copper. Adjacent and to the east is Sultan Minerals Inc.'s Kena Property, containing the Gold Mountain and Kena Gold Zones, both of which contain bulk tonnage gold mineralization, as well as a high-grade gold corridor and bonanza shoots.

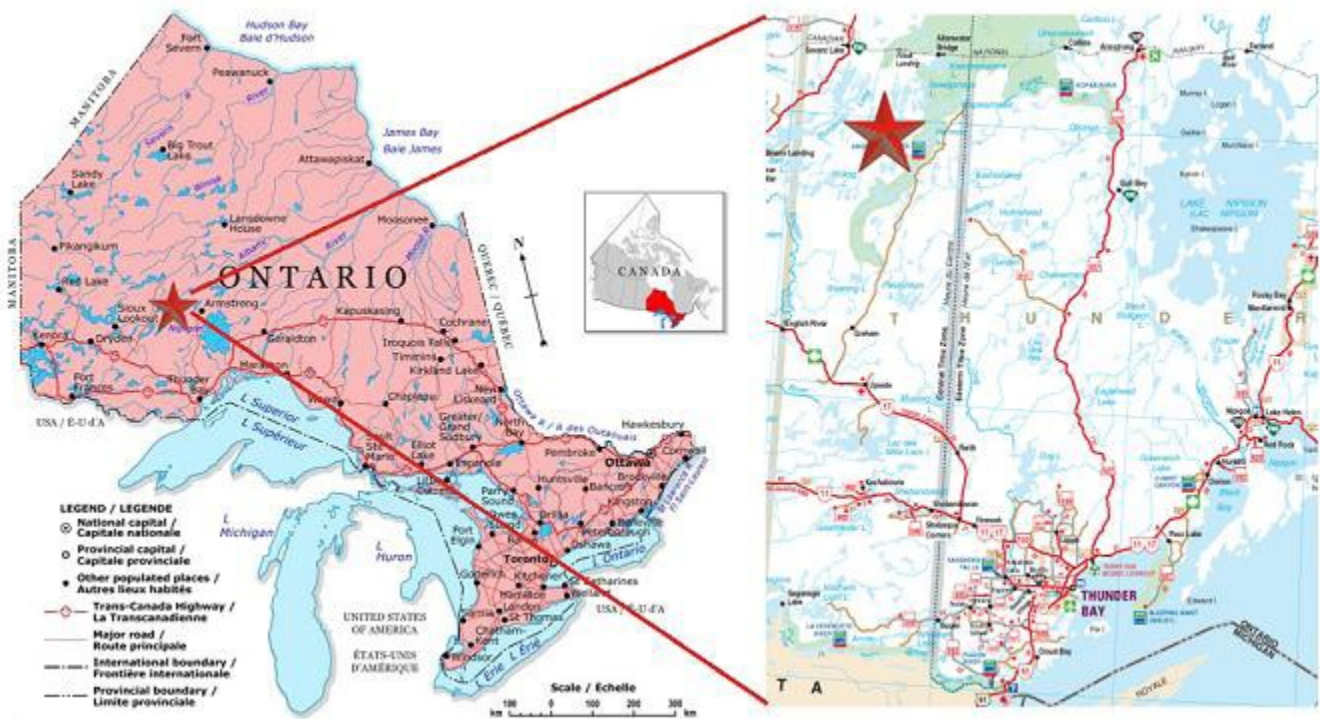


Mineralization on the Cariboo Property is comprised of a brecciated quartz vein/silicified band containing variable amounts of pyrite, galena and sphalerite. Good gold and silver values have been returned from limited trench sampling at the Cariboo showing, including 24.86 g/t gold and 53.6 g/t silver over 1.0 metre (BC Ministry of Mines Assessment Report #27240). In 2001, Sultan Minerals diamond drilled one hole at Cariboo and intersected 2.14 metres grading 2.57 g/t Au, 23.9 g/t Ag along with elevated Pb and Zn; plus a second 2.0 metre interval grading 0.24% Cu (BC Ministry of Mines Assessment Report #26875).

The strike of the Cariboo mineralization lines up with the southeastern trend of the Silver King mine structures. This current exploration program will consist of approximately 600 metres of trenching, mapping, and chip sampling along the 1000 metre strike trend of the Cariboo workings, toward the Silver King mine's Grizzly Adit that lies between the Silver King mine workings and the Cariboo showing.

Excalibur's Chairman, Mr. Gallagher, commented, "We look forward to better understanding if the mineralization on the Cariboo system is associated with the Silver King mineralization and/or the gold systems on Sultan Minerals' property. It will be interesting to see as we move down the mountain if we find a gold system like our neighbours have at lower elevations."

Sturgeon Lake Project



Land Position

- ⤴ Staked 108 square kilometers
- ⤴ The Sturgeon Lake region has good road access and infrastructure
- ⤴ Located approximately 25 km east of the Sturgeon Lake mining camp district
- ⤴ Sturgeon Lake is approximately 60 km north of the Trans Canada Hwy 17 at Ignace, Ontario, Canada

History

- ⤴ District known for its Volcanogenic Massive Sulphide (VMS) ore deposits
- ⤴ The site of six known high grade zinc-copper-silver ore deposits with associated lead and gold - producers until the early 1990's
- ⤴ The best known producers were the Mattabi and Sturgeon Lake Mines
- ⤴ Little corporate exploration conducted in the district after 1992
- ⤴ A Provincial Government geophysical survey in the early 1990's identified extensive zones of multiple sub-parallel and stacked sulphide-bearing conductors
- ⤴ Many of these sulphide-bearing conductors extend into the Company's 8,816 hectare property as massive sulphide lenses that cumulatively exceed 100 km of strike length on the property
- ⤴ Overlooked in the past due to minimal outcrop exposure, and absence of modern highly effective geophysical and geochemical survey techniques
- ⤴ As a result past drilling is minimal to non-existent over most of the property

Current Plans

Excalibur issued the following press release earlier this year:

EXCALIBUR RECEIVES ACCEPTANCE OF ADDITIONAL STURGEON LAKE STAKING

Excalibur Resources Ltd. has received acceptance of all staked mining claims. Since the beginning of the 2010 exploration season, Excalibur staked 13 new mining claims with a combined area of approximately 2,064 hectares, or 20.64 square kilometres, to the north and to the east of the existing property. In total, Excalibur now has 107 square km of mining claims in the Sturgeon Lake area of Northwestern Ontario. The claims to the north contain an iron formation that will be tested for its gold and copper potential, while the claims to the east showed a magnetic high, on VTEM and HEM/magnetic surveys, that may be a continuation of this formation.

The company has determined from historical data that surveys undertaken on the property confirm that identified geophysical conductors are sulphide rich, including the presence of massive sulphide lenses. The Sturgeon Lake property contains numerous extensive zones of multiple subparallel and stacked sulphide-bearing conductors that cumulatively exceed 100 km of strike length. In addition, the identified geophysical conductors are located along strike of six mined VMS (volcanogenic massive sulphide) deposits in this mineral belt. The most notable former mines in the area included operations containing high-grade zinc-copper-silver with associated lead and gold. The well-known Mattabi, Lyon Lake and Sturgeon Lake mines operated in proximity and along strike of the company's current property location. By adding these new claims, the company has increased the chances of finding significant gold, copper and iron at Sturgeon Lake.



In addition to the accepted mining claims, Excalibur has received its Category 9 aggregate permit, which authorizes the removal of aggregate from a pit on its property. This will facilitate future drilling by allowing the company to build roads more cost-effectively and efficiently rather than by purchasing aggregate from a supplier.

Excalibur's chairman, Tim Gallagher, commented, "Although there is much work to be done on such a large property, 2010 was a productive year at the Sturgeon Lake property where we advanced:

- ▲ Our understanding of the property through the extensive systematic geological work performed;*
- ▲ The potential of the property by selectively acquiring additional adjacent claims,*
- ▲ The administrative status of the property with the receipt of permits from the ministry."*

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