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**Western Australian Gold Exploration
and Development Company**

KALGOORLIE NORTH GOLD PROJECT

Production for Exploration

September 2014

Disclaimer & Important Information

Forward Looking Statements Caution

Certain statements contained in this document constitute forward looking statements. Such forward-looking statements are based on a number of estimates and assumptions made by the Company and its consultants in light of experience, current conditions and expectations of future developments which the Company believes are appropriate in the current circumstances. These estimates and assumptions while considered reasonable by the Company are subject to known and unknown risks, uncertainties and other factors which may cause the actual results, achievements and performance of the Company to be materially different from the future results and achievements expressed or implied by such forward-looking statements. Investors are cautioned that forward looking information is no guarantee of future performance and accordingly, investors are cautioned not to place undue reliance on these forward-looking statements.

Competent Person Statement – Exploration Results and Mineral Resources

Information in this announcement that relates to Mineral Resources and exploration results is based on information compiled by Mr David Potter who is the Technical Director of Excelsior Gold Limited. Mr Potter is a Member of The Australian Institute of Geoscientists and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking, to qualify as a Competent Person as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr Potter consents to the inclusion in the document of the information in the form and context in which it appears.

Competent Persons Statements – Ore Reserves

The information in this Report which relates to Ore Reserve estimates accurately reflects information prepared by competent persons (as defined by the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves). The information in this public statement that relates to the Ore Reserves at the Excelsior Gold Kalgoorlie North Gold Project is based on information resulting from Pre-Feasibility works carried out by Auralia Mining Consulting. Both Mr Daniel Tuffin (Open Pits) and Mr Anthony Keers (Underground Workings) completed the Ore Reserve estimate. Mr Daniel Tuffin and Mr Anthony Keers are Members and Chartered Professionals (Mining) of the Australasian Institute of Mining and Metallurgy and have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that they are undertaking to qualify them as Competent Persons as defined in accordance with the Australasian Joint Ore Reserves Committee (JORC).

- ❑ **Single commodity/single project – KALGOORLIE NORTH GOLD PROJECT (KNGP)**
 - **1.37Mozs of gold resources** – 23.7Mt @ 1.80g/t Au *at 0.6 and 3.0g/t Au cut-offs*
 - **0.49Mozs of ore reserves** – 7.6Mt @ 2.00g/t Au *based on March 2014 PFS assuming new 1Mtpa CIL plant cost structure*
- ❑ **Near term producer with significant exploration upside**
 - Processing term sheet with Norton Gold Fields signed June 2014
 - Minimum 500,000tpa allocation at Paddington Mill for 5 years with option to extend
 - Similar cost structure to PFS standalone option at <20% capital requirement
 - Future standalone development remains an option – investigated from cashflow
 - Extensive, widespread gold mineralisation offers exploration upside
 - extension of 22 resources areas
 - 18 advanced prospects; 51+ defined resource exploration targets
 - Gold 'camp' scale area
- ❑ **Focus on production and further resource and reserve expansion**

EXG CAPITAL STRUCTURE

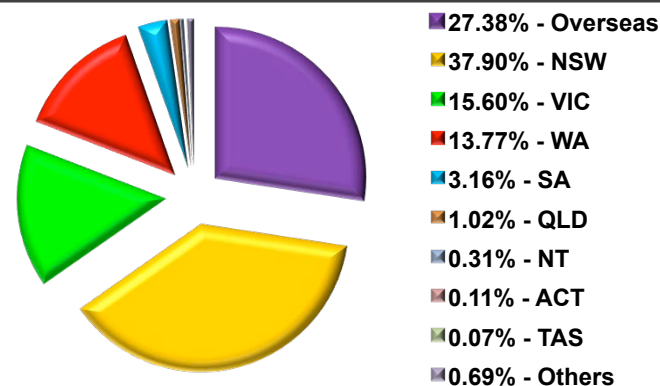
<i>Shares on Issue</i>	417,828,424
<i>Options¹ (9.2c by 31/12/15)</i>	43,478,261
<i>Cash Reserves</i>	A\$2.3 million
<i>Share Price (08/09/2014)</i>	\$0.070
<i>52 Week Range</i>	\$0.058 – \$0.125
<i>Market Cap (fully diluted; 08/09/2014)</i>	~A\$32.2 million

¹ Macquarie Bank Convertible Loan facility options – \$4 million facility, \$2 million drawn down

BOARD AND MANAGEMENT

Peter Bird	<i>Non-executive Chairman</i> (geology, mining, broking analyst, corporate)
David Hamlyn	<i>Managing Director</i> (geology, mine management, corporate)
David Potter	<i>Technical Director</i> (geology, resources, mining, finance)
Nicholas Ong	<i>Commercial Director/Company Secretary</i> (business, compliance, finance)
Bradley Toms	<i>Exploration Manager</i> (geology, exploration, mining, regulatory)

SHAREHOLDER DISTRIBUTION



1,425 Shareholders

Top 20 hold 59.1%

Board & Management hold 7.9%

KNGP Regional Significance

- ❑ 113km² of granted tenements
- ❑ Intersection of major mineralised structures known to contribute to development of multi-million ounce fields
- **Bardoc Tectonic Zone (BTZ)** *southern extensions host world class deposits (Super Pit)*
- **Black Flag Fault (BFF)** *mineralising link influences Kundana and Mt Pleasant camps*
- ❑ Complex structural domain of N and NE intersecting shears **hosts widespread mineralisation**
- ❑ Mining camp scale potential



KNGP Gold Resources

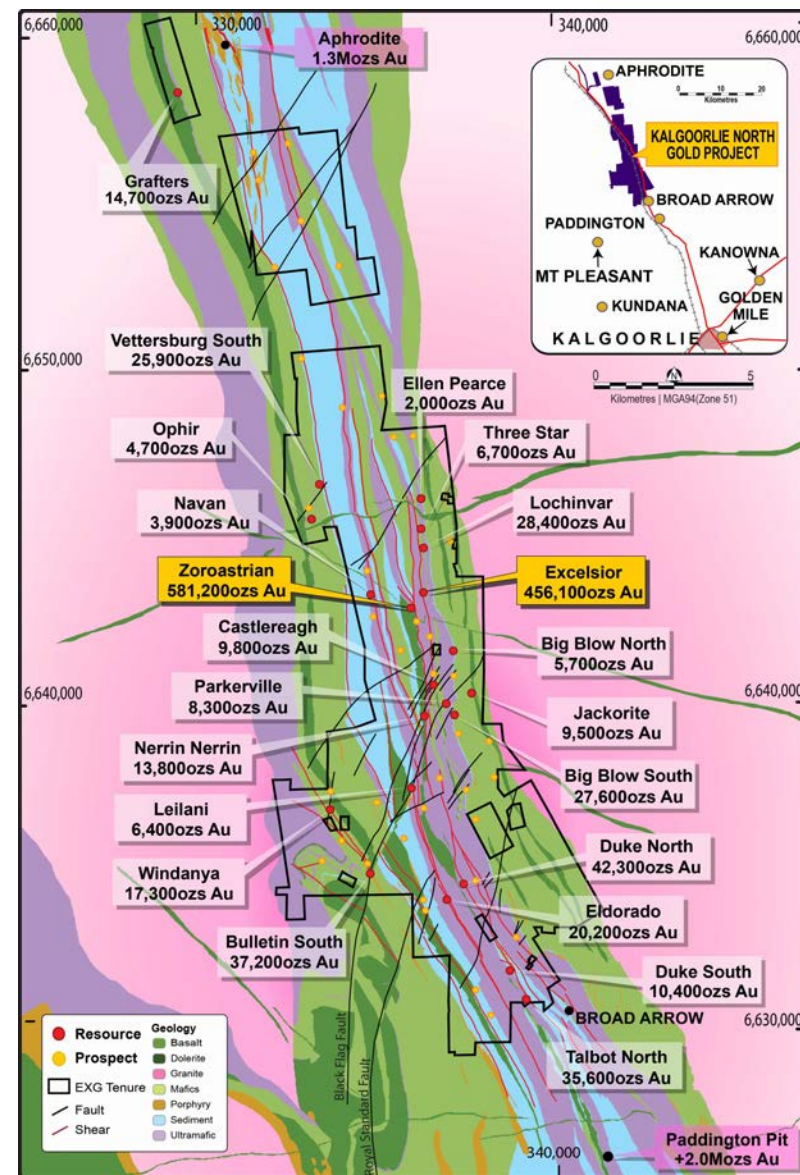


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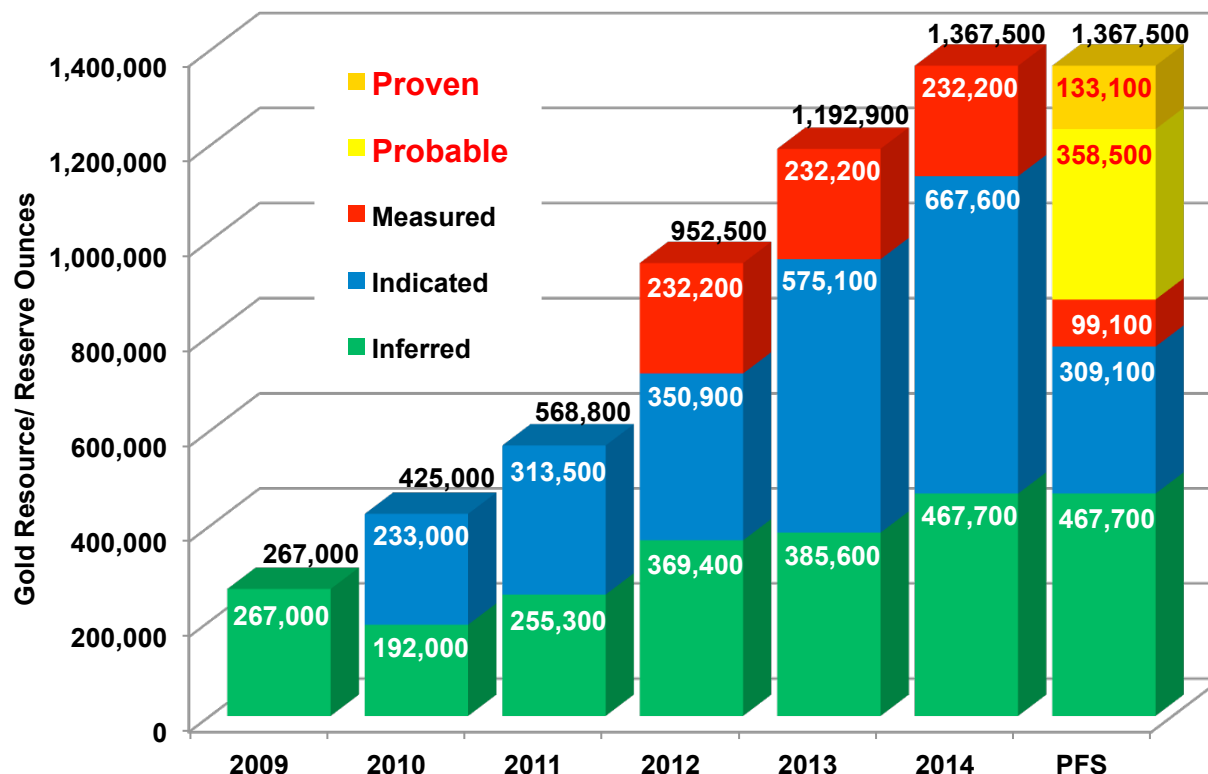
- ❑ >90 significant gold occurrences
- ❑ 22 defined resource areas to date

JORC	Tonnes (Mt)	Grade (g/t Au)	Total (ozs Au)
Measured	5.18	1.40	232,200
Indicated	10.41	1.99	667,600
Inferred	8.86	1.80	467,700
Total	23.67	1.80	1,367,500

- ❑ 2 major resources 300m apart:
 - Excelsior (*open pit*)
11.06Mt @ 1.28g/t Au for 456,000ozs
 - Zoroastrian (*open pit and underground*)
6.69Mt @ 2.70g/t Au for 581,200ozs
- ❑ New discoveries revitalise overlooked mining centre
- ❑ Good resource expansion potential –
 - *existing resources*
 - *known mineralised areas*
 - *new targets*



Consistent low cost resource expansion



Total Project Expenditure A\$16.5M *inclusive of all exploration and feasibility expenditure*

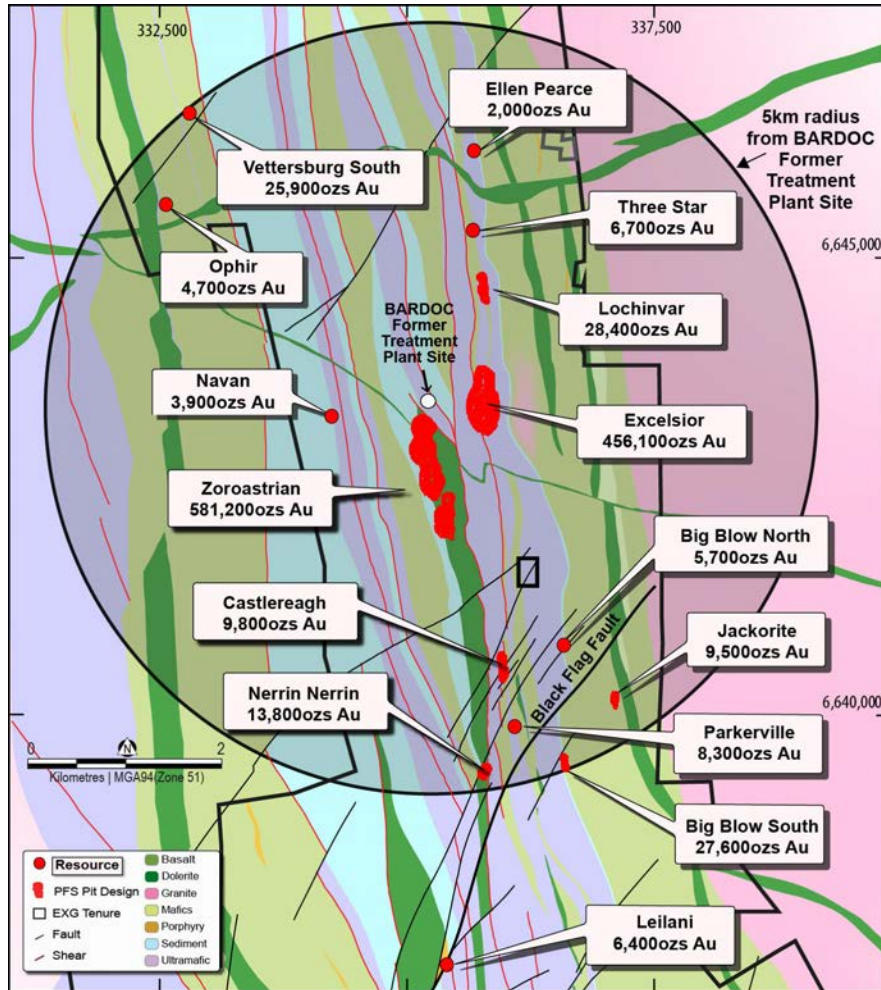
Resource Discovery Cost **\$15/oz Au** *Aust. industry av. 'brownfields' discovery cost \$42/oz (Zoroastrian \$10/oz)*

PFS Ore Reserve Discovery Cost **A\$33/oz Au** *based on current ore reserves of 0.49Mozs Au*

55% conversion of Measured and Indicated resources to Ore Reserves (*Zoroastrian 68%*)

Central Mine Area – ‘New Gold Camp’

- 13 existing deposits hosting 1.15Mozs (19.5 Mt @ 1.84g/t Au) plus many high ranking exploration targets



ZOROASTRIAN – new large gold system

- PFS Probable Ore Reserves
 - Open Pit – **2.04Mt @ 2.52g/t Au** for **164,800ozs**
 - Underground – **0.98Mt @ 3.44g/t Au** for **108,500ozs** (limited to mechanised stopes only on better defined structures)
- Open pit underpins initial Paddington 2.5Mt treatment allocation – *potential for expansion (O/P & U/G)*

EXCELSIOR

- Broad mineralised shear – **20 to 50m true width**
- PFS Proven and Probable Ore Reserve **3.85Mt @ 1.34g/t Au** for **165,800ozs**
- Low cost bulk open pit mining – *base load feed for 1.0Mtpa plant option*
- Surplus to requirement for initial 5 year Paddington treatment option
- Reassess at gold price >A\$1,500/oz

SATELLITES

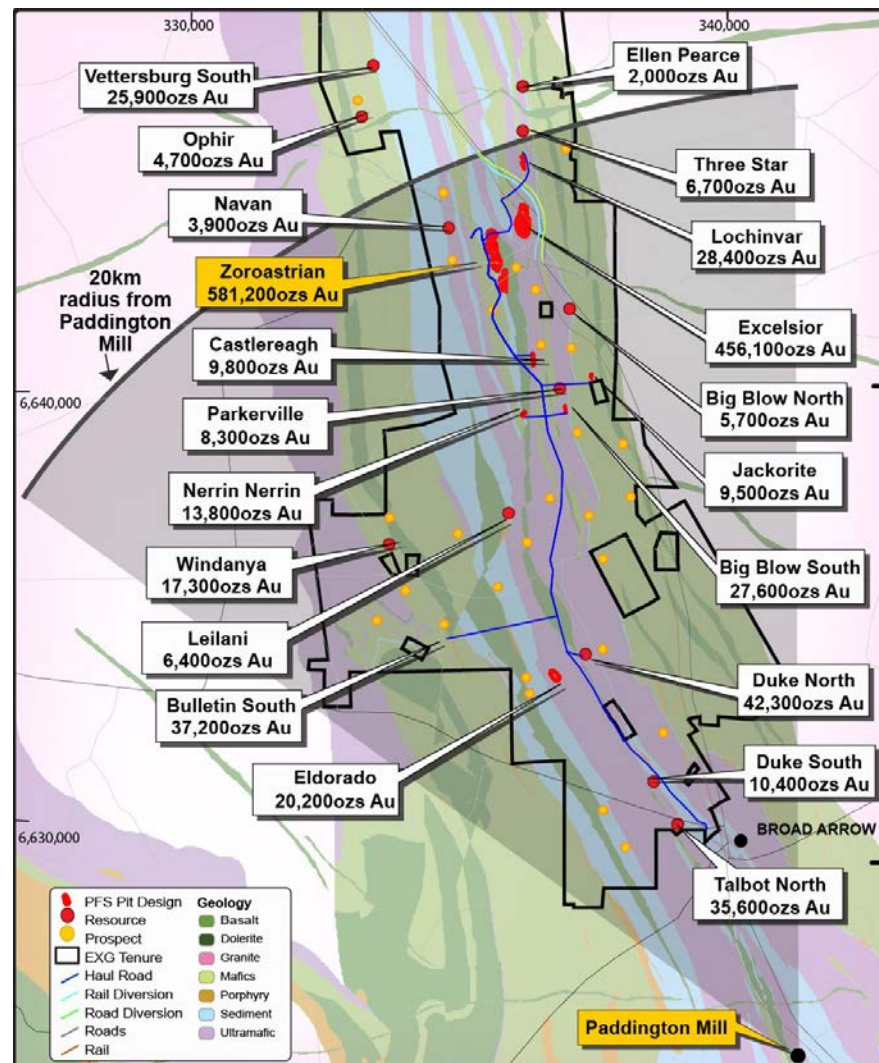
- 11 resources – **2.4Mt @ 1.90g/t Au** for **146,200ozs**
- 5 PFS Ore Reserves total **414kt @ 2.28g/t Au** for **30,300ozs**
- Provides mining and milling flexibility with higher grade, mainly oxide ore

Paddington Ore Treatment Agreement

- ❑ Norton Gold Fields (NGF) propose Paddington Mill upgrade from 3.5Mtpa to 4.5Mtpa
- ❑ 1.31Mozs of EXG's gold resources located less than 20km from NGF's Paddington Mill
- ❑ EXG to contribute capital to mill expansion to secure treatment allocation
 - Minimum allocation 500,000tpa up to 650,000tpa capped at initial 2.5Mt
 - Yearly extension option (at EXG's election) for further 5 years for total cumulative allocation of 5.0Mt
 - EXG capital contribution is 50% of mill upgrade cost capped at A\$12.5M

Parameters	PFS Mill Option	Paddington Process Option
Throughput	1.0Mtpa	up to 0.65Mtpa
Mill Capital	\$68.7M	\$12.5M*
Process Cost	\$25.2 - \$31.5/t**	Similar***

- * Maximum plant capital expenditure payable by EXG
- ** Varies with ore source, oxidation state and haulage distance
- *** Processing costs with NGF on a cost plus treatment margin basis inclusive of haulage cost



Conceptual Mining Schedule

Based on current Indicated Resources – 5.58Mt @ 2.58g/t Au (*excludes Excelsior deposit*)

- ❑ Delivers 3.3Mt of ore at a mine diluted grade of 2.64g/t Au for 280,500ozs mined
- ❑ High proportion of oxide/transition material – conducive to increased milling rate
- ❑ Up to 6.5 years of processing under minimum proposed Paddington milling rate (500,000tpa)
- ❑ Additional resources and satellite deposits available for inclusion in Schedule
- ❑ Mining approvals for submission end of 2014 for potential commencement of mining as early as mid 2015

Source	Mineral Inventory ¹			Mine Recovered ²		
	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces
Zoroastrian Central						
Stage 1 OP	164,000	2.47	13,000	167,000	2.35	12,600
Stage 2 OP	194,000	1.72	10,700	197,000	1.64	10,300
Stage 3 OP	1,354,000	2.51	109,300	1,377,000	2.39	106,000
Jackorite OP	87,000	2.71	7,600	88,000	2.58	7,300
Zoroastrian Extended OP	24,000	4.75	3,700	24,000	4.52	3,600
Big Blow South OP	45,000	2.92	4,200	45,000	2.79	4,100
Bulletin South OP	207,000	2.21	14,700	210,000	2.11	14,200
Nerrin Nerrin OP	39,000	2.92	3,700	40,000	2.78	3,600
Castlereagh OP	88,000	2.12	6,000	89,000	2.02	5,800
Zoroastrian South						
Stage 1 OP	83,000	1.47	3,900	84,000	1.40	3,800
Stage 2 OP	62,000	1.75	3,500	63,000	1.67	3,400
Zoroastrian UG	897,000	3.94	113,700	916,000	3.59	105,800
TOTAL	3,244,000	2.82	294,000	3,300,000	2.64	280,500

¹ Mineral Inventory – Indicated resource within PFS mine design

² Mine Recovered – mine production including mining dilution and mine ore loss

Numbers may not sum due to rounding

Improved Mining Case

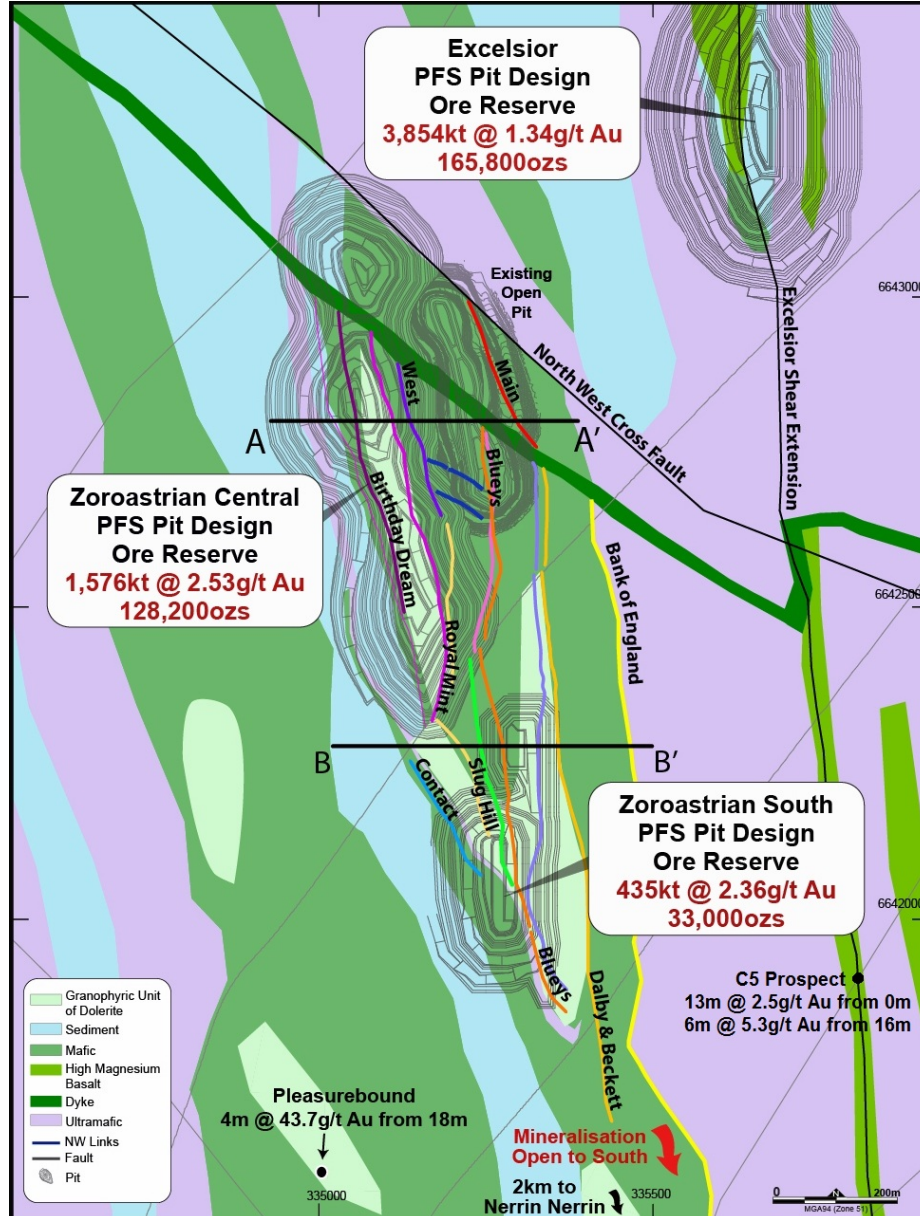
KALGOORLIE NORTH GOLD PROJECT	PRE-FEASIBILITY STUDY			PADDINGTON OPTION		
	A\$1,450/oz gold price; 1.0Mtpa milling costs			A\$1,350/oz gold price; Pad. milling costs		
	TOTAL ORE RESERVES			TOTAL MINERAL INVENTORY		
<i>Deposit</i>	Tonnes (,000t)	Grade (g/t Au)	Ounces (,000oz)	Tonnes (,000t)	Grade (g/t Au)	Ounces (,000oz)
Excelsior O/P	3,854	1.34	165.8	to be re-assessed		
Zoroastrian South O/P	435	2.36	33.0	147	1.52	7.2
Zoroastrian Central O/P	1,576	2.53	128.2	1,741	2.30	128.9
Zoroastrian Extended O/P	24	4.61	3.6	24	4.52	3.5
Zoroastrian O/P Total	2,036	2.52	164.8	1,912	2.27	139.6
Zoroastrian U/G	981	3.44	108.5	916	3.59	105.8
Zoroastrian Total	3,017	2.82	273.3	2,828	2.70	245.4
Satellite Reserves (within 5km radius of Zoroastrian)			Satellite Inventories			
Lochinvar O/P	136	1.85	8.1	to be re-assessed		
Jackorite O/P	83	2.70	7.2	88	2.58	7.3
Castlereagh O/P	113	1.96	7.1	89	2.03	5.8
Nerrin Nerrin O/P	42	2.96	4.0	40	2.78	3.6
Big Blow South O/P	39	3.07	3.8	45	2.79	4.1
Total Satellites	413	2.28	30.3	262	2.46	20.8
Other Reserves (greater than 5km from Zoroastrian)			Other Inventories			
Eldorado	153	1.60	7.9	to be re-assessed		
Bulletin South O/P	206	2.17	14.3	210	2.11	14.2
Total Other Areas	359	1.93	22.2	210	2.11	14.2
TOTAL	7,643	2.00	491.6	3,301	2.64	280.4

Mineral Inventories derived from Indicated Resources intersected within optimisation shells approximating 2014 PFS Ore Reserve pit designs using A \$1,350/oz gold price, PFS mining costs, Paddington treatment costs with mining dilution and mine ore loss factors
Numbers may not sum due to rounding

Key benefits to EXG

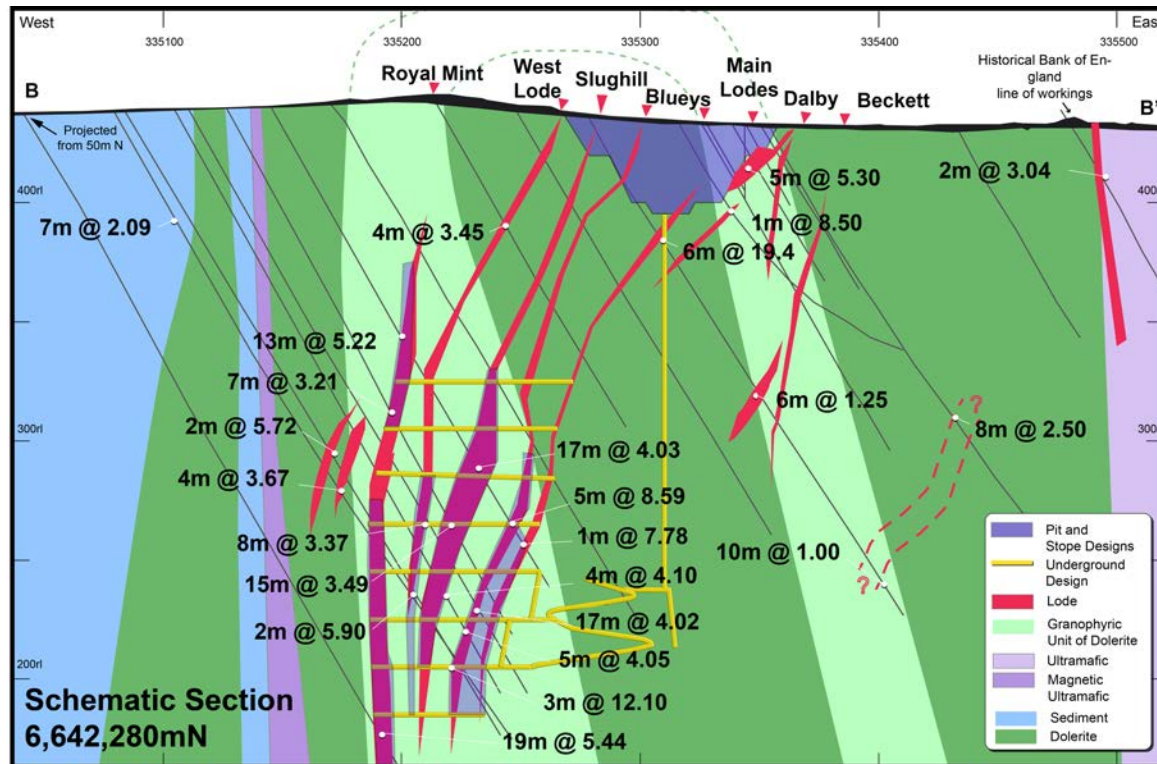
- ❑ Retain 100% Project ownership – *for exploration upside*
- ❑ Lower capital contribution and shorter timeframe to cash flow – *A\$56M+ slashed from development cost*
- ❑ Large plant size provides economy of scale benefits – *lower treatment costs*
- ❑ Slower milling rate – *provides flexibility on delivery of higher grade resources*
- ❑ Annual production potential – *approx. 40,000oz Au*
- ❑ Guaranteed mill allocation from January 2016
- ❑ Improved geological understanding from mining
- ❑ Retain flexibility for potential standalone development
- ❑ Mining cost review in progress – *significant reductions on PFS mining costs expected*

Zoroastrian – New Large Gold System



- ❑ Previously mined by small open pit in late 1980s – *main ore body not recognised or developed*
- ❑ Newly discovered granophytic dolerite unit hosts broad zones of stock-work mineralisation – *more amenable to open pit mining and mechanised underground stoping*
- ❑ Large multiple vein gold mineralisation system – *2km long and 400m wide*
- ❑ NE faults chop up dolerite and localise mineralisation
- ❑ Geologically similar to Paddington and Broad Arrow mines – *2.5Moz Au system 15km to south*
- ❑ Potential for expansion at depth and along strike to south – *12.5km of strike*
- ❑ Similar parallel dolerite units untested – *Pleasurebound 4m @ 43.7g/t Au*

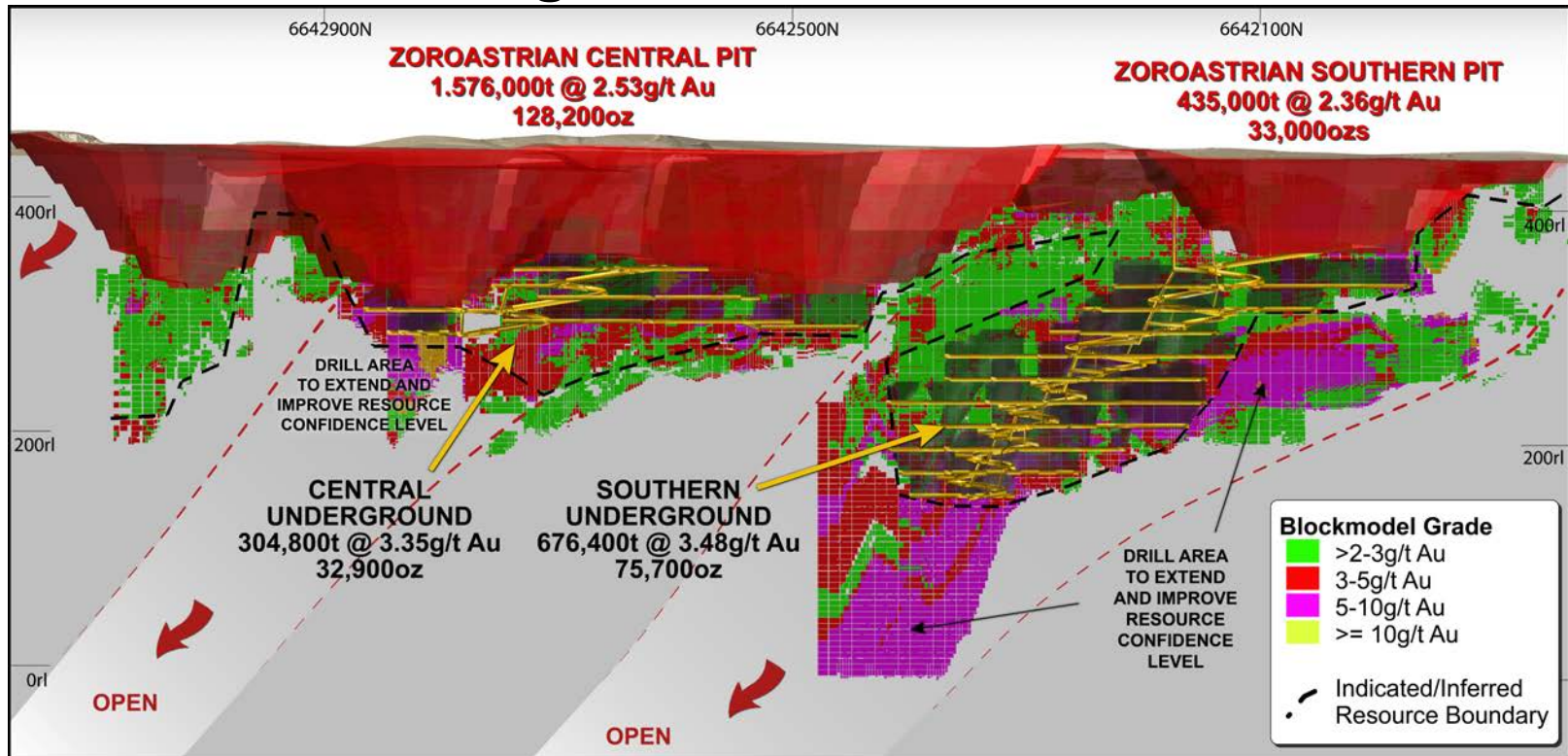
Zoroastrian – U/G Growth Potential



- ❑ Deeper Indicated and Inferred resources ($>150\text{m}$ VD; 3.0g/t Au cut-off) – **1.01Mt @ 5.16g/t Au** for **167,100ozs**
- ❑ PFS underground Ore Reserve **981,000t @ 3.44g/t Au** for **108,500ozs** based on
 - *mechanised stopes only*
 - *better defined lode structures (Indicated resources)*
 - *limited deep drilling – restricted to maximum 250m vertical in south*
- ❑ Narrow high grade ($10\text{--}15\text{g/t Au}$) veins traceable for 1.4km in dolerite (Bluey's Lode) – 'airleg' mining targets

Zoroastrian – Ore Reserve Expansion

Open Pits and Underground

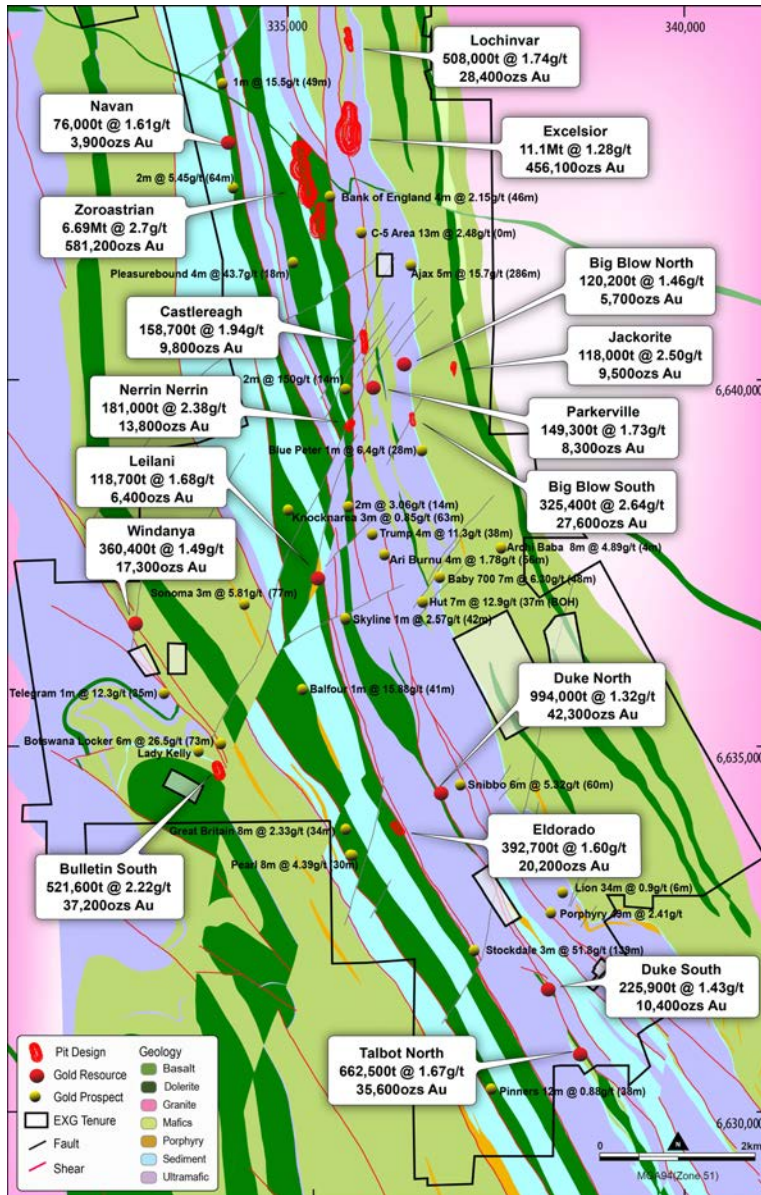


- Conversion of Inferred resources at Zoroastrian
Inferred – **1.85Mt @ 2.97g/t Au for 176,800ozs**
- Extension of Zoroastrian resource to south and at depth
- Mine design studies (airleg) on narrow high grade gold veins currently outside mechanised (4-8m wide) stope designs
- Conversion of satellite Inferred resources to deliver additional open pits and underground
Inferred – **3.58Mt @ 1.67g/t Au for 191,800ozs**

Exploration Potential



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- ❑ **22 gold resources** with potential for growth – *Zoroastrian and Excelsior not the end of the story*
- ❑ **69 advanced exploration targets** with significant historical drill intercepts
- ❑ Large reliable historical drilling database – *facilitates cost effective resource growth*
- ❑ Modest drilling requirements for resource growth – *highly targeted drilling programs*
- ❑ Expanding resource target inventory based on: -
 - *improved geological understanding*
 - *new structural interpretations*
 - *application of advanced spectral mapping*
 - *fluid flow structural modelling*
- ❑ Multitude of targets – *which are the big ones?*
- ❑ Currently drilling new target areas – *dolerite targets (Pleasurebound); new structural models (Bulletin area)*

New Mining Area – Bulletin South

- Black Flag Fault corridor target
- Gold mineralisation in quartz-sulphide stockwork veining in porphyry and dolerite
- Current Indicated and Inferred resource (*0.6g/t Au lower cut-off*)

521,600t @ 2.22g/t Au (37,200ozs)

- PFS Ore Reserve

205,600t @ 2.17g/t Au (14,300ozs)

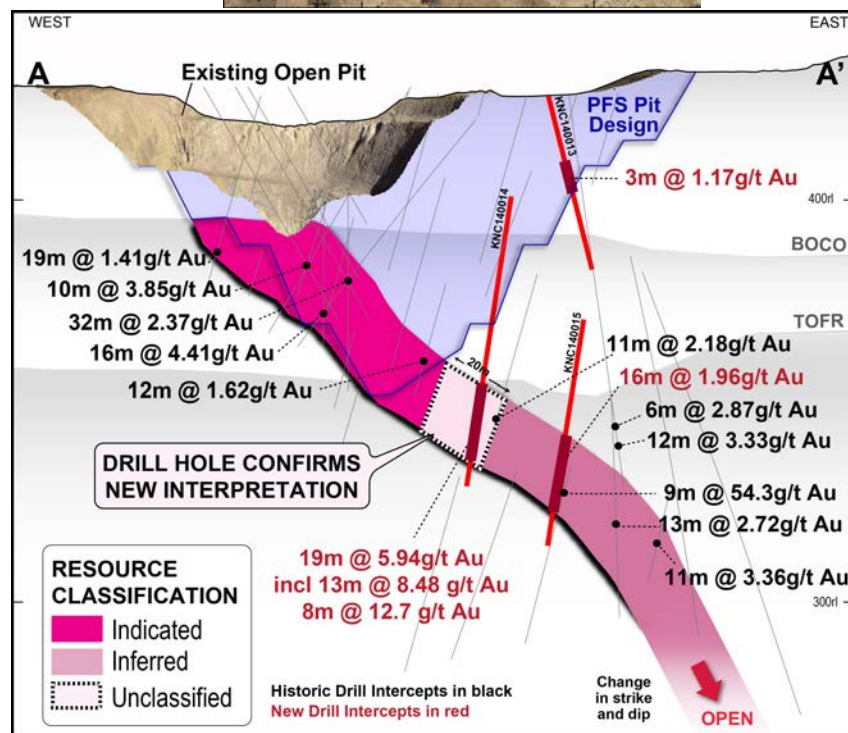
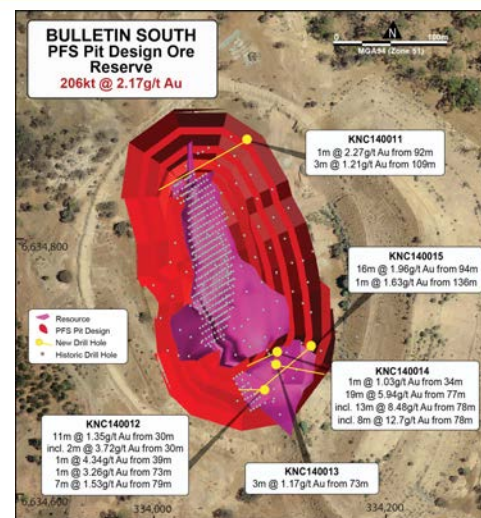
73% conversion of Indicated resource ounces

- New drill result likely to drive PFS pit design deeper

19m @ 5.98g/t Au from 77m

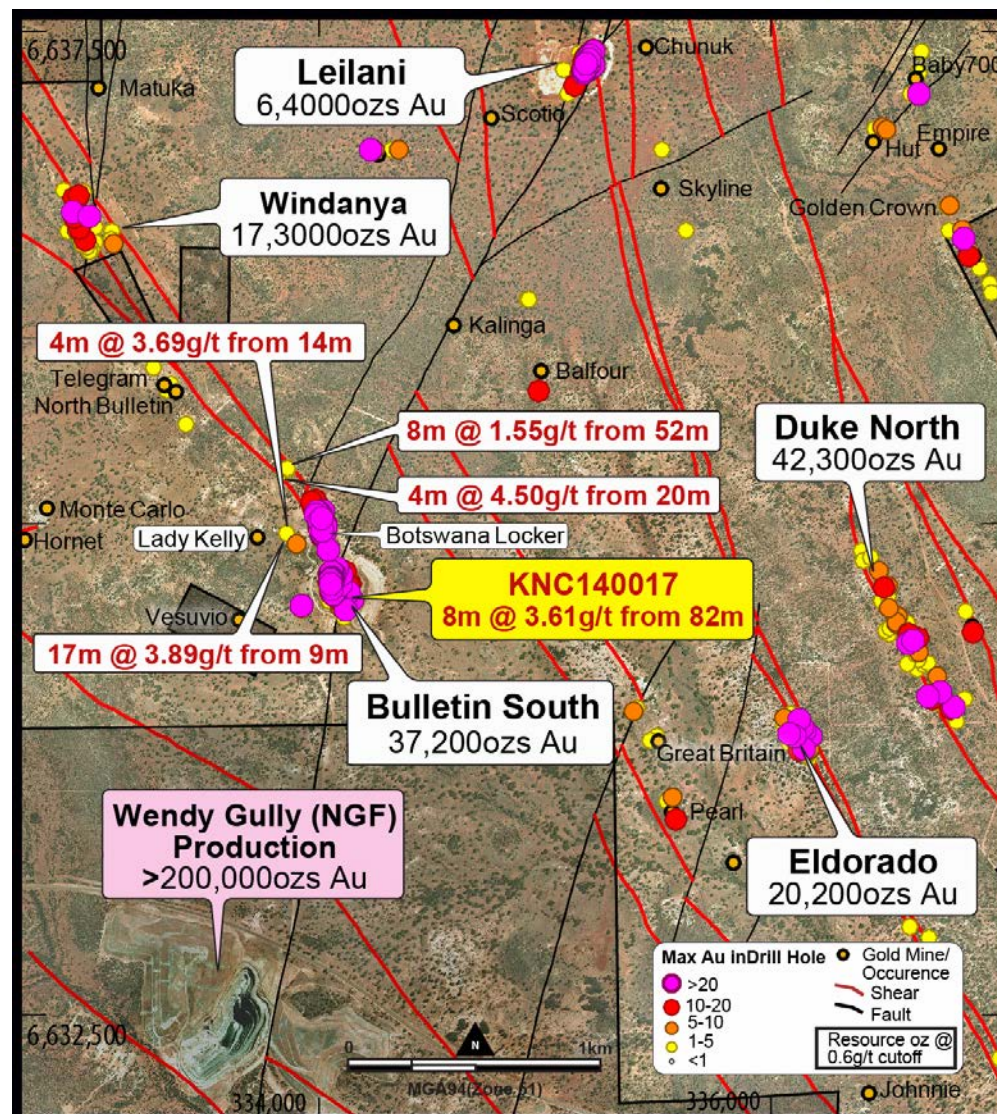
8m @ 3.61g/t Au from 82m

- Wide robust grades open in all directions provides opportunity to significantly expand resource.
- Open pit and underground mine potential
- Close (<12km) to Paddington mill

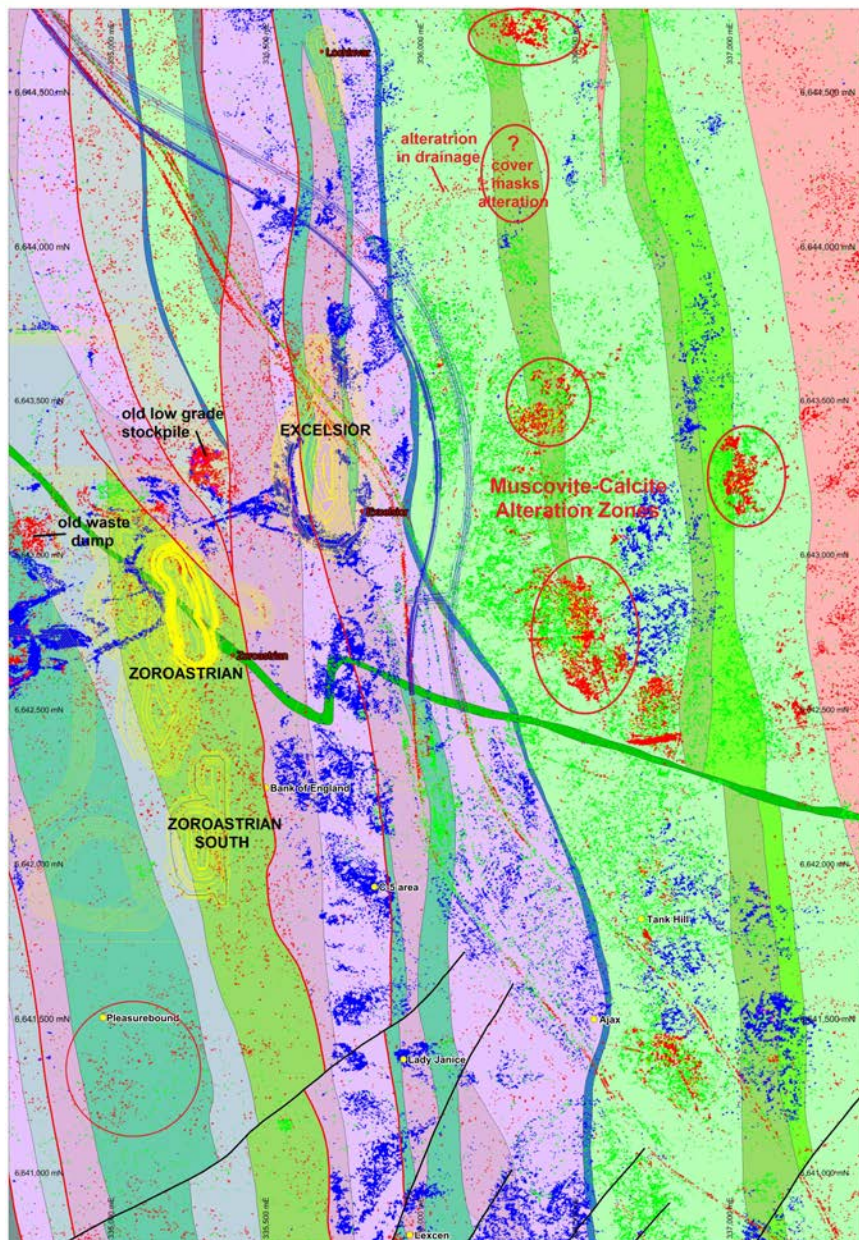


Greater Bulletin Area Targets

- ❑ Significant gold mineralisation in current gold resources and historical drilling
- ❑ Bulletin South resource expansion and past production from Wendy Gully (>200,000ozs) demonstrate potential
- ❑ Past exploration drilling shallow with numerous hits
 - 17m @ 3.89g/t Au from 9m**
 - 4m @ 3.69g/t Au from 14m**
- ❑ Recent consolidation of tenements enhances opportunities
- ❑ Both open pit and underground mine potential – *Wendy Gully model*
- ❑ Developing mining centre with major deposit (>100,000ozs Au) and satellite resource potential



Hyperspectral Targets



- ❑ Tenement package covered by HyVista hyperspectral mapping
- ❑ Reflected light data provides colour representation of mineral species and mineral intensities
- ❑ Identifies alteration assemblages associated with gold mineralisation
- ❑ Combine with the CSIRO fluid flow modelling to prioritise targets
- ❑ New alteration patterns already identified outside of existing known resource targets

EXAMPLE – Central mining area

- Muscovite/Calcite alteration assemblages in areas of no previous soil sampling or drilling
- Anomalies coincide with interpreted dolerite unit – *potentially similar to Zoroastrian Dolerite*.
- Anomalies and known gold resources localised in NE trending corridor – *important from fluid flow study*

❑ **KNGP – significant asset in a strategic location (*geographically and geologically*)**

- Stable development environment
- Defined reserves and resources close to infrastructure
- Demonstrated low cost resource discovery and capacity for large deposits

❑ **Near term producer**

- Agreement with NGF provides logical pathway to production and medium to long term cashflow
- Significantly lower capital costs than a standalone mill
- Treatment costs broadly comparable to standalone PFS (1.0Mtpa plant)
- Low project risk – buys time to weather market fluctuations
- Aligns EXG with strong partner – NGF record of capital investment and acquisitions to secure future

❑ **Exploration upside – cashflow to fund exploration (*multi-million ounce potential*)**

- Focus on building Zoroastrian and Bulletin South
- Knowledge gained from mining enhances probability of success
- Multitude of other targets – new gold camp

❑ **Future standalone development and additional milling opportunities remain options**

- Depending on exploration success and gold price



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Existing Zoroastrian Open Pit

Main ore body to the west



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