

Notice of Annual General Meeting

The Annual General Meeting of the Company will be held at Unit 2, 124 Stirling Highway, North Fremantle WA 6159 on 28 November 2014 at 10.00 am (WST).

This notice of annual general meeting should be read in its entirety. If Shareholders are in any doubt as to how they should vote, they should seek advice from their professional advisor prior to voting.

Please contact the Company Secretary on (08) 9335 7770 if you wish to discuss any matter concerning the Meeting.

Excelsior Gold Limited
ABN 38 123 629 863

Notice of Annual General Meeting

Notice is hereby given that the annual general meeting of the Shareholders of Excelsior Gold Limited will be held at Unit 2, 124 Stirling Highway, North Fremantle WA 6159 on 28 November 2014 at 10.00 am (Western Standard Time) (**Meeting**).

The Explanatory Memorandum to this Notice of Meeting provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and Proxy Form form part of this Notice of Meeting.

Shareholders are urged to vote by attending the Meeting in person or by returning a completed Proxy Form. Instructions on how to complete a Proxy Form are set out in the Explanatory Memorandum.

Proxy Forms must be received by no later than 10.00 am (WST) on 26 November 2014.

Terms and abbreviations used in this Notice and Explanatory Memorandum are defined in 1 of the Explanatory Memorandum.

Agenda

1 ANNUAL REPORT

To receive and consider the financial statements of the Company and the reports of the Directors and Auditors for the financial year ended 30 June 2014.

2 RESOLUTION 1 - REMUNERATION REPORT (NON-BINDING)

To consider, and if thought fit, to pass with or without amendment the following as an ordinary resolution:

“That for the purposes of section 250R(2) of the Corporations Act and for all other purposes, Shareholders adopt the Remuneration Report set out in the Directors’ Report for the year ending 30 June 2014.”

A voting exclusion statement is set out below.

3 RESOLUTION 2 - RE-ELECTION OF DIRECTOR - PETER BIRD

To consider, and if thought fit, to pass with or without amendment the following as an ordinary resolution:

“That, in accordance with clause 11.3 of the Company’s Constitution and for all other purposes, Peter Bird, who retires by rotation and offers himself for re-election, be re-elected as a Director.”

4 RESOLUTION 3 - RATIFICATION OF PRIOR OPTION ISSUE

To consider, and if thought fit, to pass with or without amendment the following resolution as an ordinary resolution:

“That for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 43,478,261 Macquarie Options exercisable at \$0.092 expiring 31 December 2015 to Macquarie Bank Limited on the terms set out in the Explanatory Memorandum.”

A voting exclusion statement is set out below.

5 RESOLUTION 4 - RATIFICATION OF PRIOR SHARE ISSUE

To consider, and if thought fit, to pass with or without amendment the following resolution as an ordinary resolution:

“That for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 33,333,330 Shares on the terms set out in the Explanatory Memorandum.”

A voting exclusion statement is set out below.

6 RESOLUTION 5 - APPROVAL OF THE EXCELSIOR GOLD INCENTIVE SCHEME

To consider, and if thought fit, to pass with or without amendment the following as an ordinary resolution:

“That, for the purposes Listing Rule 7.2 (Exception 9(b)) and for all other purposes, Shareholders approve the Excelsior Gold Employee Share Loan Plan on the terms and conditions set out in the Explanatory Memorandum.”

A voting exclusion statement is set out below.

7 RESOLUTION 6 - ISSUE OF SECURITIES UNDER THE EXCELSIOR GOLD INCENTIVE SCHEME TO MR PETER BIRD

To consider, and if thought fit, to pass with or without amendment the following as an ordinary resolution:

“That for the purposes of Chapter 2E of the Corporations Act, Listing Rule 10.14 and for all other purposes, Shareholders approve the issue of 2,500,000 Incentive Shares under the Excelsior Gold Employee Share Loan Plan to Mr Peter Bird on the terms and conditions set out in the Explanatory Memorandum.”

A voting exclusion statement is set out below.

8 RESOLUTION 7 - ISSUE OF SECURITIES UNDER THE EXCELSIOR GOLD INCENTIVE SCHEME TO MR DAVID HAMLYN

To consider, and if thought fit, to pass with or without amendment the following as an ordinary resolution:

“That for the purposes of Chapter 2E of the Corporations Act, Listing Rule 10.14 and for all other purposes, Shareholders approve the issue of 7,500,000 Incentive Shares under the Excelsior Gold Employee Share Loan Plan to Mr David Hamlyn on the terms and conditions set out in the Explanatory Memorandum.”

A voting exclusion statement is set out below.

9 RESOLUTION 8 - ISSUE OF SECURITIES UNDER THE EXCELSIOR GOLD INCENTIVE SCHEME TO MR DAVID POTTER

To consider, and if thought fit, to pass with or without amendment the following as an ordinary resolution:

“That for the purposes of Chapter 2E of the Corporations Act, Listing Rule 10.14 and for all other purposes, Shareholders approve the issue of 6,250,000 Incentive Shares under the Excelsior Gold Employee Share Loan Plan to Mr David Potter on the terms and conditions set out in the Explanatory Memorandum.”

10 RESOLUTION 9 - ISSUE OF SECURITIES UNDER THE EXCELSIOR GOLD INCENTIVE SCHEME TO MR CHEN CHIK (NICHOLAS) ONG

To consider, and if thought fit, to pass with or without amendment the following as an ordinary resolution:

“That for the purposes of Chapter 2E of the Corporations Act, Listing Rule 10.14 and for all other purposes, Shareholders approve the issue of 5,000,000 Incentive Shares under the Excelsior Gold Employee Share Loan Plan to Mr Chen Chik (Nicholas) Ong on the terms and conditions set out in the Explanatory Memorandum.”

11 RESOLUTION 10 - APPROVAL OF 10% PLACEMENT FACILITY

To consider and, if thought fit, to pass with or without amendment, as a special resolution the following:

“That, for the purposes of Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the

formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum.”

A voting exclusion statement is set out below.

12 VOTING PROHIBITION AND EXCLUSION STATEMENTS

Corporations Act

The Corporations Act prohibits votes being cast (in any capacity) on the following resolutions by any of the following persons:

| Resolution | Persons Excluded from Voting |
|--|---|
| Resolution 1 - Remuneration Report (Non-Binding) | <p>A vote on this Resolution must not be cast (in any capacity) by or on behalf of the following persons:</p> <ul style="list-style-type: none">(a) a member of the key management personnel, details of whose remuneration are included in the Remuneration Report; or(b) a closely related party of such member. <p>However, a person described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:</p> <ul style="list-style-type: none">(a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or(b) the voter is the chair of the meeting and the appointment of the chair as proxy:<ul style="list-style-type: none">(i) does not specify the way the proxy is to vote on this Resolution; and(ii) expressly authorises the chair to exercise the proxy even if this Resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the Company. |

Listing Rule 14.11

Under Listing Rule 14.11, the Company will disregard any votes cast on the following Resolutions by the following persons:

| Resolution | Persons excluded from voting |
|---|---|
| Resolution 3 - Ratification of Prior Option Issue | Macquarie Bank Limited and its associates. |
| Resolution 4 - Ratification of Prior Share Issue | A person who participated in the issue and an associate of that person. |
| Resolution 5 - Approval of the Excelsior Gold Incentive Scheme | The Directors of the Company (Messrs Bird, Hamlyn, Potter and Ong). |
| Resolutions 6 to 9 - Issue of Securities Under the Excelsior Gold Incentive Scheme to Related Parties | The Directors of the Company (Messrs Bird, Hamlyn, Potter and Ong). |
| Resolution 10 - Approval of 10% Placement Facility | Persons who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity as a holder of ordinary securities, if the Resolution is passed, and an associate of that person |

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the direction on the Proxy Form; or
- (b) it is cast by the person chairing the Meeting as proxy for the person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

By order of the Board of Directors

Nicholas Ong
Excelsior Gold Limited
27 October 2014

Excelsior Gold Limited
ABN 38 123 629 863

Explanatory Memorandum

1 INTRODUCTION

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at Unit 2, 124 Stirling Highway, North Fremantle WA 6159 on 28 November 2014 at 10.00 am (WST). The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding how to vote on the Resolutions set out in the Notice.

This Explanatory Memorandum should be read in conjunction with and forms part of the accompanying Notice, and includes the following:

A Proxy Form is located at the end of Explanatory Memorandum.

Please contact the Company Secretary on (08) 9335 7770 if you wish to discuss any matter concerning the Meeting.

2 ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders should read the Notice and this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

2.1 Proxies

All Shareholders are invited and encouraged to attend the Meeting. If a Shareholder is unable to attend in person, they can appoint a proxy to attend on their behalf by signing and returning the Proxy Form (attached to the Notice) to the Company in accordance with the instructions on the Proxy Form. The Company encourages Shareholders completing a Proxy Form to direct the proxy how to vote on each Resolution.

The Proxy Form must be received no later than 48 hours before the commencement of the Meeting, i.e. by no later than 10.00 am (WST) on 26 November 2014. Any Proxy Form received after that time will not be valid for the Meeting.

A Proxy Form may be lodged in the following ways:

By Mail PO Box 520, North Fremantle WA 6159

By Facsimile (08) 9335 6231

Shareholders lodging a Proxy Form are not precluded from attending and voting in person at the Meeting.

2.2 Corporate representatives

Shareholders who are body corporates may appoint a person to act as their corporate representative at the Meeting by providing that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as the body corporate's representative. The authority may be sent to the Company and/or registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative.

An appointment of corporate representative form is available from the website of the Company's share registry (Security Transfer Registrars).

2.3 Eligibility to vote

The Directors have determined that, for the purposes of voting at the Meeting, Shareholders are those persons who are the registered holders of Shares at 5.00 pm (WST) on 26 November 2014.

3 ANNUAL REPORT

There is no requirement for Shareholders to approve the Annual Report.

Shareholders will be offered the opportunity to:

- (a) discuss the Annual Report for the financial year ended 30 June 2014 which is available on the ASX platform at www.asx.com.au;
- (b) ask questions about or make comment on the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit and the preparation and content of the auditor's report.

The chair of the Meeting will allow reasonable opportunity for the Shareholders as a whole at the Meeting to ask the auditor or the auditor's representative questions relevant to:

- (a) the conduct of the audit;
- (b) the preparation and content of the auditor's report;
- (c) accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit.

In addition to taking questions at the Meeting, written questions to the Company's auditor about:

- (a) the content of the auditor's report to be considered at the Meeting; and
- (b) the conduct of the audit of the annual financial report to be considered at the Meeting,

may be submitted no later than 5 business days before the Meeting to the Company Secretary at the Company's registered office.

4 RESOLUTION 1 - REMUNERATION REPORT

The Remuneration Report is in the Directors' Report section of the Company's Annual Report.

By way of summary, the Remuneration Report:

- (a) explains the Company's remuneration policy and the process for determining the remuneration of its Directors and executive officers;
- (b) addresses the relationship between the Company's remuneration policy and the Company's performance; and
- (c) sets out remuneration details for each Director and each of the Company's executives and group executives named in the Remuneration Report for the financial year ended 30 June 2014.

Section 250R(2) of the Corporations Act requires companies to put a resolution to their members that the Remuneration Report be adopted. The vote on this resolution is advisory only, however, and does not bind the Board or the Company. The Board will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the Meeting when reviewing the Company's remuneration policies.

The Chairman will give Shareholders a reasonable opportunity to ask questions about or to make comments on the Remuneration Report.

Under the Corporations Act, if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings, Shareholders will be required to vote at the second of those annual general meetings on a resolution that a further meeting is held at which all of the Company's Directors (other than the Managing Director) must go up for re-election.

Voting on Resolution 1 will be determined by a poll at the Meeting rather than a show of hands.

5 RESOLUTION 2 - RE-ELECTION OF DIRECTOR

The Company's Constitution requires that one-third of the Directors retire by rotation at each annual general meeting and that Directors appointed by the Board hold office until the next annual general meeting.

Mr Peter Bird retires from office at this Meeting and offers himself for re-election.

Details of Mr Bird's qualifications and experience are set out in the Company's 2014 Annual Report.

The Board (excluding Mr Bird) recommends that Shareholders vote in favour of Resolution 2.

6 RESOLUTION 3 - RATIFICATION OF PRIOR OPTION ISSUE

6.1 Introduction

On 22 July 2014 the Company announced the issue of 43,478,261 Options exercisable at \$0.092 and expiring 31 December 2015 to Macquarie Bank Limited (**Macquarie Options**). The Macquarie Options were issued in conjunction with a convertible loan facility for \$4 million (first announced on 20 May 2014) (**Facility**).

The Macquarie Options were issued to an unrelated party to the Company and within the 15% annual limit permitted by Listing Rule 7.1; and therefore without the need for Shareholder approval. The effect of Shareholders passing Resolution 3 and ratifying the issue will be to restore the Company's ability to issue further capital to the maximum 15% limit during the next 12 months.

6.2 Information required by Listing Rule 7.5

For the purposes of Listing Rule 7.5, the following information is provided about the issue:

- (a) The number of securities issued by the Company was 43,478,261 Macquarie Options.
- (b) The securities were issued in consideration for the Facility. Exercise price for the Macquarie Options is \$0.092.
- (c) The terms of the Macquarie Options are set out in Schedule 1.
- (d) The securities were issued to Macquarie Bank Limited.
- (e) No funds were raised from the issue of Macquarie Options. Funds raised from the exercise of Macquarie Options will be used to settle the existing Facility with Macquarie.
- (f) A voting exclusion statement is included in the Notice.

6.3 Directors' recommendation

The Board unanimously recommends that Shareholders vote in favour of Resolution 3. This will restore the 15% annual limit permitted by Listing Rule 7.1 and allow the Company to issue further securities without Shareholder approval.

7 RESOLUTION 4 - RATIFICATION OF PRIOR SHARE ISSUE

7.1 Introduction

On 29 September 2014 the Company announced the issue of 33,333,330 Shares at \$0.06 per share, raising \$2 million before costs of the issue (**Placement**).

The Company has obtained Shareholder approval under Listing Rule 7.1A to issue an additional 10% of its issued capital at the last annual general meeting.

The Placement was made to unrelated parties of the Company within the 10% additional placement capacity under Listing Rule 7.1A and therefore without Shareholder approval.

The effect of Shareholders passing Resolution 4 and ratifying the issue will be to restore the Company's ability to issue further capital to the maximum 25% limit under Listing Rules 7.1 and 7.1A (subject to passing Resolution 10) during the next 12 months.

7.2 Information required by Listing Rule 7.5

For the purposes of Listing Rule 7.5, the following information is provided about the issue:

- (a) The number of securities issued by the Company was 33,333,330 Shares.
- (b) The issue price of the Shares was \$0.06.
- (c) The Shares issued are in the same class of the Company's existing fully paid ordinary shares.
- (d) The securities were issued to certain Australian institutional and sophisticated investors.
- (e) Funds raised from the issue were used for feasibility study and development of mining operations at the Kalgoorlie North Gold Project, for delivery of ore to the Paddington Mill as early as mid 2015.
- (f) A voting exclusion statement is included in the Notice.

7.3 Directors' recommendation

The Board unanimously recommends that Shareholders vote in favour of Resolution 4. This will restore the 25% annual limit permitted by Listing Rules 7.1 and 7.1A (subject to passing Resolution 10) and allow the Company to issue further securities without Shareholder approval.

8 RESOLUTION 5 - APPROVAL OF THE EXCELSIOR GOLD EMPLOYEE SHARE LOAN PLAN

8.1 Introduction

In November 2012 Shareholders approved variations to an existing employee incentive plan (**2012 Plan**), and allowed the Company to, for a 3 year period, issue Plan Shares without those securities being included when calculating the 15% limit imposed by ASX Listing Rule 7.1. The plan has allowed the Company to attract and

retain suitably qualified and motivated directors and employees, and also align their interests with Shareholders’.

The Company has issued 26,000,000 Plan Shares under the plan, with 13,200,000 Plan Shares yet to vest. Further details of the 2012 Plan and Shares issued under that plan are set out in the Remuneration Report.

Plan Shares were issued under the 2012 Plan for a nominal or no issue price, with the Plan Shares vesting upon certain performance milestones being met. Issuing Plan Shares for a nominal or no issue price has resulted in unfavorable and unintended outcomes for both the Company and participants under the 2012 Plan, and for that reason the Company wishes to replace that plan.

Resolution 5 seeks approval for the Excelsior Gold Employee Share Loan Plan (**2014 Plan**), and will allow the Company to, for 3 years, issue Plan Shares under the 2014 Plan without those securities being included when calculating the 15% limit. Plan Shares will be issued under the 2014 Plan for an issue price equal to the volume weighted average of the Company’s shares calculated over the last 10 days on which sales of Shares were recorded before the day on which the offer for issue is made, with a zero interest non-recourse loan equal to the total issue price provided by the Company (**Loan**).

A summary of the terms of the 2014 Plan is set out in Schedule 2, and a copy of the 2014 Plan is available from the Company Secretary.

Any future issue of Plan Shares under the 2014 Plan to Directors will, by virtue of their relationship with the Company, require additional Shareholder approval under Listing Rule 10.14 at the relevant time.

8.2 Directors’ recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 5. It will allow the Company to issue securities for the benefit of participants of the Excelsior Gold Employee Share Loan Plan whilst preserving the Company’s 15% limit of issuing securities and provide flexibility in the manner in which the Excelsior Gold Employee Share Loan Plan is managed.

9 RESOLUTIONS 6 TO 9 - ISSUE OF PLAN SHARES AND MAKING LOANS UNDER THE EXCELSIOR GOLD EMPLOYEE SHARE LOAN PLAN TO RELATED PARTIES

9.1 Introduction

As noted above, the nil issue price under the 2012 Plan has resulted in unfavourable and unintended outcomes for both the Company and its Directors. To address this, the Directors now propose that the Company buy back and cancel unvested Plan Shares issued under the 2012 Plan. As the Plan Shares were issued under an employee share scheme, they may be bought back and cancelled without Shareholder approval.

To compensate Directors for the bought back the Plan Shares and to incentivise them going forward, it is proposed to issue the following Plan Shares to Directors:

| | |
|------------------------------------|-----------------------|
| Peter Bird, Chairman | 2,500,000 Plan Shares |
| David Hamlyn, Managing Director | 7,500,000 Plan Shares |
| David Potter, Technical Director | 6,250,000 Plan Shares |
| Chen Chik Ong, Commercial Director | 5,000,000 Plan Shares |

The issue price for Plan Shares will be the volume weighted average price of Shares calculated over the last 10 days on which sales of Shares were recorded before the day on which the offer for issue is made, and be paid through Loans.

The conditions upon which the Plan Shares will vest are as follows:

- (a) 20% of the Incentive Shares shall vest upon delivery of first ore under the Paddington production scenario (**Milestone 1**);
- (b) 20% of the Incentive Shares shall vest upon the production of 40,000 ounces of gold from ore derived from the Kalgoorlie North Gold Project (**Milestone 2**);
- (c) 20% of the Incentive Shares shall vest upon the production of 80,000 ounces of gold from ore derived from the Kalgoorlie North Gold Project (**Milestone 3**);
- (d) 20% of the Incentive Shares shall vest upon the delineation of at least 2 million ounces of gold resources on a cumulative basis and reported consistent with the 2012 JORC Code at Kalgoorlie North Gold Project (**Milestone 4**); and
- (e) 20% of the Incentive Shares shall vest upon the third anniversary of the issue of the Incentive Shares and the holder remains an employee or director of the Company (**Milestone 5**).

9.2 Requirement for Shareholder approval

Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the company (such as a director) unless either:

- (a) the giving of the financial benefit falls within one of the exceptions to the provision; or
- (b) prior shareholder approval is obtained to the giving of the financial benefit.

Financial benefit is defined broadly and includes benefits from the public company's subsidiaries, and includes loans. The Corporations Act requires that any consideration that is given is disregarded, even if the consideration is adequate.

The proposed issue of 21,250,000 Shares to Directors and the Loans constitutes the provision of a financial benefit for the purposes of Chapter 2E of the Corporations Act.

The maximum amount of the Loans (each being a financial benefit to be provided) to be provided to each of the directors can be calculated by multiplying the number of shares to be issued by the issue price. The issue price will be determined prior to the Shares being issued and is not yet known. Based on an issue price of \$0.0643 (being the volume weighted average price at which Shares were traded on the ASX over the 10 trading days up to 24 October 2014), the amount of the Loans would be:

- (a) \$160,750 to Mr Peter Bird;
- (b) \$482,250 to Mr David Hamlyn;
- (c) \$401,875 to Mr David Potter; and
- (d) \$321,500 to Mr Nicholas Ong.

Listing Rule 10.14

Listing Rule 10.14 requires a listed company to obtain Shareholder approval by ordinary resolution prior to the issue of securities under an employee incentive scheme to a related party. If shareholder approval is obtained under Listing Rule 10.14, shareholder approval is not required under Listing Rule 7.1 and the proposed issue will be included in 15% annual limit permitted by Listing Rule 7.1.

9.3 Information required by Chapter 2E of the Corporations Act

For the purposes of section 219 of the Corporations Act and ASIC Regulatory Guide 76, the following information is provided to Shareholders to enable them to assess the merits of the resolution:

- (a) The related parties are Messrs Peter Bird, David Hamlyn, David Potter and Chen Chik (Nicholas) Ong, who are each Directors.
- (b) The nature of the financial benefit is as follows:

| | 2014 Plan Shares | Loan amount ¹ |
|------------------------------|------------------|--------------------------|
| P Bird, Chairman | 2,500,000 | \$160,750 |
| D Hamlyn, Managing Director | 7,500,000 | \$482,250 |
| D Potter, Technical Director | 6,250,000 | \$401,875 |
| C Ong, Commercial Director | 5,000,000 | \$321,500 |

¹ Based upon an issue price of \$0.0643, being the volume weighted average price at which Shares were traded on the ASX over the 10 trading days up to and including the date prior to the date of this Explanatory Memorandum.

The Plan Shares are fully paid ordinary shares, with certain vesting conditions as set out above. The terms of the Loan are set out in Schedule 2, and include the following:

- (i) Limited recourse - each Loan is secured against the Incentive Shares, but the holder is not personally liable for the Loan. In the event the Incentive Shares are sold the net sale proceeds will be used to repay the Loan, with the holder not liable for any balance owing under the Loan.
- (ii) Interest free - the Loan is interest free, unless otherwise agreed.
- (iii) Term - 5 years from issue, subject to earlier repayment in accordance with the 2014 Plan terms.

(c) Reasons for giving the benefit

The Plan Shares are being issued to incentivise the Directors and align their interests with Shareholders'. The Loans are provided to fund the subscription of the Plan Shares.

(d) The Directors' existing relevant interest in the Company

| | Shares (including vested 2012 Plan Shares) | Unvested 2012 Plan Shares¹ |
|------------------------------|---|--|
| | Number | Number |
| P Bird, Chairman | 3,500,000 | 1,750,000 |
| D Hamlyn, Managing Director | 14,178,666 | 4,000,000 |
| D Potter, Executive Director | 10,996,700 | 4,000,000 |
| C Ong, Director | 2,000,000 | 750,000 |

¹ These securities will be bought back and cancelled prior to the issue of any Plan Shares under Resolutions 6 to 9.

(e) Total remuneration package

The Directors' remuneration for the financial year ending 30 June 2014 is as follows:

| | Short-term benefits | Superannuation | Share based payments |
|-----------------------------|----------------------------|-----------------------|-----------------------------|
| P Bird, Chairman | \$58,333 | \$5,396 | Nil |
| D Hamlyn, Managing Director | \$348,333 | \$32,221 | Nil |

| | | | |
|------------------------------|-----------|----------|-----|
| D Potter, Executive Director | \$261,667 | \$24,204 | Nil |
| C Ong, Director | \$125,500 | \$11,609 | Nil |

Further information is set out in the Remuneration Report.

(f) Dilution

Assuming Shareholders approve Resolutions 6 to 9 and the existing unvested Plan Shares are bought back and cancelled, the number of Shares on issue will increase from 451,161,754 to 464,961,754 (assuming no other Shares are issued), and existing Shareholders will be diluted by a total of 6.165%.

(g) Valuation of the financial benefit to be given

The value of the Plan Shares for which Shareholder approval is sought, being the issue price, and the value of the corresponding Loan, will be not less the volume weighted average price at which Shares were traded on the ASX over the 10 trading days prior to the date the Plan Shares are issued. The value of the Loans is the same as the value of the 2014 Plan Shares.

The value of the Plan Shares to be issued and Loans to be provided are set out in section 9.3(b) above. These values have been determined using the volume weighted average price at which Shares were traded on the ASX over the 10 trading days up to and including the date prior to the date of this Explanatory Memorandum, and this may change. The Company will announce a supplementary notice of meeting if, prior to the Meeting, there are any material changes to these valuations.

(h) Other Information

The Directors are not aware of any other information that is reasonably required by Shareholders to allow them to make a decision on whether it is in the best interests of the Company to pass the Resolution.

9.4 Information required by Listing Rule 10.15

For the purposes of Listing Rule 10.15, the following information is provided about the proposed issue:

- (a) The securities will be issued to Messrs Bird, Hamlyn, Potter and Ong, each being Directors.
- (b) The maximum number of securities to be issued is 21,250,000 Plan Shares.
- (c) Plan Shares will be issued at a price equal to the volume weighted average price at which Shares were traded on the ASX over the 10 trading days up to the date the Plan Shares are offered for issue.
- (d) 2012 Plan Shares have been received by the following persons since the Shareholders last approved an employee incentive plan:

| Name | Number and acquisition price for Plan Shares acquired |
|--------------|---|
| Peter Bird | 3,500,000 shares for Nil consideration |
| David Hamlyn | 10,000,000 shares for Nil consideration |
| David Potter | 7,000,000 shares for Nil consideration |
| Nicholas Ong | 2,000,000 shares for Nil consideration |
| Employees | 3,500,000 shares for Nil consideration |

- (e) Directors, employees or contractors of the Company or any of its subsidiaries or any other related body corporate of the Company may participate in the 2014 Plan. The Directors are currently Messrs Bird, Hamlyn, Potter and Ong.
- (f) A voting exclusion statement is included in the Notice.
- (g) The terms of the Loans are set out in section 8.1 and Schedule 2 of this Explanatory Memorandum.
- (h) The securities will be issued no later than 12 months after the date of the meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue will occur on the same date.

9.5 Directors' recommendation

Peter Bird declines to make a recommendation to Shareholders in relation to Resolution 6 as he has a material personal interest in the outcome of that resolution. The remaining Directors recommend that Shareholders vote in favour of Resolution 6, as it will allow the Company to incentivise Directors and ensure that their interests are aligned with Shareholders'.

David Hamlyn declines to make a recommendation to Shareholders in relation to Resolution 7 as he has a material personal interest in the outcome of that resolution. The remaining Directors recommend that Shareholders vote in favour of Resolution 7, as it will allow the Company to incentivise Directors and ensure that their interests are aligned with Shareholders'.

David Potter declines to make a recommendation to Shareholders in relation to Resolution 8 as he has a material personal interest in the outcome of that resolution. The remaining Directors recommend that Shareholders vote in favour of Resolution 8, as it will allow the Company to incentivise Directors and ensure that their interests are aligned with Shareholders'.

Chen Chik Ong declines to make a recommendation to Shareholders in relation to Resolution 9 as he has a material personal interest in the outcome of that resolution. The remaining Directors recommend that Shareholders vote in favour

of Resolution 9, as it will allow the Company to incentivise Directors and ensure that their interests are aligned with Shareholders’.

10 RESOLUTION 10 - APPROVAL OF 10% PLACEMENT FACILITY

10.1 General

The Company seeks Shareholder approval to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period following shareholder approval (**10% Placement Facility**).

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to section 10.2(a) below). The issue price is yet to be determined, but will be no less than 75% of the price of the Equity Securities at the time of any issue.

Funds raised under any placement will be used for feasibility study and development of mining operations at the Kalgoorlie North Gold Project, for delivery of ore to the Paddington Mill as early as mid 2015.

10.2 Listing Rule 7.1A

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period following shareholder approval by way of a special resolution. The 10% Placement Facility is in addition to the Company’s 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalization of \$300 million or less. The Company is an eligible entity.

(a) Maximum number of Equity Securities which may be issued

The number of Equity Securities which may be issued, or agreed to be issued, under the 10% Placement Facility is prescribed in Listing Rule 7.1A.2 and is calculated as follows:

| |
|---|
| $\text{Number of Equity Securities} = (A \times D) - E$ |
|---|

“A” the number of shares on issue 12 months before the date of issue or agreement:

- (A) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- (B) plus the number of partly paid shares that become fully paid in the 12 months;
- (C) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and

7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;

(D) less the number of fully paid shares cancelled in the 12 months.

"D" is 10%

"E" is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

The actual number of Equity Securities that may be issued under Listing Rule 7.1A is calculated at the date of issue of the Equity Securities in accordance with the above formula.

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

As at the date of this Notice, the Company's quoted securities on issue are 451,161,754 Shares.

As a result and subject to Shareholders approving Resolution 10, the Company has the capacity to issue 45,116,175 Equity Securities under Listing Rule 7.1A.

(b) Minimum Issue Price

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days immediately before:

- (i) The date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) If the Equity Securities are not issued within 5 Trading Days of the date in paragraph 10.2(b)(i) above, the date on which the Equity Securities are issued.

10.3 Specific information by Listing Rule 7.3A

For the purposes of Listing Rule 7.3A, the following information is provided about the proposed issue:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days immediately before:
 - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or

- (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph 10.3(a)(i) above, the date on which the Equity Securities are issued.
- (b) There is a risk of economic and voting dilution to existing Shareholders in approving the 10% Placement Facility, including the risks that:
 - (i) the market price for the Company's Equity Securities may be significantly lower of the date of the issue of the Equity Securities than when Shareholders approval the 10% Placement Facility; and
 - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date, or issued for non-cash consideration for the acquisition of a new asset.

Following is a table that sets out the potential dilution of existing Shareholders if Equity Securities are issued under the 10% Placement Facility:

| Variable "A" in Listing Rule 7.1A.2 | | Dilution | | |
|--|---------------------|--|-----------------------------------|---|
| | | \$0.0325 50% decrease in Issue Price | \$0.065 Current Issue Price | \$0.13 100% increase in Issue Price |
| Current Variable A 451,161,754 shares | 10% Voting Dilution | 45,116,175 shares | 45,116,175 shares | 45,116,175 shares |
| | Funds Raised | \$1,466,275 | \$2,932,551 | 5,865,102 |
| 50% increase in current Variable A | 10% Voting Dilution | 67,674,263 shares | 67,674,263 shares | 67,674,263 shares |
| | Funds Raised | \$2,199,413 | \$4,398,827 | \$8,797,654 |
| 100% increase in current Variable A | 10% Voting Dilution | 90,232,350 shares | 90,232,350 shares | 90,232,350 shares |
| | Funds Raised | \$2,932,551 | \$5,865,102 | \$11,730,205 |

The table has been prepared on the following assumptions:

- (i) The Company issues, or agrees to issue, the maximum number of Equity Securities available under the 10% Placement Facility.
- (ii) No Options are exercised and Shares before the date of the issue of the Equity Securities;
- (iii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.

- (iv) The issue of Equity Securities under the 10% Placement Facility consists only of Shares.
- (v) The Company has issued Equity Securities in the 12 months prior to the Meeting that was not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1 (refer to Schedule 3).
- (vi) The issue price is \$0.065 being the closing price of the Shares on ASX on 9 October 2014.

The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.

The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.

- (c) The latest date by which Equity Securities may be issued is 12 months after the Meeting. Approval for the issue of Equity Securities under the 10% Placement Facility will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities or Listing Rule 11.2 (disposal of main undertaking)).
- (d) The Equity Securities may be issued for the following purposes:
 - (i) To raise funds, in which case the Company intends to use the funds raised towards an acquisition of new assets or investments (including expense associated with such acquisition), continued exploration and feasibility study expenditure on the Company's current assets and/or general working capital.
 - (ii) In consideration of the acquisition of new resources assets and investments, in which case the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A upon issue of any Equity Securities.

- (e) The Company is yet to identify the persons to whom Equity Securities will be issued to under the 10% Placement Facility. The Company's policy for allocating Equity Securities issued under the 10% Placement Facility will be determined on a case-by-case basis depending upon the purpose, and prevailing market conditions at the time, of any issue and having regard to factors including but not limited to the following:
 - (i) The fundraising methods available to the Company, including but not limited to, rights issue or other issue which may minimise dilution to Shareholders.

- (ii) In the case of an asset or investment acquisition, the nature and circumstances of the acquisition.
- (iii) The effect of the issue of the Equity Securities on the control of the Company.
- (iv) The financial situation and solvency of the Company.
- (v) Advice from corporate, financial and broking advisers (if applicable).

The subscribers may include vendors (in the case of any issue for non-cash consideration), existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

- (f) The total number of Equity Securities issued in the 12 months preceding the date of the Meeting is 81,811,591, representing 19.58% of the total number of Equity Securities on issue at the commencement of that 12 month period. The Company has previously obtained approval under Listing Rule 7.1A at its Annual General Meeting on 29 November 2013. The details of all issues of Equity Securities by the Company during the 12 months preceding the date of the Meeting is set out in Schedule 3 to this Explanatory Memorandum.
- (g) A voting exclusion statement is included in the Notice.

At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities, and no existing Shareholder's votes will be excluded under the voting exclusion in the Notice.

10.4 Directors' recommendation

The Board unanimously recommends that Shareholders vote in favour of Resolution 10. This will allow the Company to issue securities and raise funds whilst preserving the Company's 15% annual limit permitted by Listing Rule 7.1.

1 DEFINITIONS

In this Notice and Explanatory Memorandum:

| | |
|--|---|
| 2012 Plan | has the meaning given in section 9.1. |
| 2014 Plan | has the meaning given in section 9.1. |
| ASX | means ASX Limited or the Australian Securities Exchange operated by ASX Limited, as the context requires. |
| Board | means the board of Directors. |
| Chairman | means the Chairman of the Company. |
| Company | means Excelsior Gold Limited ABN 38 123 629 863. |
| Constitution | means the constitution of the Company as amended. |
| Corporations Act | means the <i>Corporations Act 2001</i> (Cth) as amended. |
| Director | means a director of the Company. |
| Equity Securities | has the same meaning giving in the Listing Rules. |
| Excelsior Gold Employee Share Loan Plan | means the employee incentive scheme adopted by the Company and detailed in section 8. |
| Explanatory Memorandum | means this explanatory memorandum. |
| Listing Rule | means the listing rules of the ASX. |
| Macquarie Options | means an Option on the terms in Schedule 1. |
| Meeting | means the meeting convened by this Notice (as adjourned from time to time). |
| Notice | means this notice of meeting. |
| Option | means an option to be issued a Share. |
| Plan Share | means a Share issued under either the 2012 Plan or the 2014 Plan. |
| Proxy Form | means the proxy form attached to this Notice. |
| Remuneration Report | means the remuneration report of the Company |

included in the Directors' Report section of the Company's 2014 Annual Report.

| | |
|---------------------|---|
| Resolution | means a resolution set out in the Notice. |
| Securities | means a Share or an Option. |
| Share | means a fully paid ordinary share in the capital of the Company. |
| Shareholder | means a holder of a Share. |
| Trading Days | means a day determined by ASX to be a trading day in accordance with the Listing Rules. |
| VWAP | means volume weighted average price. |
| WST | means Western Standard Time. |

SCHEDULE 1 - TERMS OF OPTIONS

1. Each option (**Option**) issued by Excelsior Gold Limited (**Company**) on the terms of this schedule entitles its holder (**Optionholder**) to the issue of one (1) fully paid ordinary share in the capital of the Company (**Share**) upon exercise by notice in writing (in the form attached to this schedule) and payment of the Exercise Price (as defined below) at any time following issue of the Option but before 5.00pm (Australian Western Standard Time) on the Option Expiry Date (as defined below) (the Exercise Period).
2. An Optionholder may exercise Options at any time during the Exercise Period, in parcels of either all or a minimum of 1,000,000 Options at any one time.
3. The Exercise Price of each Option is \$0.092 (**Exercise Price**).
4. The Option Expiry Date is 31 December 2015 (**Option Expiry Date**).
5. Subject to paragraph 6 below, the Options may be transferred in whole or in part by an Optionholder at any time to a person who is a professional investor (as defined in section 9 of the Corporations Act 2001 (Cth) (Corporations Act)) or a sophisticated investor pursuant to section 708(8) of the Corporations Act. Promptly following any transfer of the Options the transferor and the transferee will notify the Company of the transfer and (subject to the return of the relevant certificate relating to the transferred Options) the Company must, within 10 Business Days of receipt of the relevant notification and certificate, issue a new Option certificate to the transferor and the transferee reflecting their respective holdings of Options.
6. Options may be exercised in whole or a minimum parcel of 1,000,000 Options by:
 - (a) delivering to the Company before 5.00pm (Australian Western Standard Time) on the Option Expiry Date the application for shares on exercise of options (**Exercise Notice**) duly executed by the Optionholder specifying the number of Options being exercised (Relevant Number); and
 - (b) payment to the Company by bank cheque or other immediately available funds of an amount equal to the Exercise Price multiplied by the number of Options being exercised (the **Settlement Price**).
7. The Company must within 5 Business Days of the receipt by it of the last of the documents referred to above and subject to receipt by the Company of the Settlement Price:
 - (a) issue to the Optionholder the Relevant Number of Shares;
 - (b) issue, or cause to be issued, to the Optionholder a holding statement for the Relevant Number of Shares; and
 - (c) if applicable, issue a replacement Option Certificate to the Optionholder for the balance of any unexercised Options.
8. The Shares issued pursuant to the exercise of the Options will be issued as fully paid.

9. Until the Option Expiry Date for so long as the Optionholder holds any unexercised Options, the Company will:
 - (a) give the Optionholder notice of all general meetings of the Company and of all resolutions to be considered at those meetings and all other statements, notices, annual reports or circulars at the same time the shareholders of the Company are issued with those notices; and
 - (b) not do anything by way of altering its constitution or otherwise which has the effect of changing or converting any Shares into shares of another class, or which restricts the Company's ability to issue the Options or to issue Shares on the exercise of Options.
10. Until the Option Expiry Date, the Company must ensure that the Optionholder is given at least 10 Business Days written notice prior to the Record Date in relation to any Pro-Rata Issue of shares or rights to subscribe for shares issued or to be issued by the Company (**Additional Rights**).
11. An Option does not confer any rights to dividends.
12. An Option does not confer any right on the holder to participate in a new issue without exercising the Option.
13. The Optionholder will be entitled to participate in any rights to take up Additional Rights on the same terms and conditions as applicable to the other offerees or shareholders of the Company provided that the Optionholder has exercised any Option prior to the Record Date for the relevant offer.
14. Any Shares issued to the Optionholder as a result of the exercise of an Option will rank pari passu in all respects with all other Shares then on issue. Shares issued upon the exercise of Options will only carry an entitlement to receive a dividend if they were issued before the Record Date for that dividend.
15. If there is a Pro Rata Issue (except a Bonus Issue), from the date of the issue the Exercise Price of Options on issue is reduced according to this formula:

$$A = \frac{O - E \{P - (S + D)\}}{(N + 1)}$$

Where:

- A= the new Exercise Price of the Option;
- O= the old Exercise Price of the Option;
- E= the number of underlying Shares into which one Option is exercisable;
- P= the average closing sale price per Share (weighted by reference to volume) recorded on the stock market of ASX during the 5 trading days ending on the day before the ex rights date or ex entitlement date (excluding special crossings or overnight sales);
- S= the subscription price for a Share under the Pro Rata Issue;

- D= the dividend due but not yet paid on each Share at the relevant time (except those to be issued under the Pro Rata Issue); and
- N= the number of Shares that must be held to entitle holders to receive a right to one new Share in the Pro Rata Issue.
16. If there is a Bonus Issue to holders of Shares, the number of Shares over which an Option is exercisable is increased by the number of Shares which the holder of the Option would have received if the Option had been exercised before the Record Date for the Bonus Issue.
17. If, before exercise or expiry of the Options, the Company implements a reorganisation of its capital:
- (a) the Options must be treated in the manner required by the ASX Listing Rules;
 - (b) the Company must notify the Optionholder of any proposed variation to the terms of Options no less than 5 Business Days prior to the date of variation; and
 - (c) the Company must provide confirmation to the Optionholder immediately after the date of variation that the terms of the Options have been varied as proposed.
18. At the time any Shares are issued upon the exercise of an Option, the Company will:
- (a) apply to ASX for official quotation of the Shares as soon as practicable, and in any event within 2 Business Days after the date that the Shares are issued;
 - (b) procure that the relevant ASIC and ASX forms are lodged to reflect the issue of the Shares, including a notice under section 708A(5)(e) of the Corporations Act in accordance with sub-clause 19(c) below; and
 - (c) give to the ASX a notice under section 708A(5) of the Corporations Act on the day following the issue of Shares on exercise of the Option unless it cannot meet the criteria in "case 1" of section 708A of the Corporations Act in which case:
 - (i) the Company will comply with the criteria in "case 2" of section 708A of the Corporations Act and issue a disclosure document under chapter 6D.2 of the Corporations Act as soon as reasonably practicable after the date of exercise of the Option and in any event within 20 days of that date; and
 - (ii) until the Company has issued the disclosure document under clause 19(c)(1), the Optionholder will only transfer the relevant Shares to a person that comes within sections 708(8), (10) or (11) of the Corporations Act.

19. Subject to the ASX Listing Rules, the terms of the Options may be varied at any time by written agreement between the Company and the Optionholder.
20. If any Option certificate is lost, stolen, mutilated, defaced or destroyed, the holder of the relevant Options may apply for a replacement certificate. The application must be accompanied by:
 - (a) a written statement that the certificate has been lost or destroyed and not otherwise pledged, sold or otherwise disposed of;
 - (b) if the certificate has been lost, a written statement that proper searches have been made; and
 - (c) an undertaking that, if the certificate is found or received by the holder of the relevant Options, it will be returned to the Company.
21. The Company must issue a replacement certificate within 10 Business Days after receipt of the documents referred to above.
22. In this schedule the expressions:
 - (a) ASIC means the Australian Securities & Investments Commission;
 - (b) ASX means ASX Limited, and where the context requires, the Australian Securities Exchange operated by ASX Limited;
 - (c) ASX Listing Rules means the Australian Securities Exchange Listing Rules;
 - (d) Bonus Issue has the meaning given to that term in the ASX Listing Rules;
 - (e) Business Day means a day on which banks are open for business in Sydney and Perth excluding a Saturday, Sunday or public holiday; and
 - (f) Pro Rata Issue has the meaning given to that term in the ASX Listing Rules; and
 - (g) Record Date has the meaning given to that term in the ASX Listing Rules.
23. These terms and the Options are governed by the laws of Western Australia.

SCHEDULE 2 - TERMS OF THE EXCELSIOR GOLD INCENTIVE SCHEME

The key terms of the Excelsior Gold Employee Share Loan Plan (**Plan**) are as follows:

1. **Eligibility:** Participants in the Scheme may be directors, employees or contractors of the Company or any of its subsidiaries or any other related body corporate of the Company (**Eligible Participants**).
2. **Administration of Plan:** The Board is responsible for the operation of the Plan and has a broad discretion to determine which Eligible Participants will be offered Shares under the Plan.
3. **Invitation:** The Board may make an invitation to an Eligible Participant to participate in the Plan. The invitation:
 - (a) will invite application for the number of Shares specified in the invitation;
 - (b) will specify the issue price for the Shares or the manner in which the Issue Price is to be calculated;
 - (c) may invite applications for a loan up to the amount payable in respect of the Shares accepted by the Eligible Participant in accordance with the invitation;
 - (d) will specify any restriction conditions applying to the Shares;
 - (e) will specify an acceptance period; and
 - (f) specify any other terms and conditions attaching to the Shares.
4. **Issue price:** the issue price of each Share will be not less the volume weighted average price at which Shares were traded on the ASX over the 10 trading days up to the date Plan Shares are offered for issue under the Plan, or such other price as the Board determines.
5. **Renounceability:** Eligible Participants may renounce their Invitation in favour of an associate (the Eligible Participants and their associates are each **Participants**).
6. **Restriction Conditions:** Shares may be subject to restriction conditions relating to milestones (**Milestone Conditions**) (such as a period of employment) or escrow restrictions (**Escrow Conditions**) which must be satisfied before the Shares can be sold, transferred, or encumbered (**Restriction Conditions**). Shares cannot be sold, transferred or encumbered until any loan in relation to the Shares has been repaid or otherwise discharged under the Plan.
7. **Extension of Escrow Condition:** If an Eligible Participant ceases to be an Eligible Participant as a result of an occurrence other than certain bad leaver occurrences prior to the satisfaction of all Restriction Conditions, the escrow restriction applied under the Escrow Condition in relation to the Plan Shares held by the Participant will be extended by 6 months.

8. **Loan:** An Eligible Participant who is invited to subscribe for Shares may also be invited to apply for a loan up to the amount payable in respect of the Shares accepted by the Participant (**Loan**), on the following terms:
- (a) the Loan will be interest free unless the Company and the Participant agree otherwise;
 - (b) the Loan made available to a Participant shall be applied by the Company directly toward payment of the issue price of the Shares;
 - (c) the Loan repayment date will be 5 years following the issue of Shares under the Plan and the manner for making such payments shall be determined by the Board and set out in the invitation;
 - (d) a Participant must repay the Loan in full by the loan repayment date but may elect to repay the Loan amount in respect of any or all of the Shares at any time prior to the loan repayment date;
 - (e) the Company shall have a lien over the Shares in respect of which a Loan is outstanding and the Company shall be entitled to buy-back, cancel or sell those Shares in accordance with the terms of the Plan;
 - (f) a Loan will be non-recourse except against the Shares held by the Participant to which the Loan relates; and
 - (g) the Board may, in its absolute discretion, agree to forgive a Loan made to a Participant.
9. **Unfulfilled Milestone Condition:** Where a Milestone Condition in relation to Shares is not satisfied by the due date, or becomes incapable of satisfaction in the opinion of the Board, the Company may, unless the Milestone Condition is waived by the Board, either:
- (a) buy back and cancel the relevant Shares within 12 months of the date the restriction condition was not satisfied or was waived (or became incapable of satisfaction) under Part 2J.1 of the Corporations Act in consideration for the cancellation of any Loan granted; or
 - (b) in the event that such a buy-back and cancellation of Shares cannot occur, require the Participant to sell the Shares as soon as reasonably practicable either on the ASX and give the Company the sale proceeds (**Sale Proceeds**), which the Company will apply in the following priority:
 - (i) first, to pay the Company any outstanding Loan Amount (if any) in relation to the Shares and the Company's reasonable costs in selling the Shares;
 - (ii) second, to the extent the Sale Proceeds are sufficient, to repay the Participant any cash consideration paid by the Participant or Loan Amount repayments (including any cash dividends applied to the Loan Amount) made by or on behalf of the Participant; and

- (iii) lastly, any remainder to the Company to cover its costs of managing the Plan.

10. Sale of Shares to Repay Loan:

- (a) A Loan shall become repayable in full on the earlier of:
 - (i) 5 years following the issue of Shares under the Plan;
 - (ii) the date determined under (b) below;
 - (iii) any Shares issued to the Participant in relation to the Loan being sold, transferred, assigned, mortgaged, charged or otherwise encumbered (unless any such actions were undertaken by or on behalf of the Company);
 - (iv) the Participant suffering an event of insolvency;
 - (v) the Participant breaching any condition of the Loan or the Plan; or
 - (vi) a Restriction Condition in relation to Shares subject to the Loan is not satisfied by the due date, or becomes incapable of satisfaction in the opinion of the Board (and is not waived).
- (b) In the event that the Eligible Participant to whom the invitation was made ceases to be an Eligible Participant, the date for repayment of the Loan under paragraph (10)(a)(ii) will subject to the Company buying back, cancelling or selling any Shares where the Eligible Participant ceases such a role for to certain bad leaver reasons (including acting fraudulently or dishonestly, being grossly negligent, demonstrating serious and wilful misconduct, or causing a material adverse effect on the reputation of the Company), be the later of:
 - (i) if all Restriction Conditions have been satisfied or waived, within 30 days;
 - (ii) if a Milestone Condition in relation to Shares is not satisfied or waived, immediately. Such payment obligation shall be satisfied as set out in (i) above; or
 - (iii) if all Milestone Conditions have been satisfied or waived, but the Escrow Condition has not been satisfied or waived, immediately upon satisfaction.
- (c) Where a Loan becomes repayable under paragraph 10, other than paragraph 10(a)(ii) and at that time a Restriction Condition in relation to Shares subject to the Loan is not satisfied, or is incapable of being satisfied in the opinion of the Board (and is not waived), the Company may elect to buy-back or cancel in consideration for cancellation of the Loan or sell the Shares, with the Sale Proceeds being applied to repay the Loan in accordance the Plan.

- (d) Where a Loan in relation to Shares becomes repayable under paragraph 10, other than paragraphs 10(a)(ii) or 10(a)(v) or 10(b)(ii) and at that time Restriction Conditions in relation to the Shares have either been satisfied or are waived, the Company must give the Participant a 30 day period to repay the Loan, failing which the Company may buy-back, cancel or sell the Shares and, if sold, apply the Sale Proceeds in accordance with the Plan.
11. **Power of Attorney:** The Participant irrevocably appoints each of the Company and each Director severally as his or her attorney to do all things necessary to give effect to the sale of the Participant's Shares in accordance with the Plan.
12. **Restriction on Transfer:** Other than as specified in the Plan, Participants may not sell or otherwise deal with a Share until the Loan Amount in respect of that Share has been repaid and any Restriction Conditions in relation to the Shares have been satisfied or waived. The Company is authorised to impose a holding lock on the Shares to implement this restriction.
13. **Quotation on ASX:** The Company will apply for each Share to be admitted to trading on ASX upon issue of the Share. Quotation will be subject to the ASX Listing Rules and any holding lock applying to the Shares.
14. **Rights Attaching to Shares:** Each Share shall be issued on the same terms and conditions as the Company's issued Shares (other than in respect of transfer restrictions imposed by the Plan) and it will rank equally with all other issued Shares from the issue date except for entitlements which have a record date before the issue date.

SCHEDULE 3 - INFORMATION REQUIRED BY LISTING RULE 7.3A.6

| | Issue 1 | Issue 2 | Issue 3 |
|--|--|---|---|
| Date of issue: | 22 July 2014 | 27 August 2014 | 3 October 2014 |
| Number issued: | 43,478,261 | 5,000,000 | 33,333,330 |
| Class/Type of equity security: | Macquarie Options | Fully paid ordinary shares | Fully paid ordinary shares |
| Summary of terms: | See section 6 for details | Issued on exercise of \$0.058 options | Fully paid ordinary shares |
| Names of persons who received securities or basis on which those persons was determined: | Macquarie Bank Limited, an unrelated party | Clients of BBY Limited | Clients of BBY Limited |
| Price: | See section 6 for details | Exercise price of \$0.058 | Issue price of \$0.06 |
| Discount to market price (if any): | N/A | N/A | Approximately 15% |
| <i>For cash issues</i> | | | |
| Total cash consideration received: | No cash was raised from the issue | \$290,000 | \$2,000,000 (before costs) |
| Amount of cash consideration spent: | N/A | Nil | Nil |
| Use of cash consideration: | N/A | Feasibility study and development of mining | Feasibility study and development of mining |

| | Issue 1 | Issue 2 | Issue 3 |
|---|---|--|--|
| Intended use for remaining amount of cash (if any): | Funds received on exercise of options will be used for general working capital. | operations at the Kalgoorlie North Gold Project, for delivery of ore to the Paddington Mill as early as mid 2015 Feasibility study and development of mining operations at the Kalgoorlie North Gold Project, for delivery of ore to the Paddington Mill as early as mid 2015 | operations at the Kalgoorlie North Gold Project, for delivery of ore to the Paddington Mill as early as mid 2015 Feasibility study and development of mining operations at the Kalgoorlie North Gold Project, for delivery of ore to the Paddington Mill as early as mid 2015 |
| <i>For non-cash issues</i> | | | |
| Non-cash consideration paid: | See section 6 for details | N/A | N/A |
| Current value of that non-cash consideration: | \$0.0344 per option | N/A | N/A |

PROXY FORM

APPOINTMENT OF PROXY
EXCELSIOR GOLD LTD
ACN 123 629 863
ANNUAL GENERAL MEETING

I/We

of

being a member of Excelsior Gold Ltd entitled to attend and vote at the Annual General Meeting, hereby

Appoint

Name of proxy

OR

☐

the Chair of the Annual General Meeting as your proxy

or failing the person so named or, if no person is named, the Chair of the Annual General Meeting, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Annual General Meeting to be held at 10:00am (WST), on 28 November 2014 at Unit 2, 124 Stirling Highway, North Fremantle WA 6159 and at any adjournment thereof.

Voting on Business of the Annual General Meeting

| | FOR | AGAINST | ABSTAIN |
|---|--------------------------|--------------------------|--------------------------|
| Resolution 1 - Remuneration Report (Non-Binding) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 2 - Re-election of Director - Peter Bird | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 3 - Ratification of Prior Option Issue | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 4 - Ratification of Prior Share Issue | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 5 - Approval of the Excelsior Gold Incentive Scheme | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 6 - Issue of Securities Under the Excelsior Gold Incentive Scheme to Mr Peter Bird | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 7 - Issue of Securities Under the Excelsior Gold Incentive Scheme to Mr David Hamlyn | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 8 - Issue of Securities Under the Excelsior Gold Incentive Scheme to Mr David Potter | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 9 - Issue of Securities Under the Excelsior Gold Incentive Scheme to Mr Chen Chik (Nicholas) Ong | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 10 - Approval of 10% Placement Capacity | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

Important for Resolution 1

Where you have appointed the Chair as your proxy (or the Chair becomes your proxy by default), you expressly authorise the Chair to exercise your proxy on Resolution 1 (except where you have indicated a different voting intention above) even though Resolution 1 is connected directly with the remuneration of a member of key management personnel for the Company, which includes the Chair.

If two proxies are being appointed, the proportion of voting rights this proxy represents is _____ %

Signature of Member(s): _____

Date: _____

Individual or Member 1

Member 2

Member 3

Sole Director/Company Secretary

Director

Director/Company Secretary

Contact Name: _____ Contact Ph (daytime): _____

Date: _____

E-mail address: _____ Consent for contact by e-mail: YES ☐ NO ☐

EXCELSIOR GOLD LTD
ACN 123 629 863

Instructions for Completing 'Appointment of Proxy' Form

1. **(Appointing a Proxy):** A member entitled to attend and cast a vote at an Annual General Meeting is entitled to appoint a proxy to attend and vote on their behalf at the meeting. If the member is entitled to cast 2 or more votes at the meeting, the member may appoint a second proxy to attend and vote on their behalf at the meeting. However, where both proxies attend the meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A member who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a member appoints 2 proxies and the appointments do not specify the proportion or number of the member's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a member of the Company.
2. **(Direction to Vote):** A member may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing Instructions):**
 - **(Individual):** Where the holding is in one name, the member must sign.
 - **(Joint Holding):** Where the holding is in more than one name, all of the members should sign.
 - **(Power of Attorney):** If you have not already provided the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.
 - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual members from attending the Annual General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the Annual General Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the Annual General Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (a) post to Excelsior Gold Limited, PO Box 520, North Fremantle WA 6159; or
 - (b) facsimile to the Company on facsimile number (+61 8) 9335 6231,so that it is received not less than 48 hours prior to commencement of the Meeting.
Proxy forms received later than this time will be invalid.