



19 December 2016

ASX Market Announcement
ASX Limited
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000



ASX Code: EXG

Cleansing Prospectus

Attached is Excelsior Gold Limited's Cleansing Prospectus.

The cleansing prospectus is required for the purpose of Section 708A(11) of the Corporations Act to remove any trading restrictions on the sale of fully paid ordinary shares issued by the Company under the placement made on 21 November 2016.

- ENDS -

For further information visit www.excelsiorgold.com.au or contact

Excelsior Gold Limited

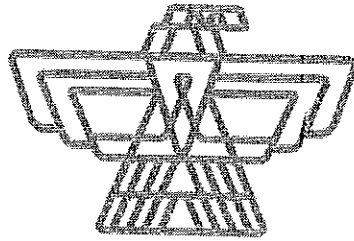
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excelsiorgold
LIMITED

Cleansing Prospectus

Excelsior Gold Limited

ACN: 123 629 863

ASX Code: EXG

This Prospectus has been prepared primarily for the purpose of section 708A(11) of the Corporations Act to remove any trading restrictions on the sale of Shares issued by the Company prior to the Closing Date. The Offer is only made to those persons personally invited by the Company.

This Prospectus provides important information about the Company. You should read the entire document. If you have any questions about the New Shares being offered under this Prospectus, or any other matter relating to an investment in the Company, you should consult your professional adviser. An investment in the New Shares offered under this Prospectus is highly speculative.

Important Notice

This Prospectus is dated 19 December 2016 and was lodged with ASIC on that date. Application will be made to ASX for quotation of the New Shares offered under this Prospectus within 7 days of this date.

Neither ASIC, ASX nor any of their respective officers take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates. No securities will be allotted or issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

The Offer is only available to those who are personally invited to accept the Offer. Applications for New Shares offered pursuant to this Prospectus can only be submitted on an original Application Form which accompanies this Prospectus.

Nature of this Prospectus

The New Shares which will be issued pursuant to this Prospectus are in the same class of Shares that have been quoted on the official list of the ASX during the 12 months prior to the issue of this Prospectus.

This Prospectus is a 'transaction specific prospectus' to which the special content rules under section 713 of the Corporations Act apply. That provision allows the issue of a more concise prospectus in relation to an offer of securities in a class which has been continuously quoted by ASX in the 3 months prior to the date of the prospectus. In general terms 'transaction specific prospectuses' are only required to contain information in relation to the effect of the issue of New Shares on the Company and the rights attaching to the New Shares. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus contains information only to the extent to which it is reasonable for investors and their professional advisers to expect to find the information in it. It does not include all of the information that would be included in a prospectus for an initial public offer.

Prospectus availability

A copy of this Prospectus can be downloaded from the website of the Company at www.excelsiorgold.com.au. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian resident and must only access this Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company.

Foreign jurisdictions

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these

restrictions. Failure to comply with these restrictions may violate securities laws. Applicants who are residents in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed. This Prospectus does not constitute an offer in any place in which, or to any person to whom, it should not be lawful to make such an offer.

Risk factors

Potential investors should be aware that subscribing for Shares in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in section 5 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for New Shares pursuant to this Prospectus.

Disclaimer of representations

No person is authorised to provide any information or make any representation in connection with the Offer described in this Prospectus which is not contained in this Prospectus. Any information not so contained may not be relied upon as having been authorised by the Company or any other person in connection with the Offer. You should rely only on information in this Prospectus.

Forward looking statements

This Prospectus contains forward looking statements that, despite being based on the Company's current expectations about future events, are subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of the Company and the Directors. These known and unknown risks, uncertainties and assumptions, could cause actual results, performance or achievements to materially differ from future results, performance or achievements expressed or implied by forward-looking statements in this Prospectus. These risks, uncertainties and assumptions include, but are not limited to, the risks outlined in section 6 of this Prospectus. Forward-looking statements include those containing such words as 'anticipate', 'estimate', 'believe', 'should', 'will', 'may' and similar expressions.

Website

No document or information included on the Company's website is incorporated by reference into this Prospectus.

Definitions

Certain terms and abbreviations used in this Prospectus have defined meanings which are explained in the Glossary.

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Corporate Directory

Directors

David Hatch	(Non-Executive Chairman)
Rowan Johnston	(Managing Director)
Jimmy Kong Leng Lee	(Non-Executive Director)
Jonathan West	(Non-Executive Director)
Sam Randazzo	(Non-Executive Director)

Company Secretary

Amanda Sparks

Website

www.excelsiorgold.com.au

Registered and Business Office

Unit 2
124 Stirling Highway
North Fremantle WA 6159
Telephone: +61 8 9335 7770
Facsimile: +61 8 9335 6231

Share Registry*

Security Transfer Registrars
770 Canning Highway
Applecross WA 6153
Telephone: +61 8 9315 2333
Facsimile: +61 8 9315 2233

Auditor*

BDO Audit (WA) Pty Ltd
38 Station Street
Subiaco WA 6008

*These parties are included for information purposes only. They have not been involved in the preparation of this Prospectus.

1 TIMETABLE

Action	Date
Lodgement of Prospectus with the ASIC and ASX	19 December 2016
Opening Date	19 December 2016
Closing Date*	19 December 2016

** The above dates are indicative only and may change without notice. The Directors reserve the right to vary these dates, including the Closing Date, without notice. The Company also reserves the right not to proceed with the Offer at any time before the issue of Shares to applicants.*

2 PURPOSE AND EFFECT OF THE OFFER

2.1 Offer

Under this Prospectus, the Company invites investors identified by the Directors to apply for 1,000 New Shares at an issue price of \$0.03 per New Share to raise \$30 (before expenses) (Offer).

The Offer will only be extended to specific parties on invitation from the Directors. Application Forms will only be provided by the Company to these parties.

All of the New Shares offered under this Prospectus will rank equally with Shares on issue at the date of this Prospectus. A high-level summary of the material rights and liabilities attaching to the Shares is set out in section 4 of this Prospectus.

2.2 Purpose of the Offer

On 21 November 2016, the Company issued 105,841,690 Shares (Placement Shares) at \$0.021 per Share to raise \$2.2 million (Placement) before costs. The funds raised from the Placement will be directed towards working capital for the ongoing mining operation at the Zoroastrian Central open pit.

The Placement Shares were issued to institutional and sophisticated investors without disclosure under Chapter 6D of the Corporations Act.

The Company is seeking to raise only a nominal amount of \$30 under this Prospectus and, accordingly, the purpose of this Prospectus is not to raise capital.

The primary purpose of this Prospectus is to remove any trading restrictions that may have attached to Shares issued by the Company (including the Placement Shares) prior to the Closing Date (including prior to the date of this Prospectus).

Relevantly, section 708A(11) of the Corporations Act provides that a sale offer does not need disclosure to investors if:

- (a) the relevant securities are in a class of securities that are quoted securities of the body; and
- (b) either:
 - (i) a prospectus is lodged with ASIC on or after the day on which the relevant securities were issued but before the day on which the sale offer is made; or
 - (ii) a prospectus is lodged with the ASIC before the day on which the relevant securities are issued and the offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued; and
- (c) the prospectus is for an offer of securities issued by the body that are in the same class of securities as the relevant securities.

The purpose of this Prospectus and the Offer is to comply with section 708A(11) of the Corporations Act so that Shares issued prior to this Prospectus can be offered for sale without disclosure.

2.3 Application for New Shares

Applications for New Shares under the Offer must be made by investors at the direction of the Company and must be made using the Application Form attached to this Prospectus.

Payment for the New Shares must be made in full at the issue price of \$0.03 per New Share.

All cheques must be drawn on an Australian bank or bank draft made payable to “Excelsior - Share Offer Account” and crossed “Not Negotiable”.

Completed Application Forms and cheques must be mailed or delivered to the address set out on the Application Form by no later than the Closing Date.

The Company reserves the right to close the Offer early.

2.4 Implications on acceptance

Returning a completed Application Form will be taken to constitute a representation by you that:

- (a) You have received a copy of this Prospectus and the accompanying Application Form, and read them both in their entirety; and
- (b) You acknowledge that once the Application Form is returned the application may not be varied or withdrawn except as required by law.

2.5 Defects in Applications

If an Application Form is not completed correctly or if the accompanying payment is the wrong amount, the Company may, in its discretion, still treat the Application Form to be valid. The Company's decision to treat an application as valid, or how to construe, amend or complete it, will be final.

2.6 Capital structure

The effect of the Offer on the capital structure of the Company is set out below.

Shares	
Shares currently on issue (including Placement Shares) ¹	806,140,875
New Shares offered under this Prospectus ²	1,000
Total Shares on issue following the Offer³	806,141,875

Notes:

1. The rights and liabilities attaching to Shares are summarised in section 4 of this Prospectus.
2. The rights and liabilities attaching to New Shares are summarised in section 4 of this Prospectus.
3. This assumes that the Offer is fully subscribed.

2.7 Effect on control

There will be no effect on control as a result of the Offer.

2.8 Effect on financial position of the Company

After the expenses of the Offer of approximately \$4,350, there will be no proceeds from the Offer. The expenses of the Offer (exceeding \$30) will be met from the Company's existing cash reserves. As such, there is no material effect on the Company's cash and equity position by this offer.

3 DETAILS OF THE OFFER

3.1 Minimum subscription

There is no minimum subscription.

3.2 Issue of New Shares

Issue of New Shares under the Offer will take place as soon as practicable after the Closing Date. All Application Moneys will be deposited into a separate bank account of the Company and held in trust for Applicants until the New Shares are issued or Application Moneys returned. Any interest earned on Application Moneys will be retained by the Company irrespective

of whether any New Shares are issued and each Applicant waives the right to claim any interest.

The Directors will determine the recipients of all the New Shares. The Directors reserve the right to reject any application or to allocate any Applicant fewer New Shares than the number applied for.

Where the number of New Shares issued is less than the number applied for, the surplus moneys will be returned by cheque as soon as practicable after the Closing Date. Where no issue of New Shares is made, the amount tendered on application will be returned in full by cheque as soon as practicable after the Closing Date. Interest will not be paid on moneys refunded.

3.3 Quotation

The Company will apply to ASX within 7 days after the date of this Prospectus for quotation of the New Shares offered by this Prospectus on ASX. If ASX does not grant permission for the quotation of the New Shares offered under this Prospectus within 3 months after the date of this Prospectus, or such longer period as modified by ASIC, none of the New Shares offered by this Prospectus will be allotted or issued. In these circumstances, all Applications will be dealt with in accordance with the Corporations Act including the return of all Application Moneys without interest. A decision by ASX to grant official quotation of the New Shares is not to be taken in any way as an indication of ASX's view as to the merits of the Company or of the New Shares.

Quotation, if granted, of the New Shares offered by this Prospectus will commence as soon as practicable after statements of holdings of the New Shares are dispatched.

3.4 Restrictions on the distribution of the Prospectus

The distribution of this Prospectus outside the Commonwealth of Australia may be restricted by law.

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

Residents of countries outside Australia should consult their professional advisers as to whether any government or other consents are required, or whether any formalities need to be observed should they wish to make an application to take up New Shares on the basis of this Prospectus. The return of a duly completed Application Form will be taken to constitute a representation and warranty that there has been no breach of such laws and that all approvals and consents have been obtained.

3.5 Clearing House Electronic Sub-Register System (CHESS)

The Company will not be issuing Share certificates. The Company is a participant in CHESS, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Shares issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

3.6 Expenses of the Offer

The total expenses of the Offer are estimated to be approximately \$4,350, consisting of the following:

Cost	\$
ASIC fees	\$2,350
Miscellaneous lodgement fees	\$2,000
Total	\$4,350

3.7 Enquiries

Any queries regarding the Offer should be directed to the Company Secretary on +61 8 9335 7770.

4 RIGHTS AND LIABILITIES ATTACHING TO SHARES

Full details of the rights and liabilities attaching to the New Shares are:

- (a) detailed in the Constitution, a copy of which can be inspected, free of charge, at the registered office of the Company during normal business hours; and
- (b) in certain circumstances, regulated by the Corporations Act, the Listing Rules and the general law.

The following is a summary of the more significant rights and liabilities attaching to the New Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

(a) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at a general meeting of members every member has one vote on a show of hands and one vote per Share on a poll. Voting may be in person or by proxy, attorney or representative.

(b) Dividends

Subject to the Corporations Act, the Listing Rules and any rights or restrictions attached to a class of shares, the Company may pay dividends as the Directors authorise.

(c) Future issues of securities

Subject to the Corporations Act and the Listing Rules, the Directors may issue, grant options over, or otherwise dispose of unissued shares in the Company at the times and on the terms that the Directors think proper and a share may be issued with preferential or special rights.

(d) Transfer of Shares

A shareholder may transfer Shares by a market transfer in accordance with any computerised or electronic system established or recognised by ASX for the purpose of facilitating transfers in Shares or by an instrument in writing in a form approved by ASX or the Board.

(e) Meetings and notices

Each shareholder is entitled to receive notice of, and to attend, general meetings for the Company and to receive all notices, accounts and other documents required to be sent to shareholders under the Constitution, the Corporations Act or the Listing Rules.

Shareholders may requisition meetings in accordance with the Corporations Act.

(f) Liquidation rights

The Company has one class of shares on issue, ordinary shares. Each ordinary Share ranks equally in the event of liquidation.

(g) Variation of rights

Subject to the Listing Rules, the rights attached to the Shares may be varied with the consent in writing of shareholders holding three-quarters of the Shares or by a special resolution passed at a separate meeting of the

holders of the Shares in accordance with the Corporations Act

(h) Election of directors

At every annual general meeting one third of the Directors (rounded up to the nearest whole number) must retire from office. Any Director who would have held office for more than 3 years if that Director remains in office until the next general meeting must retire. These retirement rules do not apply to certain appointments including the managing director.

(i) Indemnities

To the extent permitted by law the Company must indemnify each past and present Director and secretary against any liability incurred by that person as an officer of the Company and any legal costs incurred in defending an action in respect of such liability.

(j) Winding up

Subject to the Corporations Act, the ASX Listing Rules and any rights or restrictions attached to a class of shares, on a winding up of the Company any surplus must be divided among the shareholders of the Company.

(k) Shareholder liability

As the Shares under the Prospectus are fully paid Shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(l) Alteration to the Constitution

The Constitution can only be amended by a special resolution passed by at least three quarters of shareholders present and voting at the general meeting. At least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

(m) Listing Rules

If the Company is admitted to trading on the Official List, then despite anything in the Constitution, if the Listing Rules prohibit an act being done, the act must not be done. Nothing in the Constitution prevents an act being done that the Listing Rules require to be done. If the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be). If the Listing Rules require the Constitution to contain a provision and it does not contain such a provision, the Constitution is deemed to contain that provision. If the Listing Rules require the Constitution not to contain a provision and it contains such a provision, the Constitution is deemed not to contain that provision. If a provision of the Constitution is or becomes inconsistent with the Listing Rules, the Constitution is deemed not to contain that provision to the extent of the inconsistency.

5 RISK FACTORS

The New Shares offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below and together with information contained elsewhere in this Prospectus and to consult with your professional advisers before deciding whether to apply for the New Shares pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the New Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

5.1 Company and industry risks

The risks outlined below are specific to the Company's operations and to the resource exploration industry in which the Company operates.

(a) Paddington Ore Treatment Agreement:

The Company treats the majority of its ore at the Paddington plant operated by Paddington Gold Pty Limited (ACN 008 585 886), a wholly owned subsidiary of Norton Gold Fields Limited (ACN 112 287 797). Given the Company does not own the plant, its ability to treat its ore at the Paddington plant is subject to continued operations of the plant, which is beyond the control of the Company and its Directors.

The Company also competes for mill processing capacity with Norton itself and other third party miners. The Company manages the Paddington ore treatment risk by accessing another toll treatment facility at Lakewood, south of Kalgoorlie.

(b) Hedging:

As at the date of this Prospectus, the Company has sold forward the following fixed / average swaps with forward price of A\$1,556.70 per ounce, which will be settled against the monthly average gold price calculated using an agreed USD Gold Reference Price and an agreed AUD/USD Reference Rate:

- (i) 3,800 ounces gold settling 4 January 2017
- (ii) 3,450 ounces gold settling 2 February 2017

- (iii) 2,500 ounces gold settling 2 March 2017
- (iv) 2,600 ounces gold settling 4 April 2017
- (v) 2,700 ounces gold settling 3 May 2017
- (vi) 1,611 ounces gold settling 2 June 2017

In addition, the Company has 9,971 ounces of European calls grant exercisable at A\$1,600 per ounce between end of December 2017 to the end of March 2019. The calls grant can be settled with physical gold delivery at \$1,600 per ounce or financially closed out by buying back the calls at the end of each quarter. There is a risk that the Company will be subject to additional costs for managing the hedging positions at gold prices above \$1,556.70 per ounce at the time of delivery and at gold prices above \$1,600 per ounce for the call grant. There is a risk that the ounces may not be available to deliver unless sufficient ore is converted from resource to reserves.

(c) **Commodity Price and Exchange Rate Risk**

As the Company's potential earnings will be largely derived from the sale of mineral commodities, the Company's future revenues and cash flows will be impacted by changes in the prices of these commodities. Commodity prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include current and expected future supply and demand, forward selling by producers, production cost levels in major metal producing centres as well as macroeconomic conditions such as inflation and interest rates.

Furthermore, the international prices of most commodities are denominated in United States dollars while the Company's cost base will be in Australian dollars. Consequently changes in the Australian dollar exchange rate will impact on the earnings of the Company. The exchange rate is affected by numerous factors beyond the control of the Company, including interest rates, inflation and the general economic outlook.

(d) **Mining Risk**

Mine designs, Ore Reserves and mine production forecasts are based on mineral resource estimates which are in turn based on interpretations of the mineralisation from exploration and resource definition drilling data. While the Company uses its best endeavours to understand the geology through appropriately spaced drilling, the extrapolation of geological information from drilling data is subjective. There is a risk that mineral resource estimates may

predict volumes and grades which may not be achieved during actual mining. The risk is managed by conducting close spaced grade control drilling ahead of mining to refine the resource model and accurately define ore boundaries. Recent mining has confirmed the latest geological model is reconciling well to the actual ore mined.

(e) Exploration Risk

The successful exploration and development of mineral properties is speculative. Most exploration projects do not result in the discovery of commercially minable deposits. The tenements of the Company (Tenements) are at various stages of mine development and exploration. There can be no assurance that further exploration of the Tenements, or any other tenements that may be acquired in the future, will result in the discovery of economic deposits. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited into a producing mine.

The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

(f) Grade Risk

Due to the Company's agreement to process its ore through the Paddington Mill on a blended basis, the final grade and recovery of the Company's ore is determined by metallurgical test work and recovery results performed by an independent laboratory on representative samples of the ore. The grade and recovery determination procedure simulates the processing route at the Paddington Mill however the mine claimed grade may vary from the final recovered grade received from laboratory. This risk would persist even if the Company processed ore through its own mill or batch treating ore at a similar third party processing facility.

(g) Payment Risk

Under the terms of the Company's agreement to process its ore through the Paddington Mill, the Company receives front end payments of approximately 40% of the value of recoverable gold within the ore based on mine grade estimates and assumed moisture and mill recovery parameters and the spot gold price at the time of delivery. Following completion of the laboratory grade and recovery

determination procedure and agreement between the parties on the final recoverable gold content of each ore batch, a second tranche payment covering the residual gold value of the ore and net of all treatment and haulage costs, is payable to the Company. The quantum of the payment is dependent on the grade and recovery determination (refer Grade Risk) and the timing of the payment is dependent upon the sampling procedure and laboratory turnaround timing. There is a risk that delays in settlement of second tranche payments could affect operational cash flow. This risk has impacted on the Company in the past but modifications to the sampling and laboratory procedures have been implemented to reduce delays and improve second tranche payment schedules.

(h) Operating Risks

The operations of the Company may be affected by various factors, including failure to locate or identify deposits, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in mining, difficulties in securing, commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

The Company enjoys a constructive working relationship with its open pit mining contractor, who worked with and assisted the Company at the time the Company renegotiated its restructured financing/hedging agreement with Macquarie Bank Limited in November 2016. Mining operations are scheduled to shrink to one excavator working on a single shift basis within the next month as the waste:ore stripping ratio decreases and working space reduces.

Having commenced mining operations in November 2015, the Company has a limited operating history, although it should be noted that the Company's Directors and operations management have between them significant relevant operational experience in the Kalgoorlie and other regions. No assurances can be given that Company will achieve commercial viability through the successful exploration and mining of the Tenements.

(i) Mineral Resources Risk

The Company's mineral resources and ore reserves estimates are based on a number of assumptions in accordance with the JORC Code. There can be no assurance that the Company's mineral resources and ore reserves will be recovered in the quantities, qualities or yields presented to the market. As disclosed in the Company's June 2016 annual report (page 72), based on adverse reconciliations events subsequent to June 2016, a full review of the resource and reserve statements is being undertaken. The Company subsequently announced on 14 October 2016 the revised reserves and resources for the Zoroastrian Central pit.

Mineral resources and ore reserves estimates are inherently prone to variability. They involve expressions of judgment with regard to the presence and quality of mineralisation and the ability to extract and process the mineralisation economically. These judgments are based on a variety of factors, such as knowledge, experience and industry practice. The accuracy of these estimates may be affected by many factors, including the quality of the results of drilling and sampling of the mineral deposits and analysis of the mineral samples and the procedures adopted and experience of the person(s) making the estimates.

There are risks associated with such estimates, including that the mineral mined may be of a different or inferior quality, volume, overburden strip ratio or stripping cost from the mineral resource estimates. Such estimates may also be revised following actual production, further exploration or analysis.

If the Company encounters mineralisation or geological or mining conditions different from those predicted by historical drilling, sampling and similar examinations, it may have to adjust its mining plans in a way that may materially and adversely affect its business, prospects, financial condition and results of operations and reduce the estimated amount of gold mineral resources and ore reserves available for production and expansion plans.

(j) Future Capital Needs

Further funding of projects may be required by the Company to support its ongoing activities and operations. There can be no assurance that such funding will be available on satisfactory terms or at all. Any inability to obtain funding will adversely affect the business and financial condition of the Company and, consequently, its performance.

(k) Reliance on Key Personnel

As a new gold production company, EXG is dependent on its senior management and key personnel for the day-to-day operations and strategic management of the Company. The value of the Company's Shares and the operations of the Company could be adversely affected by the departure of any of these employees.

(l) Litigation Risk

During the course of its operations the Company faces the risk of litigation with counterparties and others. In particular, GWR Group Limited (ACN 102 622 051) has asserted that it may have been supplied with misleading information prior to entering into a binding terms sheet with the Company on 17 June 2016. The Company has investigated the assertion and does not believe that it has any merit.

(m) Environmental Risk

The Company's projects are subject to Australian laws and regulations in relation to environmental matters, which means there are potential liability and project risks. The Company proposes to operate fully in accordance with applicable laws and conduct its programs in a responsible manner with regard to the environment.

However, the Company may be:

- (i) subject to potential liability related to the extraction of minerals by the Company; or
- (ii) prevented from mining due to the environmental impact of its activities on an area.

Any such developments might impact adversely on the Company's Share price.

5.2 General investment risks

The risks outlined below are some of the general risks that may affect an investment in the Company.

(a) Securities Investments and Share Market Conditions

There are risks associated with any securities investment. The prices at which the securities trade may fluctuate in response to a number of factors.

Furthermore, the stock market, and in particular the market for exploration and mining companies may experience extreme price and volume fluctuations that may be unrelated or disproportionate to the operating performance of such companies. These factors may materially adversely affect the market price of the securities of the

Company regardless of the Company's operational performance. Neither the Company nor the Directors warrant the future performance of the Company, or any return of an investment in the Company.

(b) Liquidity Risk

The market for the Company's Shares may be illiquid. As a consequence investors may be unable to readily exit or realise their investment.

(c) Economic Risk

Changes in both Australia and world economic conditions may adversely affect the financial performance of the Company. Factors such as inflation, currency fluctuations, interest rates, industrial disruption and economic growth may impact on future operations and earnings. The Company's possible revenues and price of its securities can be affected by these factors which are beyond the control of the Company and its Directors.

(d) Government Regulation and Policy

Mining is subject to extensive regulation by local, State and Federal governments in relation to exploration, production, taxes and royalties, labour standards, occupational health, waste disposal, protection and rehabilitation of the environment, mine reclamation, mine safety, toxic substances, native title and other matters. Compliance with such laws and regulations will increase the costs of exploring, drilling, developing, constructing, operating and closing mines and other production facilities.

(e) Tenure and Access

Mining and exploration tenements are subject to periodic renewal. There is no guarantee that current or future tenements or future applications for production tenements will be approved.

The Company's tenements are subject to numerous State-specific legislation conditions. The renewal of the term of the granted tenement is also subject to discretion of the relevant Minister. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the tenements comprising the Company's projects. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company.

(f) Competition risk

The industry in which the Company will be involved is subject to domestic and global competition. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.

(g) Additional requirements for capital

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programs as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

5.3 Speculative investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the New Shares offered under this Prospectus

Therefore, the New Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those New Shares.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

6 ADDITIONAL INFORMATION

6.1 Disclosing entity

The Company is a 'disclosing entity' (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations.

Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

This Prospectus is a "transaction specific prospectus". In general terms a "transaction specific prospectus" is only required to contain information in relation to the effect of the issue of securities on the Company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report most recently lodged by the Company with the ASIC;
 - (ii) any half-year financial report lodged with ASIC by the Company after the lodgement of that annual report referred

to in (i) and before the lodgement of this Prospectus with the ASIC; and

- (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be obtained free of charge from the Company's registered office during normal office hours.

Details of documents lodged with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below:

Date	Description of Announcement
13/12/2016	50% Close-Out of Call Options
12/12/2016	Form 484 - Cancellation of Shares
12/12/2016	Final share buy-back notice- Appendix 3F-previous employees
6/12/2016	Appendix 3B
25/11/2016	Appendix 3C - Buy-Back of Previous Employees Shares
25/11/2016	Results of Annual General Meeting
25/11/2016	AGM Presentation
24/11/2016	Operations Update - Additional Toll Treatment
21/11/2016	Information - LR 7.1A4(b) and 3.10.5A
21/11/2016	Appendix 3B - Placement
17/11/2016	Operations Update
16/11/2016	Appendix 3Y Change of Director's Interest Notice - D Hatch
16/11/2016	Appendix 3Y Change of Director's Interest Notice R Johnston
14/11/2016	Placement Raises \$2.2 million
10/11/2016	Response to Appendix 5B Query
10/11/2016	Trading Halt
03/11/2016	Becoming a substantial holder - Form 603
02/11/2016	Managing Director Remuneration
01/11/2016	Annual General meeting Date
31/10/2016	Quarterly Activities Report - Sept 2016
31/10/2016	Quarterly Cashflow Report - Sept 2016
27/10/2016	Corporate Governance Statement 2016
26/10/2016	Initial Director's Interest Notice - S Randazzo

Date	Description of Announcement
26/10/2016	Director Appointment - Sam Randazzo
25/10/2016	Notice of Annual General Meeting/Proxy Form
14/10/2016	Operations Update

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

6.2 No prospective financial forecasts

The Directors have considered the matters outlined in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings because the proposed future operations of the Company do not have an operating history from which reliable forecasts can be made. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

Notwithstanding the above, this Prospectus includes, or may include, forward looking statements including, without limitation, forward looking statements regarding the Company's financial position, business strategy, and plans and objectives for its business and future operations (including development plans and objectives), which have been based on the Company's current expectations. These forward-looking statements are, however, subject to known and unknown risks, uncertainties and assumptions that could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward looking statements are based on numerous assumptions regarding the Company's present and future business strategies and environment in which the Company will operate in the future.

Matters not yet known to the Company or not currently considered material to the Company may impact on these forward looking statements. These statements reflect views held only as at the date of this Prospectus. In light of these risks, uncertainties and assumptions, the forward-looking statements in this Prospectus might not occur. Investors are therefore cautioned not to place undue reliance on these statements.

6.3 Privacy

The Company collects information about each Applicant provided on an Application Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's security holding in the Company.

By submitting an Application Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Application Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Share Registry, the Company's related body corporates, agents, contractors and third party service providers, including mailing houses and professional advisors, and to ASX and regulatory authorities.

If an Applicant becomes a Shareholder, the Corporations Act requires the Company to include information about the Shareholder (including name, address and details of the Shares held) in its public register. The information contained in the Company's public register must remain there even if that person ceases to be a Shareholder. Information contained in the Company's register is also used to facilitate distribution payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its security holders) and compliance by the Company with legal and regulatory requirements.

If you do not provide the information required on the Application Form, the Company may not be able to accept or process your Application. An Applicant has the right to gain access to the information that the Company holds about that person subject to certain exceptions under law. A fee may be charged for access. Such requests must be made in writing to the Company's registered office.

6.4 Directors' interests

As at the date of this Prospectus the Directors have a relevant interest in securities of the Company and remuneration as set out below.

Director	Shares
David Hatch	395,000
Rowan Johnston	400,000
Jimmy Kong Leng Lee	Nil
Jonathan West	750,000 ¹
Sam Randazzo	Nil

Notes:

1. 150,000 Shares are held directly by Jonathan West and 600,000 Shares are held by Weststone Super Fund (of which Jonathan West is the sole beneficiary).

Remuneration paid to Directors in the two years prior to the date of this Prospectus, inclusive of superannuation.

Director	1 July 2016 to 31 December 2016	1 July 2015 to 30 June 2016
David Hatch	18,416	Nil
Rowan Johnston	84,394	Nil
Jimmy Kong Leng Lee	28,072	1,791
Jonathan West	14,733	Nil
Sam Randazzo	9,803	Nil

The Company has entered into indemnity, insurance and access deeds with each of the Directors (**Deeds**). Under the Deeds, the Company agrees to indemnify each of the Directors to the extent permitted by the Corporations Act against certain liabilities incurred by the Directors whilst acting as an officer of the Company, and to insure each Director against certain risks to which the Company is exposed as an officer of the Company. The Deeds also grant each Director a right of access to certain records of the Company for a period of up to 7 years after the Director ceases to be an officer of the Company.

The Deeds were entered into as part consideration for the Directors agreeing to hold office as directors of the Company.

The Company also pays premiums to insure all of the Directors against liabilities for costs and expenses incurred by them in defending legal proceedings arising from their conduct whilst acting in the capacity as a Director of the Company.

6.5 No other interests

Other than as set out above or elsewhere in this Prospectus, no Director or proposed Director holds at the date of this Prospectus, or held at any time during the last 2 years before the date of lodgment of this Prospectus with ASIC, any interest in:

- (a) the formation or promotion of the Company; or
- (b) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Company or the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid by any person and no benefits have been given or agreed to be given by any person:

- (d) to a Director or proposed Director to induce him or her to become, or to qualify as, a Director; or
- (e) for services provided by a Director or proposed Director in connection with the formation or promotion of the Company or the Offer.

6.6 Interests of promoters and named persons

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (f) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (g) the formation or promotion of the Company; or
- (h) the Offer.

6.7 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Securities), the Directors, the persons named in the Prospectus with their consent as Proposed Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive

statements made in the Prospectus, Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

6.8 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings of a material nature and the Directors are not aware of any legal proceedings pending or threatened against the Company.

6.9 Electronic Prospectus

ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with the ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please phone the Company on +61 8 9335 7770 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both.

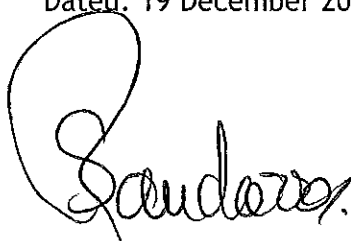
The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or Prospectus or any of those documents were incomplete or altered.

7 DIRECTORS' RESPONSIBILITY AND CONSENT

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.

Dated: 19 December 2016

A handwritten signature in black ink, appearing to read 'Sam Randazzo', with a large, stylized initial 'S'.

Sam Randazzo

Signed for and on behalf of
Excelsior Gold Limited

8 GLOSSARY

Where the following terms are used in this Prospectus they have the following meanings:

A\$ or \$	Australian dollars unless otherwise stated.
Applicant	a person who submits a valid Application Form pursuant to this Prospectus.
Application	a valid application made on an Application Form to subscribe for New Shares pursuant to this Prospectus.
Application Form	the application form attached to this Prospectus.
Application Moneys	money paid by an Applicant upon Application.
ASIC	the Australian Securities & Investments Commission.
ASX	the ASX Limited ACN 008 624 691 and where the context permits the Australian Securities Exchange operated by ASX Limited.
ASX Listing Rules or Listing Rules	the listing rules of the ASX.
ASX Settlement	ASX Settlement Pty Ltd (ACN 008 504 532).
ASX Settlement Operating Rules	the settlement rules of the securities clearing house which operates CHESS.
Board	the board of Directors.
Closing Date	the closing date for receipt of Application Forms under this Prospectus as determined by the Board as specified in the timetable set out in section 1 of this Prospectus (unless extended or brought forward).
Company or EXG	Excelsior Gold Limited (ACN 123 629 863).
Constitution	the constitution of the Company as at the date of this Prospectus.
Corporations Act	the <i>Corporations Act 2001</i> (Cth).
Directors	the directors of the Company as at the date of this Prospectus.

New Share	a Share offered under this Prospectus.
Offer	the offer of New Shares made under this Prospectus.
Official Quotation	official quotation on ASX.
Opening Date	the opening date of the Offer as specified in the timetable set out in section 1 of this Prospectus (unless varied).
Placement	has the meaning given in section 2.1.
Placement Shares	has the meaning given in section 2.1.
Prospectus	this prospectus and includes the electronic prospectus.
Share	a fully paid ordinary share in the capital of the Company.
Share Registry	Security Transfer Registrars.
Shareholder	the registered holder of Shares in the Company.
WST	Western Standard Time as observed in Perth, Western Australia.