



14 March 2016

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



**ASX Code: EXG**

## **PRODUCTION COST ESTIMATE AND CASH POSITION**

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- **Mining completed in Castlereagh, Jackorite and Big Blow South open pits**
  - **Production actual and forecast for six months to 30 June 2016 - 300,000 to 320,000 tonnes @ 1.94g/t for 18,500 to 20,000 ounces of gold (recovered)**
  - **AISC of approximately \$1,270 per ounce reflect higher waste stripping cost in the large Zoroastrian Central Pit**
  - **Total provisional revenue of \$9.92 million since commencement of ore processing in December 2015**
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Excelsior Gold Limited ("Excelsior Gold" or the "Company") advises that the first phase of mining at the Kalgoorlie North Gold Project will be completed this week with mining finishing in the Castlereagh, Jackorite and Big Blow South ("BBS"). The next phase of the mining operations has already commenced with two mining fleets operational in the large Zoroastrian Central open pit and a third smaller fleet preparing to start mining in the high grade Zoroastrian Extended Pit.

Provisional production estimates from the three small open pits is approximately 132,000 tonnes at 2.02g/t Au for 8,600 recovered ounces at an average mill recovery of 94.9%. With ore production commencing from the Zoroastrian Central pit this month, the Company's actual and forecast production for the six months to 30 June 2016 is 300,000 to 320,000 tonnes grading an average 1.94g/t Au for 18,500 to 20,000 ounces of gold (mill recovered).

All In Sustaining Costs ("AISC") of production over this period is estimated at approximately A\$1,270 per ounce and reflect the higher earthmoving costs associated with waste removal in the upper part of the Zoroastrian Central open pit. The AISC are also inclusive of loan servicing costs associated with the A\$4.5 million Macquarie Bank loan facility, of which A\$3.18 million remain undrawn and is available to the Company as additional working capital. Excelsior Gold chose to expense the stripping costs for its open pits to better reflect its earnings and ASIC.

Since the commencement of first ore delivery to the Paddington Mill in December 2015, the Company has received A\$4.07 million in upfront cash payment from Norton Gold Fields Ltd ("Norton"), out of total provisional revenue of A\$9.92 million. The Company is anticipating another A\$413,000 payment from Norton this week. The remaining provisional revenue of approximately A\$5.44 million will be due for payment by Norton as soon as final gold recovery data is received for each of the ore batches.

The sampling and detailed metallurgical test-work program used to determine the final recoverable gold from each batch of ore treated at the Paddington Mill has taken longer than originally envisaged. Final batch payments, after the deduction of associated milling and haulage costs, are now expected to commence being available in mid-March.

Excelsior Gold currently has \$3.3 million cash on hand. Together with the undrawn loan facility of \$3.18 million, the Company has total working capital of approximately \$6.48 million.

For further information visit [www.excelsiorgold.com.au](http://www.excelsiorgold.com.au) or contact

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*Figure 1 – Final stages of Castlereagh Pit  
showing ore mark-up on pit floor (red)*

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*Figure 2 – Early stages of Zoroastrian Central Pit  
showing drill and blast drilling and waste removal in the southern part of the pit*