



23 June 2016

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



Completion of Satellite Pits Ore Payments

- **Payment of outstanding second tranche ore payments for remaining six ore batches delivered from the start-up pits received from Norton**
- **Second tranche payments finalised total \$2.03 million after deduction of treatment and haulage cost**
- **Initial ore batches from Zoroastrian Extended and Central pits currently being sampled and tested under revised procedures designed to accelerate recoverable gold determination for ore batches**

Excelsior Gold Limited ("Excelsior Gold" or the "Company") is pleased to advise that has received payment from Norton Gold Fields Limited ("Norton") for all outstanding second tranche payments for ore delivered to the Paddington Mill from the initial start-up satellite pits.

Under the long term Ore Treatment Agreement with Norton, the Company receives part payment for the provisional gold content of each batch of ore delivered to the mill upon completion of the haulage. A second tranche payment is due once final gold grade and recovery data is received from the sampling and recoverable gold determination procedure which forms part of the Ore Treatment Agreement.

Initial issues with the implementation of the recoverable gold determination procedure, which contributed to delays in finalising second tranche payments, were resolved in May 2016 and resulting in the development of new grade and recovery determination procedures to provide more consistent results and greatly improved turnaround times.

Second tranche payments for the remaining ore batches from the Castlereagh, Big Blow South and Jackorite pits have now been finalised with the receipt of net payments totaling \$2.03 million after deduction of all treatment and haulage charges owed to Norton.

Further ore batches are being delivered to the Paddington Mill from the Zoroastrian Central pit which has achieved consistent ore supply following stripping of high waste volumes from the upper levels of the pit since commencement of mining in February 2016.

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Revenue generated from recent ore shipments to the Paddington Mill, coupled with the second tranche ore payments and \$2.75 million in funds received from the new funding arrangements with GWR Group and Farrah Property Securities (*refer ASX announcement 20 June 2016*) place Excelsior Gold in a sound financial position to advance the mining operations at the Kalgoorlie North Gold Project.

-ENDS-

For further information visit www.excelsiorgold.com.au or contact

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