



# EXCELSIOR GOLD LIMITED

## Kalgoorlie North Gold Project

ASX Code EXG

February 2017



Zoroastrian Central Open Pit

# Disclaimer & Important Information

## Forward Looking Statements Caution

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

## Competent Person Statement – Exploration Results and Mineral Resources

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

Information in this announcement that relates to the Zoroastrian Mineral Resource results is based on information compiled by Mr. **Patrick Adams** who is a Director of Cube Consulting Pty Ltd. Mr. Adams is a Fellow of the AusIMM (CP) and a Member of The Australian Institute of Geoscientists and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking, to qualify as Competent Person as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr. Adams consents to the inclusion in the document of the information in the form and context in which it appears.

## Competent Persons Statements – Ore Reserves Zoroastrian Central Open Pit

The information in this Release which relates to the Ore Reserve estimates accurately reflect information prepared by Competent Persons (as defined by the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves). The information in this public statement that relates to the Zoroastrian Central Open Pit Ore Reserve at the Excelsior Gold Kalgoorlie North Gold Project is based on information resulting from Feasibility works carried out by Excelsior Gold Limited. Mr. **Randell Ford**, who is employed by Excelsior Gold Limited and works at the Zoroastrian Central open pit as the Registered Mine Manager, completed the Ore Reserve estimate for the Zoroastrian Central Open Pit. Mr Ford is a Member of the Australasian Institute of Mining and Metallurgy and has sufficient experience **that** is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify him as a Competent Person as defined in accordance with the 2012 Edition of the Australasian Joint Ore Reserves Committee (JORC). Mr Ford consents to the inclusion in the document of the information in the form and context in which it appears.

## Board and Management

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<b>David Hatch</b>	<i>Non-executive Chairman (mining, corporate)</i>
<b>Rowan Johnston</b>	<i>Managing Director (engineering, mine management, corporate)</i>
<b>Jimmy Lee</b>	<i>Non-executive Director (mining engineering, mine &amp; contractor management, corporate strategy)</i>
<b>Sam Randazzo</b>	<i>Non-executive Director (accounting, finance, public company &amp; operations management)</i>
<b>Dr Jonathan West</b>	<i>Non-executive Director (geology, administration, strategic planning)</i>

*Single commodity focus – gold*

*Single project focus – KNGP*

*Highly prospective land holding*

*100% owned*

## Financial information

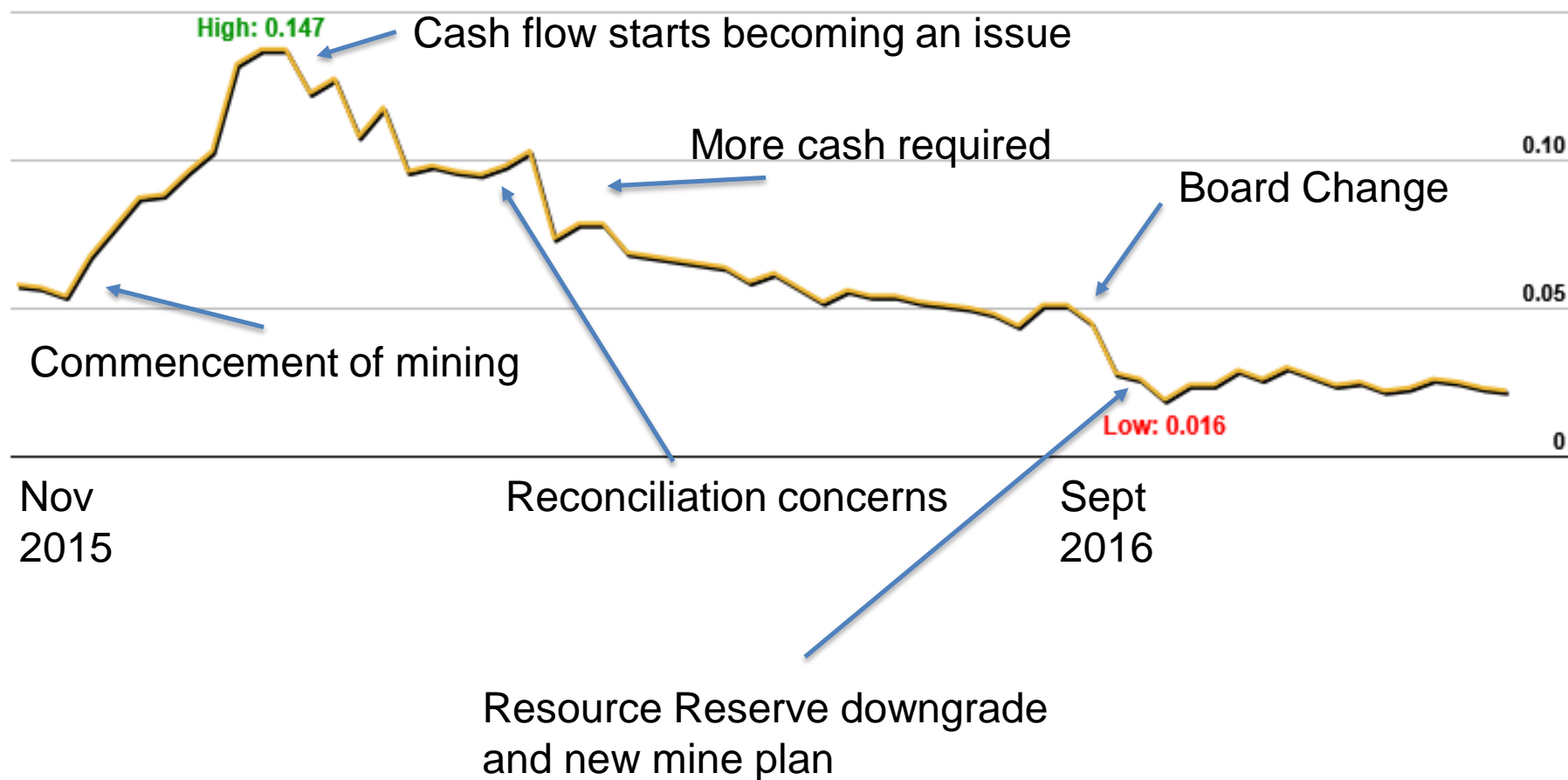
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<b>Share price</b> (13 Feb 2017)	<b>A\$0.024</b>
Number of shares	801m
Market capitalisation	A\$19.23m
Cash (1 Jan 2017)	A\$4.1m
Debt	A\$3.6m

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- ❑ Mining Commenced Nov 2015
- ❑ Ore Toll treatment commenced December 2015
- ❑ Problems with ore grade and tonnage estimation
- ❑ This and delays in revenue from toll treatment leads to cash tightening
- ❑ EXG failed to meet the expectations of:-
  - Shareholders
  - Suppliers and
  - Debt holders
- ❑ Acknowledged geological model shortcomings damaged stakeholder confidence in mine plan

# Background





# Achievements in the last 5 months

Since September 2016 we have:-

- ❑ Introduced new Business skills
- ❑ Commenced reworking various geological models
- ❑ Gained confidence in mining Zoroastrian Central
- ❑ More closely managed toll treatment
- ❑ Stemmed cash bleed and started repaying debt

# Achievements in the last 5 months Cont'd

- ❑ Engaged and built relationships with stakeholders.
- ❑ Stabilised the operation.
- ❑ Built in house accounting expertise and systems.
- ❑ Confirmed and refined some geological models, tonnes and grade – through iterative reconciliations.
- ❑ Delivered on forecast ore tonnes and grade.
- ❑ Prioritised and started implementing exploration strategy to rebuild mine plan with JORC compliant resources and reserves.



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# SHORT TERM STRATEGY

Remove the overhangs



# Financial Settlement Details

- ❑ Repay remaining forward sales hedge from Zoroastrian Central open pit production (now 9,411 koz as of 1 Feb 2017).
- ❑ Repaid MBL cash loan from production cashflow
- ❑ All creditors up to date
- ❑ Repay GWR loan from production cashflow (\$2.25M).
- ❑ Repay the MBL deferred payment (\$1.3M) by April 2017 to close out half the long dated calls.
- ❑ Bank cash sweep from March 2017 is expected to comfortably cover the remaining call options (\$3.2M), for which no production is currently scheduled.
- ❑ July 2017 – Debt and Hedge Free 😊

# Targets for the next 5 months

- ❑ All debt, cash and hedge obligations are forecast to be settled by July 2017.
- ❑ This scenario leaves EXG with little cash (\$2M to \$4M), but
  - EXG will be free of all external obligations by mid 2017.
  - EXG remains the 100% owner of the highly prospective ground position at the KNGP.
  - Bulletin South and Zoroastrian South being assessed to determine whether they can produce the next 12 months ore feed
  - Identify Exploration targets ready for drilling.

# Quarterly Production Summary

Mine Production	Units	December Quarter 2016 Forecast	December Quarter 2016 Actual	March Quarter 2017 Forecast
Open Pit		CENTRAL	CENTRAL	CENTRAL
Waste mined	BCM	689,000	706,809	300,000
Ore mined	t	187,000	228,262	140,000
Grade	g/t Au	1.7	1.96	2.0
Contained gold	Ozs	10,200	14,402	9,500
Strip ratio	w/o	7.6	5.8	4.3
Tonnes milled	Dt	187,000	223,206	180,000
Milled grade	g/t Au	1.7	1.73	1.8
Mill recovery ave	%	94	94	94
Recovered ounces	ozs Au	9,600	11,734	9,800

*Note the delay between mining and milling and the use of Stockpiles to keep the mill full will result in mining and milling numbers being different.*

# Production January Actual

Mine Production	Units	January 2017 Actual
Open Pit		Zoroastrian Central
Waste mined	BCM	119,209
Ore mined	t	45,955
Grade	g/t Au	1.89
Contained gold	ozs	2,792
Strip ratio	W/O	5.25:1
Tonnes milled	dt	38,999
Milled grade est	g/t Au	1.87
Mill recovery est	%	96.5
Recovered ounces est	ozs Au	2,208

- No Change to the March quarter forecast.

# Pit as at mid February 2017



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- ❑ Paddington ore sale agreement is being renegotiated - annual review process.
- ❑ Ore was delivered to Lakewood processing plant only during January while negotiations are finalised.
- ❑ Estimated ore stockpiles of about 60kt @ 1.9g/t are higher than previously planned.
- ❑ Lakewood is expected to remain a viable option as recoveries are higher for batch treatment as opposed to blended feed.
- ❑ The additional mill recovery at Lakewood offsets any additional cost.
- ❑ The KNGP is further de risked with two processing options



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# MEDIUM TERM STRATEGY

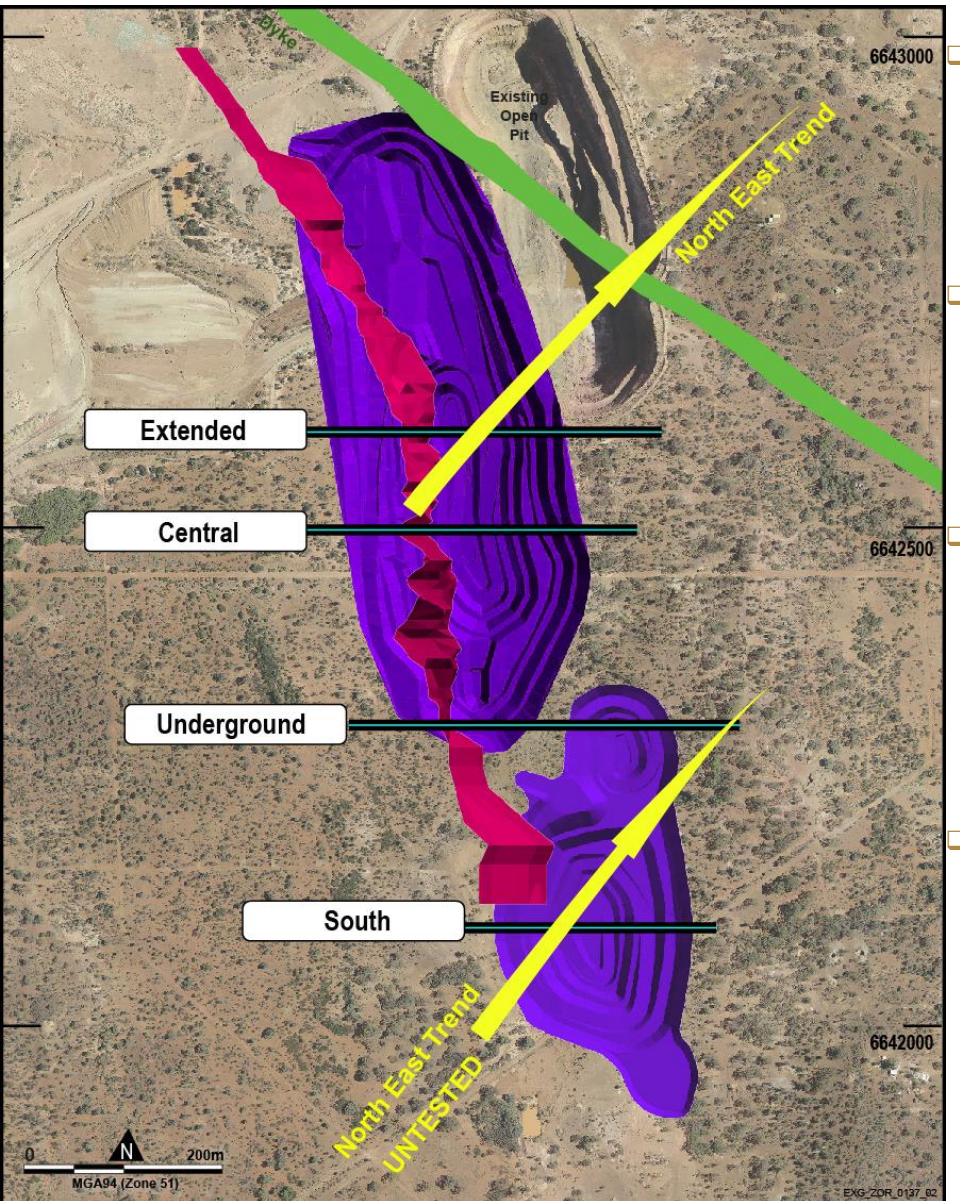
Targeting Production ounces



# Zoroastrian Sth, Extended and UG



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Mineralisation model now recognises Royal Mint and Bluey's as being similar with spur lodes

This model works at Zoroastrian South and is recognised in the RC logging

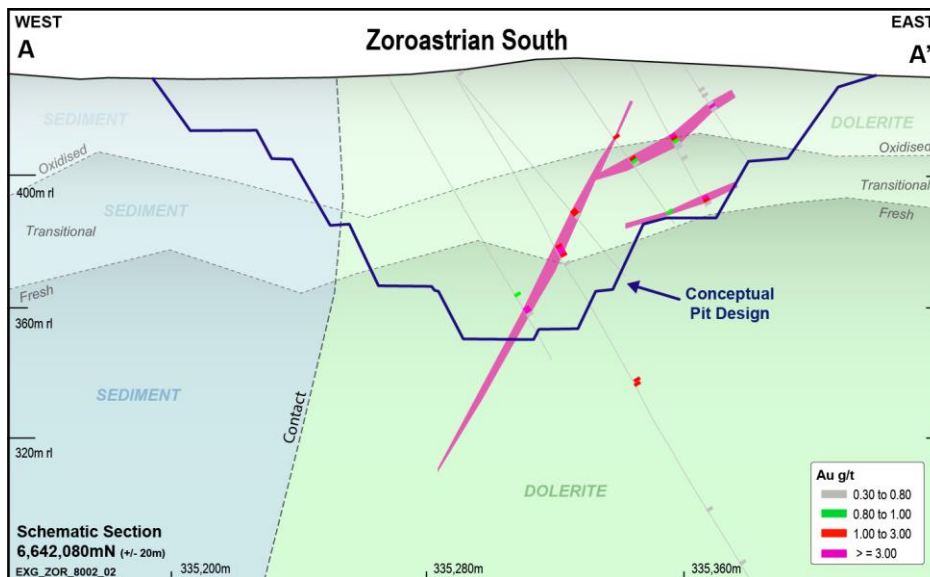
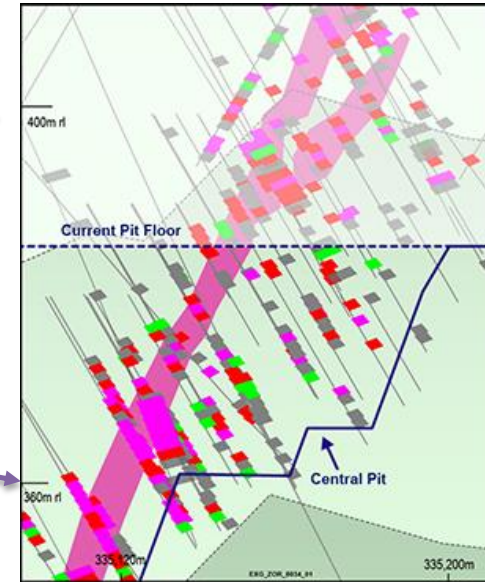
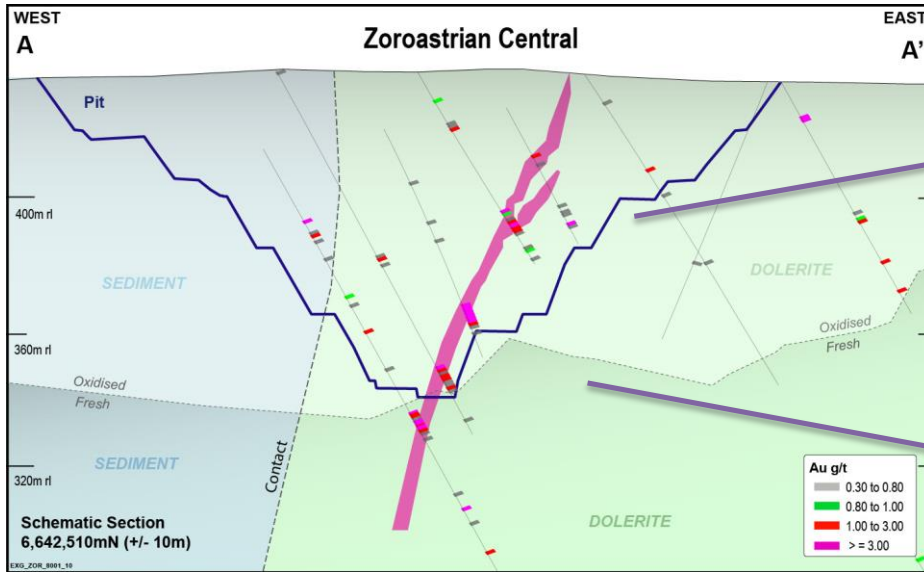
Deeper (underground) mineralisation needs to have updated model applied to it and be re-modelled

Bank of England trend, east of extended pit is not yet explored

# Zoroastrian South



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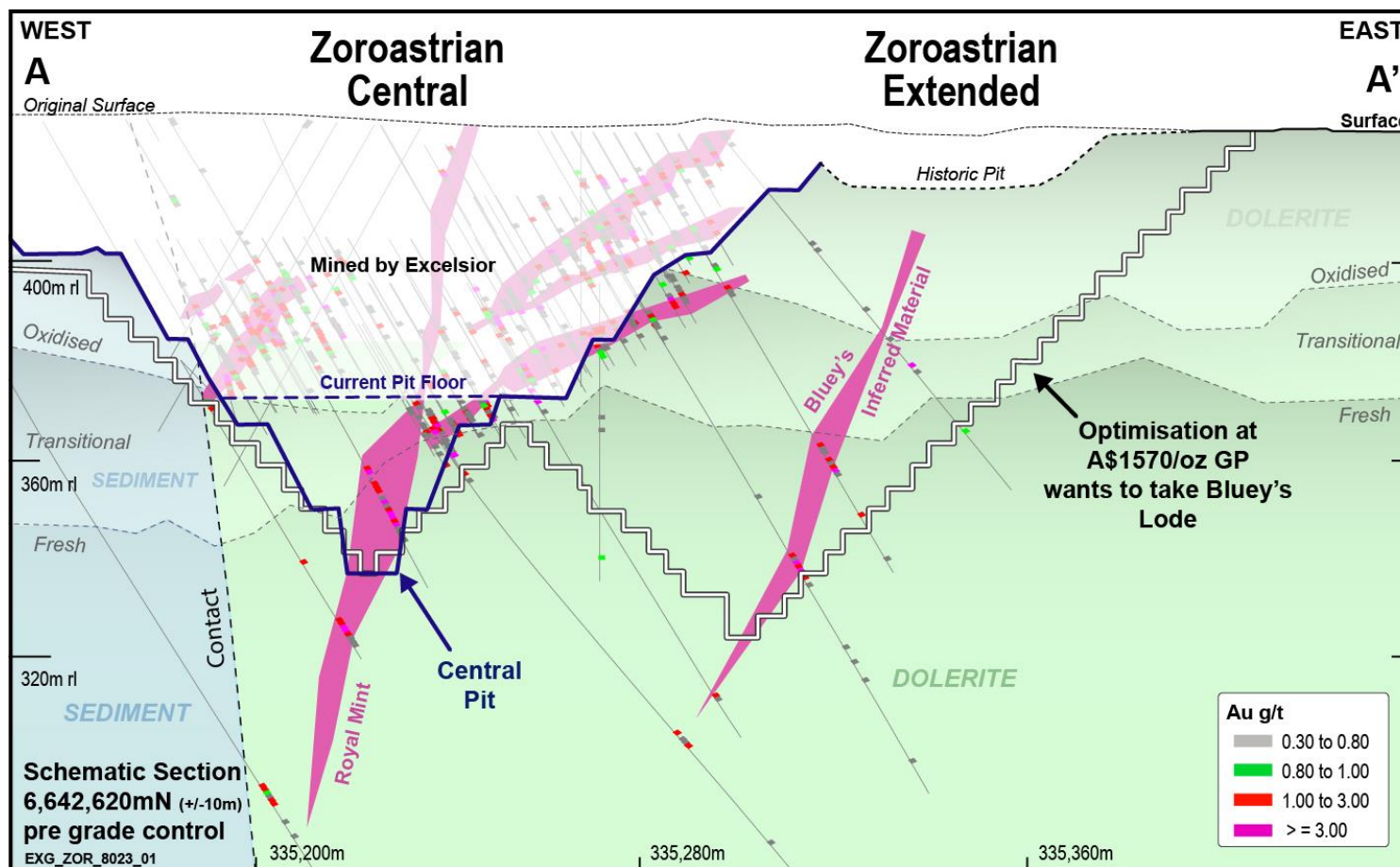
- Similar mineralisation style to Central
- Current interpretation has Bluey's Lode as the controlling structure (same as Royal Mint in Central)
  - *Spur (flat) lodes now recognised in logging due to experience from Central*
- Dec 16 - Jan17 drilling confirms interpretation. Assay results are higher grade than model, with reduced widths (tonnes)
- Resource modelling (Cube) has commenced



# Zoroastrian other similar zones near surface

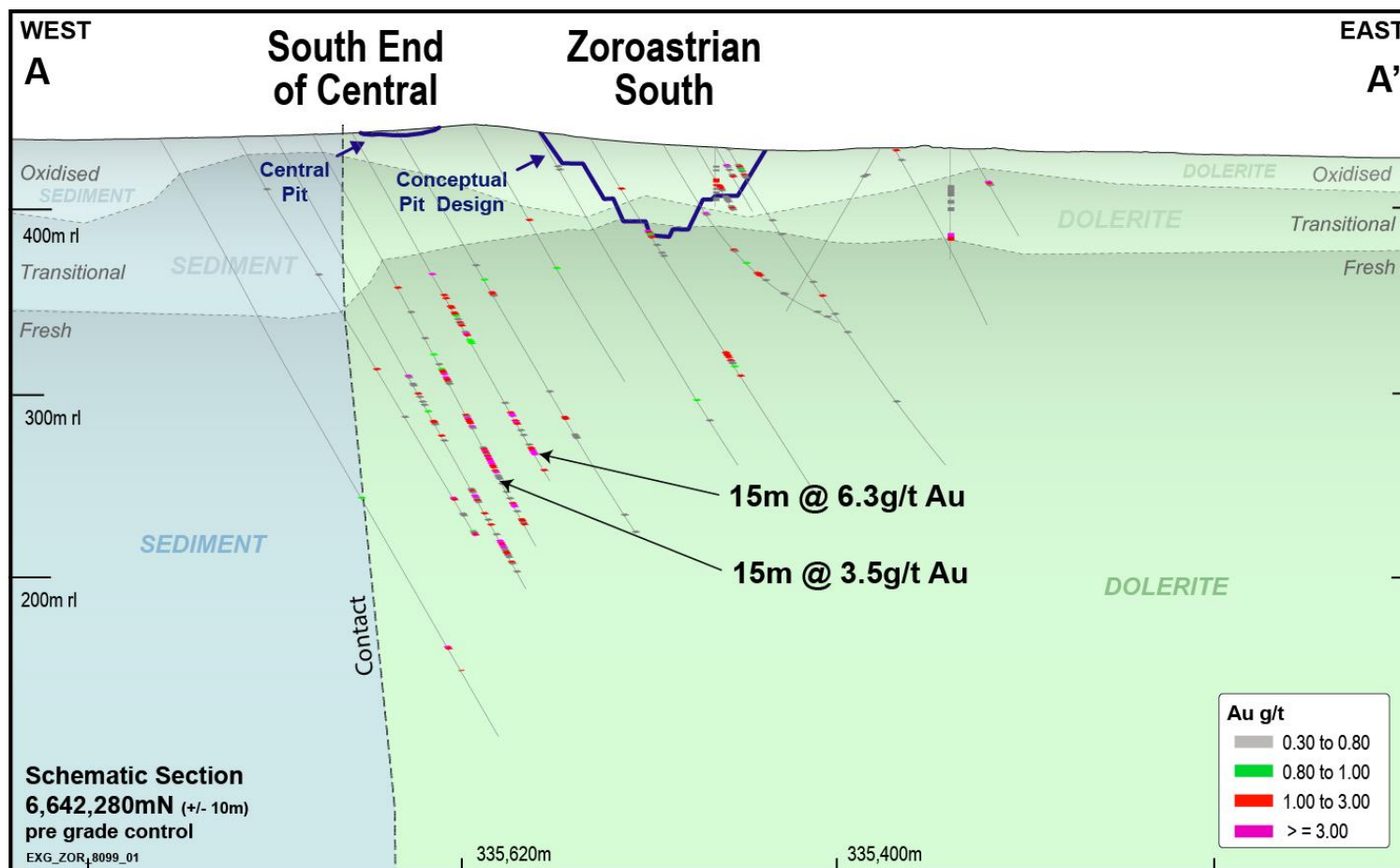
## Zoroastrian south of Extended (East of Central)

- Similar mineralisation style to Central
- Untested at southern end, no drilling 30m either side of this section
- Pit Optimisations suggest Central and Extended can become one pit (A\$1,570Au)
- Infrastructure constraint on expansion of Extended pit eastward – Telstra microwave tower



# Zoroastrian Underground

- Strong mineralisation on Royal Mint structure in base of Central Pit
- Royal Mint and Bluey's Lode continue at depth and drive potential underground studies
- Spur lodes host potential to enhance underground – more drilling required to test new model



# Greater Bulletin Area reserve targets

## GROWING ORE RESERVES

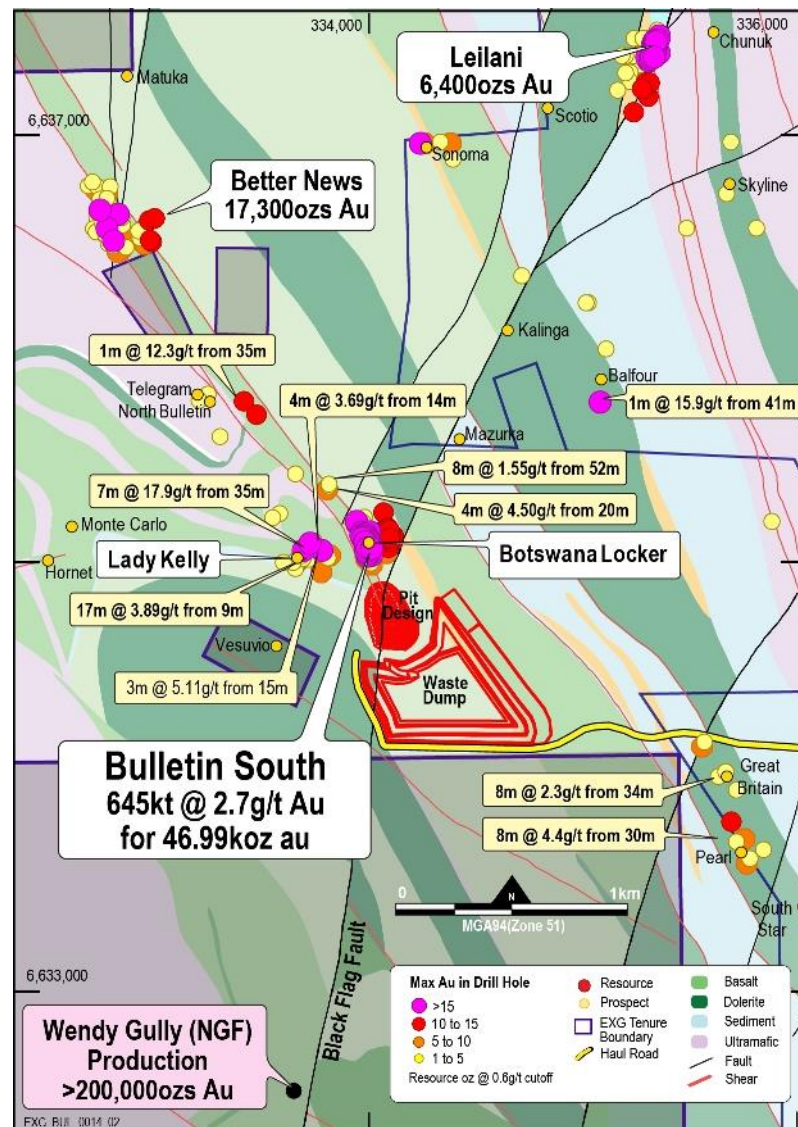
### Bulletin South open pit

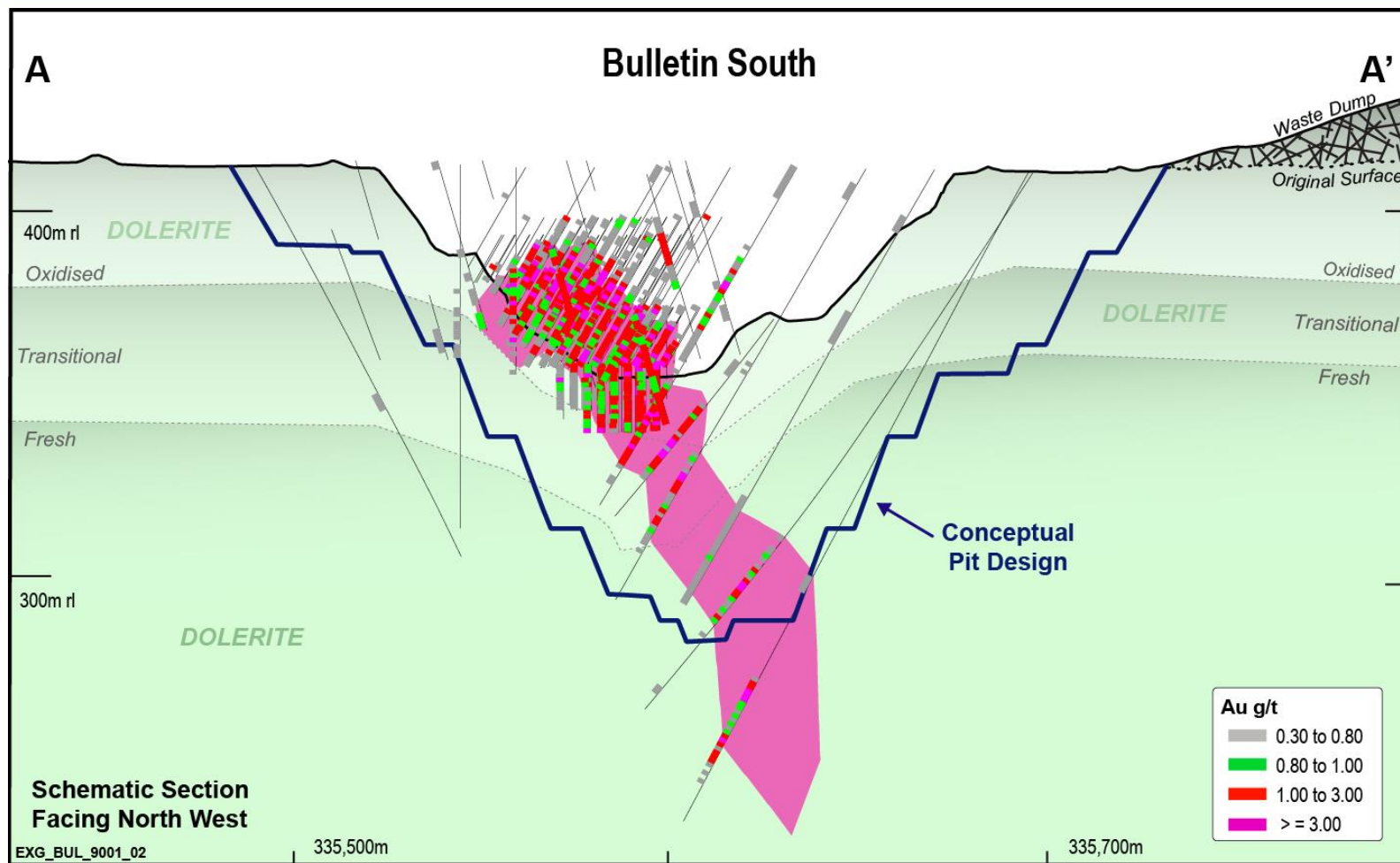
Mineral resource 0.645mt @ 2.7g/t Au (47koz)  
(measured, indicated & inferred) within a  
A\$2,750 shell (Jan 17)

Ore reserve In progress

### Developing mining centre – ore reserve upside

- Significant gold in neighbouring resources and historical drilling
  - Better News – 17,300oz
  - Shallow past exploration drilling
    - 17m @ 3.89g/t Au from 9m
    - 4m @ 3.69g/t Au from 14m
- EXG drilling results
  - Lady Kelly 7m @ 17.9g/t Au from 35m
  - Better News 15m @ 3.27g/t from 18m





- Note low grade hole toward base of pit
- Drilling is from 1986, potentially under-calling Au
- Review of historical drilling underway; possible to twin this hole to confirm grade
- The conceptual design shows a high strip ratio and the removal of some old waste dump





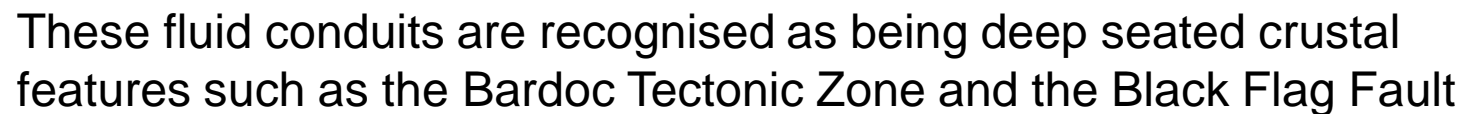
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# LONG TERM STRATEGY

## Growth



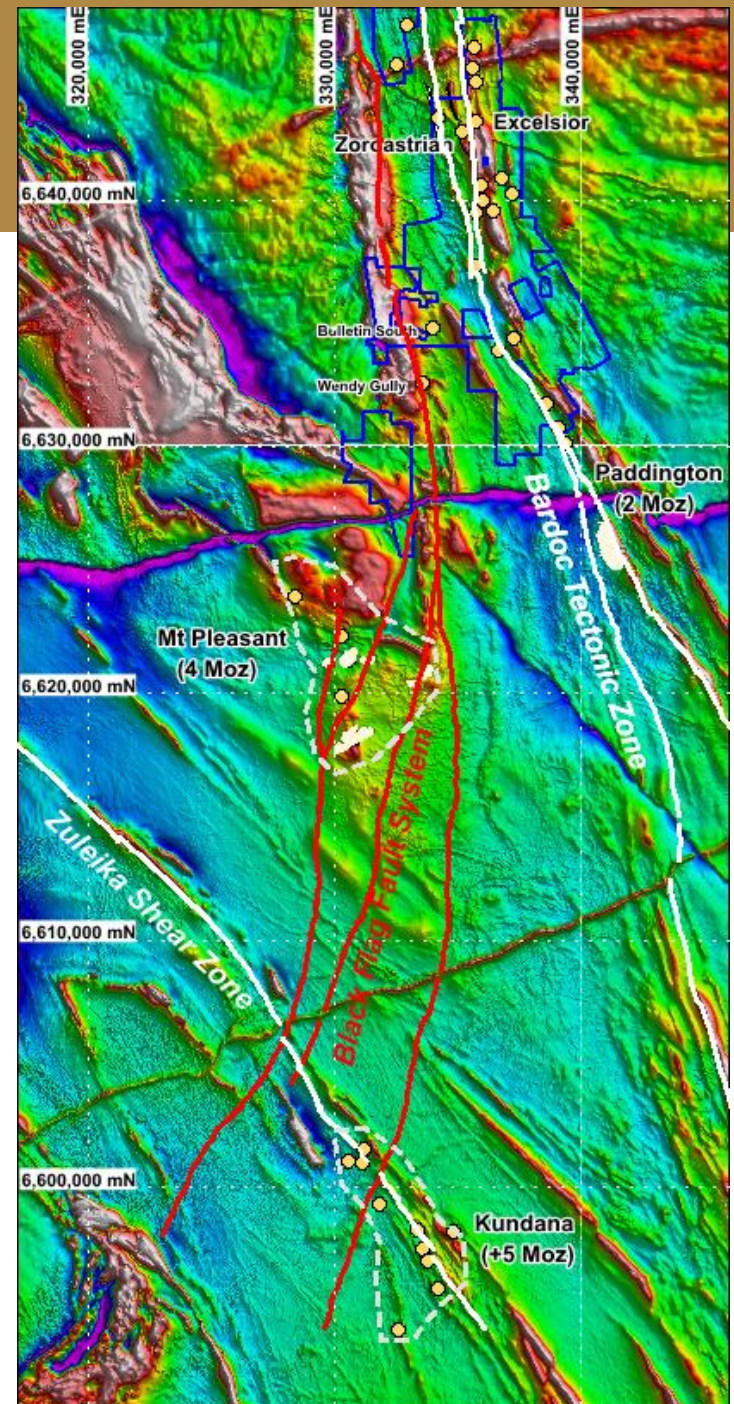
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# Gold Deposit Targeting

## - Key Criteria

- Structural Architecture (Fluid Pathway/Plumbing System)
  - Bardoc Tectonic Zone, NE trending, Black Flag Fault System
- Sources & Reservoirs (Identifying & Mapping Mineral Systems)
  - Known Gold Occurrences (Paddington, Mt Pleasant, Kundana)
  - Alteration Mineralogy Hi Vista, PIMA, ASD)
  - Multi-Element Geochemical Indicators
- Depositional Mechanisms (Rock preparation & fluid focus)
  - Intersection of Structures, Jogs/Flexures in Shear Zones
  - Lithological Contacts and Rock Types (Rheology Contrast)
- Exploration Status (Has the target been adequately tested?)
  - Drill Activity

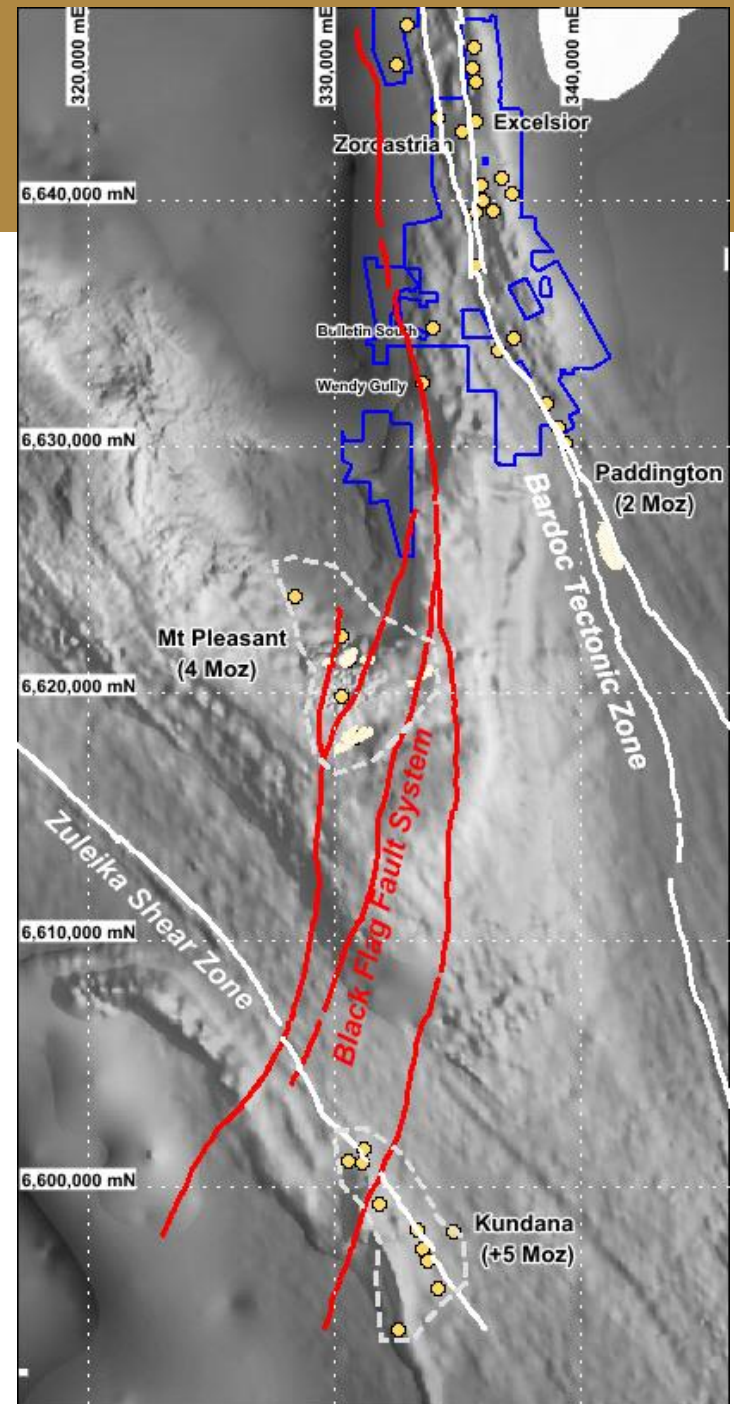




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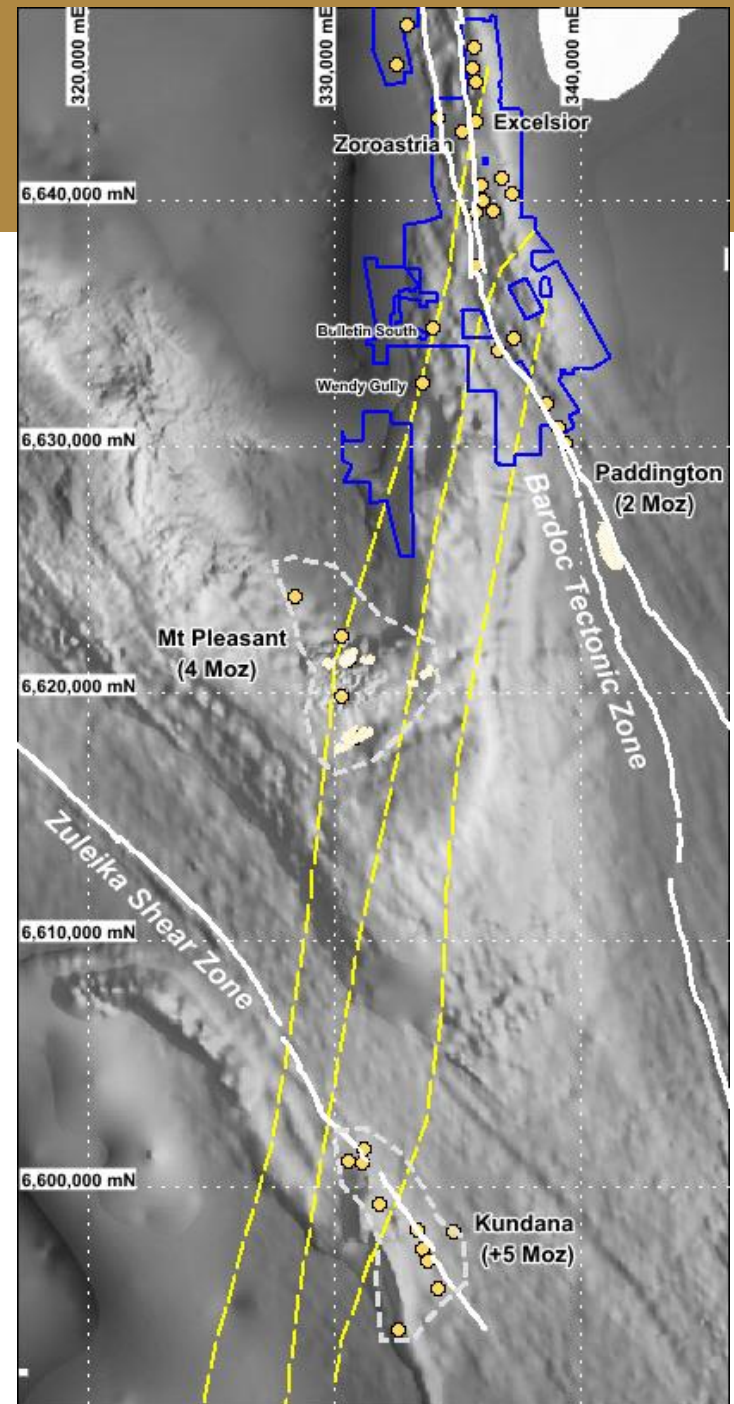
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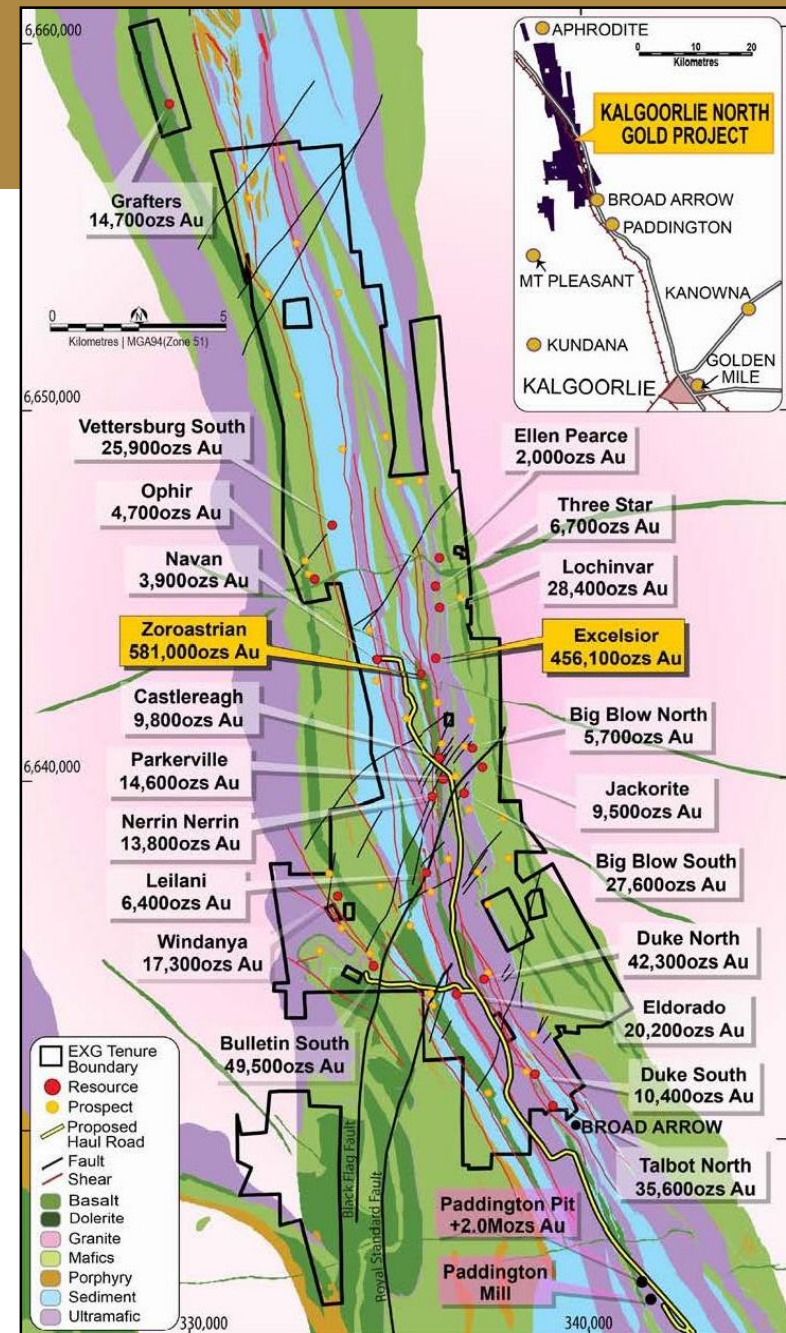




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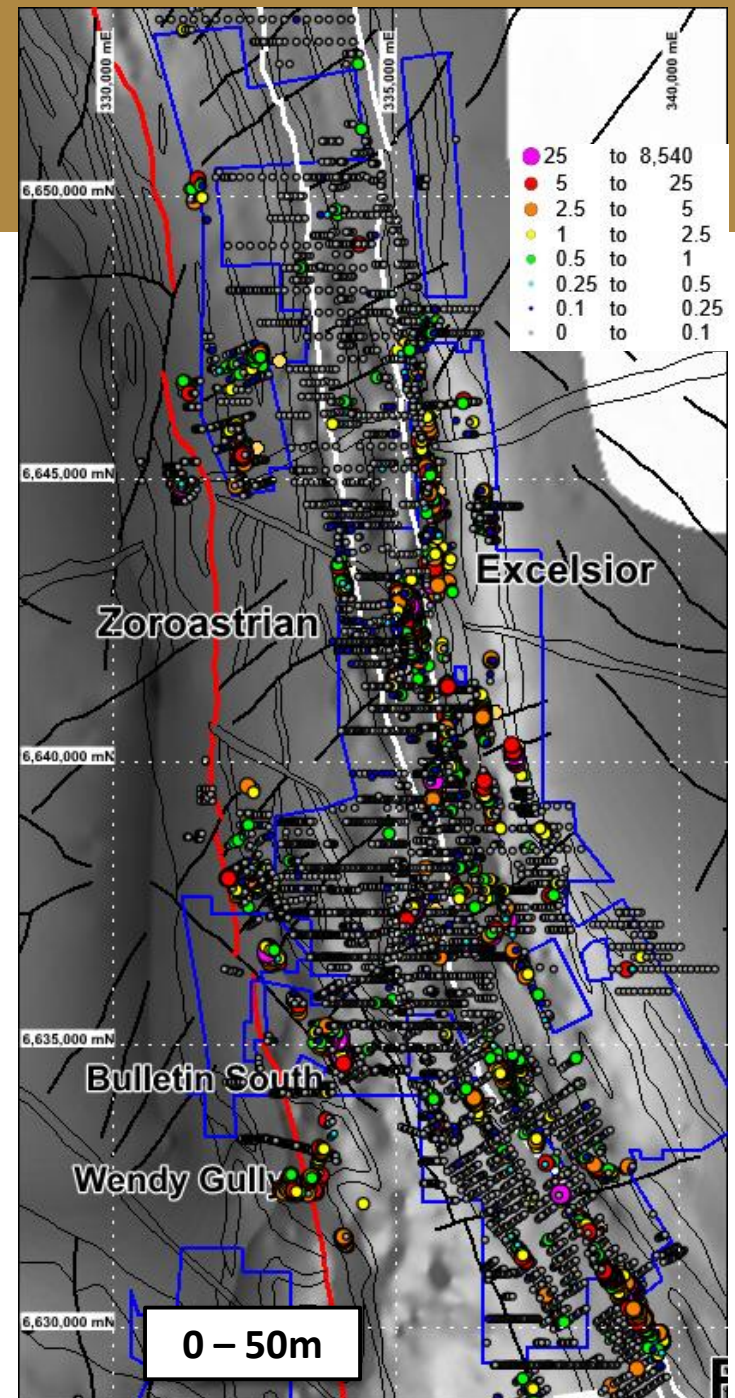
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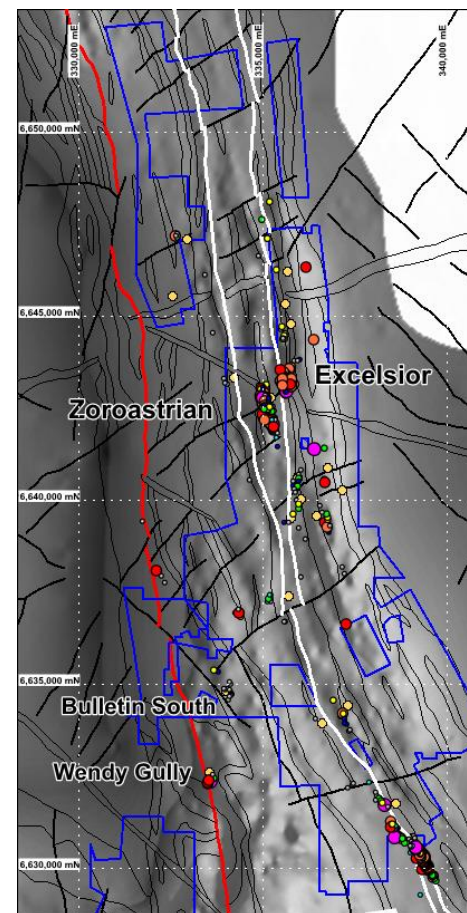
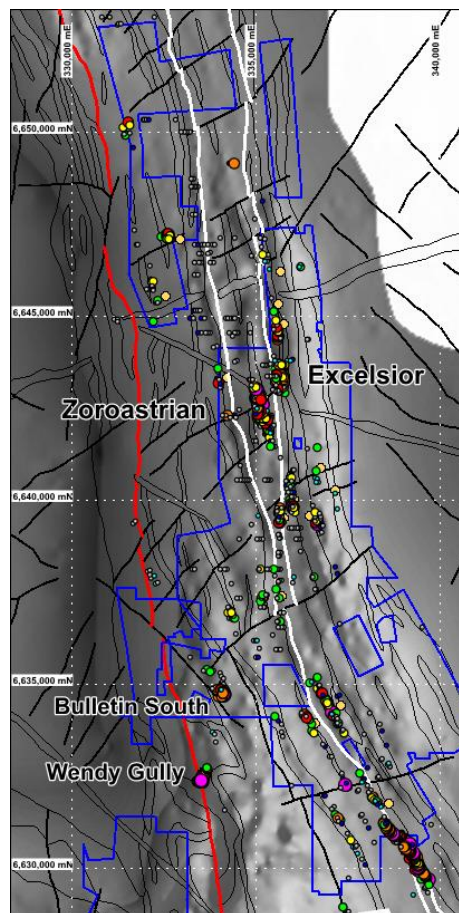
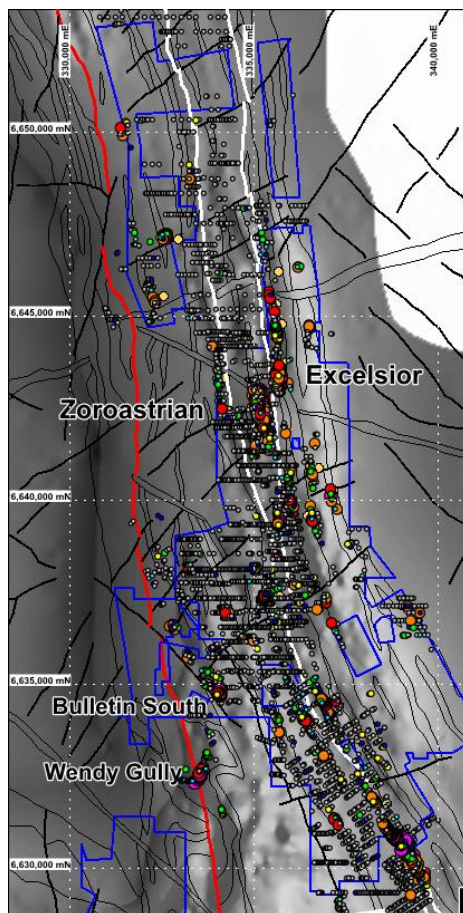
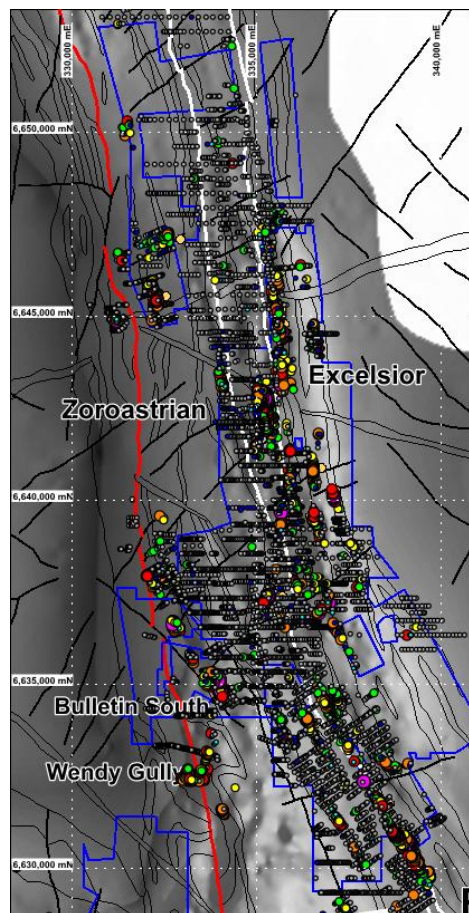




# Drill Activity Depth Slices



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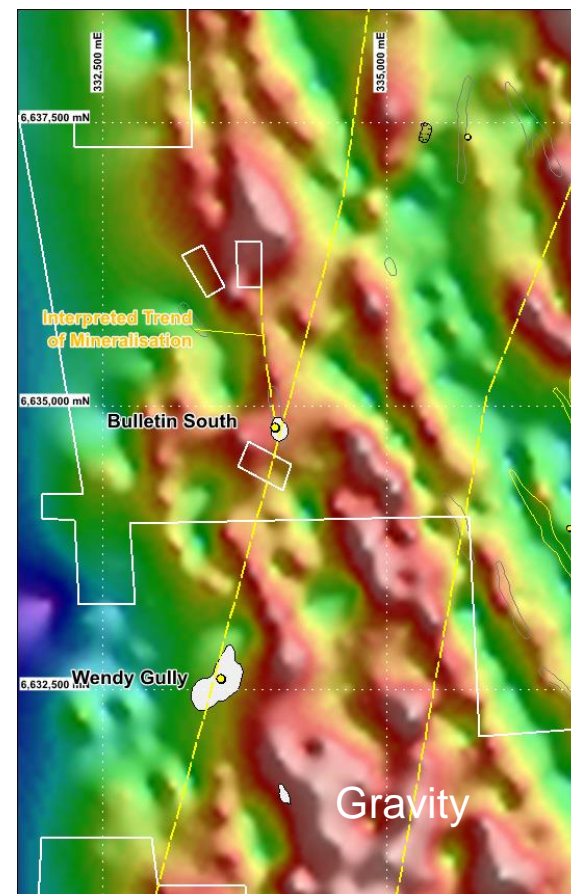
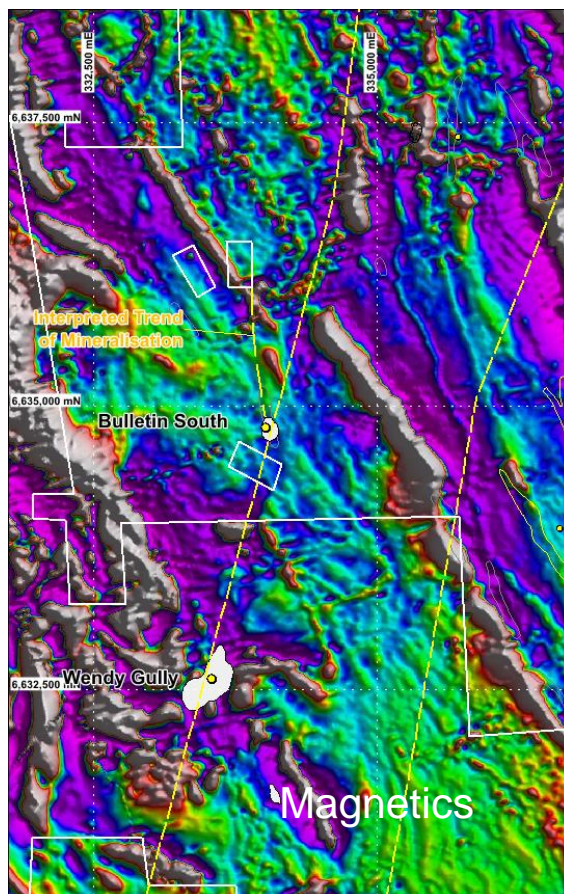
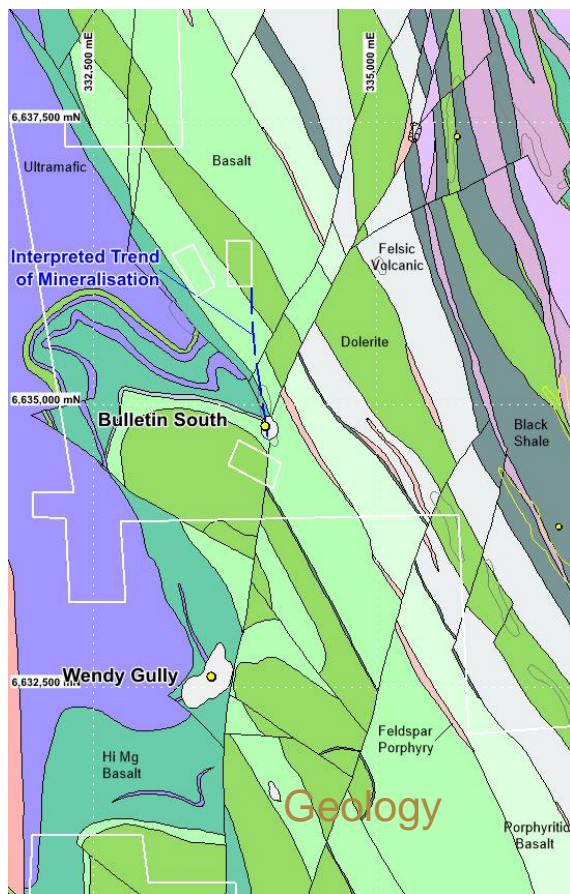
0 – 50m

50 – 100m

100 – 150m

>150m





Interpreted Trend of Mineralisation appears to cut across stratigraphy, coincident with a local gravity trend, extending northwards into an area of lower magnetic response.

- ❑ Enhance Existing Datasets
  - Re-process Magnetics to Enhance Differentiation within Dolerites
  - Commence development of 3D mineralogy dataset to identify alteration characteristics within and surrounding the Zoroastrian/Excelsior Mineral system, using ASD or Pima technology.
  - Review/Update upward continuation geophysical modelling of Zoroastrian Dolerite to confirm estimated depth of northern extension of dolerite, use information in WA Government co-funding drilling proposal (March 2017).
  - Initiate structural analysis of Zoroastrian Vein System to assist in targeting downplunge depth extensions.
  - Enhance 3D geological understanding of Bulletin South area.
- ❑ Compile Government co-funding proposal for Zoroastrian North.
- ❑ Do the Science before spending in the ground – calculated targeting

**Estimated Expenditure \$75,000**





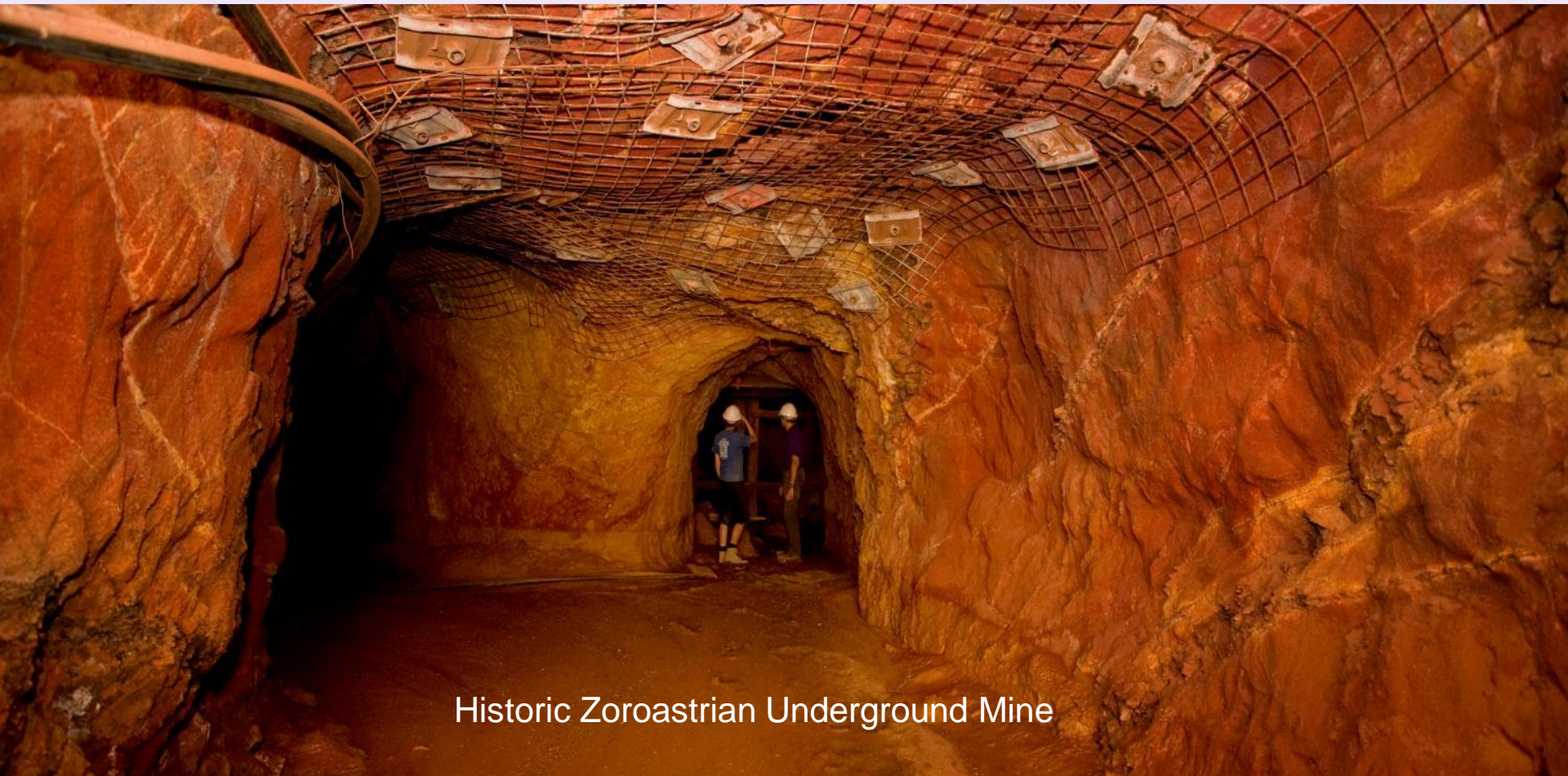
## Principal and Registered Office

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Historic Zoroastrian Underground Mine