



3 February 2016

ASX Market Announcements  
ASX Limited  
Exchange Centre  
20 Bridge Street  
Sydney NSW 2000



**ASX Code: EXG**

## Processing Allocation Expansion for 2016

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Excelsior Gold Limited ("Excelsior Gold" or the "Company") is pleased to advise that Norton Gold Fields Limited ("Norton") has requested and agreed to process higher tonnages of Excelsior Gold's ore through the Paddington Mill during 2016.

Ore from the Kalgoorlie North Gold Project is currently being processed at the Paddington Mill under the long term Ore Treatment Agreement with Norton (*ASX announcement 13 October 2015*) which provides for the treatment of a minimum of 500,000 tonnes Excelsior Gold's ore per year.

The two companies entered into letter agreements in December 2015 to modify the terms the Ore Treatment Agreement to bring forward production which commenced in December, and to provide for Excelsior Gold to provide increased tonnages to the Paddington Mill (*ASX announcements 22, 30 and 31 December 2015*) through to the end of March 2016.

Norton has now agreed to extend the higher processing rate throughout calendar 2016 and will process 650,000 tonnes of Excelsior Gold ore during the year.

Mining is currently in progress in the Castlereagh, Jackorite and Big Blow South ("BBS") pits and waste removal commenced in the Central Pit at Zoroastrian on 1 February 2016. To date four batches of ore have been treated at the Paddington Mill totalling approximately 31,940 tonnes at a mined grade of 1.69g/t Au from Castlereagh and 9,910 tonnes with a mined grade of 2.88g/t Au from Jackorite. The first batch of approximately 11,000 tonnes at a mined grade of 2.15g/t Au from the BBS is being hauled to the Mill and further ore production is underway at these pits.

Under the modified terms of the Ore Treatment Agreement through to the end of December 2016, the payment timetable includes a 50% up front payment to Excelsior Gold following the delivery of each ore batch and deferral of haulage and treatment charges until the final recoverable gold content of each ore batch is determined from the detailed sampling and gold recovery procedure specified in the Ore Treatment Agreement. Payments to date for the initial four ore batches total approximately \$1.93 million.

The increased milling throughput will enable Excelsior Gold to accelerate the development of the Zoroastrian Central open pit and will require the Company's earth moving contractor, Hampton Transport Services Pty Ltd, to provide additional fleet to facilitate waste removal in the upper part of the large pit.

Development of the Zoroastrian Extended and Pipeline South open pits will also be progressed to provide feed for the Paddington Mill when the Castleareagh, Jackorite and BBS pits are completed in late February 2016.



Figure 1: Zoroastrian Central Pit cleared ready for mining



Figure 2: Mining in Castleareagh Pit

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