



10 November 2016

Mr Ben Secrett
Senior Adviser, Listings Compliance (Perth)
Level 40, Central Park
152-158 St George's Terrace
Perth WA 6000

By Email: tradinghaltsperth@asx.com.au and Ben.Secrett@asx.com.au

Dear Ben,

Appendix 5B Query

We refer to your letter dated 8 November 2016 and respond as follows:

1. The Company does not expect to have future negative operating cash flows. Forecasted revenue is expected to exceed operating cash costs.
2. The Board is investigating supplementary sources of funding, which the Board believes is achievable, to ensure a cash contingency is held by the Company. This strategy is consistent with the company's goal of ensuring a strong base to ensure adequate capital for both working capital and exploration. The Company will continue to assess these funding opportunities and will make an appropriate announcement to the market in due course. Currently the Company is undertaking a capital raising.
3. The Company will be able to continue its operations and meet its business objectives on the basis that the Company's operations are expected to be cash positive.
4. The Company is confident its financial position is adequate to warrant the continued quotation of its securities and its continued listing. The Company has a positive cash balance and an operating gold mine with forecasted cash receipts expected to cover all operating costs and repay all debt within the next 12 months. The Company is also confident that future exploration on its tenements will increase the resources for future mining.
5. The Company confirms it is in compliance with Listing Rule 3.1 and there is no information to be given to the ASX about EXGs financial condition that has not been released to the market.

Excelsior Gold Limited
ABN 38 123 629 863

Address Unit 2, 124 Stirling Highway, North Fremantle WA 6159 **Postal** PO Box 520, North Fremantle WA 6159
Telephone +61 (8) 9335 7770 **Facsimile** +61 (8) 9335 6231

www.excelsiorgold.com.au



6. All responses to this ASX query have been approved by the Board.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Amanda Sparks'.

Amanda Sparks
Company Secretary

A large, light-colored, stylized gold bar icon in the background, composed of geometric shapes, similar to the one in the logo but larger and more faded.

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8 November 2016

Ms Amanda Sparks
Excelsior Gold Limited
Unit 2, 124 Stirling Highway
NORTH FREMANTLE WA 6159

By email

Dear Ms Sparks

Excelsior Gold Limited (“Company”): Appendix 5B Query

I refer to the Company’s Appendix 5B quarterly report for the period ended 30 September 2016 released on the ASX Market Announcements Platform on 31 October 2016 (the “Appendix 5B”).

ASX notes that the Company has reported:

- receipts from customers for the quarter of \$7,084,000;
- negative net operating cash flows for the quarter of \$4,558,000;
- cash at the end of the quarter of \$3,611,000; and
- estimated cash outflows for the next quarter of \$20,930,000.

It is possible to conclude, based on the information in the Appendix 5B that if the Company were to continue to expend cash at the rate indicated by the Appendix 5B, the Company may not have sufficient cash to continue funding its operations. In view of that, ASX asks the Company to respond separately to each of the following questions and requests for information:

1. Does the Company expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has the Company taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
3. Does the Company expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Please provide any other information that the Company considers may be relevant to ASX forming an opinion on whether the Company is in compliance with Listing Rule 12.2 (a listed entity’s financial condition must, in ASX’s opinion, be adequate to warrant the continued quotation of its securities and its continued listing).

5. Please confirm that the Company is in compliance with Listing Rule 3.1 and that there is no information about its financial condition that should be given to ASX in accordance with that Rule that has not already been released to the market.
6. Please confirm that the Company's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of the Company with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under, and in accordance with Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, **by not later than 5.00pm AWST on Thursday, 10 November 2016**. If we do not have your response by then, ASX will have no choice but to consider suspending trading in the Company's securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, the Company's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be **sent to me by e-mail at tradinghaltspert@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rule 3.1

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

In responding to this letter, you should have regard to the Company's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

It should be noted that the Company's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in the Company's securities under Listing Rule 17.1.

If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;

- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

[sent electronically without signature]

Ben Secrett
Senior Adviser, ASX Listings Compliance (Perth)