



**excelsiorgold**  
LIMITED

**EXCELSIOR GOLD LIMITED**

**ABN 38 123 629 863**

**30 June 2017 Annual Report**

**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](http://www.excelsiorgold.com.au)

**EXCELSIOR GOLD LIMITED**  
**CORPORATE DIRECTORY**

---

**Directors**

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

**Company Secretary**

Amanda Sparks

**Registered Office**

Unit 2  
124 Stirling Highway  
North Fremantle WA 6159  
Telephone: +61 8 9335 7770  
Facsimile: +61 8 9335 6231  
Email: [admin@excelsiorgold.com.au](mailto:admin@excelsiorgold.com.au)  
Website: [www.excelsiorgold.com.au](http://www.excelsiorgold.com.au)

**Auditors**

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

**Share Registry**

Security Transfer Registrars  
770 Canning Highway  
Applecross WA 6153  
Telephone: (08) 9315 2333

**Stock Exchange Listing**

The Company is listed on the Australian Securities Exchange Ltd (ASX)  
Home Exchange: Perth, Western Australia  
**ASX Code: EXG**

**EXCELSIOR GOLD LIMITED**  
**CONTENTS**

---

<b>CHAIRMAN'S LETTER .....</b>	<b>2</b>
<b>REVIEW OF OPERATIONS .....</b>	<b>5</b>
<b>DIRECTORS' REPORT .....</b>	<b>14</b>
<b>INDEPENDENT AUDITOR'S REPORT .....</b>	<b>26</b>
<b>CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME .....</b>	<b>30</b>
<b>CONSOLIDATED STATEMENT OF FINANCIAL POSITION .....</b>	<b>31</b>
<b>CONSOLIDATED STATEMENT OF CHANGES IN EQUITY .....</b>	<b>32</b>
<b>CONSOLIDATED STATEMENT OF CASHFLOWS .....</b>	<b>33</b>
<b>NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS .....</b>	<b>34</b>
<b>DIRECTORS' DECLARATION .....</b>	<b>70</b>
<b>AUDITOR'S INDEPENDENCE DECLARATION .....</b>	<b>71</b>
<b>ADDITIONAL ASX INFORMATION .....</b>	<b>72</b>
<b>TENEMENT SCHEDULE .....</b>	<b>74</b>

## **EXCELSIOR GOLD LIMITED**

### **CHAIRMAN'S LETTER**

---

#### **Dear Shareholders**

It is with a great deal of satisfaction and relief that I write to you again in 2017, this time with the benefit of a much higher level of confidence and certainty, about the company's future, when compared to 2016.

#### **Introduction**

At the time of joining Excelsior Gold ("EXG" or "Company") in late September 2016, I along with other new Board and management members quickly moved our focus from understanding the situation to reassuring stakeholders that EXG could in fact continue as a "going concern". EXG is grateful for the support of key stakeholders at that time and during the subsequent months. It became apparent however, that the Company's Board and management would largely be focussed on clearing EXG's significant debts and liabilities for the balance of the 2016/17 fiscal year.

It is therefore pleasing to advise that as at 30 June 2017, EXG had settled all previous debts and liabilities except one outstanding creditor, with whom the Company had prior agreed payment terms. At the time of writing, EXG has discharged that remaining obligation, is debt free and has a cash balance (at 14 September 2017) of \$3.3M.

#### **Resources and Reserves**

Following the commencement of mining in late 2015, the Company experienced significant variances in tonnes and grade of ore mined (cf resource and reserve models) resulting in a shortfall in ounces of gold produced. These matters were well documented in various ASX announcements and Quarterly Reports, but resulted in the Board and management changes that occurred in August and September 2016.

Due to the downgrade of the Zoroastrian Central resource and open pit reserve (outlined in ASX announcement "Operational Update" of 14 October 2016) as well as orebody reconciliation concerns resulting from the initial mining of other smaller pits, the Company's Board and management quite rightly were concerned about the integrity of the "reserves" comprising the former mine plan.

In particular, the Board and management identified that the former mine plan reserves contained a significant proportion of high cost, low margin ounces that could not withstand adverse swings in actual ore tonnes mined and/or grade shortfalls.

It was subsequently decided to remove all "reserves" from the Company's formal statements except those of the remodelled Zoroastrian Central open pit until such time as they could be re-assessed.

Since then, Zoroastrian Central open pit mining performance both in terms of actual vs forecast quarterly mine production as well as ore tonnes and grade reconciliation has met or exceeded expectations and is generally in line with the revised resource model.

#### **Operations Matters**

During the past year, EXG's mining operation was limited to completing the Zoroastrian Central open pit, thereby enabling the Company to discharge its debt and liability commitments and become debt free. The successful performance of Zoroastrian Central open pit mining, which included the removal of slip failure material and excavation of a slightly deeper pit (based on excellent grade control drill results at the base of the designed pit), resulted in the Company achieving its debt free status as at the time of writing.

## **EXCELSIOR GOLD LIMITED**

### **CHAIRMAN'S LETTER**

---

At the commencement of operations in 2015, the Company committed to toll treatment of its ore at Norton Goldfields' large Paddington treatment plant. EXG's ore supply however typically formed no more than 30% of Norton's total ore feed, so EXG's ore was blended with ore from other sources. As ore tonnes mined increased significantly during the December 2016 quarter as forecasted, EXG's ore stockpiles became quite large (estimated at 50,000t at 31 December 2016). The Company's management team responded to the threat of revenue and cashflow delays by successfully negotiating the alternative toll treatment arrangement at the GMM Lakewood facility, directing almost 40,000t of ore to Lakewood in December 2016. Since that time, a significant proportion of the increasingly hard, fresh Zoroastrian Central ore was directed to Lakewood, thereby enabling EXG to better manage cashflow and settle its obligations.

#### **Financing Matters**

In late 2016, due to the prior performance shortcomings and questions over its reserves, EXG's financier Macquarie Banking Ltd (MBL) was understandably sufficiently concerned to become actively engaged with management and required EXG to raise a minimum of \$2.0M in equity funds to provide a working capital buffer and reduce MBL's associated risk. As a result, EXG raised \$2.2M in a share placement in November 2016 (at 2.1 cents/share).

Since that time, EXG has progressively and systematically achieved the following debt reduction milestones;

- Closed out 50% (9,971 ozs) of call options at a cost of \$1.49M in December 2016,
- Continued to deliver into forward sales contracts on a monthly basis, with last contracted delivery in June 2017,
- Repaid the balance of the MBL loan of \$1.3M in December 2016 and January 2017,
- Closed out the remaining 50% balance of call options of \$1.9M in April 2017,
- Repaid the \$2.25M GWR loan in June 2017, and
- Settled a final deferred creditor payment in August 2017.

At the time of writing, EXG is free of all previous debts and liabilities.

#### **Board and Corporate Matters**

Subsequent to the Board and management changes in September 2016, Mr Sam Randazzo was appointed as a Non-Executive Director in late 2016, adding an experienced accountant to the Board composition. The appointment of Ms Amanda Sparks (as CFO and Company Secretary) together with other accounting staff significantly upgraded EXG's capacity in terms of management accounting, cashflow forecasting and general financing/accounting disciplines.

An important aspect of Board function (in addition to ensuring the Company is appropriately funded) is to manage the share registry and protect to the greatest extent possible the interests of shareholders.

It is acknowledged that EXG shareholders experienced significant loss of value and dilution throughout 2016, with the share price bottoming at 1.6 cents in October 2016, but then progressively recovering to +4.0 cents from April 2017.

## EXCELSIOR GOLD LIMITED

### CHAIRMAN'S LETTER

---

Since the \$2.2M placement in November 2016, the Company has issued:

- 1,904,762 shares in December 2016 in lieu of a placement fee;
- 20 million shares (in June 2017 to Kalgoorlie Mining Associates Pty Ltd) as a milestone production condition from when the Kalgoorlie North Gold Project was originally purchased in 2009; and
- 487,805 shares in July 2017 to a creditor as consideration for extension of deferred payment terms (the creditor has since been paid in full).

Following engagement with our major shareholders, the Company was successful in obtaining shareholder approval for a package of performance based shares for the Managing Director as approved by a General Meeting of shareholders in June 2017 and outlined in the prior Notice of Meeting of 25 May 2017.

As the Company approached a time where debt and liability free status was in sight, the Board and management started to turn their attention to the future. Management has been quietly engaging key exploration/geological consultants, who together with CSIRO input has been compiling new geological data and using both old and new information to generate exploration targets for future testing.

In particular, there is unanimous support amongst the Board, management and associated external parties that EXG's land holding is highly prospective and could host a new gold discovery.

#### **Future Objectives and Strategy**

In order to properly structure and prioritise its future efforts, the Board conducted a Strategy Workshop in late June 2017.

Key outcomes and objectives from that Workshop are as follows;

- EXG will seek to rebuild the mine plan (RESDEF drilling and modelling) with economically robust reserves, but with the objective of building its own processing plant (rather than toll treating its ore),
- EXG will apply all the geological knowledge it can bring to bear on testing new exploration targets to determine whether there are any "game-changing" discoveries of 0.5Mozs or larger,
- EXG will aim to be in a position to resume open pit mining on selected resources/reserves as appropriate to supplement its cash balance, but without adversely impacting on the bigger picture strategy of developing its own stand-alone project, and
- EXG will remain receptive to corporate advances, but whilst actively pursuing its own potentially value adding "exploration" initiatives, will adopt a "passive" rather than "aggressive" approach to possible corporate transactions.

To conclude, the past year has clearly been an eventful period for EXG; one which has largely been about extracting the Company from its onerous and constraining circumstances and then seeking to create a new future. In this regard, I believe the Company has been successful.

I wish on behalf of EXG's Board of Directors to sincerely thank Managing Director Mr Rowan Johnston for his leadership and dedication during the past year and to his management team. I also wish to sincerely thank my fellow Directors for their perseverance and commitment, our shareholders for their patience and all other stakeholders for their support.

David Hatch  
Non-Executive Chairman

## EXCELSIOR GOLD LIMITED

### REVIEW OF OPERATIONS

---

#### **KALGOORLIE NORTH GOLD PROJECT**

##### **Overview**

The Company is now well positioned to embark on its next phase of growth with all debts extinguished, 100% unencumbered ownership of all leases, cash and receivables on hand of circa \$6 million and a fully funded 33,000m drill program underway. In addition, two open pits that are approved for mining may be developed as and when required to ensure our exploration and reserve growth initiatives remain well funded.

The recently commenced drill program is designed to convert as much of the current resource base to reserve status, explore for extensions to the known resources and test for new 'game changer' deposits within EXG's highly prospective tenement package.

EXG operates the Kalgoorlie North Gold Project (KNGP), which is located between 30 and 55 kilometres north of Kalgoorlie in Western Australia. The Project covers 96.85 square kilometres of granted mining leases and prospecting licences over 25 kilometres of strike of the Bardoc Tectonic Zone greenstone belt (*refer Figure 1*).

The KNGP is located at the convergence of two major gold mineralising structural systems, the Bardoc Tectonic Zone and the Black Flag Fault. The convergence of these prolific mineralising systems has resulted in widespread gold mineralisation throughout the KNGP related to the interaction of these north-northwest trending structures.

Historic gold production from the KNGP was from the Zoroastrian underground mine in the late 1890s to early 1900s and from the Zoroastrian and Excelsior open pits mined by Aberfoyle Gold Pty Limited between 1987 and 1991. Open pit production totalled 2,220,000 tonnes at 1.6g/t Au for 113,000 ounces of gold.

Subsequent to the year end, the Zoroastrian open pit was completed by EXG to design, mining a total of 807,331 tonnes at 2.11g/t Au (mine claim grade) for 54,700 contained ounces and reconciled favourably with the updated resource model (785,735 tonnes at 2.12g/t Au for 53,650 contained ounces).

As outlined in the Chairman's letter, a comprehensive review was undertaken of the KNGP resources and reserves in October of last year by the new management and Board. New parameters were applied to the resources to bring them in line with industry best practice, with all new open pit resources now constrained by a pit optimisation. The inputs to these optimisations will use current or benchmarked mining and milling costs, geotechnical parameters and a nominal gold price, with any mineralisation reporting outside of the pit optimisation disregarded. EXG will continue to monitor movements in the gold price, technical and cost inputs and update the resource estimates to reflect any significant changes. An independent review of the initial resource estimates was undertaken by Ravensgate Consulting, resulting in several smaller resources being removed as they were not compliant with current JORC Code reporting standards.

## EXCELSIOR GOLD LIMITED REVIEW OF OPERATIONS

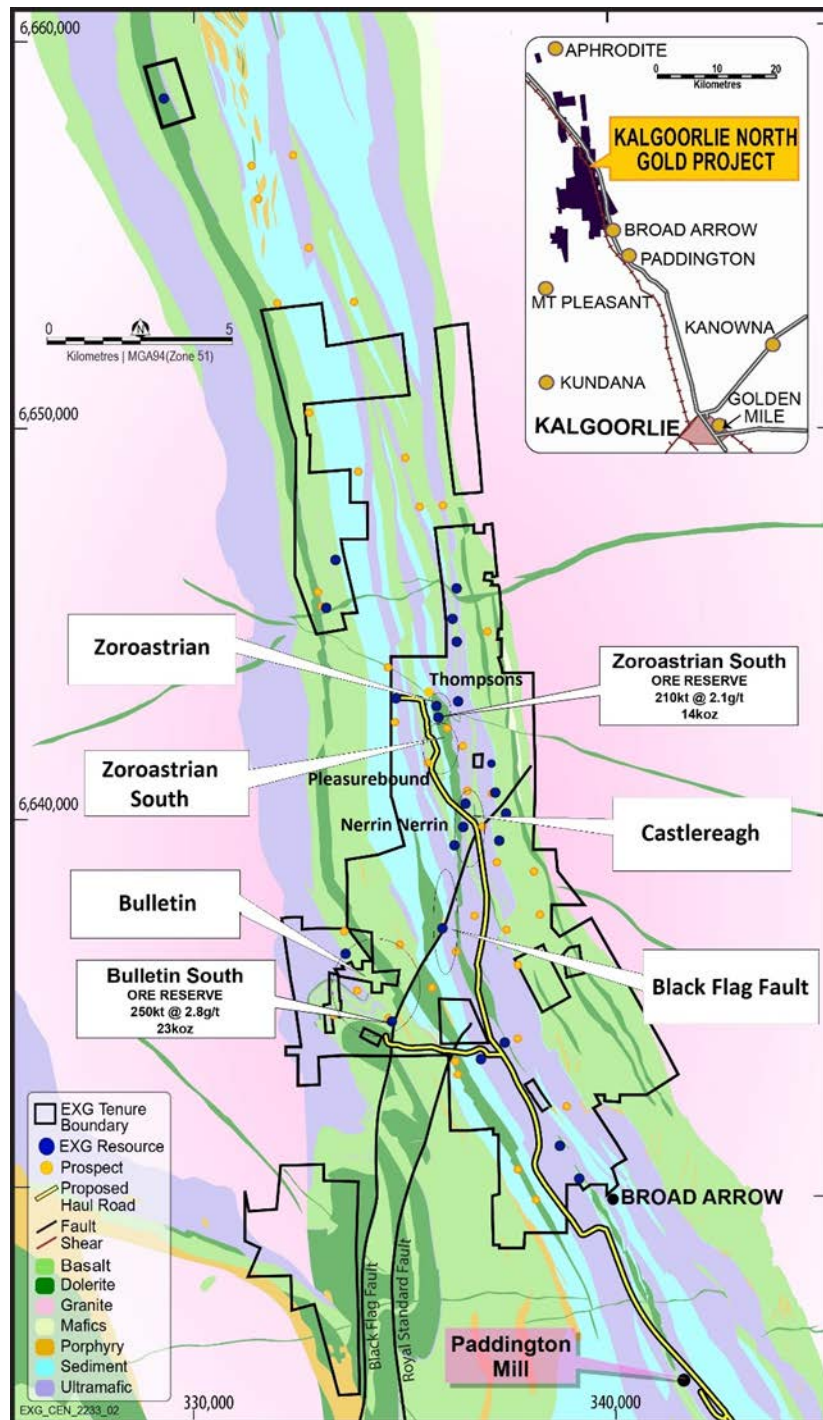
After adjustments and depletion for the now completed Zoroastrian Central open pit, the combined Mineral Resource estimate as at 1 September 2017 is:

**16.9 million tonnes at 1.6g/t Au for 872,000 ounces**

Included in these Mineral Resources are Ore Reserves of:

**480,000 tonnes at 2.5g/t Au for 39,000 ounces**

A full breakdown of these estimates by deposit and category is provided at the end of this review.



**Figure 1. KNGP Prospect Location Plan, Geology, Tenements, Resource Targets and Neighbouring Significant Gold Deposits**



## EXCELSIOR GOLD LIMITED

### REVIEW OF OPERATIONS

#### Operations

Open pit mining commenced at the KNGP on 15 November 2015 with processing of ore commencing on 12 December 2015 through the long-term Ore Treatment Agreement with Norton Gold Fields Limited (“Norton”), owner of the 3.5 million tonne per annum Paddington Mill located to the immediate south of the KNGP (*refer ASX announcement 13 October 2015*). By November 2016, large ore stockpiles had accumulated and a second toll treatment arrangement was entered into with Golden Mile Milling (GMM) at Kalgoorlie, providing the Company with a batch treatment option rather than blending. GMM’s facility also provided improved recoveries and quicker cash flow. As the ore hardness increased, Norton reduced the throughput of EXG ore to the point where most ore was processed through GMM’s facility.

Mining for the year ended June 2017 was solely from the Zoroastrian open pit, which was subsequently completed on 28 August 2017 in a “goodbye cut” at the 310mRL. Mining for the financial year 2017 progressed from the 420mRL (surface is 440mRL) and finished the year at the 340mRL.

Mine production and treatment statistics are presented in *Table 1*. As not all ore had been treated by the time of writing, the life of mine production numbers remain unreconciled.

Open Pit	Units	Zoroastrian Central FY	Zoroastrian Central total*
Waste mined	BCM	2,776,949	4,817,904
Ore mined (HG & LG)	T	635,179	807,331
Grade	g/t Au	1.95	2.11
Contained gold	Oz	39,747	54,700
Strip ratio	W/O	9	12.7
Tonnes milled	Dt	609,701	
Milled grade (final)	g/t Au	1.80	
Mill recovery	%	91.6	
Recovered ounces	Oz Au	32,251	
Gold sale price	A\$/oz	1580	
C1 Cash Costs	A\$/oz	1,253	
AISC	A\$/oz	1,804	

**Table 1: Production Summary**

\* some stockpiles are yet to be treated and final numbers are not yet available.

The Zoroastrian gold mineralisation is hosted in quartz veins and stockwork zones within the differentiated Zoroastrian Dolerite. The quartz veining has been defined over a strike length of 1.4 kilometres and to a vertical depth of 380 metres. The system remains open along strike and at depth and the stockwork and the narrower vein style mineralisation demonstrate both open pit and underground mine potential.

Mining commenced in the Zoroastrian Central open pit in February 2016 based on a Probable Ore Reserve of 1,176,000 tonnes at 1.88g/t Au for 70,900 contained ounces (*refer ASX announcement 9 July*

## EXCELSIOR GOLD LIMITED

### REVIEW OF OPERATIONS

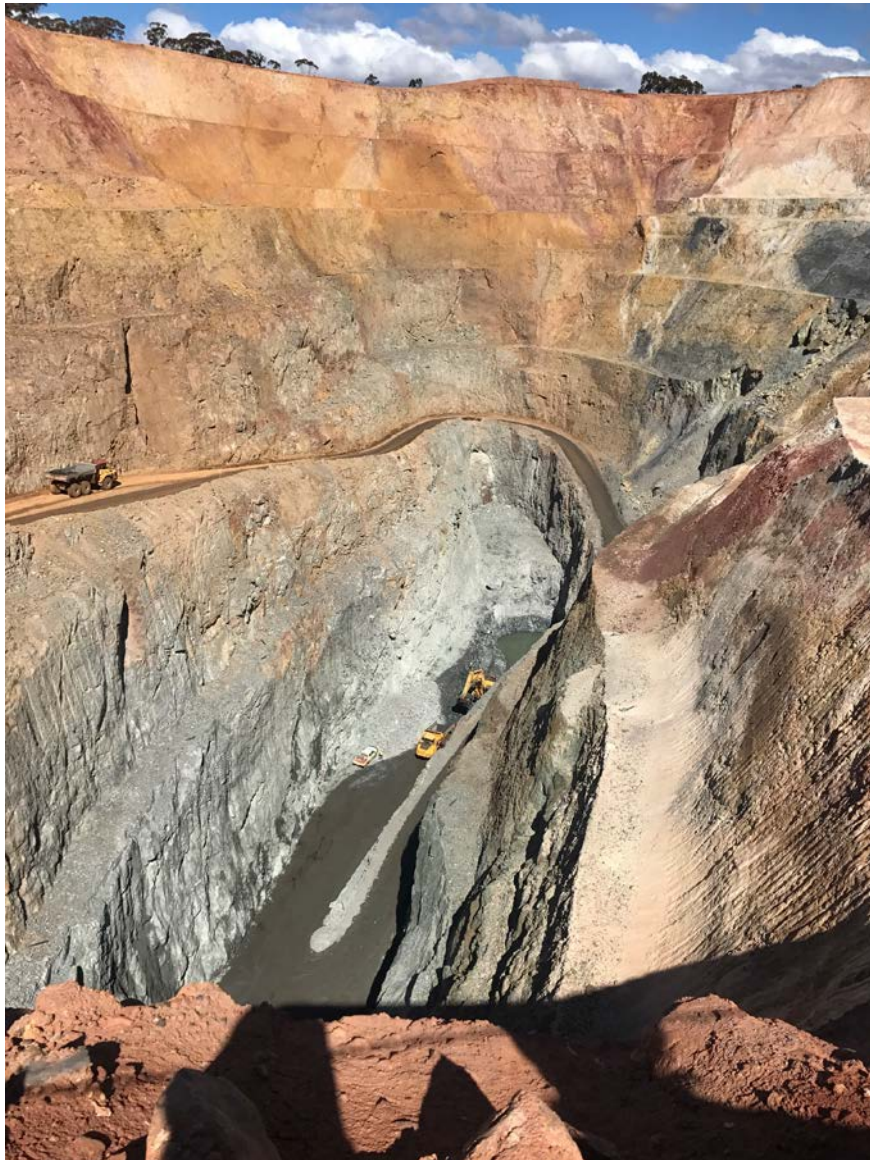
---

2016). By the end of June 2016, the pit was approximately 20 to 30 metres below surface. The gold mineralisation in the upper oxidised profile was found to be more sporadic and generally lower in grade than modelled, with ore production from the upper levels of the pit significantly below expectations (*refer ASX announcement 4 July 2016*).

Independent consultants, Cube Consulting, were subsequently commissioned by the Company to review the resource model and complete an update based on the more comprehensive data set available from mining, grade control drilling and in-pit mapping. A subsequent pit design was completed and mining to the new pit design commenced in October 2016.

The discrepancy between mine production and the original resource model tonnages was attributable to variations in both the orientation of some interpreted zones of mineralisation and the distribution of the gold mineralisation within structures.

Mining and subsequent reconciliations by grade control and finally mill reconciliation of the Zoroastrian open pit proved the new interpretation to be accurate, providing the Company with confidence for the future modelling of its deposits.



**Figure 2. Zoroastrian open pit final excavation 26 August 2017**

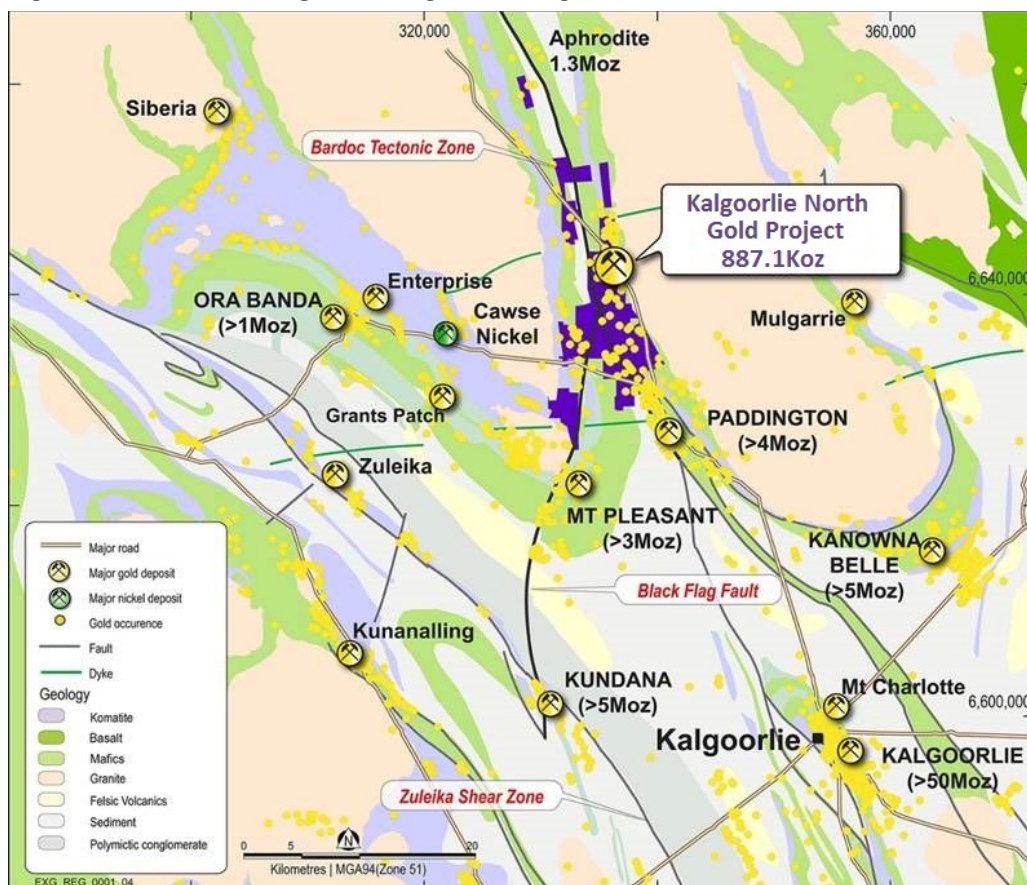
## EXCELSIOR GOLD LIMITED REVIEW OF OPERATIONS

### *Resources, Reserves and Exploration*

The focus of resource definition work through the year was on the generation of robust estimates that could be available for mining as required, with the two areas of focus being Zoroastrian South and Bulletin South deposits. To this end, the Company published updated Mineral Resource and Ore Reserve estimates for the Zoroastrian South and Bulletin South deposits in early 2017.

Exploration under the new Board and management team is focused on applying science and the latest successful targeting methods used in similar geological environments, such as those at the world-class St Ives and Kundana gold fields to the south of the KNGP. To support and advance this application of science, the Company appointed a noted and successful consulting exploration geologist to apply these methodologies towards the discovery of a “game changer” deposit within the KNGP tenements. As part of this work, the CSIRO become involved on a more extensive basis. Importantly a MSc thesis, involving the CSIRO, on the Zoroastrian Deposit was also completed during the year and has identified, amongst other things, that the Zoroastrian Dolerite is similar to the dolerites found at the St Ives, Golden Mile and Paddington gold mines.

The Bulletin South resource is in an area of significant gold mineralisation that will be the subject of intensive exploration work during the coming year. The regional Black Flag Fault, the deep seated regional structure that links Kundana (+5Moz Au) and Mt Pleasant (+3Moz Au) to the KNGP, is located close to the Bulletin South pit and runs through the Bulletin area and up towards the Castlereagh pit. The past year has seen the re-working of geophysical datasets and inversion modelling to delineate drill targets through the integration of all available data sets.



**Figure 3. Geological setting of KNGP (leases in purple) in relation to surrounding multi-million ounce deposits.**

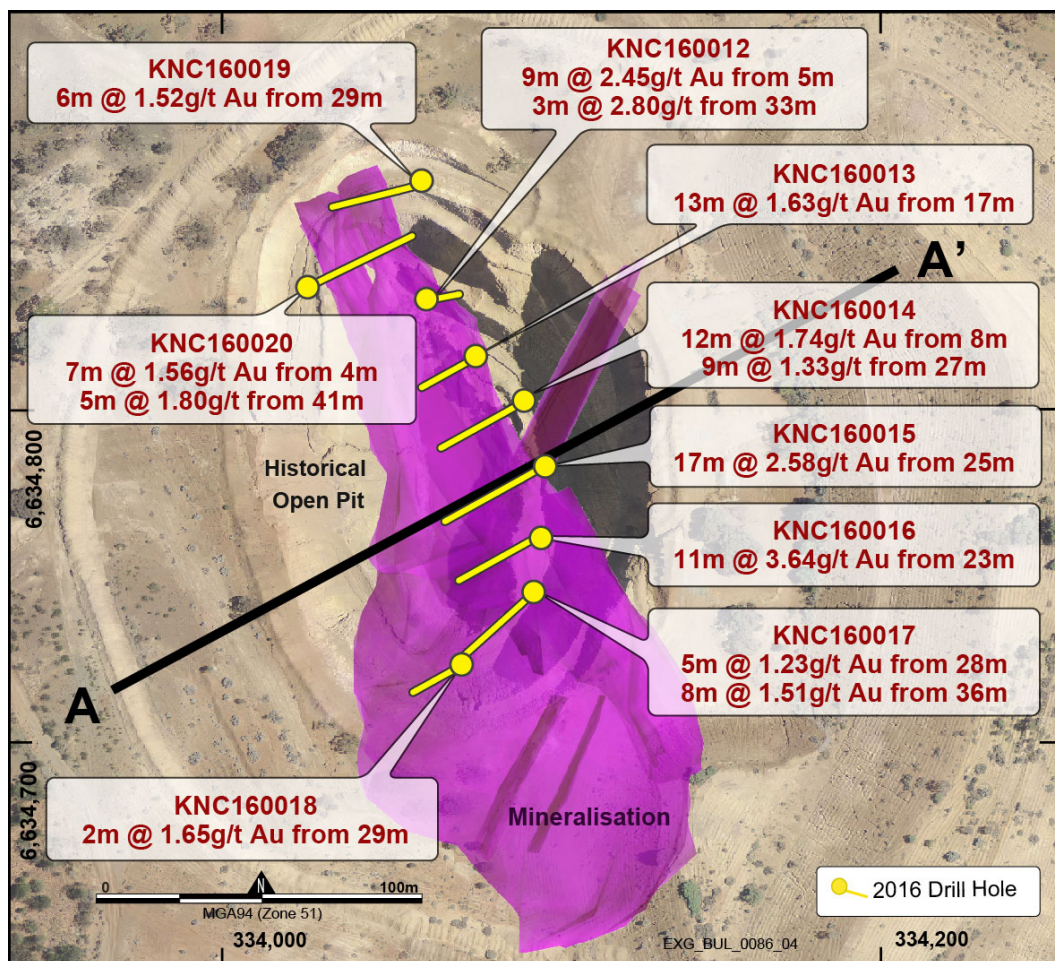


### **Bulletin South**

At Bulletin South, located 8 kilometres southwest of Zoroastrian, a review of the existing resource model highlighted the need to confirm the grade of the mineralisation extending below the floor of the former open pit. The drilling of these holes further de-risked the resource estimate and added support to the grades used in the subsequent Ore Reserve estimate. This drilling program involved significant earthworks to re-establish pit access over a slip that had cut off the access ramp. The program was completed safely in December 2016 (*refer ASX announcement 22 December 2016*), with the best drill results being:

- KNC160015 17m at 2.58g/t Au from 25m
- KNC160016 11m at 3.64g/t Au from 23m

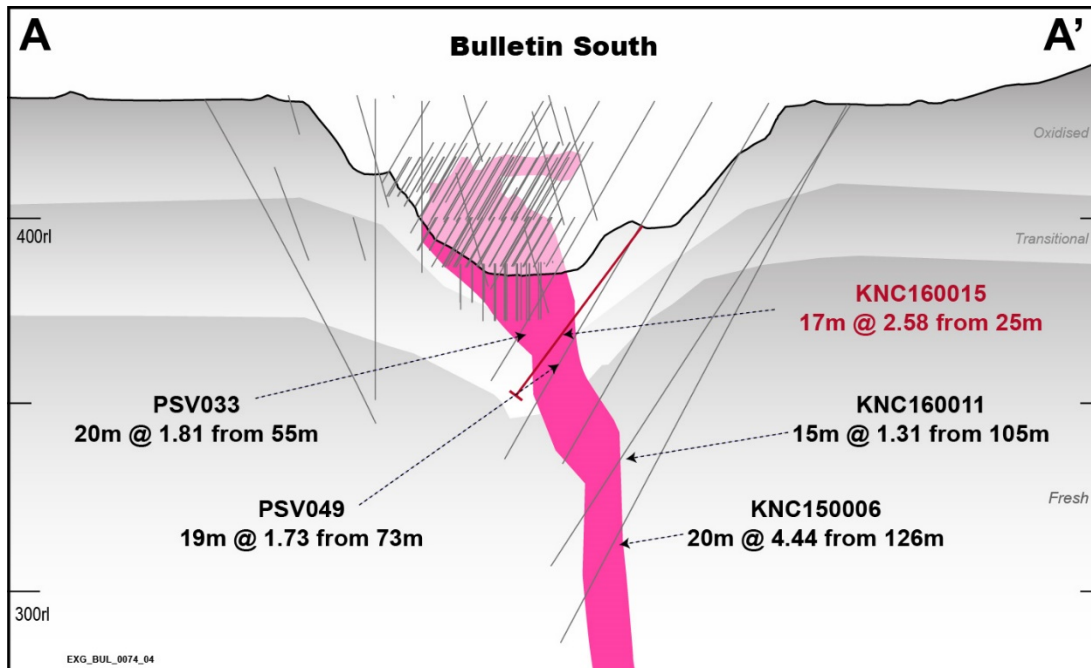
These holes successfully confirmed mineralisation widths and grade as reported by previous drilling within the existing Mineral Resource area, increasing confidence in the older drilling data. Subsequently, a Mineral Resource estimate at Bulletin South was completed by external consultants, Cube Consulting, with 645,000 tonnes at 2.3g/t Au for 47,000 contained ounces of gold reported to the ASX on 23 January 2017.



**Figure 4. Bulletin South open pit showing significant drill hole intersections from 2016**

## EXCELSIOR GOLD LIMITED REVIEW OF OPERATIONS

Subsequent to the completion of the Mineral Resource estimate, mining studies were undertaken and an updated Ore Reserve estimate for Bulletin South was reported at 250,000 tonnes at 2.8g/t Au for 23,000 contained ounces. The waste to ore strip ratio for this pit is relatively high at 22:1 as there is a large cut back to be completed prior to accessing ore, but the additional cost is carried by the relatively high grade of the ore with an estimated C1 cost of \$1,205/oz (refer ASX announcement 23 March 2017).



**Figure 5. Representative cross section through Bulletin South showing gold mineralisation extending at depth**

### **Zoroastrian South**

The Zoroastrian South area is immediately south of the Zoroastrian Central pit with an unused gas pipeline running over the middle of the resource. Agreement was reached in late 2016 with the managers of the gas pipeline to allow supervised drilling within the pipeline corridor. The gas pipeline is no longer active, but has infrastructure value to the owners of the Cawse Nickel Mine. Work continues with the owner licensee and authorities for the relocation of the pipeline.

Drilling completed at Zoroastrian South was infill designed to be part of a first pass grade control pattern. A new Ore Reserve statement for Zoroastrian South confirmed an open pit development will produce approximately 14,000 ounces of contained gold at a grade of 2.1g/t Au from 210,000 tonnes of ore. The waste to ore strip ratio is calculated at 17:1 with a C1 cost estimated at \$1,300/oz. There is an additional 46,000 tonnes at 2.1g/t Au of Inferred Resource material within the pit design that does not contribute to the planned gold production.

# EXCELSIOR GOLD LIMITED

## REVIEW OF OPERATIONS

### MINERAL RESOURCE STATEMENT AS AT 1 SEPTEMBER 2017

KALGOORLIE NORTH GOLD RESOURCES		MEASURED			INDICATED			INFERRED			TOTAL RESOURCES			Original ASX report date
Deposit	Cut-Off (g/t Au)	Tonnes (.000t)	Grade (g/t Au)	Ounces (.000oz)	Tonnes (.000t)	Grade (g/t Au)	Ounces (.000oz)	Tonnes (.000t)	Grade (g/t Au)	Ounces (.000oz)	Tonnes (.000t)	Grade (g/t Au)	Ounces (.000oz)	
Excelsior	0.6	5,175	1.4	232	3,230	1.2	125	2,652	1.2	99	11,057	1.3	456	12-Apr-12
Zoroastrian (O/P)	0.6	24	3.4	3	605	1.6	31	868	1.5	41	1,498	1.5	75	14-Oct-16
Zoroastrian (U/G)	3.0				737	4.8	114	218	4.7	33	955	4.8	147	6-Jul-15
<b>Zoroastrian (Total)</b>		<b>24.0</b>	<b>3.4</b>	<b>2.6</b>	<b>1,342</b>	<b>3.4</b>	<b>146</b>	<b>1,086</b>	<b>2.1</b>	<b>74</b>	<b>2,453</b>	<b>2.8</b>	<b>223</b>	
Lochinvar	0.6				448	1.7	25	60	1.7	3	508	1.7	28	19-Feb-14
Nerrin Nerrin	0.6				74	2.4	6	107	2.4	8	181	2.4	14	15-Nov-13
Ophir	0.6							75	1.9	5	75	1.9	5	11-Dec-13
Vettersburg South	0.6							552	1.5	26	552	1.5	26	11-Dec-13
<b>Total Satellite Resources</b>					<b>522</b>	<b>1.8</b>	<b>31</b>	<b>793</b>	<b>1.6</b>	<b>42</b>	<b>1,315</b>	<b>1.7</b>	<b>73</b>	
<i>Other Resources (greater than 4km from Excelsior)</i>														
Eldorado	0.6				362	1.6	19	31	1.4	1	393	1.6	20	11-Sep-13
Talbot North *	0.6							662	1.7	36	662	1.7	36	31-Mar-10
Bulletin South	0.6	38	1.9	2	482	2.3	35	125	2.4	10	645	2.3	47	23-Jan-17
Windanya	0.6							360	1.5	17	360	1.5	17	11-Dec-13
<b>Total Other Resources</b>		<b>38.2</b>	<b>1.9</b>	<b>2.3</b>	<b>844</b>	<b>2.0</b>	<b>54</b>	<b>1,178</b>	<b>1.7</b>	<b>64</b>	<b>2,061</b>	<b>1.8</b>	<b>120</b>	
<b>TOTAL RESOURCES</b>		<b>5,237</b>	<b>1.4</b>	<b>237</b>	<b>5,938</b>	<b>1.9</b>	<b>355</b>	<b>5,710</b>	<b>1.5</b>	<b>279</b>	<b>16,885</b>	<b>1.6</b>	<b>872</b>	

\*This information was prepared and first disclosed under the JORC Code (2004). It has not been updated since to comply with the JORC Code (2012) on the basis that the information has not materially changed since it was reported.

\*\*Differences may occur due to rounding.

\*\*\*The Bulletin South and Zoroastrian open pit resources are reported within an A\$2,750 per ounce pit shell. Other resources are reported above applicable depths below surface.

### ORE RESERVE STATEMENT AS AT 1 SEPTEMBER 2017

KALGOORLIE NORTH GOLD RESOURCES		PROVEN			PROBABLE			TOTAL RESERVES			Original ASX report date
Deposit		Tonnes (.000t)	Grade (g/t Au)	Ounces (.000oz)	Tonnes (.000t)	Grade (g/t Au)	Ounces (.000oz)	Tonnes (.000t)	Grade (g/t Au)	Ounces (.000oz)	
Zoroastrian South (OP)		20	3.4	2	210	2.1	14	230	2.2	16	23-Mar-17
Bulletin South (OP)					250	2.8	23	250	2.8	23	23-Mar-17
<b>TOTAL RESERVES</b>		<b>20</b>	<b>3.4</b>	<b>2</b>	<b>460</b>	<b>2.5</b>	<b>37</b>	<b>480</b>	<b>2.5</b>	<b>39</b>	

\* Differences may occur due to rounding.

OP = Open Pit

## EXCELSIOR GOLD LIMITED

### REVIEW OF OPERATIONS

---

#### Competent Person Statement – Exploration Results and Mineral Resources

Information in this Report 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 Report that relates to the Zoroastrian Mineral Resource and Bulletin South 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

The information in this Report 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 South and Bulletin South Ore Reserve 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.

## **EXCELSIOR GOLD LIMITED**

### **DIRECTORS' REPORT**

---

Your Directors present their report on the consolidated entity of Excelsior Gold Ltd (“the Group”) and the entities it controlled at the end of, or during, the year ended 30 June 2017 and the state of affairs at that date.

#### **DIRECTORS**

The following persons were directors of Excelsior Gold Ltd during the whole of the financial period (or as disclosed) and up to the date of this report:

##### **Current Directors**

Mr David Hatch (appointed 21 September 2016)  
Mr Robert Rowan Johnston (appointed 21 September 2016)  
Dr Jonathan West (appointed 21 September 2016)  
Mr Kong Leng (Jimmy) Lee (appointed 20 June 2016)  
Mr Sebastiano (Sam) Randazzo (appointed 25 October 2016)

##### **Previous Directors**

Mr Peter Bird (resigned 21 September 2016)  
Mr David Hamlyn (resigned 21 September 2016)  
Mr David Potter (resigned 23 August 2016)  
Mr Chen Chik Ong (resigned 21 September 2016)

#### **PRINCIPAL ACTIVITIES**

The principal activity of the Company is gold mining and exploration at its Kalgoorlie North Gold Project.

#### **REVIEW OF OPERATIONS**

Refer to the Review of Operations on pages 5 to 13.

#### **DIVIDENDS**

No dividends have been paid or declared and no dividends have been recommended by the Directors.

#### **LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS**

The Directors are not aware of any developments that might have a significant effect on the operations of the Group in subsequent financial years that are not already disclosed in this report.



**EXCELSIOR GOLD LIMITED**  
**DIRECTORS' REPORT**

---

**DIRECTORS' QUALIFICATIONS, EXPERIENCE AND SPECIAL RESPONSIBILITIES**

**David Hatch**

***Assoc Dip Mining Engineering, Dip Mineral Economics***

*Chairman - Appointed 21 September 2016*

Mr Hatch is a Mining Engineer with extensive senior management experience in Australia, Papua New Guinea, Indonesia and Ghana. Mr Hatch has seven years' prior experience as Managing Director of ASX listed gold companies.

Other directorships of listed companies in the last three years: None.

**Rowan Johnston**

***BSc (Mining Engineering), first class mine managers certificate***

*Managing Director - Appointed 21 September 2016*

Mr Johnston is a Mining Engineer and experienced executive director, most recently being the Acting CEO and Executive Director of Operations for ASX listed Mutiny Gold Limited prior to the takeover by Doray Minerals Limited. Mr Johnston was also previously an Executive Director of Integra Mining Limited.

Other directorships of listed companies in the last three years: Mutiny Gold Limited (until 31 January 2015).

**Jonathan West**

***BSc(Hons) MSc PhD***

*Non-Executive Director - Appointed 21 September 2016*

Dr Jonathan West has worked across a variety of resource and energy development and management areas, in both the private and public sector for over 40 years, both in Australia and overseas. He has extensive senior executive management experience with a particular focus on strategic planning, policy development, resource development and management, and corporate and organisational change management.

Other directorships of listed companies in the last three years: None.

**Jimmy Kong Keng Lee**

***BSc (Min Tech), First Class Mine Managers Certificate of Competency, Quarry Managers Certificate of Competency***

*Non-Executive Director - Appointed 20 June 2016*

Mr Lee is a Mining Engineer with more than 30 years of industry experience and is a member of AusIMM. He has successfully worked with a number of major Australian mining companies and has held senior positions with Hamersley Iron Ltd, Dominion Mining Ltd, Christmas Island Phosphates, North Ltd and Carey Mining Ltd.

Mr Lee provides mining and corporate advisory services to the mining industry and was formerly a founding director of Terrain Minerals Limited. In addition, he has a successful track record with contract negotiations and company investment strategies.

Other directorships of listed companies in the last three years: GWR Group Limited (current), and Tungsten Mining NL (current).

## EXCELSIOR GOLD LIMITED

### DIRECTORS' REPORT

---

#### **Sebastiano (Sam) Randazzo**

**B Bus, CA**

*Non-Executive Director - Appointed 25 October 2016*

Mr Randazzo has over 30 years of international experience in public company management (including Chairman, Director, Chief Executive Officer, Company Secretary and Chief Financial Officer roles). He has held executive director positions with ASX, TSX and AIM listed mineral resource companies and completed numerous capital raisings in Australia, USA, Canada, UK, Europe and the Middle East. His experience includes operational management in Australia, South America, USA, Canada and the UK. Mr Randazzo is a member of Chartered Accountants Australia and New Zealand

Other directorships of listed companies in the last three years: Intercept Minerals Limited (until 2015).

#### **Previous Directors**

##### **Peter Bird**

**BSc(Hons), MAICD, A Fin**

*Chairman - Appointed 29 August 2011, Resigned 21 September 2016*

Mr Bird is a geologist with over 20 years of operational and corporate experience with strong understanding of company analysis and global investment markets. Geological experience in exploration and multiple open pit and underground gold mines in the Eastern Goldfields of Western Australia. A leading broking analyst for the gold sector and held senior executive roles with Newcrest Mining Ltd and Normandy Mining Ltd advising on investor relations and corporate matters.

Other directorships of listed companies in the last three years: Heemskirk Consolidated Limited (until 2016).

##### **David Hamlyn**

**BAppSc(Geol), MAusIMM**

*Managing Director from 28 May 2012 (appointed as Executive Director 21 May 2010), Resigned 21 September 2016*

Mr Hamlyn is a geologist with a broad range of exploration, mine management and corporate experience. Mr Hamlyn has held senior exploration positions with numerous companies throughout Australia and Resident Manager and General Manager roles on gold mining operations in the Kalgoorlie region from 1992 to 2001. Mr Hamlyn was Managing Director of Atom Energy Limited (June 2007 to May 2008), Technical Director of West Australian Metals Ltd (2002 to 2006) and has previously served as Director of Austin Engineering Limited (2002 to 2004) and Exploration Director of Australasian Gold Mines NL (1988 to 1990).

Other directorships of listed companies in the last three years: None.

##### **David Potter**

**MSc (Econ), BSc (Geology), GradDipAppFIA, MAIG**

*Executive director - Appointed 24 May 2011, Resigned 23 August 2016*

Mr Potter is a geologist with twenty years' experience across a range of commodities including extensive gold exploration and mine development experience in the Eastern Goldfields.

Other directorships of listed companies in the last three years: None.

**EXCELSIOR GOLD LIMITED**  
**DIRECTORS' REPORT**

---

**Chen (Nicholas) Chik Ong**

**BComm, GradDipAppFin, GradDipACG, MBA**

*Executive Director - Appointed 24 May 2011, Resigned 21 September 2016*

*Company Secretary - Appointed 6 March 2015, Resigned 21 September 2016*

Mr Ong was formerly a Principal Adviser at the Australian Security Exchange in Perth with ten years' experience in corporate compliance.

Other directorships of listed companies in the last three years: Segue Resources Ltd, Fraser Range Metals Group Limited (to 8/3/16), MSM Corporation International Limited (to 29/12/15), Auroch Minerals NL (to 29/6/16) and CoAssets Limited.

**COMPANY SECRETARY**

**Amanda Sparks**

*B.Bus, CA, F.Fin*

*Appointed 21 September 2016*

Ms Amanda Sparks is a Chartered Accountant with over 30 years of resources related financial experience, both with explorers and producers. Ms Sparks has extensive experience in financial management, corporate governance and compliance for listed companies.

**DIRECTORS' INTERESTS IN THE SHARES AND PERFORMANCE RIGHTS OF THE COMPANY**

The particulars of Directors' interest in shares and options are as at the date of this report.

	Ordinary Shares		Performance Rights	
	Direct	Indirect	Direct	Indirect
<b>Current Directors</b>				
D Hatch	-	1,766,667	-	-
R Johnston	-	700,000	-	9,829,268
J West	150,000	650,000	-	-
S Randazzo	-	-	-	-
J Lee	-	-	-	-

**MEETINGS OF DIRECTORS**

During the financial year 10 meetings of directors were held. The number of meetings attended by each director during the financial year are as follows:

Director	Meetings of the Board of Directors	
	Held	Attended
D Hatch	8	8
R Johnston	8	8
J West	8	8
J Lee	9	9
S Randazzo	6	6
P Bird	2	2
D Hamlyn	2	2
D Potter	2	1
C Ong	2	2

**EXCELSIOR GOLD LIMITED**  
**DIRECTORS' REPORT**

**FINANCIAL RESULTS**

A summary of key financial indicators for the Group, with prior period comparison, is set out in the following table:

	<i>Year Ended 30 June 2017</i>	<i>Year Ended 30 June 2016 (restated)</i>
	\$	\$
Cash and cash equivalents held at year end	1,133,932	1,965,647
Net profit/(loss) for the year after tax	(104,982)	(18,896,776)
Basic profit/(loss) per share (cents)	(0.014)	(3.49)
Net cash from/(used in) operating activities	(759,168)	185,063
Net cash (used in) investing activities	(1,492,273)	(6,250,677)
Net cash from financing activities	1,419,726	4,273,925

During the year:

- Sales revenue totalled \$51 million. Recovered ounces totalled 33,930 ounces.
- Realised losses totalled \$5,898,619 on the close out hedges. Fair value adjustments of derivatives totalled a gain of \$13,025,709.
- Borrowings of \$1,321,006 was repaid to Macquarie Bank.
- Borrowings and Convertible Note of \$2,250,000 was repaid to GWR Group Limited.
- On 18 July 2016, the Company issued a total of 14,000,000 shares at an issue price of \$0.05 per share of which \$500,000 was to convert a convertible note, and \$200,000 was a cash placement.
- On 3 August 2016, the Company announced it completed a rights issue of a total of 96,877,775 shares at an issue price of \$0.05 per share to raise \$4.84 million (before costs).
- On 16 August 2016, the Company completed a placement of a total of 10,000,000 shares at an issue price of \$0.05 per share to raise \$0.5 million (before costs).
- On 19 August 2016, the Company completed a placement of a total of 19,000,000 shares at an issue price of \$0.05 per share to raise \$0.95 million (before costs).
- On 21 November 2016, the Company completed a placement of a total of 105,841,690 shares at an issue price of \$0.021 per share to raise \$2.2 million (before costs).

## EXCELSIOR GOLD LIMITED

### DIRECTORS' REPORT

---

#### REMUNERATION REPORT (AUDITED)

The Directors present the 2017 Remuneration Report, outlining key aspects of Stavely's remuneration policy and framework, together with remuneration awarded this year.

The report is structured as follows:

- A. Key management personnel (KMP) covered in this report
- B. Remuneration policy, link to performance and elements of remuneration
- C. Contractual arrangements of KMP remuneration
- D. Remuneration awarded
- E. Equity holdings and movement during the year
- F. Other transactions with key management personnel
- G. Use of remuneration consultants
- H. Voting of shareholders at last year's annual general meeting

#### A. KEY MANAGEMENT PERSONNEL COVERED IN THIS REPORT

For the purposes of this report key management personnel of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any Director (whether Executive or otherwise).

##### Key Management Personnel during the Year

###### Non-Executive Directors

David Hatch	–	Non-executive Chairman (from 21 September 2016)
Jonathan West	–	Director (from 21 September 2016)
Jimmy Lee	–	Director (from 20 June 2016)
Sam Randazzo	–	Director (from 25 October 2016)
Peter Bird	–	Non-executive Chairman (until 21 September 2016)

###### Executive Directors

Rowan Johnston	–	Managing Director (from 21 September 2016)
David Hamlyn	–	Managing Director (until 21 September 2016)
David Potter	–	Technical Director (until 23 August 2016)
Chen (Nicholas) Ong	–	Commercial Director (until 21 September 2016)

#### B. REMUNERATION POLICY, LINK TO PERFORMANCE AND ELEMENTS OF REMUNERATION

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders.

The Board ensures that executive reward satisfies the following key criteria for good reward corporate governance practices:

- Competitiveness and reasonableness;
- Acceptability to shareholders;
- Performance linkage/alignment of executive compensation;
- Transparency; and
- Capital management.

## EXCELSIOR GOLD LIMITED

### DIRECTORS' REPORT

---

The Group has structured an executive framework that is market competitive and complementary to the reward strategy for the organisation.

#### *Executive directors*

The remuneration policy, setting the terms and conditions for the Executive Directors and executives, was developed and approved by the Board. All executives receive a salary, and from time to time, equity incentives. Equity issued to directors are subject to approval by Shareholders. Remuneration is based on market rates and currently not linked between financial performance and remuneration. The Board reviews executive packages annually by reference to the Group's performance, executives' performance reviews and comparable information from industry sectors and other listed companies in similar industries. The Board may in its discretion provide milestone and/or discretionary bonuses to the executives on such terms as the Board may determine.

Salaried executive directors and specified executives are allocated superannuation guarantee contributions as required by law, and do not receive any other retirement benefits.

Equity incentives granted are to reward Executives in a manner which aligns this element of remuneration with the creation of shareholder wealth. The incentive portion is payable based upon attainment of various milestones. Currently the milestones are all linked to the Company's share price and thus to shareholder value.

During the year, a \$50,000 cash bonus was paid to Rowan Johnston, Managing Director, as a reward his outstanding efforts and significant turnaround of the Company since joining the Board.

During the year, the previous Managing Director, David Hamlyn, was paid a \$50,000 performance-related cash bonus in accordance with his employment contract. The bonus was payable upon the commencement of mining operations leading to commercial gold production, where commercial gold production is to be set at a minimum of 20,000 cumulative ounces of gold in any 12 month period from any of the project areas that comprise the Kalgoorlie North Gold Project.

#### *Non-Executive directors*

The Board policy is to remunerate Non-Executive directors at commercial market rates for comparable companies for their time, commitment and responsibilities. Independent external advice is sought when required. Directors' fees are determined within an aggregate directors' fee pool limit, which is periodically recommended for approval by shareholders. The maximum amount of fees that can be paid to non-executive directors currently stands at \$200,000 per annum in aggregate. Fees for Non-Executive directors are not linked to the performance of the Group. Non-Executive directors' remuneration may also include a component consisting of share-based payments, subject to approval by Shareholders, as a means to attract and retain suitably qualified Board of Directors.

Non-Executive Directors may elect, subject to Shareholder approval, to reduce their cash fees by up to 50% in lieu of Shares in accordance with the Company's Directors' Salary Sacrifice Share Plan. The Shares will be issued on a quarterly basis according to the Directors' fees owing to each of the Non-

## EXCELSIOR GOLD LIMITED

### DIRECTORS' REPORT

Executive Directors at that time at an issue price of no less than the volume weighted average sale price of Shares sold on ASX during the 90 days prior to the expiration of the corresponding calendar quarter in which the Directors' fees were incurred.

#### C. CONTRACTUAL ARRANGEMENTS OF KMP REMUNERATION

On appointment to the Board, all Non-Executive directors enter into a service agreement with the company in the form of an executive services agreement. The executive services agreement summarises the Board policies and terms, including compensation, relevant to the office of director.

Remuneration and other terms of employment for the Managing Director is formalised in a service agreement. The agreement also provides for the provision of milestone and discretionary bonuses which may be granted at the Board's discretion. In addition, the Board may provide equity incentives, subject to Shareholder approval.

The major provisions of the agreement relating to remuneration are set out below.

Name	Term of agreement	Base salary including superannuation	Termination benefit
Rowan Johnston <i>Managing Director</i>	No fixed term Commenced 21 September 2016	295,000	Six months base salary

#### D. REMUNERATION OF KEY MANAGEMENT PERSONNEL

The details of the remuneration of key management personnel of the Group are set out in the following tables.

2017	Short-term benefits	Post-employment		Share-based payment	Total
Name	Directors' Fees	Super-annuation	Bonus	Performance Rights	
	\$	\$	\$	\$	\$
<b>Current Directors</b>					
D Hatch	46,818	4,448	-	-	51,266
R Johnston	213,137	34,000	50,000	75,310	372,447
J West	37,455	3,558	-	-	41,013
J Lee	49,636	4,715	-	-	54,351
S Randazzo	32,952	3,130	-	-	36,082
<b>Prior Directors</b>					
P Bird	13,667	1,298	-	-	14,965
D Hamlyn	170,157	4,414	50,000	-	224,571
D Potter	258,551	4,275	-	-	262,826
C Ong	66,332	4,414	-	-	70,746
	888,705	64,252	100,000	75,310	1,128,267

**EXCELSIOR GOLD LIMITED**  
**DIRECTORS' REPORT**

<b>2016</b>	Short-term benefits	Post- employment		Share-based payment	Total
Name	Directors' Fees	Super- annuation	Bonus	Shares	
	\$	\$	\$	\$	\$
<b>Non-Executives</b>					
P Bird	60,000	5,700	-	38,978	104,678
J Lee	1,636	155	-	-	1,791
<b>Executive Directors</b>					
D Potter	270,000	25,650	-	97,445	393,095
D Hamlyn	360,000	34,200	-	116,934	511,134
C Ong	223,200	21,204	-	77,956	322,360
	914,836	86,909	-	331,313	1,333,058

### Share based compensation

#### Shares

The Excelsior Gold Ltd Employee Share Plan ("Plan") may be used to reward Directors and employees for their performance and to align their remuneration with the creation of shareholder wealth. The Plan is designed to provide long-term incentives to deliver long-term shareholder returns. Participation in the Plan is at the discretion of the Board and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits except as referred to elsewhere in the Remuneration Report.

Currently no Directors have shares issued under this Plan.

#### Performance Rights

On 30 June 2017, Shareholders approved the grant of 9,829,268 Performance Rights ("Rights") to Director, Rowan Johnston, as equity compensation benefits. The key terms of the Rights are

#### Short Term Performance Rights (1,829,268 Rights):

- i. Vested on 30 June 2017. Exercisable on or before 30/6/2022.

#### Long Term Performance Rights (8,000,000 Rights):

- ii. Tranche 1 Performance Rights: 1,500,000 Rights shall vest upon achieving a 20 consecutive trading day volume weighted average price of fully paid ordinary shares in the capital of the Company (Shares) on the ASX of \$0.05 or higher and is attained prior to 30 June 2018.
- iii. Tranche 2 Performance Rights: 2,000,000 Rights shall vest upon achieving a 20 consecutive trading day volume weighted average price of fully paid ordinary shares in the capital of the Company (Shares) on the ASX of \$0.075 or higher and is attained prior to 30 June 2019.
- iv. Tranche 3 Performance Rights: 1,500,000 Rights shall vest upon achieving a 20 consecutive trading day volume weighted average price of fully paid ordinary shares in the capital of the Company (Shares) on the ASX of \$0.10 or higher and is attained prior to 30 June 2020.



**EXCELSIOR GOLD LIMITED**  
**DIRECTORS' REPORT**

- v. Tranche 4 Performance Rights: 1,000,000 Rights shall vest upon achieving a 20 consecutive trading day volume weighted average price of fully paid ordinary shares in the capital of the Company (Shares) on the ASX of \$0.15 or higher and is attained prior to 30 June 2021.
- vi. Tranche 5 Performance Rights: 2,000,000 Rights shall vest upon achieving a 20 consecutive trading day volume weighted average price of fully paid ordinary shares in the capital of the Company (Shares) on the ASX of \$0.20 or higher and is attained prior to 30 June 2022.

Upon satisfaction of the relevant Performance Rights vesting condition, each Performance Right will, at the election of the holder, convert into one (1) Share. The holder has up to 5 years to exercise the vested Performance Right. Upon exercise, the Long Term Performance Rights will be held in escrow and are unavailable to be traded until 12 months after the vesting date.

**E. EQUITY HOLDINGS AND MOVEMENTS DURING THE YEAR**

*Shareholdings of Directors and Key Management Personnel of Excelsior Gold Limited*

2017	Balance at start of the financial period	Received during the year as remuneration	Other changes during the financial period	Change due to resignation	Balance at the end of the financial period
<b>Current Directors</b>					
David Hatch	-	-	1,281,667	-	1,281,667
Rowan Johnston	-	-	400,000	-	400,000
Jonathan West	-	-	750,000	-	750,000
Jimmy Lee	-	-	-	-	-
Sam Randazzo	-	-	-	-	-
<b>Prior Directors</b>					
Peter Bird	4,250,000	-	100,000	(4,350,000)	-
David Hamlyn	17,678,666	-	300,000	(17,978,666)	-
David Potter	11,496,699	-	-	(11,496,699)	-
Nicholas Ong	6,250,000	-	208,334	(6,458,334)	-
<b>Total</b>	<b>39,675,365</b>	<b>-</b>	<b>3,040,001</b>	<b>(40,283,699)</b>	<b>2,431,667</b>

*Performance Rights of Directors and Key Management Personnel of Excelsior Gold Limited*

2017	Balance at start of the financial period	Received during the year as remuneration	Expired During the year	Balance at the end of the financial period	Vested and Exercisable
Rowan Johnston	-	9,829,268	-	9,829,268	1,829,268

No other directors held any performance rights during the year.

*Shares issued to Key Management Personnel on exercise of compensation Rights*

During the year to 30 June 2017, there were no compensation Rights exercised by Directors or other Key Management Personnel.

**EXCELSIOR GOLD LIMITED**  
**DIRECTORS' REPORT**

---

*Options*

No options were granted to or held by Directors, key management personnel or to employees during the year (2016: Nil).

**F. OTHER TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL**

There were no other transactions with Key Management Personnel.

**G. USE OF REMUNERATION CONSULTANTS**

No external remuneration consultants were used during the year.

**H. VOTING OF SHAREHOLDERS AT LAST YEAR'S ANNUAL GENERAL MEETING**

The Company received more than 99% of "yes" votes on its Remuneration Report for the 2016 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

**END OF THE AUDITED REMUNERATION REPORT**

**DIRECTORS AND OFFICERS INSURANCE**

The Group has entered into Indemnity Deeds with each Director. Under the Deeds, the Group indemnifies each Director to the maximum extent permitted by law against legal proceedings or claims made against or incurred by the Directors in connection with being a Director of the Group, or breach by the Group of its obligations under the Deed.

During the financial year, the Company paid an insurance premium to insure the directors and secretaries of the Company and its controlled entities. Details of the premium are subject to a confidentiality clause under the contract of insurance. The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the Officers in their capacity as officers of the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving wilful breach of duty by the officers or the improper use by the officers of their position or information obtained. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

**ENVIRONMENTAL REGULATION**

The Group holds various mining and exploration licences to regulate its mining and exploration activities in Australia. The Group's projects are subject to State and Federal laws and regulations regarding environmental matters in Australia. The activities and operations of the Group are carried out with prior approval from and compliance with all relevant authorities.

Excelsior Gold Limited conducts its activities in an environmentally responsible manner and in accordance with all applicable laws.

## EXCELSIOR GOLD LIMITED

### DIRECTORS' REPORT

---

#### CORPORATE GOVERNANCE

The directors of the Company support and adhere to the principles of corporate governance, recognising the need for the highest standard of corporate behaviour and accountability. Please refer to the Company's website for details of corporate governance policies:

<http://www.excelsiorgold.com.au/company-profile/corporate-governance>

#### EVENTS SINCE THE END OF THE FINANCIAL YEAR

On 18 July 2017, 487,805 shares (\$20,000) were issued to a creditor as consideration for extension of deferred payment terms (the creditor has since been paid in full).

As announced on 28 August 2017, mining has temporarily ceased upon the completion of the Zoroastrian Central open pit, resource to reserve drilling will be undertaken in order to convert as much resource as possible with the aim of building reserves to justify a standalone process plant. Drilling will also be carried out beyond known resources for regional exploration purposes.

No other matters or circumstances, not otherwise dealt with in the financial statements, have arisen since the end of the reporting date and to the date of this report which significantly affected or may significantly affect the operations of the economic entity, the results of the economic entity, or the state of affairs of the economic entity in the financial years subsequent to the financial year ended 30 June 2017.

#### AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 is set out on page 71.

#### Non-audit services

The following non-audit services were provided by the entity's auditor, BDO. The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised. BDO received, or are due to receive, the following amounts for the provision of non-audit services:

	2017	2016
Taxation and Corporate advice services	\$14,520	-

This report is signed in accordance with a resolution of the Directors.

14<sup>th</sup> day of September 2017, at Perth, Western Australia



Rowan Johnston  
Managing Director

## INDEPENDENT AUDITOR'S REPORT

To the members of Excelsior Gold Limited

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Excelsior Gold Limited (the Company) and its subsidiary (the Group), which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the Corporations Act 2001, including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2017 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

#### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Financial Report section of our report. We are independent of the Group in accordance with the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## Accounting for Inventory

Key audit matter	How the matter was addressed in our audit
<p>Inventories comprise of ore stockpiles, gold in circuit and bullion on hand as at 30 June 2017. The carrying value of inventories was \$3,944,828 (2016:\$182,084) as disclosed in Note 9.</p> <p>We consider accounting for inventory to be a key audit matter because of the:</p> <ul style="list-style-type: none"> <li>• Significance of the inventory balance;</li> <li>• Complexity involved in determining inventory quantities on hand due the assumptions used such as grades, volumes and densities;</li> <li>• Significant judgement in applying an appropriate costing methodology in accordance with the Group's accounting policy and estimates for calculating stockpiles, gold in circuit and bullion on hand;</li> <li>• Significant judgements made in determining net realisable value ('NRV'), including estimating the future sales price of gold, less any estimated costs to complete production.</li> </ul> <p>Refer to Note 9 for the detailed disclosures which include the related accounting policy and Note 2 for accounting estimates.</p>	<p>Our work included but was not limited to the following procedures:</p> <ul style="list-style-type: none"> <li>• Reconciling inventory balances held at 30 June 2017 to supporting documentation;</li> <li>• Verifying the ore stockpile and gold-in-circuit physical inputs included in the model as at 30 June 2017 to stockpile survey and technical reports;</li> <li>• Assessing the competence and objectivity of the expert used by management in the preparation of stockpile survey;</li> <li>• Evaluating the inputs and process undertaken by the expert in preparing the stockpile survey and technical reports;</li> <li>• Assessing the methodology applied by management to record all appropriate costs into the calculation of inventories on hand; and</li> <li>• Assessing future gold prices used in NRV testing to current gold price data, market consensus and trends and assessing the expected processing and selling costs to actual rates during the year.</li> </ul> <p>We also assessed the adequacy of related disclosures in Note 9 to the financial statements.</p>

## Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2017, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.



If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

#### Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

[http://www.auasb.gov.au/auditors\\_responsibilities/ar1.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf)

This description forms part of our auditor's report.

#### Report on the Remuneration Report

##### Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 19 to 24 of the directors' report for the year ended 30 June 2017.

In our opinion, the Remuneration Report of Excelsior Gold Limited, for the year ended 30 June 2017, complies with section 300A of the Corporations Act 2001.

##### Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001.



Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit (WA) Pty Ltd

A handwritten signature in blue ink. The signature consists of the letters 'BDO' in a stylized, cursive font, followed by a more complex, cursive signature that appears to be 'Glyn O'Brien'.

Glyn O'Brien

Director

Perth, 14 September 2017

**EXCELSIOR GOLD LIMITED**  
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2017**

	Note	2017 \$	2016 (Restated) \$
Revenue from continuing operations	3	51,046,255	19,634,502
Costs of production		(42,368,754)	(20,184,160)
<b>Gross profit/(loss) before amortisation</b>		<b>8,677,501</b>	<b>(549,658)</b>
Amortisation relating to gold sales		(11,149,555)	(2,499,540)
<b>Gross profit/(loss) from operations</b>		<b>(2,472,054)</b>	<b>(3,049,198)</b>
Other income	3	50,280	3,529,433
Other expenses		(264,691)	(374,229)
Exploration expenditure		(1,750,808)	(1,904,062)
Administration and other corporate expenses	4	(2,029,255)	(2,082,043)
Depreciation of non-mine assets		(34,291)	(34,583)
Realised losses on derivatives – gold hedges		(5,898,619)	(955,438)
Fair value adjustment of derivatives – gold hedges		13,025,709	(13,025,709)
Finance costs	4	(731,253)	(1,000,947)
<b>Loss before income tax</b>		<b>(104,982)</b>	<b>(18,896,776)</b>
Income tax benefit	5	-	-
<b>Loss for the year attributable to the members of Excelsior Gold Limited</b>		<b>(104,982)</b>	<b>(18,896,776)</b>
<b>Other comprehensive income/(loss)</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Other		-	-
Total other comprehensive income for the year net of tax		-	-
<b>Total comprehensive loss for the year attributable to the owners of Excelsior Gold Limited</b>		<b>(104,982)</b>	<b>(18,896,776)</b>
		<b>Cents</b>	<b>Cents</b>
Basic profit/(loss) per share	6	(0.014)	(3.49)
Diluted profit/(loss) per share	6	(0.014)	(3.49)

*The above Consolidated Statement of Profit or Loss and other comprehensive income should be read in conjunction with the accompanying notes*



**EXCELSIOR GOLD LIMITED**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2017**

	Note	30 June 2017	30 June 2016 (Restated)
		\$	\$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	7	1,133,932	1,965,647
Trade and other receivables	8	1,650,217	5,660,560
Inventories	9	3,944,828	182,084
Other assets		1,080	-
<b>Total current assets</b>		<b>6,730,057</b>	<b>7,808,291</b>
<b>Non-Current Assets</b>			
Other financial assets	10	72,454	72,454
Mine Development:			
Site rehabilitation asset	11	-	7,293,263
Mine Properties	12	248,789	1,299,574
Deferred Stripping costs	13	472,216	3,955,625
Property, plant and equipment	14	209,330	129,034
<b>Total non-current assets</b>		<b>1,002,789</b>	<b>12,749,950</b>
<b>TOTAL ASSETS</b>		<b>7,732,846</b>	<b>20,558,241</b>
<b>Current Liabilities</b>			
Trade and other payables	15	6,736,758	9,307,425
Provisions	16	140,271	194,777
Borrowings	17	-	4,004,271
Derivative financial instruments	18	-	4,422,957
<b>Total current liabilities</b>		<b>6,877,029</b>	<b>17,929,430</b>
<b>Non-Current Liabilities</b>			
Provisions	16	6,243,453	8,797,961
Derivative financial instruments	18	-	8,602,752
<b>Total non-current liabilities</b>		<b>6,243,453</b>	<b>17,400,713</b>
<b>TOTAL LIABILITIES</b>		<b>13,120,482</b>	<b>35,330,143</b>
<b>NET (DEFICIENCY) / ASSETS</b>		<b>(5,387,636)</b>	<b>(14,771,902)</b>
<b>EQUITY</b>			
Contributed Equity	19	53,370,461	44,000,750
Reserves	20	219,115	586,408
Accumulated losses		(58,977,212)	(59,359,060)
<b>TOTAL EQUITY</b>		<b>(5,387,636)</b>	<b>(14,771,902)</b>

*The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.*

**EXCELSIOR GOLD LIMITED**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2017**

	Contributed Equity	Accumulated Losses	S/based Payments Reserve	Options Premium Reserve	Avail. for Sale Inv. Reserve	Total Equity
	\$	\$	\$	\$	\$	\$
<b>As at July 2016 (Restated)</b>	<b>44,000,750</b>	<b>(59,359,060)</b>	<b>586,408</b>	<b>-</b>	<b>-</b>	<b>(14,771,902)</b>
Loss for the year	-	(104,982)	-	-	-	(104,982)
Comprehensive income	-	-	-	-	-	-
Total comprehensive loss for the year	-	<b>(104,982)</b>	-	-	-	<b>(104,982)</b>
<b>Transactions with owners in their capacity as owners</b>						
Placement of shares, net of transaction costs	9,369,711	-	-	-	-	<b>9,369,711</b>
Employee share-based payments	-	-	160,412	-	-	<b>160,412</b>
Forfeiture of shares	-	486,830	(527,705)	-	-	<b>(40,875)</b>
<b>As at 30 June 2017</b>	<b>53,370,461</b>	<b>(58,977,212)</b>	<b>219,115</b>	<b>-</b>	<b>-</b>	<b>(5,387,636)</b>
<b>As at July 2015</b>	<b>39,727,295</b>	<b>(40,462,284)</b>	<b>173,241</b>	<b>-</b>	<b>10,000</b>	<b>(551,748)</b>
Loss for the year	-	(18,896,776)	-	-	-	(18,896,776)
Comprehensive income	-	-	-	-	-	-
Total comprehensive loss for the year	-	<b>(18,896,776)</b>	-	-	-	<b>(18,896,776)</b>
<b>Transactions with owners in their capacity as owners</b>						
Placement of shares, net of transaction costs	4,201,391	-	-	-	-	<b>4,201,391</b>
Employee share-based payments	-	-	413,167	-	-	<b>413,167</b>
Sale of investment	-	-	-	-	(10,000)	<b>(10,000)</b>
Equity component of convertible loan	72,064	-	-	-	-	<b>72,064</b>
<b>As at 30 June 2016 (Restated)</b>	<b>44,000,750</b>	<b>(59,359,060)</b>	<b>586,408</b>	<b>-</b>	<b>-</b>	<b>(14,771,902)</b>

*This above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.*

**EXCELSIOR GOLD LIMITED**  
**CONSOLIDATED STATEMENT OF CASHFLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

	Note	2017 \$	2016 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Revenue received		58,938,405	14,350,929
Site costs		(53,526,245)	(11,903,642)
Payments for administration		(2,288,175)	(1,691,587)
Payments for exploration and evaluation		(1,739,081)	(1,904,062)
Other receipts/(payments) – GST		965,149	(253,640)
Hedging costs paid		(2,519,640)	(955,438)
Other income		-	3,360,900
R&D tax refund		-	108,437
Interest received		50,280	60,096
Finance costs		(639,861)	(986,930)
<b>Net cash inflow/(outflow) from operating activities</b>	21	<u>(759,168)</u>	<u>185,063</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for development - deferred stripping costs		(1,376,606)	(4,740,550)
Payments for development – mine properties		-	(1,557,452)
Payments for plant and equipment		(114,587)	-
Proceeds from sale of investments		-	47,325
Payment of security deposits		(1,080)	-
<b>Net cash outflow from investing activities</b>		<u>(1,492,273)</u>	<u>(6,250,677)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of shares		8,716,564	4,550,000
Costs associated with share issue		(346,853)	(348,609)
Payment of borrowings		(3,571,006)	(3,998,471)
Proceeds from borrowings		-	4,071,005
Close out of call options		(3,378,979)	-
<b>Net cash inflow from financing activities</b>		<u>1,419,726</u>	<u>4,273,925</u>
Net decrease in cash and cash equivalents		(831,715)	(1,791,689)
Cash and cash equivalents at the beginning of the year		<u>1,965,647</u>	<u>3,757,336</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	7	<u><u>1,133,932</u></u>	<u><u>1,965,647</u></u>

*The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes*

**EXCELSIOR GOLD LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

---

**1. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

The principal accounting policies adopted in the preparation of these financial statements are set out as part of the notes below. These policies have been consistently applied to all the years presented, unless otherwise stated. These financial statements include the consolidated entity consisting of Excelsior Gold Limited and its subsidiaries (together referred to as the 'consolidated entity' or 'Group'). Excelsior Gold Limited is a company limited by shares incorporated in Australia, whose shares are publicly traded on the Australian Securities Exchange.

These financial statements were authorised for issue in accordance with a resolution of the Directors on 14 September 2017.

**(a) Basis of Preparation**

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the *Corporations Act 2001*. Excelsior Gold is a for-profit entity for the purpose of preparing financial statements.

*Compliance with IFRS*

The consolidated financial statements of the group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

*Parent Entity*

Financial information for Excelsior Gold Limited as an individual entity is included in note 25.

*Historical cost convention*

These financial statements have been prepared on an accruals basis and are based on historical costs and do not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

*Going Concern*

The financial statements have been prepared on the basis that the Group will continue to meet its commitments and can therefore continue normal business activities and realise assets and settle liabilities in the ordinary course of business.

The Directors are confident that forecasted cash inflows from operations up to October 2017, together with the current cash balance, will yield sufficient cash flow to pay all liabilities and retain sufficient cash to fund the next twelve months of corporate and exploration costs.

*New and amended standards adopted by the group*

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2016 affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods. Refer to Note 1(d) for details on these new standards and amendments.

**EXCELSIOR GOLD LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

---

**1. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

**(b) Principles of Consolidation**

*Subsidiaries*

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Excelsior Gold Limited as at 30 June 2017 and the results of all subsidiaries for the year then ended. Excelsior Gold Limited and its subsidiaries together are referred to in this financial report as the group or the consolidated entity.

Subsidiaries are all those entities (including special purpose entities) over which the Group has the control. Control is achieved when the Company:

- Has power over the relevant activities of the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. All relevant facts and circumstances are considered included potential voting rights and rights arising from other contractual arrangements.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations by the group.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

**(c) Impairment of Assets**

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets of the company the asset's values in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

**EXCELSIOR GOLD LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

---

**1. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

**(c) Impairment of Assets (continued)**

As assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had the impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at the revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

**(d) Adoption of new and revised standards and Change in Accounting Standards**

**Early adoption of accounting standards**

The Group has not elected to apply any pronouncements before their effective date in the annual reporting period beginning 1 July 2016.

**New and amended standards adopted by the Group**

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2016 affected any of the amounts recognised in the current year or any prior period and are not likely to affect future periods.

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2017 reporting year. The Group's assessment of the impact of these new standards and interpretations that may have an impact on the Group is set out below:

**AASB 9: Financial Instruments**

AASB 9 includes requirements for the classification, measurement and derecognition of financial assets and financial liabilities and introduces new rules for hedge accounting and a new impairment model for financial assets. The new standard also introduces expanded disclosure requirements and changes in presentation. The Group has yet to undertake a detailed impact assessment, however does not expect the new guidance to have a material impact for the Group. This standard is not applicable until the financial year commencing 1 July 2018.

**AASB 16: Leases**

The Standard will AASB 16 will replace *AASB 117 Leases*. The new Standard introduces three main changes:

- Enhanced guidance on identifying whether a contract contains a lease;
- A completely new leases accounting model for lessees that require lessees to recognise all leases on the statement of financial position, except for short-term leases and leases of low value assets; and
- Enhanced disclosures.

**EXCELSIOR GOLD LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

---

**1. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

**(d) Adoption of new and revised standards and Change in Accounting Standards (continued)**

This standard is not applicable until the financial year commencing 1 July 2019. There will be an impact to the Group's financial statements, most likely recognising lease liabilities and right-of-use assets for office premises in North Fremantle, and Kalgoorlie based equipment leases. However, the Group has not yet determined to what extent this will result in the recognition of an asset and a liability for future payments and how this will affect the Group's profit and classification of cash flows. Some of the Group's leases may be covered by the exception for short-term and low-value leases and some may relate to arrangements that will not qualify as leases under AASB 16.

**AASB 15: Revenue from Contracts with Customers**

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

The Group has yet to undertake a detailed impact assessment, however does not expect the new guidance to have a material impact for the Group. This standard is not applicable until the financial year commencing 1 July 2018.

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

**EXCELSIOR GOLD LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

**1. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

**(e) Correction of Prior year error**

Subsequent to 30 June 2016, Excelsior's new management team identified that there had been an overstatement of accrued toll treatment costs by an amount of \$3,348,774 in the 30 June 2016 financial statements.

As this error occurred in the previous financial year, the statement of financial position as at 30 June 2016 has been restated as follows:

**Consolidated Statement of Financial Position**

**30 June 2016**

	<b>As Previously Stated</b>	<b>Restatement</b>	<b>Restated</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Current assets	7,808,291	-	7,808,291
Non-current assets	12,749,950	-	12,749,950
Total assets	20,558,241	-	20,558,241
Current liabilities *	21,278,204	(3,348,774)	17,929,430
Non-current liabilities	17,400,713	-	17,400,713
Total liabilities	38,678,917	(3,348,774)	35,330,143
Net assets / (deficiency)	(18,120,676)	3,348,774	(14,771,902)
Contributed Equity	44,000,750	-	44,000,750
Reserves	586,408	-	586,408
Accumulated losses	(62,707,834)	3,348,774	(59,359,060)
Total equity	(18,120,676)	3,348,774	(14,771,902)

\* Trade and other payables reduced by \$3,348,774.

**Consolidated Statement of Profit or Loss and Other Comprehensive Income**

**30 June 2016**

	<b>As Previously Stated</b>	<b>Restatement</b>	<b>Restated</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Loss for the year after tax	(22,245,550)	3,348,774	(18,896,776)
Comprehensive Loss for the year	(22,245,550)	3,348,774	(18,896,776)

\* Cost of production reduced by \$3,348,774.



**EXCELSIOR GOLD LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

---

**2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

In preparing these Financial Statements the Group has been required to make certain estimates and assumptions concerning future occurrences. There is an inherent risk that the resulting accounting estimates will not equate exactly with actual events and results.

**Significant accounting judgements**

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

**Deferred tax assets**

The Group expects to have carried forward tax losses which have not been recognised as deferred tax assets as it is not considered sufficiently probable that these losses will be recouped by means of future profits taxable.

**Significant accounting estimates and assumptions**

The carrying amount of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

*Determination of Mineral Resources and Ore Reserves*

The Group reports its Mineral Resources and Ore Reserves in accordance with the Joint Ore Reserves Committee (JORC) "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" – the JORC Code. The information on Mineral Resources and Ore Reserves is prepared by Competent Persons as defined by the JORC Code.

There are numerous uncertainties inherent in estimating Mineral Resources and Ore Reserves. Assumptions that are valid at the time of estimation may change significantly when new information becomes available.

Changes in the forecast prices of commodities, exchange rates, production costs or recovery rates may change the economic status of reserves and may, ultimately, result in the reserves being restated. Such changes may impact asset carrying values, depreciation and amortisation rates, deferred stripping costs and provisions for restoration.

*Impairment of capitalised mine properties expenditure*

The future recoverability of capitalised mine properties expenditure is dependent on a number of factors, including the level of reserves and resources, future technological changes, costs of drilling and production, production rates, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

*Deferred stripping expenditure*

The Group defers advanced stripping costs incurred during the production stage of its operations. This calculation requires the use of judgements and estimates such as estimates of tonnes of waste to be removed over the life of the mining area and economically recoverable reserves extracted as a result. Changes in a mine's life and design will usually result in changes to the expected stripping ratio (waste to mineral reserves ratio). These changes are accounted for prospectively.

**EXCELSIOR GOLD LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

---

**2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)**

*Provision for Rehabilitation*

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

*Fair value of derivative financial instruments*

The Group assesses the fair value of its financial derivatives in accordance with the accounting policy stated in Note 27. Fair values have been determined based on well established valuation models and market conditions existing at the reporting date. These calculations require the use of estimates and assumptions. Changes in assumptions concerning gold prices and volatilities could have significant impact on the fair valuation attributed to the Group's financial derivatives. When these assumptions change or become known in the future, such differences will impact asset and liability carrying values in the period in which they change or become known.

The Company has taken out hedges to mitigate the risk in the gold price. The hedges are fair valued at each accounting period, with movements in the fair value being recognised in the statement of comprehensive income for the period.

*Share-based payment transactions*

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of performance rights is determined using a hybrid employee share option pricing model. Should the assumptions used in these calculations differ, the amounts recognised could significantly change.

*Inventories*

Inventories comprise of ore stockpiles, gold in circuit and bullion on hand. These inventories require certain estimates and assumptions most notably in regards grades, volumes and densities. Such estimates and assumptions may change as new information becomes available and could impact on the carrying value of inventories.

The Group reviews the carrying value of inventories regularly to ensure that their costs does not exceed net realisable value. In determining net realisable value various factors are taken into account, including estimated future sales price of gold, less any estimated costs to complete production.

**EXCELSIOR GOLD LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

---

**3. REVENUE AND OTHER INCOME**

Revenue is measured at fair value of the consideration received or receivable. All revenue is stated net of the amount of goods and services tax (GST).

Sale of gold is recognised at the point of sale, which is where the customer has taken delivery of the goods, the risks and rewards are transferred to the customer and there is a valid sales contract. Amounts disclosed as revenue are net of sales returns and trade discounts.

Sales revenue comprises gross revenue earned from the provision of product to customers. Revenue from the sale of gold is measured at fair value of the consideration received or receivable. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer. Revenue from the sale of ore stockpiles is initially recognised at the estimated sales value when the product is delivered. Adjustments are made for variations in gold content, recovery factor and moisture in ore tonnes between the time of delivery and the time of final settlement of sales proceeds.

Interest revenue is recognised on a proportional basis taking into account the interest rates application to the financial assets.

Other income, including the sale of gold put options, is recognised at fair value of the consideration received or receivable net of the amount of goods and services tax (GST) payable to the taxation authority.

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Revenue – gold sales	51,046,255	19,634,502
Other Income		
Sale of gold call options	-	3,360,900
Interest from financial assets	50,280	60,095
R & D tax refund	-	108,438
	50,280	3,529,433

**EXCELSIOR GOLD LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

---

#### **4. EXPENSES**

##### **Exploration and Evaluation Expenditure**

Exploration and evaluation expenditure will be expensed until the technical and commercial viability of extracting the resource are demonstrable and that future economic benefits are probable, at which point costs will be capitalised as mine properties.

##### **Leases**

Leases of property, plant and equipment where the Group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property, or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. Each lease payment is allocated between the liability and finance cost.

The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the assets useful life and the lease term if there is no reasonable way certainty that the Group will obtain ownership at the end of the lease term.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

##### **Goods & Service Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flow arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

**EXCELSIOR GOLD LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

**4. EXPENSES (continued)**

	2017 \$	2016 \$
<b>Administration and Other Corporate Expenses</b>		
Employment costs – administration and corporate	1,154,246	903,575
Legal fees	172,358	169,447
Corporate advisory and consulting	118,406	260,271
Accounting fees and Company secretarial fees	141,841	107,156
Audit fees	96,633	50,543
Office rental and associated costs	62,910	79,491
Share based payments	119,537	413,167
Other	163,324	98,393
	2,029,255	2,082,043
<b>Finance costs</b>		
Interest expense	659,189	952,986
Accretion	72,064	47,961
	731,253	1,000,947

**5. TAXATION**

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the statement of financial position date.

Deferred income tax is provided on all temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each statement of financial position date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

**EXCELSIOR GOLD LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

**5. TAXATION (continued)**

	2017	2016
	\$	(Restated) \$
The reconciliation between tax expense and the product of accounting profit/(loss) before income tax multiplied by the Group's applicable income tax rate is as follows:		
Loss before income tax at 30%	(31,495)	(5,669,033)
Tax effect of amounts which are not deductible in calculating taxable income	57,481	92,221
Movements in unrecognised temporary differences	(1,109,705)	2,752,277
Deferred tax assets relating to tax losses not recognised	1,083,719	2,824,535
Total income tax expense/(benefit)	-	-
Deferred tax assets and liabilities not recognised relate to the following:		
<b>Deferred tax assets</b>		
Tax losses	15,591,278	14,507,559
Other temporary differences	2,164,129	4,682,533
	17,755,407	19,190,092
<b>Deferred tax liabilities</b>		
Other temporary differences	(216,302)	(1,591,057)
<b>Net deferred tax assets</b>	17,539,105	17,599,035

**Tax losses**

Unused tax losses have not been recognised as a deferred tax asset as the future recovery of those losses is subject to the Group satisfying the requirements imposed by the regulatory taxation authorities. The amount of unrecognised carry forward tax losses is based on management's assessment of their ability to meet the same business or the modified continuity of ownership test. The benefits of these deferred tax assets not brought to account will only be brought to account if:

- future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised;
- the conditions for deductibility imposed by tax legislation continue to be complied with; and
- no changes in tax legislation adversely affect the Company in realising the benefit.

The franking account balance at financial period end was \$nil (2016: \$nil).

**EXCELSIOR GOLD LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

---

**5. TAXATION (continued)**

**Tax Consolidation**

The Company and its 100% controlled Australian entity have formed a tax consolidated group. Members of the Group have entered into a tax sharing arrangement in order to allocate income tax expense to the wholly owned controlled entity on a pro-rata basis. The agreement provides for the allocation of income tax liabilities to the entity should the head entity default on its tax payment obligations. The head entity of the tax consolidated group is Excelsior Gold Limited.

**Tax effect accounting by members of the tax consolidated group**

Members of the tax consolidated group have entered into a tax funding agreement. The tax funding agreement provides for the allocation of current taxes to members of the tax consolidated group. Deferred taxes are allocated to members of the tax consolidated group in accordance with a group allocation approach which is consistent with the principles of AASB 112 Income Taxes. The allocation of taxes under the tax funding agreement is recognised as an increase/decrease in the controlled entities intercompany account with the tax consolidated group head company, Excelsior Gold Limited.

**6. EARNINGS PER SHARE**

Basic earnings per share is determined by dividing the operating profit/(loss) attributable to the equity holder of the Group after income tax by the weighted average number of ordinary shares outstanding during the financial year. Diluted earnings per share adjusts the figures used in determination of basic earnings per share by taking into account amounts unpaid on ordinary shares and any reduction in earnings per share that will arise from the exercise of options outstanding during the year.

	<b>2017</b>	<b>2016</b>
<b>(a) Basic and diluted loss per share</b>		
Basic and diluted loss per share	(0.014) cents	(3.49) cents
<b>(b) Reconciliations of profit/(loss) used in calculated profit/(loss) per share</b>		
Loss attributable to the ordinary equity holders of the company used in calculating basic and diluted profit/(loss)	\$ (104,982)	\$ (18,896,776)
<b>(c) Weighted average number of shares used as a denominator</b>		
Weighted average number of ordinary shares used as the denominator in calculating basic profit/(loss) per share	751,956,935	540,925,551

**EXCELSIOR GOLD LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

**7. CASH AND CASH EQUIVALENTS**

For the purposes of the statement of cash flows, cash and cash equivalents includes cash on hand, cash in bank accounts, money market investments readily convertible to cash within two working days, term deposits and bank bills but net of outstanding bank overdrafts.

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Deposits at call	267,782	1,895,625
Cash at bank – non-interest bearing	866,150	70,022
	<u>1,133,932</u>	<u>1,965,647</u>

There are no restrictions on the deposits at call, and interest is earned on that account at 0.6%p.a.

The Group's exposure to interest rate risk is discussed in Note 27.

**8. TRADE AND OTHER RECEIVABLES**

Trade receivables are generally received up to two months after the shipment date. The receivables are initially recognised at fair value.

Collectability of trade receivables is reviewed on an ongoing basis. Individual debts that are known to be uncollectible are written off when identified. An impairment provision is recognised when there is objective evidence that the Group will not be able to collect the receivable. Financial difficulties of the debtor or default payments are considered objective evidence of impairment. The amount of the impairment loss is the receivable carrying amount compared to the present value of estimated future cash flows, discounted at the original effective interest rate.

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>Current assets</b>		
Trade receivables	622,879	5,283,573
Other receivables	59,261	-
GST receivable	968,077	376,987
	<u>1,650,217</u>	<u>5,660,560</u>

Receivables do not contain any past due or impaired assets (2016: none).

Information about the impairment of trade and other receivables, their credit quality and the group's exposure to credit risk, foreign currency risk and interest rate risk can be found in note 27.



**EXCELSIOR GOLD LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

---

**9. INVENTORIES**

Ore stockpiles, gold in circuit and bullion on hand are valued at the lower of weighted average cost and net realisable value. Stockpile costs include direct mining costs and a portion of the related amortisation. Gold in circuit and bullion on hand include stockpile costs, transport costs and milling costs. The recoverable amount is assessed regularly on an ongoing basis and written down to its net realisable value when an impairment indicator is present.

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Ore Stockpiles	1,108,783	182,084
Gold in Circuit	1,859,559	-
Bullion on Hand	976,486	-
	<u>3,944,828</u>	<u>182,084</u>

**10. OTHER NON-CURRENT FINANCIAL ASSETS**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Security deposits	72,454	72,454

The above deposits are held by financial institutions as security for rehabilitation obligations as required under the respective exploration and mining leases.

**11. NON-CURRENT ASSETS – SITE REHABILITATION ASSET**

The accounting policy for the Site Rehabilitation Asset is discussed under note 16.

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Balance at beginning of the year	7,293,263	8,750,000
Less: Amortisation	(4,738,755)	(1,456,737)
Less: Revaluation	(2,554,508)	-
Balance at the end of the year	<u>-</u>	<u>7,293,263</u>

**EXCELSIOR GOLD LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

**12. NON-CURRENT ASSETS – MINE PROPERTIES**

Mines properties are accumulated separately for each area of interest in which economically recoverable reserves have been identified and a decision to develop has occurred. This expenditure includes all capitalised development expenditure in respect of the area of interest, direct costs of construction, and an appropriate allocation of overheads. Once mining of the area of interest can commence, the aggregated capitalised costs are classified under non-current assets as mines in production. Until production commences they are mine properties in development.

Amortisation is provided on a units-of-production basis, with separate calculations being made for each mineral resource. The units-of-production method results in an amortisation charge proportional to the depletion of the economically recoverable mineral resources (comprising proven and probable reserves).

A regular review is undertaken to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. An impairment exists when the carrying value of expenditure not yet amortised exceeds its estimated recoverable amount. The asset is then written down to its recoverable amount and the impairment losses are recognised in profit or loss.

*Reserve estimates*

Estimates of recoverable quantities of proven and probable reserves include assumptions regarding commodity prices, exchange rates, discount rates, production and transportation costs for future cash flows. It also requires interpretation of complex and difficult geological and geophysical models in order to make an assessment of the size, shape, depth and quality of reserves and their anticipated recoveries. The economic, geological and technical factors used to estimate reserves may change from period to period. Changes in reported reserves can impact asset carrying values, the provision for restoration and the recognition of deferred tax assets, due to changes in expected future cash flows. Reserves are integral to the amount of depreciation, depletion and amortisation charged to the profit or loss and the calculation of inventory. The Group prepares reserve estimates in accordance with the JORC Code, guidelines prepared by the Joint Ore Reserves Committee of The Australian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Mineral Council of Australia.

	2017	2016
	\$	\$
Balance at beginning of the year	1,299,574	-
Costs capitalised	-	1,557,452
Costs capitalised – share issue for final milestone payment - refer note 19(b)	500,000	-
Less: Amortisation	(1,550,785)	(257,878)
Balance at the end of the year	248,789	1,299,574

**EXCELSIOR GOLD LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

---

**13. NON-CURRENT ASSETS – DEFERRED STRIPPING COSTS**

Stripping activity costs incurred in the development phase of a mine are capitalised as part of the cost of constructing the mine and subsequently amortised over the life of the mine on a units-of-production basis.

Stripping activity incurred during the production phase of a mine is assessed as to whether the benefit accruing from that activity is to provide access to ore that can be used to produce ore inventory, or whether it in addition provides improved access to ore that will be mined in future periods.

To the extent that the benefit from the stripping activity is realised in the form of inventory produced, the Group accounts for those stripping activity costs in accordance with AASB102 Inventories. A stripping activity asset is brought to account if it is probable that future economic benefits (improved access to the ore body) will flow to the Group, the component of the ore body for which access has been improved can be identified and costs relating to the stripping activity can be measured reliably.

The amount of stripping activity costs that are capitalised is determined based on a comparison of the stripping ratio in the relevant period with the life of mine stripping ratio. To the extent that there is a period of sustained stripping that exceeds the average life of mine stripping ratio, mine waste stripping costs are capitalised to the stripping activity asset. Such capitalised costs are amortised over the life of that mine on a units-of-production basis. The life of mine ratio is based on economically recoverable reserves of the mine. Changes to the life of mine are accounted for prospectively.

Deferred stripping costs are disclosed in the statement of financial position. These form part of the total investment in the relevant cash generating units, which are reviewed for impairment if events or changes of circumstances indicate that the carrying value may not be recoverable.

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Balance at beginning of the year	3,955,625	-
Costs capitalised	1,376,606	4,740,550
Less: Amortisation	(4,860,015)	(784,925)
Balance at the end of the year	<u>472,216</u>	<u>3,955,625</u>

**EXCELSIOR GOLD LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

**14. NON-CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT**

Plant and equipment is stated at cost less accumulated depreciation and any impairment in value.

Depreciation is calculated using the diminishing value and prime cost methods and is brought to account over the estimated economic lives of all plant and equipment. The rates used are based on the useful life of the assets and range from 10% to 40%.

Assets residual value and useful lives are reviewed and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the assets carrying value is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These are included in the profit or loss.

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Plant and equipment - at cost	467,686	353,099
Accumulated depreciation	(258,356)	(224,065)
Net book value	<u>209,330</u>	<u>129,034</u>
<i>Reconciliation of the carrying amount of property, plant and equipment:</i>		
Carrying amount at 1 July	129,034	163,617
Additions	114,587	-
Disposals	-	-
Depreciation expense for the year	(34,291)	(34,583)
Balance at the end of the year	<u>209,330</u>	<u>129,034</u>

**15. TRADE AND OTHER PAYABLES**

Trade payables and other payables are carried at cost and represent liabilities for goods and services provided to the Group prior to the end of the financial period that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are expected to be settled within 12 months.

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Trade payables	5,270,038	3,197,574
Other payables and accruals	1,466,720	6,109,851
	<u>6,736,758</u>	<u>9,307,425</u>

The Group's exposure to interest rate risk is discussed in Note 27.

**EXCELSIOR GOLD LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

---

**16. PROVISIONS**

**Employee Entitlements**

The Group's liability for employee entitlements arising from services rendered by employees to reporting date are recognised as provisions. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries, and annual leave which will be settled within one year, have been measured at their nominal amount and include related on-costs.

**Restoration, Rehabilitation and Environmental Provision**

Obligations associated with exploration and development assets are recognised when the Group has a present obligation, the future sacrifice of the economic benefits is probable, and the provision can be measured reliably. The provision is measured at the present value of the future expenditure and a corresponding rehabilitation asset is also recognised. The determination of the provision requires significant judgement in terms of the best estimate of the costs of performing the work required, the timing of the cash flows and the appropriate discount rate. In support of these judgements, the Group periodically seeks independent external advice on the adequacy of the provision. A change in any, or a combination of, the key assumptions used to determine the provision could have a material impact on the carrying value of the provision.

On an ongoing basis, the rehabilitation will be remeasured in line with the changes in the time value of money (recognised as an expense and an increase in the provision), and additional disturbances (recognised as additions to a corresponding asset and rehabilitation liability).

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b><i>Current</i></b>		
Employee Entitlements	140,271	194,777
<b><i>Non-Current</i></b>		
Rehabilitation	6,243,453	8,797,961
<b><i>Reconciliation of the Provision Rehabilitation:</i></b>		
Opening balance	8,797,961	8,750,000
Revaluation of provision	(2,554,508)	47,961
	6,243,453	8,797,961

**EXCELSIOR GOLD LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

---

**17. BORROWINGS**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

The fair value of the liability portion of a convertible bond is determined using a market interest rate for an equivalent non-convertible bond. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the bonds. The remainder of the proceeds is allocated to the conversion option. This is recognised and included in shareholders' equity, net of income tax effects.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any noncash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

	<b>2017</b>	<b>2016</b>
<b><i>Current</i></b>	<b>\$</b>	<b>\$</b>
Convertible notes	-	1,098,316
Short term loan – bank	-	1,321,006
Short term loan – others	-	1,584,949
	-	4,004,271

All borrowings were repaid in full during the financial year.

**EXCELSIOR GOLD LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

**18. DERIVATIVE FINANCIAL INSTRUMENTS**

The Group uses derivative financial instruments to manage its risks associated with metals price fluctuations. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured to fair value at the end of each reporting period.

The Group uses derivative financial instruments such as commodity contracts to hedge its risks associated with gold price fluctuations. Such derivative financial instruments are recognised at fair value.

The fair value of forward exchange contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles. The fair value of commodity contracts is determined by reference to market values for similar instruments. Movements in fair value are recognised in the profit or loss.

	2017	2016
	\$	\$
<b>Current</b>		
Gold forwards	-	4,422,957
<b>Non-Current</b>		
Gold forwards and call option	-	8,602,752

The Group's exposure to commodity price risk is discussed in Note 27.

**19. CONTRIBUTED EQUITY**

Issued and paid up capital is recognised at the fair value of the consideration received by the group. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

(a) Share Capital	2017	2017	2016	2016
	\$	Shares	\$	Shares
Ordinary shares				
Fully paid	53,370,461	812,890,875	44,000,750	567,266,648

**EXCELSIOR GOLD LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

**19. CONTRIBUTED EQUITY (continued)**

**(b) Movements in ordinary share capital**

Date	Details	Number of shares	\$
01/07/16	Opening balance	567,266,648	44,000,750
18/07/16	Conversion of Convertible Note	10,000,000	500,000
18/07/16	Placement	4,000,000	200,000
28/07/16	Rights issue	96,877,775	4,843,889
16/08/16	Placement	10,000,000	500,000
19/08/16	Placement	19,000,000	950,000
21/11/16	Placement	105,841,690	2,222,675
06/12/16	Issued in lieu of placement fee	1,904,762	40,000
12/12/16	Employee Share Plan Shares cancelled	(8,750,000)	-
06/01/17	Employee Share Plan Shares cancelled	(5,000,000)	-
08/05/17	Employee Share Plan Shares cancelled	(8,250,000)	-
29/06/17	Share issue – final milestone payment	20,000,000	500,000
	Less: Issue costs	-	(386,853)
<b>30/06/17</b>	<b>Closing balance</b>	<b>812,890,875</b>	<b>53,370,461</b>

*Share Issue – Final Milestone Payment*

On 29 June 2017, Excelsior issued 20,000,000 as the final deferred consideration payment in relation to the 2009 staged purchase of the Kalgoorlie North Gold Project (KNGP).

**(c) Ordinary shares**

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

**(d) Performance Rights**

As at year end there were 9,829,268 Performance Rights outstanding (2016: nil).

On 30 June 2017, Shareholders approved the grant of 9,829,268 Performance Rights (“Rights”) to Director, Rowan Johnston, as equity compensation benefits. The key terms of the Rights are

Short Term Performance Rights (1,829,268 Rights):

Vested on 30 June 2017. Exercisable on or before 30/6/2022.



**EXCELSIOR GOLD LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

---

**19. CONTRIBUTED EQUITY (continued)**

**(d) Performance Rights (continued)**

Long Term Performance Rights (8,000,000 Rights):

Tranche 1 Performance Rights: 1,500,000 Rights shall vest upon achieving a 20 consecutive trading day volume weighted average price of fully paid ordinary shares in the capital of the Company (Shares) on the ASX of \$0.05 or higher and is attained prior to 30 June 2018.

Tranche 2 Performance Rights: 2,000,000 Rights shall vest upon achieving a 20 consecutive trading day volume weighted average price of fully paid ordinary shares in the capital of the Company (Shares) on the ASX of \$0.075 or higher and is attained prior to 30 June 2019.

Tranche 3 Performance Rights: 1,500,000 Rights shall vest upon achieving a 20 consecutive trading day volume weighted average price of fully paid ordinary shares in the capital of the Company (Shares) on the ASX of \$0.10 or higher and is attained prior to 30 June 2020.

Tranche 4 Performance Rights: 1,000,000 Rights shall vest upon achieving a 20 consecutive trading day volume weighted average price of fully paid ordinary shares in the capital of the Company (Shares) on the ASX of \$0.15 or higher and is attained prior to 30 June 2021.

Tranche 5 Performance Rights: 2,000,000 Rights shall vest upon achieving a 20 consecutive trading day volume weighted average price of fully paid ordinary shares in the capital of the Company (Shares) on the ASX of \$0.20 or higher and is attained prior to 30 June 2022.

Upon satisfaction of the relevant Performance Rights vesting condition, each Performance Right will, at the election of the holder, convert into one (1) Share. The holder has up to 5 years to exercise the vested Performance Right. Upon exercise, the Long Term Performance Rights will be held in escrow and are unavailable to be traded until 12 months after the vesting date.

**(e) Options**

As at year end there were no options outstanding (2016: nil).

**(f) Capital risk management**

When managing capital, management's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity.

Management may in the future adjust the capital structure to take advantage of favourable costs of capital and issue further shares in the market. Management has no current plans to adjust the capital structure. There are no plans to distribute dividends in the next year.

Total capital is equity as shown in the statement of financial position.

**EXCELSIOR GOLD LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

**20. RESERVES**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Share-based payments reserve	219,115	586,408
Available for sale financial assets reserve	-	-
	<u>219,115</u>	<u>586,408</u>
<b>Movements: <i>Available for sale financial assets</i></b>		
Balance 1 July	-	10,000
Change in fair value of financial assets	-	-
Sale of financial assets	-	(10,000)
	<u>-</u>	<u>-</u>
Balance 30 June	-	-
<b>Movements: <i>Share-based payments reserve</i></b>		
Balance 1 July	586,408	173,241
Share based payments recognised during the year	160,412	413,167
Employee Share Plan shares cancelled during the year	(527,705)	
	<u>219,115</u>	<u>586,408</u>

During the year, 22,000,000 shares issued under the Company's Employee Share Plan in December 2014, were cancelled upon resignation of the participants.

**Nature and purpose of reserves**

*(i) Share-based payments reserve*

The share based payments reserve is used to recognise the fair value of shares and options issued to employees but not exercised.

*(ii) Available for sale financial assets*

The reserve is used to recognise the change in the fair value of Available for Sale Financial Assets.

**EXCELSIOR GOLD LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

**21. RECONCILIATION OF PROFIT/(LOSS) AFTER INCOME TAX TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Loss for the year after tax	(104,982)	(18,896,776)
Non-Cash Items:		
Depreciation	34,291	34,583
Amortisation	11,149,555	2,499,540
Fair value adjustment on derivatives	(13,025,709)	13,025,709
Loss on sale/disposal of investment	-	2,675
Share-based payments	119,537	413,167
Finance costs – non cash	-	47,961
Change in operating assets and liabilities:		
(Increase)/decrease in trade debtors and other receivables	4,010,343	(5,537,193)
Increase in inventories	(3,762,744)	(182,084)
Increase in trade creditors and other payables	875,047	8,757,584
Increase/(decrease) in provisions	(54,506)	19,897
Net cash inflow/(outflow) from operating activities	<u>(759,168)</u>	<u>185,063</u>

**Non-Cash Financing and Investing Activities**

During the year the following non-cash financing and investing activities occurred:

- 10,000,000 shares were issued on 18 July 2016 upon conversion of a convertible note (\$500,000).
- 1,904,762 shares were issued on 6 December 2016 in lieu of a placement fee relating to the July 2016 placement (\$40,000).
- 20,000,000 shares (\$500,000) were issued on 29 June 2017 as the final deferred consideration payment in relation to the 2009 staged purchase of the Kalgoorlie North Gold Project (KNGP). Refer to notes 12 and 19(b).
- 22,000,000 shares previously issued under the Company's Employee Share Plan in December 2014, were cancelled upon the resignation of the participants. There was no cost associated with this.

**EXCELSIOR GOLD LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

**22. COMMITMENTS**

**Capital Commitments**

There are no capital expenditure commitments as at 30 June 2017 (2016 nil).

**Rental Commitments**

Rental commitments contracted for at the reporting date but not recognised as liabilities are as follows:

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Within one year	58,710	57,000
Later than one year but no later than five	39,140	95,000
	97,850	152,000

**23. CONTINGENCIES**

As at year end, the Group did not have any contingent assets or liabilities.

**24. RELATED PARTY TRANSACTIONS**

**(a) Ultimate Parent Entity**

Excelsior Gold Limited is the ultimate Australian parent entity and the ultimate parent entity of the Group.

**(b) Subsidiaries**

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiary:

<b>Name of entity</b>	<b>Country of Incorporation</b>	<b>Class of shares</b>	<b>Equity holding 2017</b>	<b>Equity holding 2016</b>
GPM Resources Pty Ltd	Australia	Ordinary	100%	100%

**(c) Key management personnel**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Short-term employee benefits	888,705	914,836
Post-employment benefits	64,252	86,909
Bonuses	100,000	-
Share-based payments	75,310	331,313
	1,128,267	1,333,058

*Other Transactions with Key Management Personnel*

There are no other transactions with Key Management Personnel.

**(d) Outstanding balances arising from sales/purchases of goods and services**

There are no outstanding balances arising from sales/purchases of goods and services.

**EXCELSIOR GOLD LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

**25. PARENT ENTITY INFORMATION**

The following details information related to the parent entity, Excelsior Gold Ltd, at 30 June 2017. The information presented here has been prepared using consistent accounting policies as presented throughout the report.

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Current assets	385,043	1,158,701
Non-current assets	136,593	112,139
<b>TOTAL ASSETS</b>	<b>521,636</b>	<b>1,270,840</b>
Current liabilities	347,483	17,666,993
<b>TOTAL LIABILITIES</b>	<b>347,483</b>	<b>17,666,993</b>
<b>NET ASSETS</b>	<b>174,153</b>	<b>(16,396,153)</b>
Contributed equity	53,370,461	44,000,750
Reserves	219,115	586,408
Accumulated losses	(53,415,423)	(60,983,311)
<b>TOTAL EQUITY</b>	<b>174,153</b>	<b>(16,396,153)</b>
Profit/(loss) for the year	7,081,057	(45,752,853)
Other comprehensive income for the year	-	-
<b>Total Comprehensive loss for the year</b>	<b>7,081,057</b>	<b>(45,752,853)</b>

**Parent entity capital commitments**

There are no commitments contracted for by the parent entity at the reporting date but not recognised as liabilities.

**26. REMUNERATION OF AUDITORS**

Amounts paid or payable at 30 June to the auditors for:	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Audit and review of financial statements	96,633	50,543
Other services – taxation and corporate advisory	14,520	-
	<b>111,153</b>	<b>50,543</b>

**EXCELSIOR GOLD LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

---

**27. FINANCIAL RISK MANAGEMENT**

**Overview**

The Group has exposure to the following risks from their use of financial instruments:

- credit risk
- liquidity risk
- market risk
- commodity price risk

This note presents information about the Group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks relating to the operations of the Group through regular reviews of the risks.

**(a) Credit risk**

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from cash and cash equivalents. All cash balances are held with recognised institutions limiting the exposure to credit risk. There are no formal credit approval processes in place. However, the Group reviews management information for subsidiaries to ensure early detection of risks.

**Exposure to credit risk**

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at the reporting date was:

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Cash and cash equivalents	1,133,932	1,965,647
Trade receivables	682,140	5,283,573
Other financial assets	73,534	72,454
	<u>1,889,606</u>	<u>7,321,674</u>

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about default rates.

Financial assets that are neither past due and not impaired are as follows:-

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>Trade receivables - counterparties without external credit rating:</b>		
Financial assets with no defaults in past	<u>682,140</u>	<u>5,283,573</u>
<b>Cash and cash equivalents</b>		
AA S&P rating	<u>1,133,932</u>	<u>1,965,647</u>
<b>Other financial assets</b>		
AA S&P rating	<u>73,534</u>	<u>72,454</u>

**EXCELSIOR GOLD LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

**27. FINANCIAL RISK MANAGEMENT (continued)**

**(b) Liquidity risk**

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows.

Typically the Group tries to ensure that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The Group has credit standby facilities or arrangements for further funding or borrowings in place as discussed in Note 17. The Group also has access to equity funding.

The financial liabilities the Group had at reporting date were trade payables incurred in the normal course of the business. Trade payables comprise:

- \$2,974,749 of deferred payments due to a creditor, of which \$2.5 million is interest-bearing with a 12% interest rate, payable no later than 31 August 2017, and
- the remainder of trade payables being non-interest bearing and due within the normal terms of creditor payments.

*Maturities of financial liabilities*

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Group	Less than 6 months	6-12 months	1-2 years	2-5 years	Over 5 years	Total contractual cash flows	Carrying amount liabilities
	\$	\$	\$	\$	\$	\$	\$
<b>30 June 2017</b>							
<b>Non-derivatives</b>							
Trade and other payables	6,736,758	-	-	-	-	6,736,758	6,736,758
<b>30 June 2016</b>							
<b>Non-derivatives</b>							
Trade and other payables	9,307,425	-	-	-	-	9,307,425	9,307,425
Borrowings	750,000	3,254,271	-	-	-	4,004,271	4,004,271
<b>Derivatives</b>							
Gold forwards and calls	1,992,285	2,430,672	5,515,968	3,086,784	-	13,025,709	13,025,709

**EXCELSIOR GOLD LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

**27. FINANCIAL RISK MANAGEMENT (continued)**

**(c) Market Risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

*Interest rate risk*

The Group's interest rate risk arises from cash and cash equivalents held and some borrowings. Term deposits and current accounts held with variable interest rates expose the Group to cash flow interest rate risk.

The following sets out the Group's exposure to interest rate risk, including the effective weighted average interest rate.

	<b>Weighted average interest rate</b>	<b>Balance \$</b>
<b>30 June 2017</b>		
<b>Financial assets</b>		
Cash and cash equivalents	1.0%	1,133,932
<b>30 June 2016</b>		
<b>Financial assets</b>		
Cash and cash equivalents	1.3%	1,965,647
<b>Financial liabilities</b>		
Borrowings	10.35%	4,004,271

**Sensitivity Analysis**

	<b>2017 \$ Interest rate risk movement of 1% +1%-</b>	<b>2016 \$ Interest rate risk movement of 1% +1%-</b>
<b>Financial Assets</b>		
Cash and cash equivalents	11,329	19,656
<b>Financial Liabilities</b>		
Borrowings (only those with variable rates)	-	13,210

A 100 basis point change is used when reporting to internally to key management personnel and represents management's assessment of the change reasonably expected in interest rates.



**EXCELSIOR GOLD LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

**27. FINANCIAL RISK MANAGEMENT (continued)**

**(d) Commodity Price Risk**

The Group is exposed to movements in the gold price. As part of the risk management policy of the Group and in compliance with the conditions required by the Group's financiers, a variety of financial instruments (gold forward sales contracts and gold call options) are used from time to time to minimise the risk of AUD denominated gold prices falling below the cash costs of production by providing price certainty over a portion of the forecast production at an acceptable margin in excess of the forecast cash cost of production.

The value of these financial instruments at any given point in time, will in times of volatile market conditions, show substantial variation over the short term. The hedging facilities provided by the Group's various hedging counterparties do not contain margin calls. The Group does not hedge account for these instruments.

Details of the gold hedging contracts (all AUD denominated) at year end are shown below.

**2017** – there were no outstanding gold hedging contracts at 30 June 2017.

<b>2016</b>	Forward sale contracts		Call Options		Total	
	Ounces	Average Sales Price A\$/Ounce	Ounces	Average Strike Price A\$/Ounce	Ounces	Average A\$/Ounce
Maturity within 1 year	19,690	1,570	-	-	19,690	1,570
Between 1 and 2 years	8,847	1,570	11,116	1,600	19,963	1,587
Between 2 and 3 years	-	-	8,826	1,600	8,826	1,600
<b>Total</b>	<b>28,537</b>	<b>1,570</b>	<b>19,942</b>	<b>1,600</b>	<b>48,479</b>	<b>1,582</b>

**(e) Fair values**

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

AASB 7 *Financial Instruments: Disclosures* requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- (a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- (b) Inputs other than quoted prices included within Level 1 that are observable for the asset and liability, either directly (as prices) or indirectly (derived from prices) (level 2), and
- (c) Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

**EXCELSIOR GOLD LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

---

**27. FINANCIAL RISK MANAGEMENT (continued)**

**(e) Fair values (continued)**

The following table presents the group's assets measured and recognised at fair value:

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>2017</b>				
<b>Liabilities</b>				
Derivative financial instruments	-	-	-	-
<b>2016</b>				
<b>Liabilities</b>				
Derivative financial instruments	-	-	13,025,709	13,025,709

The fair value of derivative financial instruments, being gold forward and call options, is based on mark to market calculations which use a mixture of quoted prices and unobservable inputs and accordingly are included as level 3. The fair value of financial instruments traded in active markets (being the available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1 and there were no transfers between levels during the year.

**28. SEGMENT INFORMATION**

Operating segments are reported in a manner that is consistent with the internal reporting to the chief operating decision maker ("CODM"), which has been identified by the Company as the Managing Director and other members of the Board of Directors.

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. The Group does not have any material operating segments with discrete financial information. The Group's assets and liabilities are primarily related to the mining industry and its operations are located within Western Australia. The Board of Directors review internal management reports on a regular basis that is consistent with the information provided in the statement of profit or loss and other comprehensive income, balance sheet and statement of cash flows. As a result no reconciliation is required because the information as presented is what is used by the Board to make strategic decisions.

**EXCELSIOR GOLD LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

---

**29. SHARE BASED PAYMENT TRANSACTIONS**

Under AASB 2 Share Based Payments, the Company must recognise the fair value of options and rights granted to directors, employees and consultants as remuneration as an expense on a pro-rata basis over the vesting period in the statement of profit or loss and other comprehensive income with a corresponding adjustment to equity.

The Group provides benefits to employees (including directors) of the Group in the form of share based payment transactions, whereby employees render services in exchange for shares or rights over shares ("equity-settled transactions"). The cost of these equity-settled transactions with employees (including directors) is measured by reference to fair value at the date they are granted.

The fair value of performance rights is determined using a hybrid employee share option pricing model.

Shares are valued at market rate, as indicated by the listed share price when issued.

**(a) Value of equity based payments in the financial statements:**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Expensed in the profit or loss:		
Equity-based payments/(reversals upon forfeiture) - shares	44,227	413,167
Equity-based payments- performance rights	75,310	-
	119,537	413,167

**(b) Summary of equity-based payments granted during the year:**

Year ended 30 June 2017:

Granted to the Managing Director as equity compensation on 30/6/2017:

- 9,829,268 Performance Rights – refer to note 29 (e) for terms and value.

Year ended 30 June 2016:

- None

**EXCELSIOR GOLD LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

**29. SHARE BASED PAYMENT TRANSACTIONS (continued)**

**(c) Employee share plan and incentive shares**

The Excelsior Gold Ltd Employee Share Plan ("Plan") is used to reward Directors and employees for their performance and to align their remuneration with the creation of shareholder wealth. The Plan is designed to provide long-term incentives to deliver long-term shareholder returns. Participation in the Plan is at the discretion of the Board and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits. The share based payments listed below have been issued to the company directors and employees under the terms of the Plan.

In addition incentive shares have been issued in the past to Directors of the Company on terms consistent with the Plan but outside of that Plan.

Shares issued under the Plan and the incentive shares were issued at fair value as at the share price prevailing on the grant date.

No Shares have been issued under this Plan since December 2014.

**2017**

Grant date	Share price	Balance at start of the year	Granted during the year	Forfeited during the year	Vested during the year	Balance at the end of the year
		Number	Number	Number	Number	Number
24/12/14	\$0.05	26,500,000	-	22,000,000	-	4,500,000

Shares were cancelled during the period upon the resignation of the participants.

**2016**

Grant date	Share price	Balance at start of the year	Granted during the year	Forfeited during the year	Vested during the year	Balance at the end of the year
		Number	Number	Number	Number	Number
24/12/14	\$0.05	26,500,000	-	-	-	26,500,000

The shares were issued pursuant to the Company's Employee Share Plan or on terms and conditions consistent with that Plan. These shares have performance hurdles imposed on them constituting a "real risk of forfeiture" to incentivise Directors and employees to further the Group's objectives. The trading restriction will be lifted subject to the achievement of certain Restriction Conditions.

**EXCELSIOR GOLD LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

---

**29. SHARE BASED PAYMENT TRANSACTIONS (continued)**

**(c) Employee share plan and incentive shares (continued)**

Milestones for the release of these conditions on shares issued during the previous periods are:

<b>Number of shares</b>	<b>Milestone</b>
900,000	Upon delivery of first ore under the Paddington production scenario <b>(milestone has been reached)</b> ;
900,000	Upon the production of 40,000 ounces of gold from ore derived from the Kalgoorlie North Gold Project <b>(milestone has been reached)</b> ;
900,000	Upon the production of 80,000 ounces of gold from ore derived from the Kalgoorlie North Gold Project
900,000	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; and
900,000	Upon the third anniversary of the issue of the Incentive Shares and the holder remains an employee or director of the Company.
4,500,000	

**(d) Options**

No options were granted during the year (2016: 43,478,261 options were forfeited).

**EXCELSIOR GOLD LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

**29. SHARE BASED PAYMENT TRANSACTIONS (continued)**

**(e) Performance Rights**

The value of the 1,829,268 Short-Term Performance Rights was \$75,000 (based on a 20 Day VWAP from 24 April 2017 to 22 May 2017).

The assessed fair values of the Longer-Term Performance Rights was determined using a hybrid employee share option pricing model, taking into account the following inputs at the grant date of 30 June 2017:

	<b>Tranche 1</b>	<b>Tranche 2</b>	<b>Tranche 3</b>
Underlying Security spot price	\$0.041	\$0.041	\$0.041
Exercise price	Nil	Nil	Nil
Share price barrier	\$0.05	\$0.075	\$0.10
Performance period (Years)	1	2	3
Life of the Rights (Years) *	6	7	8
Volatility	40%	40%	40%
Risk free rate	2.23%	2.23%	2.23%
Number of Rights	1,500,000	2,000,000	1,500,000
Valuation per Right	\$0.045	\$0.027	\$0.021
Valuation per Tranche	\$67,500	\$54,000	\$31,500

	<b>Tranche 4</b>	<b>Tranche 5</b>
Underlying Security spot price	\$0.041	\$0.041
Exercise price	Nil	Nil
Share price barrier	\$0.15	\$0.20
Performance period (Years)	4	5
Life of the Rights (Years) *	9	10
Volatility	40%	40%
Risk free rate	2.23%	2.23%
Number of Rights	1,000,000	2,000,000
Valuation per Right	\$0.014	\$0.012
Valuation per Tranche	\$14,000	\$24,000

\*This is the maximum life of the rights and assumes the vesting conditions are not met until the last date in the performance period, and assumes that the Holder chooses not to exercise that vested Performance Rights until the end of 5 years from vesting.

**EXCELSIOR GOLD LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

---

**30. DIVIDENDS**

There were no dividends paid or declared by the Group during the financial year (2016: nil).

**31. EVENTS OCCURRING AFTER REPORTING DATE**

On 18 July 2017, 487,805 shares (\$20,000) were issued to a creditor as consideration for extension of deferred payment terms (the creditor has since been paid in full).

As announced on 28 August 2017, mining has temporarily ceased upon the completion of the Zoroastrian Central open pit, resource to reserve drilling will be undertaken in order to convert as much resource as possible with the aim of building reserves to justify a standalone process plant. Drilling will also be carried out beyond known resources for regional exploration purposes.

No other matters or circumstances, not otherwise dealt with in the financial statements, have arisen since the end of the reporting date and to the date of this report which significantly affected or may significantly affect the operations of the economic entity, the results of the economic entity, or the state of affairs of the economic entity in the financial years subsequent to the financial year ended 30 June 2017.

**EXCELSIOR GOLD LIMITED**  
**DIRECTORS' DECLARATION**

---

1. In the opinion of the directors:
  - a) The financial statements and notes are in accordance with the Corporations Act 2001, including:
    - i) giving a true and fair view of the Group's financial position as at 30 June 2017 and of its performance for the year then ended; and
    - ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations), the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
    - iii) complying with International Financial Reporting Standards (IFRS) as stated in note 1 of the financial statements; and
  - b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. This declaration has been made after receiving the declarations required to be made to the directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2017.

This declaration is signed in accordance with a resolution of the Board of Directors.



Rowan Johnston  
Managing Director  
Perth, Western Australia

14 September 2017



DECLARATION OF INDEPENDENCE BY GLYN O'BRIEN TO THE DIRECTORS OF EXCELSIOR GOLD LIMITED

As lead auditor of Excelsior Gold Limited for the year ended 30 June 2017, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Excelsior Gold Limited and the entity it controlled during the period.



Glyn O'Brien  
Director

BDO Audit (WA) Pty Ltd  
Perth, 14 September 2017

**EXCELSIOR GOLD LIMITED**  
**ADDITIONAL ASX INFORMATION**

---

Information as at 12 September 2017

**1 Distribution of Equity Securities**

Analysis of numbers of ordinary shareholders by size of holding:

Size of Holding	Total holders	Units
1 - 1,000	113	22,617
1,001 - 5,000	114	371,850
5,001 - 10,000	274	2,187,022
10,001 - 100,000	625	23,928,198
100,001 and above	391	786,868,993
<b>Total</b>	<b>1,517</b>	<b>813,378,680</b>

Number of Shareholders holding less than a marketable parcel	418
---	-----

**2 Substantial Holders of Ordinary Shares**

Name	Number held per Notice given to Excelsior Gold
Farrah	62,848,363
Dr Christopher Kong Leng Shun & Mrs Sook Leng Choy	40,000,000

**3 Voting Rights – Ordinary Shares**

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

**4 Performance Rights**

9,829,268 Performance Rights held by Director, Rowan Johnston.

Consisting of:

- 1,829,268 vested Rights to be exercised no later than 30/6/2022.
- 1,500,000 Rights vesting no later than 30/06/2018 subject to a share price milestone.
- 2,000,000 Rights vesting no later than 30/06/2019 subject to a share price milestone.
- 1,500,000 Rights vesting no later than 30/06/2020 subject to a share price milestone.
- 1,000,000 Rights vesting no later than 30/06/2021 subject to a share price milestone.
- 2,000,000 Rights vesting no later than 30/06/2022 subject to a share price milestone.

**EXCELSIOR GOLD LIMITED**  
**ADDITIONAL ASX INFORMATION**

**5 Equity Security Holders**

The names of the twenty largest holders of quoted equity securities are listed below:

**Ordinary Shares**

	<b>Name</b>	<b>Number of Ordinary Shares</b>	<b>% of Issued Capital</b>
1	NATIONAL NOMINEES LIMITED	129,535,708	15.93%
2	DR CHRISTOPHER KONG LENG SHUN & MRS SOOK LENG CHOY	48,266,082	5.93%
3	ZANJI PTY LTD	29,430,605	3.62%
4	FARRAH SUPERANNUATION PTY LTD	23,340,030	2.87%
5	KALGOORLIE MINING ASSOCIATES PTY LTD	22,000,000	2.70%
6	JB TORO PTY LTD	20,000,000	2.46%
7	CARMANT PTY LTD	19,400,000	2.39%
8	RIGI INVESTMENTS PTY LTD	18,800,000	2.31%
9	MCQUADE HOLDINGS PTY LTD	15,835,000	1.95%
10	ILWELLA PTY LTD	15,261,204	1.88%
11	GKK GROUP HOLDINGS PTY LTD	15,000,000	1.84%
12	IRONSIDE PTY LTD	15,000,000	1.84%
13	GLOBAL ECOSERVICES PTY LTD	11,102,134	1.36%
14	RESOURSERVE PTY LTD	10,128,666	1.25%
15	COLVIC PTY LTD	10,105,734	1.24%
16	THOMAS CLIVE WEDGWOOD	10,000,000	1.23%
17	BBY NOMINEES PTY LTD IN LIQUIDATION	9,806,433	1.21%
18	451 PROPERTY VENTURES PTY LTD	9,643,787	1.19%
19	BUCKINGHAM INVESTMENT FINANCIAL SERVICES	9,483,334	1.17%
20	BICKHAM COURT SUPERANNUATION PTY LTD	9,118,738	1.12%
	<b>Total Top 20 Holders</b>	<b>451,257,455</b>	<b>55.49%</b>
	Total Remaining Holders	362,121,225	44.51%
	<b>Grand Total</b>	<b>813,378,680</b>	<b>100%</b>

**6 Securities Subject to Escrow**

There are no securities currently subject to an ASX escrow. The Company has 4,500,000 ordinary shares restricted under the Company's Incentive Scheme, and 20 million ordinary shares subject to a voluntary escrow until 29 December 2017.

**EXCELSIOR GOLD LIMITED**  
**TENEMENT SCHEDULE**

TENEMENT	REGISTERED HOLDER	OWNER
L24/148	GPM Resources Pty Ltd	N/A – borefield
L24/202	GPM Resources Pty Ltd	N/A – borefield
L24/203	GPM Resources Pty Ltd	N/A – borefield
L24/209	GPM Resources Pty Ltd	N/A - groundwater
L24/223	GPM Resources Pty Ltd	N/A – haul road
M24/11	GPM Resources Pty Ltd	GPM (100%)
M24/43	GPM Resources Pty Ltd	GPM (100%)
M24/83	GPM Resources Pty Ltd	GPM (100%)
M24/96	GPM Resources Pty Ltd	GPM (100%)
M24/99	GPM Resources Pty Ltd	GPM (100%)
M24/121	GPM Resources Pty Ltd	GPM (100%)
M24/122	GPM Resources Pty Ltd	GPM (100%)
M24/135	GPM Resources Pty Ltd	GPM (100%)
M24/244	GPM Resources Pty Ltd	GPM (100%)
M24/326	GPM Resources Pty Ltd	GPM (100%)
M24/405	GPM Resources Pty Ltd	GPM (100%)
M24/420	GPM Resources Pty Ltd	GPM (100%)
M24/469	GPM Resources Pty Ltd	GPM (100%)
M24/498	GPM Resources Pty Ltd	GPM (100%)
M24/510	GPM Resources Pty Ltd	GPM (100%)
M24/512	GPM Resources Pty Ltd	GPM (100%)
M24/854	GPM Resources Pty Ltd	GPM (100%)
M24/869	GPM Resources Pty Ltd	GPM (100%)
M24/870	GPM Resources Pty Ltd	GPM (100%)
M24/871	GPM Resources Pty Ltd	GPM (100%)
M24/886	GPM Resources Pty Ltd	GPM (100%)
M24/887	GPM Resources Pty Ltd	GPM (100%)
M24/888	GPM Resources Pty Ltd	GPM (100%)
P24/5109	GPM Resources Pty Ltd	GPM (100%)
P24/5060	GPM Resources Pty Ltd	GPM (100%)
P24/5061	GPM Resources Pty Ltd	GPM (100%)
P24/4832	GPM Resources Pty Ltd	GPM (100%)
P24/4833	GPM Resources Pty Ltd	GPM (100%)
P24/4840	GPM Resources Pty Ltd	GPM (100%)
P24/4587	GPM Resources Pty Ltd	GPM (100%)
P24/4816	GPM Resources Pty Ltd	GPM (100%)
M24/364	GPM Resources Pty Ltd	GPM (100%)
M24/951	GPM Resources Pty Ltd	GPM (100%)
M24/487	GPM Resources Pty Ltd	GPM (100%)
M24/133	GPM Resources Pty Ltd	GPM (100%)
M24/134	GPM Resources Pty Ltd	GPM (100%)
M24/348	GPM Resources Pty Ltd	GPM (100%)
M24/471	GPM Resources Pty Ltd	GPM (100%)
M24/491	GPM Resources Pty Ltd	GPM (100%)
M24/532	GPM Resources Pty Ltd	GPM (100%)
M24/889	GPM Resources Pty Ltd	GPM (100%)
M24/890	GPM Resources Pty Ltd	GPM (100%)
M24/891	GPM Resources Pty Ltd	GPM (100%)
M24/892	GPM Resources Pty Ltd	GPM (100%)
M24/952	GPM Resources Pty Ltd	GPM (100%)
M24/146	GPM Resources Pty Ltd	GPM (100%)
M24/395	GPM Resources Pty Ltd	GPM (100%)

**EXCELSIOR GOLD LIMITED**  
**TENEMENT SCHEDULE**

TENEMENT	REGISTERED HOLDER	OWNER
M24/955	GPM Resources Pty Ltd	GPM (100%)
M24/942	GPM Resources Pty Ltd 95% Denzle Schorer 5%	GPM (95%) Schorer (5%)
M24/943	GPM Resources Pty Ltd 100%	GPM (100%)
P24/4757	Silvertree Nominees	GPM (80%) Silvertree (20%)
P24/4758	Silvertree Nominees	GPM (80%) Silvertree (20%)
M24/950	GPM Resources Pty Ltd	GPM (100%)
P24/4445	GPM Resources Pty Ltd	GPM (100%)
P24/4446	GPM Resources Pty Ltd	GPM (100%)
P24/4449	GPM Resources Pty Ltd	GPM (100%)
P24/4447	GPM Resources Pty Ltd	GPM (100%)
M24/956	GPM Resources Pty Ltd	GPM (100%)
P24/4887	GPM Resources Pty Ltd	GPM (100%)
M24/400	GPM Resources Pty Ltd	GPM (100%)
M24/429	GPM Resources Pty Ltd	GPM (100%)
P24/4821	GPM Resources Pty Ltd	GPM (100%)
P24/4822	GPM Resources Pty Ltd	GPM (100%)
P24/4823	GPM Resources Pty Ltd	GPM (100%)
P24/4824	GPM Resources Pty Ltd	GPM (100%)
P24/4825	GPM Resources Pty Ltd	GPM (100%)
P24/4826	GPM Resources Pty Ltd	GPM (100%)
P24/4626	GPM Resources Pty Ltd	GPM (100%)
P24/4627	GPM Resources Pty Ltd	GPM (100%)
P24/4628	GPM Resources Pty Ltd	GPM (100%)
P24/4857	GPM Resources Pty Ltd	GPM (100%)
P24/4858	GPM Resources Pty Ltd	GPM (100%)
P24/4859	GPM Resources Pty Ltd	GPM (100%)
P24/4860	GPM Resources Pty Ltd	GPM (100%)
P24/4861	GPM Resources Pty Ltd	GPM (100%)
P24/4886	GPM Resources Pty Ltd	GPM (100%)

TENEMENT	REGISTERED HOLDER	OWNER
L24/148	GPM Resources Pty Ltd	N/A – borefield
L24/202	GPM Resources Pty Ltd	N/A – borefield
L24/203	GPM Resources Pty Ltd	N/A – borefield
L24/209	GPM Resources Pty Ltd	N/A - groundwater
L24/223	GPM Resources Pty Ltd	N/A – haul road
M24/11	GPM Resources Pty Ltd	GPM (100%)
M24/43	GPM Resources Pty Ltd	GPM (100%)
M24/83	GPM Resources Pty Ltd	GPM (100%)
M24/96	GPM Resources Pty Ltd	GPM (100%)
M24/99	GPM Resources Pty Ltd	GPM (100%)
M24/121	GPM Resources Pty Ltd	GPM (100%)
M24/122	GPM Resources Pty Ltd	GPM (100%)
M24/135	GPM Resources Pty Ltd	GPM (100%)
M24/244	GPM Resources Pty Ltd	GPM (100%)
M24/326	GPM Resources Pty Ltd	GPM (100%)
M24/405	GPM Resources Pty Ltd	GPM (100%)

**EXCELSIOR GOLD LIMITED**  
**TENEMENT SCHEDULE**

TENEMENT	REGISTERED HOLDER	OWNER
M24/420	GPM Resources Pty Ltd	GPM (100%)
M24/469	GPM Resources Pty Ltd	GPM (100%)
M24/498	GPM Resources Pty Ltd	GPM (100%)
M24/510	GPM Resources Pty Ltd	GPM (100%)
M24/512	GPM Resources Pty Ltd	GPM (100%)
M24/854	GPM Resources Pty Ltd	GPM (100%)
M24/869	GPM Resources Pty Ltd	GPM (100%)
M24/870	GPM Resources Pty Ltd	GPM (100%)
M24/871	GPM Resources Pty Ltd	GPM (100%)
M24/886	GPM Resources Pty Ltd	GPM (100%)
M24/887	GPM Resources Pty Ltd	GPM (100%)
M24/888	GPM Resources Pty Ltd	GPM (100%)
P24/5109	GPM Resources Pty Ltd	GPM (100%)
P24/5060	GPM Resources Pty Ltd	GPM (100%)
P24/5061	GPM Resources Pty Ltd	GPM (100%)
P24/4832	GPM Resources Pty Ltd	GPM (100%)
P24/4833	GPM Resources Pty Ltd	GPM (100%)
P24/4840	GPM Resources Pty Ltd	GPM (100%)
P24/4587	GPM Resources Pty Ltd	GPM (100%)
P24/4816	GPM Resources Pty Ltd	GPM (100%)
M24/364	GPM Resources Pty Ltd	GPM (100%)
M24/951	GPM Resources Pty Ltd	GPM (100%)
M24/487	GPM Resources Pty Ltd	GPM (100%)
M24/133	GPM Resources Pty Ltd	GPM (100%)
M24/134	GPM Resources Pty Ltd	GPM (100%)
M24/348	GPM Resources Pty Ltd	GPM (100%)
M24/471	GPM Resources Pty Ltd	GPM (100%)
M24/491	GPM Resources Pty Ltd	GPM (100%)
M24/532	GPM Resources Pty Ltd	GPM (100%)
M24/889	GPM Resources Pty Ltd	GPM (100%)
M24/890	GPM Resources Pty Ltd	GPM (100%)
M24/891	GPM Resources Pty Ltd	GPM (100%)
M24/892	GPM Resources Pty Ltd	GPM (100%)
M24/952	GPM Resources Pty Ltd	GPM (100%)
M24/146	GPM Resources Pty Ltd	GPM (100%)
M24/395	GPM Resources Pty Ltd	GPM (100%)
M24/955	GPM Resources Pty Ltd	GPM (100%)
M24/942	GPM Resources Pty Ltd 95% Denzle Schorer 5%	GPM (95%) Schorer (5%)
M24/943	GPM Resources Pty Ltd 100%	GPM (100%)
P24/4757	Silvertree Nominees	GPM (80%) Silvertree (20%)
P24/4758	Silvertree Nominees	GPM (80%) Silvertree (20%)
M24/950	GPM Resources Pty Ltd	GPM (100%)
P24/4445	GPM Resources Pty Ltd	GPM (100%)
P24/4446	GPM Resources Pty Ltd	GPM (100%)
P24/4449	GPM Resources Pty Ltd	GPM (100%)
P24/4447	GPM Resources Pty Ltd	GPM (100%)
M24/956	GPM Resources Pty Ltd	GPM (100%)
P24/4887	GPM Resources Pty Ltd	GPM (100%)
M24/400	GPM Resources Pty Ltd	GPM (100%)

**EXCELSIOR GOLD LIMITED**  
**TENEMENT SCHEDULE**

---

TENEMENT	REGISTERED HOLDER	OWNER
M24/429	GPM Resources Pty Ltd	GPM (100%)
P24/4821	GPM Resources Pty Ltd	GPM (100%)
P24/4822	GPM Resources Pty Ltd	GPM (100%)
P24/4823	GPM Resources Pty Ltd	GPM (100%)
P24/4824	GPM Resources Pty Ltd	GPM (100%)
P24/4825	GPM Resources Pty Ltd	GPM (100%)
P24/4826	GPM Resources Pty Ltd	GPM (100%)
P24/4626	GPM Resources Pty Ltd	GPM (100%)
P24/4627	GPM Resources Pty Ltd	GPM (100%)
P24/4628	GPM Resources Pty Ltd	GPM (100%)
P24/4857	GPM Resources Pty Ltd	GPM (100%)
P24/4858	GPM Resources Pty Ltd	GPM (100%)
P24/4859	GPM Resources Pty Ltd	GPM (100%)
P24/4860	GPM Resources Pty Ltd	GPM (100%)
P24/4861	GPM Resources Pty Ltd	GPM (100%)
P24/4886	GPM Resources Pty Ltd	GPM (100%)