



7 March 2018

Drilling Update and Timing for Resources/Reserves Conversion

Excelsior Gold is pleased to provide the following update on its multi-faceted, self-funded drilling program aimed at the conversion of resources to reserves and exploring for new discoveries over its highly prospective, 100%-owned Kalgoorlie North Gold Project (“KNGP”) as follows:

- Zoroastrian infill drilling program now complete, with assay results pending from 6 holes.
- Exploration/extensional drilling program 800m south of the Zoroastrian deposit underway.
- Planning in progress for the next phase of extensional drilling at Zoroastrian to further evaluate this substantial, multi-lode deposit at depth.
- Exploration aircore drilling to commence in early April to test gaps in previous drilling at the interpreted convergence of the Black Flag Fault Zone with the Bardoc Tectonic Zone. Both structures are major, deep seated crustal structures known to host significant gold mineralisation to the south and north of the KNGP.
- EIS-funded RC/diamond drilling program at Longsleeve to further assess the geological findings from the 2017 Thompsons deep diamond drill hole scheduled to commence during March.
- Review of other historical drill intercepts ongoing with follow-up drill programs to be designed as appropriate.
- Updated Zoroastrian open pit Mineral Resource estimate expected in late April.

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: 08 9335 7770 Facsimile: 08 9335 6231

- **Updated Zoroastrian underground Mineral Resource estimate expected in June.**
 - **Updated Zoroastrian Ore Reserve estimate expected in June.**
 - **Updated Excelsior open pit Mineral Resource estimate expected in April.**
 - **Updated Excelsior open pit Ore Reserve estimate expected in April.**
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Excelsior Gold Limited (ASX: EXG) (“the Company” or “Excelsior”) is pleased to provide the following progress update on the current fully-funded drill program at its 100%-owned Kalgoorlie North Gold Project (“KNGP”), located 30 to 55km north of Kalgoorlie in Western Australia.

Zoroastrian

The infill drilling program at Zoroastrian is now complete with assay results from the remaining 6 holes expected to be received within the next couple of weeks. All data from the infill program will be incorporated into a new open pit resource model due for completion in **April**. This process will again use the Localised Uniform Conditioning (LUC) modelling technique, which was successfully adopted for the recently completed Zoroastrian Central open pit mine. The Zoroastrian Central LUC model predicted the tonnes, grade and overall gold metal within acceptable limits during the mining and reconciliation process for the last phase of mining activities.

Following the open pit resource estimate, the deposit will be remodelled for underground mining using the ordinary kriging estimation technique. Excelsior expects that this will lead to a higher grade, lower tonnage estimate.

Once the two resource models have been completed, mine design and scheduling work with costings will be carried out to optimise anticipated financial returns. The recently completed infill drilling program of approximately 5,500m has resulted in a nominal drill spacing of approximately 20m by 30m, allowing for more accurate and reliable estimates for mining and processing costs.

The updated Zoroastrian model will also allow deeper, down-plunge extensional drilling to be designed, targeting the high grade lodes at depths of more than 350m below surface.

Excelsior

The Excelsior open pit deposit has already been re-wireframed utilising updated in-pit mapping, historical reports and data from several diamond holes which were re-assayed to confirm the new interpretation. Grade estimation will be via LUC modelling, which estimates into small SMU sized blocks. This allows for a higher degree of selectivity which can be achieved during mining. The modelled tonnes and grades are therefore more likely to be achieved during mining and will assist in providing refined mine scheduling and cashflow forecasting as mine planning is undertaken. The new resource model is due for completion in **April** with the reserve model scheduled for completion in **June**.

Exploration

The Bardoc Tectonic Zone (BTZ), which is the northern extension of the Boulder Lefroy Fault Zone hosting the Golden Mile and Paddington deposits to the south of the KNGP, remains the focus of Excelsior's exploration work. Future programs will continue to test for new discoveries along the BTZ with the benefit of a detailed geological and drilling database assembled by Excelsior from past and present exploration and mining activities within the KNGP.

Recent enquiries of the database have highlighted further anomalous results that will be ground-truthed over coming months and followed up with reconnaissance drilling.

A 3,500m aircore program is due to commence in **early April** on the northern extent of the Black Flag Fault (BFF) in the vicinity of the interpreted intersection between the BTZ and the BFF. This program is designed to close in on exploration targets with RC and diamond drilling to follow as required (refer to Figure 1).

The WA State Government EIS co-funded exploration drilling program over the Longsleeve area (*refer ASX release 18 December 2017*) will commence in **March** to test the parallel dolerite unit to the west of the Zoroastrian dolerite. Based on the geological findings from the previous deep diamond hole at Thompsons prospect (KND170002), Excelsior has designed a 5-hole drilling program (750m of RC and 1,600m of diamond) at Longsleeve, of which the State Government through the EIS program, will fund half of the direct drilling costs.

Additionally, the CSIRO will commence the field work component of its Project-wide mapping and geochemical evaluation in **early April**. This program is to develop a better understanding and drive subsequent identification of new targets for exploration over the next 12 months. This collaborative work with the CSIRO is partly funded by a grant from the Federal Government as part of its AusIndustry Innovations Connections program.

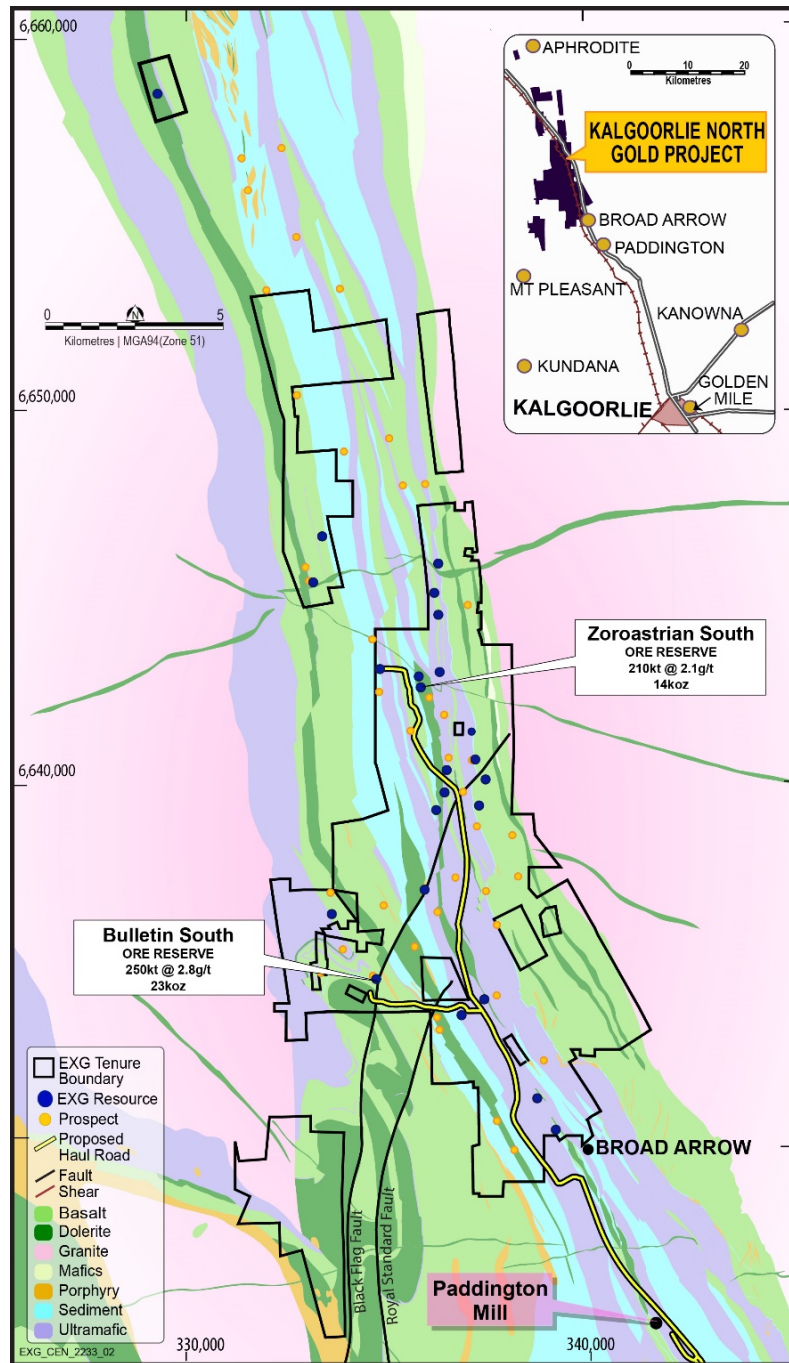


Figure 1: Air Core drilling to take place between Bulletin South and the BTZ

For further information visit www.excelsiorgold.com.au or contact **Excelsior Gold Limited**.

Rowan Johnston

Managing Director

T: + 61 8 9335 7770

E: rjohnston@excelsiorgold.com.au

Phil Retter

NWR Communications

T: +61 (0) 407 440 882

E: phil@nwrcommunications.com.au

APPENDIX: Zoroastrian Mineral Resource Estimate (refer ASX announcement of 1 November 2017 for further information):

Table 1a: Tonnes and grade above 290mRL (150m below surface)

LUC above 290mRL - 0.6g/t Cut-off grade

Class	Measured		Indicated		Inferred		Total		
	Tonnes	g/t	Tonnes	g/t	Tonnes	g/t	Tonnes	g/t	Ounces
Oxide	94,150	1.45	275,250	1.56	53,950	1.30	423,350	1.50	20,459
Transitional	61,000	1.87	533,688	1.93	155,813	1.64	750,500	1.87	45,052
Fresh	73,010	2.60	1,174,320	2.04	1,409,590	1.79	2,656,920	1.92	164,056
Total	228,000	1.93	1,983,000	1.94	1,619,000	1.76	3,831,000	1.86	229,600

Table 1b: Zoroastrian Mineral Resource below 290mRL

LUC below 290mRL - 2.5g/t Cut-off grade

Class	Measured		Indicated		Inferred		Total		
	Tonnes	g/t	Tonnes	g/t	Tonnes	g/t	Tonnes	g/t	Ounces
Oxide									
Transitional									
Fresh			45,710	3.83	532,280	4.11	577,990	4.08	75,886
Total			45,700	3.83	532,300	4.11	578,000	4.08	75,900

The total Zoroastrian Mineral Resource is:

4.4 million tonnes @ 2.2g/t Au for 305koz Au

The total Excelsior Gold Mineral Resource is:

19 million tonnes @ 1.6g/t Au for 954koz Au

Table 2: Kalgoorlie North Gold Project Mineral Resources Estimate

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	228	1.9	14	1,983	1.9	124	1,619	1.8	91	3,830	1.9	230	1-Nov-17
Zoroastrian (U/G)	2.5				46	3.8	6	532	4.1	70	578	4.1	76	1-Nov-17
Zoroastrian (Total)		228.0	1.9	14	2,029	2.0	130	2,151	2.3	162	4,408	2.2	305	
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
Total Satellite Resources					522	1.8	31	793	1.6	42	1,315	1.7	73	
Other Resources (greater than 5km from Excelsior)														
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
Total Other Resources		38.2	1.9	2.3	844	2.0	54	1,178	1.7	64	2,061	1.8	120	
TOTAL RESOURCES		5,440	1.4	249	6,620	1.6	339	6,770	1.7	370	18,800	1.6	954	

* 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 last reported.

** Differences may occur due to rounding.

*** The Bulletin South Open Pit resources are reported within a A\$2,750 per ounce gold price pit shell. Other resources are reported above applicable depths below surface.

Qualifying Statement

This report may include forward-looking statements. These forward-looking statements are based on a number of assumptions made by the Company and its consultants in light of experience, current conditions and expectations concerning future events which the Company believes are appropriate in the present circumstances. Forward-looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of Excelsior Gold, which could cause actual results to differ materially from such statements. The Company makes no undertaking to subsequently update or revise the forward-looking statements made in this release to reflect the circumstances or events after the date of this release.

Competent Person Statement – Exploration Results

Information in this announcement that relates to 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.

Competent Person Statement – Mineral Resources

Information in this announcement that relates to the Zoroastrian Mineral Resource results is based on information compiled by Mr. Ross Whittle-Herbert who is a full-time employee of Excelsior Gold Limited. Mr. Whittle-Herbert 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. Adams consents to the inclusion in the document of the information in the form and context in which it appears.

Information in this announcement that relates to the 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.

Information in this announcement that relates to other Mineral Resource results is based on information compiled by Mr Bradley Toms who is a full-time employee 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 which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves” for the Group reporting. Mr Toms consents to the inclusion in this announcement of the matters based on this information in the form and context in which it appears.