



7 June 2018

KNGP Field Activities Now Focused on Exploration

Further to the Company's recent Resources Update announcement (*refer ASX announcement 22 May 2018 Kalgoorlie North Gold Project Mineral Resource Update*), Excelsior Gold Ltd (EXG) wishes to provide shareholders with an update on its exploration activities at its 100% owned Kalgoorlie North Gold Project (KNGP).

EXG has now established a high confidence resource foundation, primarily at the adjacent Zoroastrian and Excelsior deposits, which will form an integral part of an ultimate stand-alone mine plan. Having satisfied itself of the robustness of the KNGP resources at Zoroastrian and Excelsior, the Company has now progressed to a concerted exploration campaign to test its highly prospective landholding for new gold deposits.

The objective of the current and pending field activities is to identify new gold mineralisation which can add to the current resources and strengthen the Company's position as it seeks to develop a stand-alone gold mine of a preferred circa 100,000 ozs/annum scale and mine life of 5 – 10 years.

Activities are focussed on drill testing along and in the vicinity of the two major fault structures, namely the Bardoc Tectonic Zone (a northern continuation of the Boulder-Lefroy Fault) and the intersecting Black Flag Fault Zone, which are believed to be the substantial gold mineralisation controls in the area.

EIS Program

As previously advised, EXG has successfully sought third party complementary funding from the WA State Government to test for mineralisation controls in the vicinity of the Zoroastrian dolerite unit which may not have been recognised or understood historically.

To date, there have been some unexpected observations on the western margin of the Zoroastrian dolerite and the associated, underlying sediments. These include variable sediment thickness and what appears to be a previously unknown hydrothermal cell, the significance of which is still being investigated. The location of the 5 co-funded deep diamond core holes is close to the Thompsons Prospect which was drilled in August 2017. Three of the five co-funded drill holes were completed in March and April 2018. These holes have been geologically and structurally logged and are currently being sampled for gold and multi-element assay. Results will be communicated as they become available. PXRF data collection has been completed on 2 of the 3 current holes and is being validated and interpreted. These holes have been reviewed by the CSIRO as part of their current study and will be included in their reports and interpretative plans.

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Figure 1 – Plan showing collar locations of recent EIS drilling

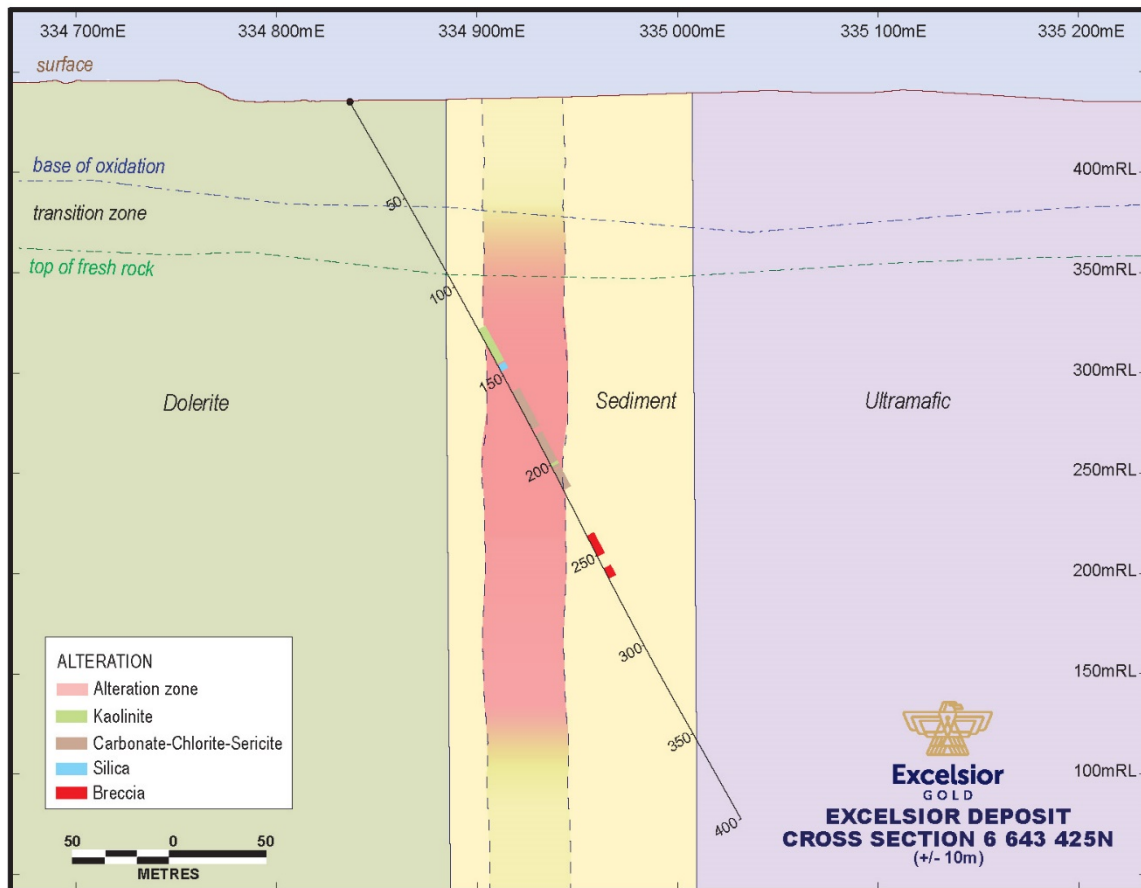


Figure 2 – North Looking Cross section through 6643425N showing zone of interest

The EIS program is therefore aimed at testing and increasing the knowledge base around gold mineralisation controls, which will then be applied to further drill testing with the benefit of that improved knowledge. In terms of context, EIS holes may not intersect gold mineralisation themselves, but will assist in future drill targeting.

Current drill program

The current air-core program has seen the completion of 50 holes for 2,427m. Drilling of this first part of the air-core program is anticipated to be completed later this month. This first phase drilling is centred on the regionally important Black Flag Fault. The holes have been logged and samples submitted daily for assay, with first results expected to be received mid to late June. All drilling is completed under geological control to ensure holes are drilled to the depth required and that future targeting maximises the learnings from previous drilling.

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

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