



excelsiorgold

LIMITED

Prospectus

Excelsior Gold Limited

ACN 123 629 863

For:

- a non-renounceable pro rata Offer to Eligible Shareholders of up to 96,877,775 New Shares at an issue price of \$0.05 per New Share on the basis of 1 New Share for every 6 Existing Shares held to raise up to approximately \$4.84 million before issue costs.
- an offer of Shortfall Shares to Eligible Shareholders on terms set out in section 8.7 (Shortfall Offer).

The Offer is partially underwritten for \$2.00 million.

ASX Code: EXG

This Prospectus provides important information about the Company. You should read the entire document including the Entitlement and Acceptance Form. If you have any questions about the New Shares being offered under this Prospectus, or any other matter relating to an investment in the Company, you should consult your professional adviser. An investment in the New Shares offered under this Prospectus is highly speculative.

This Prospectus is not for publication or distribution, directly or indirectly, in or into the United States of America (including its territories and possessions, any state of the US and the District of Columbia). This Prospectus is not an offer of securities for sale into the United States or to, or for the account or benefit of, US Persons. The securities referred to herein have not been and will not be registered under the US Securities Act of 1933, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, US Persons. No public offering of securities is being made in the United States.

Important Notice

This Prospectus is dated 13 July 2016 and was lodged with ASIC on that date. Application will be made to ASX for quotation of the New Shares offered under this Prospectus within 7 days of this date.

Neither ASIC, ASX nor any of their respective officers take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates. No securities will be allotted or issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

Nature of this Prospectus

The New Shares which will be issued pursuant to this Prospectus are in the same class of Shares that have been quoted on the official list of the ASX during the 12 months prior to the issue of this Prospectus.

This Prospectus is a 'transaction specific prospectus' to which the special content rules under section 713 of the Corporations Act apply. That provision allows the issue of a more concise prospectus in relation to an offer of securities in a class which has been continuously quoted by ASX in the 3 months prior to the date of the prospectus. In general terms 'transaction specific prospectuses' are only required to contain information in relation to the effect of the issue of New Shares on the Company and the rights attaching to the New Shares. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus contains information only to the extent to which it is reasonable for investors and their professional advisers to expect to find the information in it. It does not include all of the information that would be included in a prospectus for an initial public offer.

Prospectus availability

Eligible Shareholders can obtain a copy of this Prospectus during the Offer period on the Company's website at www.excelsiorgold.com.au or by contacting the Company. If you access an electronic copy of this Prospectus, you should ensure that you download and read the entire Prospectus.

The electronic copy of this Prospectus available from the Company's website will not include a personalised Entitlement and Acceptance Form. Eligible Shareholders will only be able to accept the Offer by completing the personalised Entitlement and Acceptance Form which accompanies this Prospectus or by making payment using BPAY® (refer to section 7.5 of this Prospectus for further information).

Foreign jurisdictions

The distribution of this Prospectus in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws. Applicants who are residents in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed. This Prospectus does not constitute an offer in any place in which, or to any person to whom, it should not be lawful to make such an offer.

Disclaimer of representations

No person is authorised to provide any information or make any representation in connection with the Offer which is not contained in this Prospectus.

Forward looking statements

This Prospectus contains forward looking statements that, despite being based on the Company's current expectations about future events, are subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of the Company and the Directors. These known and unknown risks, uncertainties and assumptions, could cause actual results, performance or achievements to materially differ from future results, performance or achievements expressed or implied by forward-looking statements in this Prospectus. These risks, uncertainties and assumptions include, but are not limited to, the risks outlined in section 6 of this Prospectus. Forward-looking statements include those containing such words as 'anticipate', 'estimate', 'believe', 'should', 'will', 'may' and similar expressions.

Privacy

Please read the privacy information located in section 8.16 of this Prospectus. By submitting an Entitlement and Acceptance Form, you consent to the matters outlined in that section.

Definitions

Certain terms and abbreviations used in this Prospectus have defined meanings which are explained in the Glossary.

Enquiries

If you have any questions please call the Company Secretary on +61 8 9335 7770 at any time between 8:30am and 5:00pm (AWST) Monday to Friday until the Closing Date. Alternatively, consult your broker, accountant or other professional adviser.

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Corporate Directory

Directors

Peter Bird	(Non-Executive Chairman)
David Hamlyn	(Managing Director)
David Potter	(Technical Director)
Chen Chik Ong	(Commercial Director)
Jimmy Kong Leng Lee	(Non-Executive Director)

Company Secretary

Chen Chik (Nicholas) Ong

Website

www.excelsiorgold.com.au

Registered and Business Office

Unit 2
124 Stirling Highway
North Fremantle WA 6159
Telephone: +61 8 9335 7770
Facsimile: +61 8 9335 6231

Share Registry

Security Transfer Registrars
770 Canning Highway
Applecross WA 6153
Telephone: +61 8 9315 2333
Facsimile: +61 8 9315 2233

Solicitors to the Offer

Kings Park Corporate Lawyers
Level 2, 45 Richardson Street
West Perth WA 6005

Auditor*

BDO Audit (WA) Pty Ltd
38 Station Street
Subiaco WA 6008

*This party is named for informational purposes only and was not involved in the preparation of this Prospectus

1 TIMETABLE TO THE OFFER

Prospectus lodged with ASIC and ASX	13 July 2016
Ex Date - Shares trade ex Entitlement	18 July 2016
Record date to determine Entitlement (Record Date)	19 July 2016
Prospectus with Entitlement and Acceptance Form dispatched	21 July 2016
Offer opens for receipt of Applications	21 July 2016
Closing date for acceptances (Closing Date)	2 August 2016
Deferred settlement trading commences	3 August 2016
Notify ASX of Shortfall	5 August 2016
Issue of New Shares	9 August 2016
Deferred settlement trading ends	9 August 2016
Dispatch of shareholding statements	9 August 2016
Normal trading of New Shares expected to commence	10 August 2016
Last date to issue Shortfall Shares	2 November 2016

The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date, subject to such date being no later than 3 months after the date of this Prospectus. As such the date the New Shares are expected to commence trading on ASX may vary.

2 KEY OFFER TERMS AND CAPITAL STRUCTURE

Shares currently on issue ¹	581,266,648
Options currently on issue ²	Nil
New Shares offered under this Prospectus at \$0.05 per New Share	96,877,775
Amount raised under this Prospectus (before costs)	\$4.84 million

¹ This includes 14 million Shares to be issued to Farrah under a share issue announced to ASX on 12 July 2016.

² The Company has also agreed to issue 14 million Attaching Options to Farrah, subject to Shareholder approval.

3 CHAIRMAN'S LETTER

Dear Shareholder

The Company has entered a new phase in its history having made the transition from gold explorer to gold producer. Following an initial mining and ore processing commissioning phase from the period November 2015 to June 2016 the Company is now settled into open pit mining within the large base load Zoroastrian gold system. As a result the Company now looks forward to consistent ore production and sustaining cash flow from the mining operations.

The introduction of GWR Group Limited (GWR) as a junior lender and the Farrah group of entities (Farrah Group) through the signing of binding term sheets on 17 June 2016 (and subsequent amendments to the Farrah agreement) has established financial support for the Company to underpin the commercial success of the open pit mining and the move towards underground mining at Zoroastrian. The decision by GWR not to convert its loan to Shares and thereby take a cornerstone investment in the Company was disappointing although the companies continue to work together to provide financial outcomes that deliver value to both Excelsior Gold and in turn GWR. The current arrangements with GWR and Farrah, in conjunction with this Rights Issue to Shareholders, will raise up to \$8.49 million in total at \$0.05 per Share.

The funding, will be directed towards ongoing mine development at Zoroastrian, expansion of the Bulletin South mining area, accelerated underground mining studies and evaluation of on the myriad of gold targets currently available within the Kalgoorlie North tenements. These gold targets have real potential to add to the current resource inventory.

Farrah and GWR funding package

Consistent with our corporate strategy, new skill sets have been added to the Company's board as the Company transitions from explorer to operational miner. The Company welcomes the recent appointment of Mr Jimmy Lee to the Board of Excelsior Gold and the extensive mining engineering and mine operational experience Mr Lee brings.

The funding package to raise up to \$8.49 million, consists of a total:

- Loans by GWR of \$2.25 million (consisting \$1.6 million 12 month loan and \$650,000 12 month convertible notes, converting prior to maturity at GWR's election at \$0.0387 per Share).
- Share issue to Farrah of \$700,000 (consisting \$500,000 convertible loan converting at \$0.05 per Share, and placement of 4 million Shares at \$0.05 per Share), with one free Attaching Option for every Share issued (subject to Shareholder approval).
- Non-renounceable 1 for 6 Rights Issue to Shareholders at the same discounted price per Share as the Farrah transaction to raise up to approximately \$4.84 million. The Rights Issue is underwritten by Farrah for \$2 million. Farrah has also agreed to take up its Entitlement for a minimum of approximately \$200,000;

Further details on the components of the package, the conditions for each component, and timetable are set in this Prospectus and ASX announcements dated 20 June 2016, 4 July 2016 and 12 July 2016.

Mining operations

Mining in the Zoroastrian Central open pit has progressed steadily over the past five months as high waste volumes have been stripped from the upper levels of the pit to provide access to the main mineralised zones extending from depths of 30 metres to the proposed pit base at approximately 130 metres vertical depth. The mining of the top of the oxidized portion of the ore body has provided valuable geological insight into the structural controls on the gold mineralisation but below expected ore production. The Company announced the discovery of corrupted resource definition modelling data at the Kalgoorlie North mine site which provided erroneous mine reconciliation information (*ASX announcement 21 June 2016*) and on 11 July quantified the reconciliation. The inconsistencies in the reconciliation data impacted upon GWR's decision not to convert its loan in the timeframe available and the Company has taken action to review the mineral resource models and the mine plan.

Mine production of 98,600 tonnes @ 1.45g/t Au for 4,592 ounces from the upper weathered profile within the pit is below the diluted resource model production estimate of 170,000 tonnes @ 1.47g/t Au for 8,065 ounces (*ASX announcement 12 July 2016*) due in part to the extrapolation of mineralised zones interpreted from deeper resource drilling into the poorer drill tested near surface material.

The Company's mining team is evaluating the cause and impact of the discrepancy between the resource model and the actual mine production and it is apparent that the disparity is declining progressively with depth as the pit advances towards areas of the deposit that are considered to be more uniform. The mining results reflect production from only about 10% of the Zoroastrian deposit contained in the top 30 metres where mineralisation is typically more sporadic, more difficult to interpret and generally of lower grade compared to the more consistent ore zones at depth.

Independent mining consultants, Cube Consulting have also been engaged to provide assistance in refining grade control and mining practices and the development of a new resource model incorporating the more comprehensive data set now available from recent mining, pit geological mapping and grade control drilling.

While mining to date has exposed some shortcomings in current interpretations of the mineralised zones in the upper zones there have also been recent positive grade control intersections demonstrating broader than anticipated zone of stockwork mineralisation below the current pit floor. Additional resource definition drilling is currently in progress and further mining is expected to demonstrate that the positives will cancel out the negatives. The Company maintains its long held belief that this ore body has the potential to expand as mining provided an improved understanding of the mineralised system.

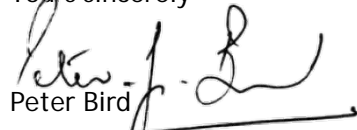
With the current pit base is at the very top of the more clearly defined lode development, mining is now poised to deliver more consistent ore production to meet the increased demands from the Paddington Mill. I am happy to be able to report that the milling program with Norton Gold Fields is now functioning well and in line with cost expectations. Payments totaling \$10.9 million, after deduction of treatment and haulage costs, have been received from Norton Gold Fields to date and ore deliveries are continue on a weekly basis to provide consistent income to the operations.

An investment in the Company is not without risk. In particular, there are operational risks associated with mining and exploration activities and Shareholders are urged to read section 6 carefully and seeking their own advice if required.

I thank all Shareholders for their support during the exploration phase of the Company and for their patience as the management team progresses the mining operations to steady state production. Excelsior Gold has achieved much over the last six years with limited funds. Over one million ounces have been added in Mineral Resources, open pit and underground Ore Reserves established and gold production achieved through the co-operative milling agreement to deliver a mining operation which required almost no start-up capital.

I encourage Shareholders to consider supporting the Rights Issue and I am pleased to be able to offer this opportunity to invest at this time of record high gold prices and at an exciting stage in the successful development of Excelsior Gold.

Yours sincerely

A handwritten signature in black ink, appearing to read "Peter Bird", written over a horizontal line.

Peter Bird

~~Non-Executive Chairman~~

4 INVESTMENT OVERVIEW AND KEY RISKS

This information is a selective overview only. Prospective investors should read the Prospectus in full before deciding to invest in New Shares.

Question	Response	Where to find more information																		
What is the Offer?	<p>1 New Share for every 6 Existing Shares held on the Record Date at an issue price of \$0.05 per New Share.</p> <p>The Offer seeks to issue up to 96,877,775 New Shares to raise up to approximately \$4.84 million (before costs) if fully subscribed.</p>	Section 5																		
Am I an Eligible Shareholder?	<p>The Offer is made to Eligible Shareholders only. Eligible Shareholders are those Shareholders who:</p> <p>(a) are the registered holder of Shares as at 5:00pm (AWST) on the Record Date; and</p> <p>(b) have a registered address in Australia or New Zealand.</p>	Section 8.5																		
Is the Offer underwritten?	Farrah has agreed to underwrite the Offer for \$2 million. It has also agreed to take up its Entitlement (as at 17 June 2016), raising a further \$200,000 approximately.	Section 5.2																		
How will the proceeds of the Offer be used?	<table> <tr> <th>Use of funds</th><th>Minimum Amount</th><th>Full Subscription</th></tr> <tr> <td>Mining working capital</td><td>\$1,500,000</td><td>\$2,000,000</td></tr> <tr> <td>Exploration</td><td>\$397,526</td><td>\$1,500,000</td></tr> <tr> <td>General working capital</td><td>\$96,073</td><td>\$996,329</td></tr> <tr> <td>Costs of the Offer</td><td>\$211,243</td><td>\$347,560</td></tr> <tr> <td>Total</td><td>\$2,204,842</td><td>\$4,843,889</td></tr> </table>	Use of funds	Minimum Amount	Full Subscription	Mining working capital	\$1,500,000	\$2,000,000	Exploration	\$397,526	\$1,500,000	General working capital	\$96,073	\$996,329	Costs of the Offer	\$211,243	\$347,560	Total	\$2,204,842	\$4,843,889	Section 5.3
Use of funds	Minimum Amount	Full Subscription																		
Mining working capital	\$1,500,000	\$2,000,000																		
Exploration	\$397,526	\$1,500,000																		
General working capital	\$96,073	\$996,329																		
Costs of the Offer	\$211,243	\$347,560																		
Total	\$2,204,842	\$4,843,889																		
What are the key risks of a subscription under the Offer?	<p>An investment in the Company has risks that you should consider before making a decision to invest. These risks include:</p> <p>(a) Future funding and ability to continue as a going concern</p> <p>The funds raised from the Offer will be used for mining and general working capital, and</p>	Section 6																		

Question	Response	Where to find more information
	<p>exploration purposes. There is a risk that these funds may not be sufficient, and that further funds may be required. In particular, the Company is indebted to Macquarie for \$1.32 million and to GWR for \$2.25 million (repayable on or before 20 June 2017). There is a risk that cash flow from operations may not be sufficient to meet working capital requirements or, in due course, repay debts, and that further funds may be required. Further funds may not be raised on the same terms as under the Offer or at all.</p> <p>(b) Paddington Ore Treatment Agreement</p> <p>The Company treats its ore at the Paddington plant operated by Paddington Gold Pty Limited, a wholly owned subsidiary of Norton Gold Fields Limited. Given the Company does not own the plant, its ability to treat its ore at the Paddington plant is subject to continue operations of the plant, which is beyond the control of the Company and its Directors.</p> <p>(c) Hedging</p> <p>As at the date of this Prospectus, the Company has the following hedging positions sold at A\$1,570 per ounce. In addition, the Company has 19,942 ounces of European calls grant exercisable at A\$1,600 per ounce between end of December 2017 to the end of March 2019. Average call grant ounces per quarter is 3,324.</p> <p>(d) Commodity Price and Exchange Rate Risk</p> <p>As the Company's potential earnings will be largely derived from the sale of mineral commodities, the Company's future revenues and cash flows will be impacted by changes in the prices of these commodities.</p> <p>Further, the international prices of most commodities are denominated in the United States dollars while the Company's cost base will be in Australian dollars. Consequently changes in the Australian dollar exchange rate will impact on the earnings of the Company.</p>	

Question	Response	Where to find more information
	<p>(e) Mining Risk</p> <p>Mine designs, Ore Reserves and mine production forecasts are based on mineral resource estimates which are intern based on interpretations of the mineralisation from exploration and resource definition drilling data. While the Company uses its best endeavours to understand the geology through appropriately spaced drilling, the extrapolation of geological information from drilling data is subjective. There is a risk that mineral resource estimates may predict volumes and grades which may not be achieved during actual mining.</p> <p>(f) Exploration Risk</p> <p>Despite the best efforts of the Company, there is no guarantee of further exploration success, and even if the Company achieves exploration success, there is no guarantee that development of any newly identified mineral deposit will be economically viable.</p> <p>(g) Grade Risk</p> <p>Due to the Company's agreement to process its ore through the Paddington Mill on a blended basis, the final grade and recovery of the Company's ore is determined by metallurgical test work and recovery results performed by an independent laboratory on representative samples of the ore. The grade and recovery determination procedure simulates the processing route at the Paddington Mill however the mine claimed grade may vary from the final recovered grade received from laboratory. This risk would persist even if the Company processed ore through its own mill or batch treating ore at a similar third party processing facility.</p> <p>(h) Payment Risk</p> <p>Under the terms of the Company's agreement to process its ore through the Paddington Mill, the Company receives front end payments of approximately 50% of the value of recoverable</p>	

Question	Response	Where to find more information
	<p>gold within the ore based on mine grade estimates and assumed moisture and mill recovery parameters and the spot gold price at the time of delivery. Following completion of the laboratory grade and recovery determination procedure and agreement between the parties on the final recoverable gold content of each ore batch, a second tranche payment covering the residual gold value of the ore and net of all treatment and haulage costs, is payable to the Company. The quantum of the payment is dependent on the grade and recovery determination (refer Grade Risk) and the timing of the payment is dependent upon the sampling procedure and laboratory turnaround timing. There is a risk that delays in settlement of second tranche payments could affect operational cash flow. This risk has impacted on the Company in the past but modifications to the sampling and laboratory procedures have been implemented to overcome delays and improve second tranche payment schedules.</p> <p>Please carefully consider these risks, the general investment risks in section 6 and the information contained in other sections of this Prospectus before deciding whether or not to apply for New Shares.</p>	
Is the Offer subject to any conditions?	The offer is not subject to any minimum subscription.	Section 8.2
What will be the effect of the Offer on control of the Company?	<p>The effect of the Offer on control of the Company will vary with the level of Entitlements taken up by Eligible Shareholders and the number of Shortfall Shares placed in the Shortfall Offer.</p> <p>No Shareholder may increase their voting power above 20% as a result of the Offer.</p>	Section 5.6
How do I apply for New Shares and Shortfall Shares under the Offer?	Applications for New Shares and Shortfall Shares can be made by Eligible Shareholders completing the relevant sections of the personalised Entitlement and Acceptance Form and sending it to the Share Registry together with payment by cheque or BPAY in the amount of	Section 7.2

Question	Response	Where to find more information
	Entitlement and Shortfall Shares applied for.	
Can I sell my Entitlements under the Offer?	No. The Offer is non-renounceable meaning your Entitlement is not transferable and there will be no trading of rights on ASX.	Section 8.6
How will the Shortfall Shares be allocated?	The Shortfall Shares will be allocated at the Directors' discretion, save that no Shares will be issued to related parties or their associates, or whether a person's voting power may increase either to 20% or more or from above 20%.	Section 8.7
How can I obtain further advice?	Contact the Company Secretary on +61 8 9335 7770 at any time between 8:30am and 5:00pm (AWST) Monday to Friday until the Closing Date. Alternatively, consult your broker, accountant or other professional adviser.	

5 PURPOSE AND EFFECT OF THE OFFER

5.1 Introduction

The Company is seeking to raise up to approximately \$4.84 million before issue costs under the Offer at a price of \$0.05 per New Share on the basis of 1 New Share for every 6 Existing Shares held as at the Record Date.

The Offer is underwritten by Farrah for \$2 million. Farrah also agreed to take up Entitlement for approximately \$200,000.

See section 5.3 for Use of Funds raised.

5.2 Funding agreements

On 17 June 2016 the Company entered into binding term sheets (**Term Sheet**) with GWR and Farrah, the material terms of which were as follows:

GWR

- (a) GWR would immediately invest \$2.25 million consisting of:
 - (i) 17,193,878 notes converting to Shares at a conversion price of \$0.0387 per Share (**GWR Convertible Notes**) ; and
 - (ii) a loan of \$1,584,949 (**GWR Loan**) repayable at GWR's election (following due diligence period up to 8 July 2016) through the issue of Shares at \$0.057 per Share.
- The GWR Loan and GWR Convertible mature on 17 June 2017 and accrue interest at 12% per annum. GWR may at its election convert the GWR Convertible Notes at any time prior to maturity.
- (b) GWR would have the right to be issued further securities (subject to Shareholder approval) and partially underwrite the Rights Issue, upon which the GWR Convertible Notes and GWR Loan would convert to Shares.
- (c) GWR appointed Mr Jimmy Lee to the Company's board.

Farrah

- (a) Farrah would lend the Company \$500,000 automatically converting to Shares at a conversion price of \$0.05 per Share (**Farrah Convertible Loan**) upon obtaining Shareholder approval.
- (b) Farrah would severally underwrite the Offer for \$2 million and take up its then Entitlement (approximately 4 million New Shares).
- (c) Subject to Shareholder approval, Farrah would also be was issued 10 Million Attaching Options.

The terms of the underwriting are as follows:

- (a) The Underwriter will subscribe for shortfall up to its commitment.
- (b) The Underwriter will only be relieved of its underwriting obligation to the extent valid applications are received in excess of the total underwritten amount.

(c) The Underwriter may terminate its underwriting obligations upon the occurrence of certain events, which are usual for a transaction of this nature.

(d) Farrah would be paid an underwriting fee of 2% or \$40,000.

On 7 July 2016 GWR advised that it would not elect to have the GWR Loan repaid through the issue of Shares, and remain as a junior lender to the Company. As a result, the Company remains indebted to GWR for \$2.25 million under the GWR Convertible Notes and GWR Loan.

On 12 July 2016 Farrah and the Company agreed that Farrah would subscribe for a further 4 million Shares at an issue price of \$0.05 per Share (**Farrah Placement**), at which time the Farrah Convertible Loan would convert to Shares. Shares are expected to be issued under the subscription and conversion prior to the Record Date.

5.3 Purpose of the Offer

The Directors intend to apply the proceeds from the Offer as follows:

Use of funds (\$) (approx.) ¹	Minimum Amount	Full Subscription
Mining working capital	\$1,500,000	\$2,000,000
Exploration	\$397,526	\$1,500,000
General working capital ²	\$96,073	\$996,329
Costs of the Offer ³	\$211,243	\$347,560
Total use of funds	\$2,204,842	\$4,843,889

Notes:

- 1 This table is a statement of the proposed application of the funds to be raised as at the date of this Prospectus. As with any budget, intervening events and new circumstances have the potential to affect the Company's decisions. The Company reserves the right to vary the way funds are applied.
- 2 General working capital includes but is not limited to corporate administration and operating costs and may be applied to directors' fees, ASX and share registry fees, legal, tax and audit fees, insurance and travel costs.
- 3 See section 10.5 for further details relating to the estimated expenses of the Offer.

In the event the Company raises more than the Minimum Amount but less than the Full Subscription, the Company intends to apply surplus funds firstly towards mining working capital and costs of the Offer, then exploration and then general working capital.

5.4 Statement of financial position

Set out in section 13 is the unaudited Consolidated Statement of Financial Position of the Company and the unaudited Consolidated Pro-Forma Statement of Financial Position, as at 31 December 2015 and on the basis of the following assumptions:

- (a) the Offer was effective on 31 December 2015 and was taken up in full;

- (b) The Company settles the loan with Farrah of \$500,000 with the issue of 10,000,000 Shares at 5 cents each. Farrah will also be issued one free Attaching Option for every share issued.
- (c) A further 4,000,000 Shares at \$0.05 per Share will be issued to Farrah increasing its investment to \$700,000 in total. An additional 4,000,000 free Attaching Options will also be issued to Farrah.
- (d) GWR has provided funding of \$2,250,000 (consisting of \$1.59 million loan and \$0.66 million Convertible Notes). The loan is repayable on 20 June 2017 and the Convertible Notes mature on 20 June 2017 (GWR can elect to convert to Shares at \$0.0387 per Share);
- (e) Funds raised under the GWR Convertible Notes, GWR Loan, Farrah Convertible Loan and Farrah Placement;
- (f) No further Shares are issued (including by way of exercise of Options) other than all Shares offered under this Prospectus and those issued to Farrah upon conversion of the Farrah Convertible Loan and under the Farrah Placement;
- (g) costs of the Offer are \$347,560; and
- (h) cost of the Share issue on conversion of loans of \$4,325.

The significant accounting policies upon which the Statement of Financial Position and the Pro-Forma Statement of Financial Position are based are contained in the Company's 2015 annual report.

5.5 Effect of the Offer on the Company's securities

Assuming that Entitlements are taken up in full and no further Shares are issued prior to the Record Date (including by way of exercise of Options), at the close of the Offer, the capital structure of the Company will be:

Shares*	Minimum Amount Number	%	Full Subscription Number	%
Existing Shares	581,266,648	92.95	581,266,648	85.71
New Shares offered under this Prospectus	44,096,859	7.05	96,877,775	14.29
Total Shares	625,363,507	100	678,144,423	100

The Company has agreed to issue 14 million free Attaching Options to Farrah subject to Shareholder approval.

5.6 Effect on control

There will be no effect on control of the Company if all Shareholders take up their Entitlement.

- (a) Others

As the Offer is non-renounceable, the Company has not appointed a nominee for the purposes of section 615 of the Corporations Act and Shareholders may not rely

upon item 10 of section 611 of the Corporations Act to have a voting power of 20% or more.

No person's voting power in the Company may increase to 20% or more as a result of the issue of the New Securities.

(b) Underwriter

The Underwriter's respective voting power in the Company following the Offer will depend upon the extent to which Eligible Shareholders take up their Entitlement. Following is a table setting out Farrah's voting power in various scenarios:

Event	(%)
As at 17 June 2016	4.33
Following conversion of the Farrah Convertible Loan and issue of Shares under the Farrah Placement	6.64
Assuming no take up by others under the Offer (with Farrah both taking up Entitlement for approximately \$200,000 and also fulfilling its underwriting obligation in full)	13.22

(c) Dilution

Shareholders who do not participate in the Offer will have their holdings diluted. Following is a table which sets out the dilutionary effect, assuming the full amount is raised and no further Shares are issued or Options exercised:

Holder	Holding at Record Date		Entitlement	Holding following the Offer if no Entitlement taken up	
	Number	%		Number	%
1	5,000,000	0.86%	833,333	5,000,000	0.74%
2	10,000,000	1.72%	1,666,667	10,000,000	1.47%
3	20,000,000	3.44%	3,333,333	20,000,000	2.95%
4	50,000,000	8.60%	8,333,333	50,000,000	7.37%

6 RISK FACTORS

The New Shares offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below and together with information contained elsewhere in this Prospectus and to consult with your professional advisers before deciding whether to apply for the New Shares pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the New Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

6.1 Risks specific to the Offer

(a) Future funding and ability to continue as a going concern

The funds raised from the Offer will be used for mining and general working capital, and exploration purposes. There is a risk that these funds may not be sufficient, and that further funds may be required. In particular, the Company is indebted to Macquarie for \$1.32 million and to GWR for \$2.25 million (repayable on or before 20 June 2017). There is a risk that cash flow from operations may not be sufficient to meet working capital requirements or, in due course, repay debts, and that further funds may be required. Further funds may not be raised on the same terms as under the Offer or at all.

(b) Dilution

Shareholders who do not take up their Entitlement will have their holding in the Company diluted. Details of dilution are set out in section 5.5(c) above.

6.2 Company and industry risks

The risks outlined below are specific to the Company's operations and to the resource exploration industry in which the Company operates.

(a) Paddington Ore Treatment Agreement:

The Company treats its ore at the Paddington plant operated by Paddington Gold Pty Limited, a wholly owned subsidiary of Norton Gold Fields Limited. Given the Company does not own the plant, its ability to treat its ore at the Paddington plant is subject to continue operations of the plant, which is beyond the control of the Company and its Directors.

(b) Hedging:

As at the date of this Prospectus, the Company has the following hedging positions sold at A\$1,570 per ounce, which can be settled with physical gold delivery or financial closed out by buying back the forward contracts at the end of each quarters:

- 4,326 ounces due 30 September 2016
- 4,873 ounces due 30 December 2016
- 4,786 ounces due 31 March 2017
- 5,705 ounces due 30 June 2017
- 5,743 ounces due 29 September 2017
- 3,104 ounces due 29 December 2017

In addition, the Company has 19,942 ounces of European calls grant exercisable at A\$1,600 per ounce between end of December 2017 to the end of March 2019. Average call grant ounces per quarter is 3,324. The calls grant can be settled with physical gold delivery at \$1,600 or financial closed out by buying back the calls at the end of each quarters. There is a risk that the Company will be subject to additional costs for managing the hedging positions at gold prices above \$1,570 per ounce at the time of delivery and at gold prices above \$1,600 per ounce for the call grant.

(c) Commodity Price and Exchange Rate Risk

As the Company's potential earnings will be largely derived from the sale of mineral commodities, the Company's future revenues and cash flows will be impacted by changes in the prices of these commodities. Commodity prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include current and expected future supply and demand, forward selling by producers, production cost levels in major metal producing centres as well as macroeconomic conditions such as inflation and interest rates.

Furthermore, the international prices of most commodities are denominated in United States dollars while the Company's cost base will be in Australian dollars. Consequently changes in the Australian dollar exchange rate will impact on the earnings of the Company. The exchange rate is affected by numerous factors beyond the control of the Company, including interest rates, inflation and the general economic outlook.

(d) Mining Risk

Mine designs, Ore Reserves and mine production forecasts are based on mineral resource estimates which are intern based on interpretations of the mineralisation from exploration and resource definition drilling data. While the Company uses its best endeavours to understand the geology through appropriately spaced drilling, the extrapolation of geological information from drilling data is subjective. There is a risk that mineral resource estimates may predict volumes and grades which may not be achieved during actual mining. The risk is managed by conducting close spaced grade control drilling ahead of mining to refine the resource model and accurately define ore boundaries. Mining to date has demonstrated that the Zoroastrian mineral resource estimation has predicted more contained metal in the surface volumes than the grade control resource model due to extrapolation of resource definition drilling data up into the poorer tested volumes near to surface. This has impacted on the top 10% of the mineral resource in the open pit. The current mining level in the open pit is at the very top of the clearly defined ore

zone development and resource drilling demonstrates more consistent mineralised intervals with the expectation that discrepancies between the mineral resource estimates and the grade control resource estimates will diminish with depth. Independent resource consultants have been engaged to review and report on this risk.

(e) Exploration Risk

The successful exploration and development of mineral properties is speculative. Most exploration projects do not result in the discovery of commercially minable deposits. The Tenements of the Company are at various stages of mine development and exploration. There can be no assurance that further exploration of the Tenements, or any other tenements that may be acquired in the future, will result in the discovery of economic deposits. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited into a producing mine.

The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

(f) Grade Risk

Due to the Company's agreement to process its ore through the Paddington Mill on a blended basis, the final grade and recovery of the Company's ore is determined by metallurgical test work and recovery results performed by an independent laboratory on representative samples of the ore. The grade and recovery determination procedure simulates the processing route at the Paddington Mill however the mine claimed grade may vary from the final recovered grade received from laboratory. This risk would persist even if the Company processed ore through its own mill or batch treating ore at a similar third party processing facility.

(g) Payment Risk

Under the terms of the Company's agreement to process its ore through the Paddington Mill, the Company receives front end payments of approximately 50% of the value of recoverable gold within the ore based on mine grade estimates and assumed moisture and mill recovery parameters and the spot gold price at the time of delivery. Following completion of the laboratory grade and recovery determination procedure and agreement between the parties on the final recoverable gold content of each ore batch, a second tranche payment covering the residual gold value of the ore and net of all treatment and haulage costs, is payable to the Company. The quantum of the payment is dependent on the grade and recovery determination (refer Grade Risk) and the timing of the payment is dependent upon the sampling procedure and laboratory turnaround timing. There is a risk that delays in settlement of second tranche payments could affect operational cash flow. This risk has impacted on the Company in the past but

modifications to the sampling and laboratory procedures have been implemented to overcome delays and improve second tranche payment schedules.

(h) Operating Risks

The operations of the Company may be affected by various factors, including failure to locate or identify deposits, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in mining, difficulties in securing, commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

Having commenced mining operations in November 2015, the Company has a limited operating history, although it should be noted that the Company's Directors and operations management have between them significant operational experience in the Kalgoorlie region. No assurances can be given that the Company will achieve commercial viability through the successful exploration and mining of the Tenements.

(i) Mineral Resources Risk

The Company's mineral resources and ore reserves estimates are based on a number of assumptions in accordance with the JORC Code. There can be no assurance that the Company's mineral resources and ore reserves will be recovered in the quantities, qualities or yields presented to the market.

Mineral resources and ore reserves estimates are inherently prone to variability. They involve expressions of judgment with regard to the presence and quality of mineralisation and the ability to extract and process the mineralisation economically. These judgments are based on a variety of factors, such as knowledge, experience and industry practice. The accuracy of these estimates may be affected by many factors, including the quality of the results of drilling and sampling of the mineral deposits and analysis of the mineral samples and the procedures adopted and experience of the person(s) making the estimates.

There are risks associated with such estimates, including that the mineral mined may be of a different or inferior quality, volume, overburden strip ratio or stripping cost from the mineral resource estimates. Such estimates may also be revised following actual production, further exploration or analysis.

If the Company encounters mineralisation or geological or mining conditions different from those predicted by historical drilling, sampling and similar examinations, it may have to adjust its mining plans in a way that may materially and adversely affect its business, prospects, financial condition and results of operations and reduce the estimated amount of gold mineral resources and ore reserves available for production and expansion plans.

(j) Future Capital Needs

Further funding of projects may be required by the Company to support its ongoing activities and operations. There can be no assurance that such funding will be available on satisfactory terms or at all. Any inability to obtain funding will

adversely affect the business and financial condition of the Company and, consequently, its performance.

(k) No Profit to Date

While the Directors have confidence in the future revenue-earning potential of the Company, there can be no certainty that the Company will achieve or sustain profitability or achieve or sustain positive cash flow from its operating activities.

(l) Reliance on Key Personnel

As a new gold production Company, Excelsior Gold is dependent on its senior management and key personnel for the day-to-day operations and strategic management of the Company. The value of the Company's Shares and the operations of the Company could be adversely affected by the departure of any of these employees.

(m) Litigation Risk

During the course of its operations the Company faces the risk of litigation with counterparties and others. In particular, GWR has asserted that it may have been supplied with misleading information prior to entering into the Term Sheet. The Company has investigated the assertion and does not believe that it has any merit.

6.3 General investment risks

The risks outlined below are some of the general risks that may affect an investment in the Company.

(a) Securities Investments and Share Market Conditions

There are risks associated with any securities investment. The prices at which the securities trade may fluctuate in response to a number of factors.

Furthermore, the stock market, and in particular the market for exploration and mining companies may experience extreme price and volume fluctuations that may be unrelated or disproportionate to the operating performance of such companies. These factors may materially adversely affect the market price of the securities of the Company regardless of the Company's operational performance. Neither the Company nor the Directors warrant the future performance of the Company, or any return of an investment in the Company.

(b) Liquidity Risk

The market for the Company's Shares may be illiquid. As a consequence investors may be unable to readily exit or realise their investment.

(c) Economic Risk

Changes in both Australia and world economic conditions may adversely affect the financial performance of the Company. Factors such as inflation, currency fluctuations, interest rates, industrial disruption and economic growth may impact on future operations and earnings. The Company's possible revenues and price of its securities can be affected by these factors which are beyond the control of the Company and its Directors.

(d) Government Regulation and Policy

Mining is subject to extensive regulation by local, State and Federal governments in relation to exploration, production, taxes and royalties, labour standards, occupational health, waste disposal, protection and rehabilitation of the environment, mine reclamation, mine safety, toxic substances, native title and other matters. Compliance with such laws and regulations will increase the costs of exploring, drilling, developing, constructing, operating and closing mines and other production facilities.

(e) Tenure and Access

Mining and exploration tenements are subject to periodic renewal. There is no guarantee that current or future tenements or future applications for production tenements will be approved.

The Company's tenements are subject to numerous State-specific legislation conditions. The renewal of the term of the granted tenement is also subject to discretion of the relevant Minister. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the tenements comprising the Company's projects. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company.

7 ACTIONS REQUIRED BY ELIGIBLE SHAREHOLDERS

7.1 What you may do

As an Eligible Shareholder, you may:

- (a) subscribe for all or part of your Entitlement (see section 7.2);
- (b) subscribe for all of your Entitlement and apply for Shortfall Shares (see section 7.3); or
- (c) allow all or part of your Entitlement to lapse (see section 7.4).

7.2 Subscribe for all or part of your Entitlement

Applicants should read this Prospectus in its entirety in order to make an informed decision on the prospects of the Company and the rights attaching to the New Shares offered by this Prospectus before deciding whether to apply for New Shares. If you do not understand this Prospectus you should consult your stockbroker, accountant or other professional adviser in order to satisfy yourself as to the contents of this Prospectus.

If you wish to subscribe for all or part of your Entitlement, complete the accompanying Entitlement and Acceptance Form in accordance with the instructions set out on that form. The Entitlement and Acceptance Form sets out the number of New Shares you are entitled to subscribe for.

7.3 Subscribe for all of your Entitlement and apply for Shortfall Shares

Eligible Shareholders who take up their Entitlement in full may, in addition to their Entitlement, apply for Shortfall Shares regardless of the size of their present holding by completing the accompanying Entitlement and Acceptance Form in accordance with the instructions set out on that form. See section 8.7 for details of the manner in which Shortfall Shares will be allocated.

Surplus application moneys will be returned to Applicants as soon as practicable following the close of the Offer.

7.4 Allow all or part of your Entitlement to lapse

If you are an Eligible Shareholder and do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

If you take no action, your Entitlement will lapse. You will receive no benefit or New Shares and your Entitlement will become Shortfall Shares.

If you wish to participate in the Offer, you must take action to accept your Entitlement in accordance with the instructions above and on the accompanying personalised Entitlement and Acceptance Form.

The number of Existing Shares you hold as at the Record Date and the rights attached to those Existing Shares will not be affected if you choose not to accept any of your Entitlement.

7.5 Payment methods

BPAY

If you are paying by BPAY, refer to your personalised instructions on your Entitlement and Acceptance Form. Shareholders who wish to pay by BPAY must ensure that payment is received by no later than 3:00pm AWST on the Closing Date.

You should be aware that your own financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment. It is your responsibility to ensure that funds submitted through BPAY are received by 3:00pm AWST on the Closing Date.

If you have more than one shareholding and consequently receive more than one Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those shareholdings only use the Customer Reference Number specific to that shareholding as set out in the applicable Entitlement and Acceptance Form. Do not use the same Customer Reference Number for more than one of your shareholdings. This can result in your application monies being applied to your Entitlement in respect of only one of your shareholdings (with the result that any application in respect of your remaining shareholdings will not be recognised as valid).

The Company shall not be responsible for any postal or delivery delays or delay in the receipt of the BPAY payment.

Cheque, bank draft or money order

Alternatively, if you are paying by cheque, bank draft or money order, the completed Entitlement and Acceptance Form must be accompanied by a cheque, bank draft or money order made payable to 'Excelsior Gold Limited' and crossed 'Not Negotiable' for the appropriate application money in Australian dollars calculated at \$0.05 per New Share accepted. Your cheque, bank draft or money order must be paid in Australian currency and be drawn on an Australian branch of an Australian financial institution. The Company will present the cheque or bank draft on the day of receipt of the Entitlement and Acceptance Form. You must ensure that your cheque account has sufficient funds to cover your payment, as your cheque will be presented for payment on receipt. If your bank dishonours your cheque your application will be rejected. Dishonoured cheques will not be represented.

If the amount of your cheque(s), bank draft(s) or money order(s) for application money (or the amount for which those cheque(s) or bank draft(s) clear in time for allocation) is insufficient to pay for the number of New Shares you have applied for in your Entitlement and Acceptance Form, you may be taken to have applied for such lower number of New Shares as your cleared application money will pay for (and to have specified that number of New Shares in your Entitlement and Acceptance Form) or your Application may be rejected.

The Entitlement and Acceptance Form must be received by the Company at either of the following addresses by no later than 5:00pm (AWST) on the Closing Date:

By Post To:	By Delivery To:
Excelsior Gold Limited C/- Security Transfer Registrars PO Box 535, Applecross WA 6953	Excelsior Gold Limited C/- Security Transfer Registrars 770 Canning Highway Applecross WA 6153

7.6 Entitlement and Acceptance Form is binding

Receipt of a completed and lodged Entitlement and Acceptance Form together with a cheque, bank draft or money order for the application monies, or by making a payment in respect of an Application by BPAY, constitutes a binding offer to acquire New Shares on the terms and conditions set out in this Prospectus and, once lodged, cannot be withdrawn.

By completing and returning your Entitlement and Acceptance Form with the requisite application monies, or by making a payment in respect of an Application by BPAY, you will be deemed to have represented that you are an Eligible Shareholder. In addition, you will also be deemed to have represented and warranted on behalf of yourself or each person on whose account you are acting that the law in your place of residence and/or where you have been given the Prospectus, does not prohibit you from being given the Prospectus and that you:

- (a) agree to be bound by the terms of the Offer;
- (b) declare that all details and statements in the Entitlement and Acceptance Form are complete and accurate;
- (c) declare that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Entitlement and Acceptance Form;
- (d) authorise the Company and its respective officers or agents, to do anything on your behalf necessary for the New Shares to be issued to you, including to act on instructions of the Company's share registry upon using the contact details set out in the Entitlement and Acceptance Form;
- (e) declare that you are the current registered holder of Shares and are an Australian or New Zealand resident, and you are not in the United States or a US Person, or acting for the account or benefit of a US Person;
- (f) acknowledge that the information contained in, or accompanying, the Prospectus is not investment or financial product advice or a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs; and
- (g) acknowledge that the New Shares have not, and will not be, registered under the securities laws in any other jurisdictions outside Australia and New Zealand and accordingly, the New Shares may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of applicable securities laws in particular the US Securities Act.

The Entitlement and Acceptance Form does not need to be signed to be a valid application. An Application will be deemed to have been accepted by the Company upon the issue of the New Shares.

If the Entitlement and Acceptance Form is not completed correctly or if the accompanying payment of the application monies is for the wrong amount, it may still be treated as a valid application for New Shares. The Directors' decision whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final. However, an Applicant will not be treated as having applied for more Shares than is indicated by the amount of the application monies received by the Company.

8 DETAILS OF THE OFFER

8.1 Shares offered for subscription

By this Prospectus the Company makes a non-renounceable pro rata offer to Eligible Shareholders on the basis of 1 New Share for every 6 Existing Shares held as at the Record Date at a price of \$0.05 per New Share to raise up to approximately \$4.84 million before issue costs. Fractional entitlements will be rounded up to the nearest whole number.

The Offer is only open to Eligible Shareholders. The Company reserves the right to reject any application that it believes comes from a person who is not an Eligible Shareholder.

Details of how to apply for New Shares are set out at section 8.

All New Shares offered under this Prospectus will rank equally with Existing Shares. The rights and liabilities of the New Shares offered under this Prospectus are summarised in section 9.

8.2 No minimum subscription

There is no minimum subscription for the Offer.

8.3 Acceptances

This Offer may be accepted in whole or in part prior to the Closing Date subject to the rights of the Company to extend the Offer period or close the Offer early.

Instructions for accepting your Entitlement are set out in section 7 and on the Entitlement and Acceptance Form which accompanies this Prospectus.

8.4 Underwriting

The Offer is underwritten by Farrah for \$2 million. See section 5.2 for details of the underwriting terms.

The Company will pay a stamping fee of 5% on all Applications received where the Entitlement and Acceptance Form bears the stamp of an AFSL holder approved by the Company.

8.5 Entitlement to Offer

The Offer is made to Eligible Shareholders, who are those Shareholders that:

- (a) are the registered holder of Shares as at 5:00pm (AWST) on the Record Date; and
- (b) have a registered address in Australia or New Zealand.

8.6 No Rights trading

The Offer is non-renounceable. This means that the rights of Eligible Shareholders to subscribe for New Shares under this Prospectus are not transferable and there will be no trading of rights on ASX. Eligible Shareholders who choose not to take up their rights will receive no benefit and their shareholding in the Company will be diluted as a result.

8.7 Shortfall

Any New Shares not applied for under the Offer will become Shortfall Shares. The Directors

reserve the right to issue any Shortfall Shares at their discretion within 3 months after the Closing Date (**Shortfall Offer**).

The Shortfall Offer is, to the extent it is made in Australia, made under this Prospectus. To the extent the Shortfall Offer is made outside Australia, the Shortfall Offer is made without disclosure, a prospectus, lodgement, filing or registration, or other requirements of any applicable securities law, and only in circumstances where it is lawful to do so (such as to institutional or sophisticated investors).

Eligible Shareholders may apply for Shortfall Shares by completing the accompanying Entitlement and Acceptance Form in accordance with the instructions set out on that form. Other investors who are not Eligible Shareholders may apply for Shortfall Shares using the Shortfall Application Form attached to this Prospectus. Persons outside Australia doing so represent to the Company that they can apply for Shortfall Shares in circumstances which do not require the offer for Shortfall Shares or this Prospectus to be registered.

It is possible that there may be no Shortfall Shares available for issue.

Subject to the above, the Directors reserve the right at their absolute discretion to reject any application for Shortfall Shares or to issue a lesser number of Shortfall Shares than that applied for, and it is an express term of the Shortfall Offer that applicants for Shortfall Shares will be bound to accept a lesser number of Shortfall Shares allocated to them than applied for. If a lesser number is allocated, excess application money will be refunded without interest as soon as practicable after the Closing Date.

8.8 Offer outside Australia and New Zealand

Recipients may not send or otherwise distribute this Prospectus or the Entitlement and Acceptance Form to any person outside Australia and New Zealand.

8.9 Treatment of Ineligible Shareholders

Given the small number of Ineligible Shareholders and the cost of complying with applicable regulations in those jurisdictions, the Company has decided that it would be unreasonable to extend the Offer to Ineligible Shareholders. The Prospectus will not be sent to those Shareholders.

(a) New Zealand

The Offer contained in this Prospectus to Eligible Shareholders with registered addresses in New Zealand is made in reliance on the Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand). Members of the public in New Zealand who are not existing Shareholders on the Record Date are not entitled to apply for any New Shares. This Prospectus has not been registered, filed or approved by any New Zealand regulatory authority. This Prospectus is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

(b) Elsewhere

This Prospectus does not constitute an offer of securities in any jurisdiction where, or to any person to whom, it would not be lawful to issue the Prospectus or make the Offer. No action has been taken to register or qualify the New Shares or the

Offer or otherwise to permit an offering of the New Shares in any jurisdiction other than as set out in this section.

This document is not for publication or distribution, directly or indirectly, in or into the United States of America (including its territories and possessions, any state of the US and the District of Columbia). This document is not an offer of securities for sale into the United States or to, or for the account or benefit of, US Persons. The securities referred to herein have not been and will not be registered under the US Securities Act, and may not be offered or sold in the United States or to, or for the account or benefit of, US Persons. No public offering of securities is being made in the United States.

Recipients may not send or otherwise distribute this Prospectus or the Entitlement and Acceptance Form to any person outside Australia or New Zealand (other than to Eligible Shareholders).

8.10 Beneficial holders, nominees, trustees and custodians

The foreign selling restrictions under the Offer summarised in section 8.9 of this Prospectus apply to the underlying beneficial holder. Nominees, trustees and custodians must not apply on behalf of any beneficial holder that would not itself be an Eligible Shareholder. Shareholders who are nominees, trustees or custodians are advised to seek independent advice as to how they should proceed. Shareholders who hold Shares on behalf of persons whose registered address is not in Australia or New Zealand are responsible for ensuring that applying for New Shares does not breach securities laws in the relevant overseas jurisdictions.

Nominees and custodians that hold Shares should note that the Offer is available only to Eligible Shareholders. The Company is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of securities. If any nominee or custodian is acting on behalf of a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Offer is compatible with applicable foreign laws.

8.11 Allotment and application money

New Shares will be issued only after all application money has been received and ASX has granted permission for the New Shares to be quoted. It is expected that New Shares will be issued on 9 August 2016 and normal trading of the New Shares on ASX is expected to commence on 10 August 2016.

All application monies will be deposited into a separate bank account of the Company and held in trust for Applicants until the Shares are issued or application monies returned. Any interest that accrues will be retained by the Company and will not be paid to Applicants.

8.12 Quotation

The Company will apply to ASX within 7 days after the date of this Prospectus for quotation of the New Shares offered by this Prospectus on ASX. If ASX does not grant permission for the quotation of the New Shares offered under this Prospectus within 3 months after the date of this Prospectus, or such longer period as modified by ASIC, none of the New Shares offered by this Prospectus will be allotted or issued. In these circumstances, all

Applications will be dealt with in accordance with the Corporations Act including the return of all application monies without interest.

A decision by ASX to grant official quotation of the New Shares is not to be taken in any way as an indication of ASX's view as to the merits of the Company or of the New Shares.

Quotation, if granted, of the New Shares offered by this Prospectus will commence as soon as practicable after statements of holdings of the New Shares are dispatched.

8.13 Market prices of Existing Shares on ASX

The highest and lowest market sale price of the Existing Shares, which are on the same terms and conditions as the New Shares being offered under this Prospectus, during the 3 months immediately preceding the lodgement of this Prospectus with the ASIC, and the last market sale price on the date before the lodgement date of this Prospectus, are set out below.

	3 month high	3 month low	Last market sale price
Price (\$)	\$0.11	\$0.046	\$0.063
Date	11 April 2016	28 June 2016	7 July 2016

8.14 CHESS

The Company participates in the Clearing House Electronic Subregister System (CHESS). CHESS is operated by ASX Settlement Pty Ltd (ASPL), a wholly owned subsidiary of ASX.

Under CHESS, the Company does not issue certificates to investors. Instead, security holders will receive a statement of their holdings in the Company, including New Shares issued under this Prospectus. If an investor is broker sponsored, ASPL will send a CHESS statement.

The CHESS statement will set out the number of New Shares issued under this Prospectus, provide details of your holder identification number and give the participation identification number of the sponsor.

If you are registered on the issuer sponsored sub register, your statement will be dispatched by the Company's share registrar and will contain the number of New Shares issued to you under this Prospectus and your security holder reference number.

A CHESS statement or issuer sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their shareholding changes. Shareholders may request a statement at any other time, however, a charge may be made for additional statements.

8.15 Taxation and duty implications

The Directors do not consider that it is appropriate to give Shareholders advice regarding the taxation consequences of the Company conducting the Offer or Shareholders applying for New Shares under this Prospectus, as it is not possible to provide a comprehensive summary of the possible taxation positions of Shareholders. The Company, its advisers and officers, do not accept any responsibility or liability for any taxation consequences to Shareholders in the Offer. Shareholders should, therefore, consult their own professional tax adviser in connection with the taxation implications of the Offer.

No brokerage or stamp duty is payable by Applicants in respect of Applications for New Shares under this Prospectus.

8.16 Privacy

The Company collects information about each Applicant provided on an Entitlement and Acceptance Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's security holding in the Company.

By submitting an Entitlement and Acceptance Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Entitlement and Acceptance Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Share Registry, the Company's related body corporates, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

The Corporations Act requires the Company to include information about the Shareholder (including name, address and details of the Shares held) in its public register. The information contained in the Company's public register must remain there even if that person ceases to be a Shareholder. Information contained in the Company's register is also used to facilitate distribution payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its security holders) and compliance by the Company with legal and regulatory requirements.

If you do not provide the information required on the Entitlement and Acceptance Form, the Company may not be able to accept or process your Application. An Applicant has the right to gain access to the information that the Company holds about that person subject to certain exceptions under law. A fee may be charged for access. Such requests must be made in writing to the Company's registered office.

8.17 Enquiries

Any queries regarding the Offer should be directed to Nicholas Ong, Company Secretary on +61 8 9335 7770.

Any queries regarding the Entitlement and Acceptance Form should be directed to the Share Registry on +61 8 9315 2333.

You can also contact your stockbroker or professional adviser with any queries in relation to the Offer.

9 RIGHTS AND LIABILITIES ATTACHING TO SHARES

9.1 Rights and liability attaching to Shares

Full details of the rights and liabilities attaching to the Shares are:

- detailed in the Constitution, a copy of which can be inspected, free of charge, at the registered office of the Company during normal business hours; and
- in certain circumstances, regulated by the Corporations Act, the Listing Rules and the general law.

The following is a summary of the more significant rights and liabilities attaching to the Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

(a) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at a general meeting of members every member has one vote on a show of hands and one vote per Share on a poll. Voting may be in person or by proxy, attorney or representative.

(b) Dividends

Subject to the Corporations Act, the Listing Rules and any rights or restrictions attached to a class of shares, the Company may pay dividends as the Directors authorise.

(c) Future issues of securities

Subject to the Corporations Act and the Listing Rules, the Directors may issue, grant options over, or otherwise dispose of unissued shares in the Company at the times and on the terms that the Directors think proper and a share may be issued with preferential or special rights.

(d) Transfer of Shares

A shareholder may transfer Shares by a market transfer in accordance with any computerised or electronic system established or recognised by ASX for the purpose of facilitating transfers in Shares or by an instrument in writing in a form approved by ASX or the Board.

(e) Meetings and notices

Each shareholder is entitled to receive notice of, and to attend, general meetings for the Company and to receive all notices, accounts and other documents required to be sent to shareholders under the Constitution, the Corporations Act or the Listing Rules.

Shareholders may requisition meetings in accordance with the Corporations Act.

(f) Liquidation rights

The Company has one class of shares on issue, ordinary shares. Each ordinary Share ranks equally in the event of liquidation.

(g) Variation of rights

Subject to the Listing Rules, the rights attached to the Shares may be varied with the consent in writing of shareholders holding three-quarters of the Shares or by a special resolution passed at a separate meeting of the holders of the Shares in accordance with the Corporations Act

(h) Election of directors

At every annual general meeting one third of the Directors (rounded up to the nearest whole number) must retire from office. Any Director who would have held office for more than 3 years if that Director remains in office until the next general meeting must retire. These retirement rules do not apply to certain appointments including the managing director.

(i) Indemnities

To the extent permitted by law the Company must indemnify each past and present Director and secretary against any liability incurred by that person as an officer of the Company and any legal costs incurred in defending an action in respect of such liability.

(j) Winding up

Subject to the Corporations Act, the ASX Listing Rules and any rights or restrictions attached to a class of shares, on a winding up of the Company any surplus must be divided among the shareholders of the Company.

(k) Shareholder liability

As the Shares under the Prospectus are fully paid Shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(l) Alteration to the Constitution

The Constitution can only be amended by a special resolution passed by at least three quarters of shareholders present and voting at the general meeting. At least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

(m) Listing Rules

If the Company is admitted to trading on the Official List, then despite anything in the Constitution, if the Listing Rules prohibit an act being done, the act must not be done. Nothing in the Constitution prevents an act being done that the Listing Rules require to be done. If the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be). If the Listing Rules require the Constitution to contain a provision and it does not contain such a provision, the Constitution is deemed to contain that provision. If the Listing Rules require the Constitution not to contain a provision and it contains such a provision, the Constitution is deemed not to contain that provision. If a provision of the Constitution is or becomes inconsistent with the Listing Rules, the Constitution is deemed not to contain that provision to the extent of the inconsistency.

10 ADDITIONAL INFORMATION

10.1 Continuous disclosure obligations

The Company is a 'disclosing entity' (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities. The New Shares which will be issued pursuant to this Prospectus are in the same class of Shares that have been quoted on the Official List during the 12 months prior to the issue of this Prospectus.

This Prospectus is a "transaction specific prospectus" to which the special content rules under section 713 of the Corporations Act apply. That provision allows the issue of a more concise prospectus in relation to an offer of securities in a class which has been continuously quoted by ASX in the three months prior to the date of the prospectus. In general terms "transaction specific prospectuses" are only required to contain information in relation to the effect of the issue of New Shares on the Company and the rights attaching to the New Shares. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the period from lodgement of the Company's annual financial statements of the Company for the financial year ended 30 June 2015 to the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:

- (i) the annual financial statements of the Company for the financial year ended 30 June 2015 being the last financial statements for a financial year, of the Company lodged with the ASIC before the issue of this Prospectus;
- (ii) any half-year financial report lodged with ASIC by the Company after the lodgement of that annual report and before the lodgement of this Prospectus; and
- (iii) any continuous disclosure notices given by the Company after the lodgement of the financial statements referred to in paragraph (i) and before the lodgement of this Prospectus with ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be obtained free of charge from the Company's registered office during normal office hours.

The Company has lodged the following announcements with ASX since its 2015 annual report was lodged with ASX on 30 September 2015:

Date	Description of Announcement
12/07/2016	Funding and Operational Update
08/07/2016	Trading Halt
04/07/2016	Extension of Funding Program Timetable
24/06/2016	Initial Director's Interest Notice
24/06/2016	Appointment of Director - Jimmy Lee
23/06/2016	Appendix 3B
23/06/2016	Completion of Satellite Pits Ore Payments
21/06/2016	The CEO Sessions Presentation - June 2016
21/06/2016	Recent Results Demonstrate Significant Upside To Zoroastrian
20/06/2016	Appendix 3B
20/06/2016	GWR: takes Cornerstone Position in Excelsior Gold
20/06/2016	Reinstatement
20/06/2016	New Cornerstone Investor Provides Financing Certainty
16/06/2016	Suspension extension
14/06/2016	Suspension extension

Date	Description of Announcement
07/06/2016	Suspension extension
06/06/2016	Extension of Suspension
01/06/2016	Extension of Suspension
31/05/2016	Suspension
27/05/2016	Trading Halt
24/05/2016	Navan Significant Drilling Results
19/05/2016	Further Processing Expansion for 2016
18/05/2016	Production Optimisation at Zoroastrian Central Pit
17/05/2016	Resolution of Ore Payment Delays
12/05/2016	RIU Sydney Conference May 2016
04/05/2016	Zoroastrian High Grade Gold Vein Structures
02/05/2016	Quarterly Cashflow Report - March 2016
02/05/2016	Quarterly Activities Report - March 2016
19/04/2016	Gold Production Update
18/03/2016	Commencement of Drilling at Zoroastrian
15/03/2016	Interim Financial Report - 31 December 2015
14/03/2016	Production Cost Estimate and Cash Position
23/02/2016	Increased Production Forecast for 2016
03/02/2016	Processing Allocation Expansion for 2016
01/02/2016	February 2016 Investor Presentation
29/01/2016	Quarterly Cashflow Report - December 2015
29/01/2016	Quarterly Activities Report - December 2015
08/01/2016	Excelsior Gold Buys Out Joint Venture Interest
07/01/2016	Third Open Pit Brought Online
04/01/2016	Loan Facility Financial Closure and Expiry of Options

Date	Description of Announcement
31/12/2015	Mining Fleet Expanded to Accelerate Production
30/12/2015	First Ore Payment Received
22/12/2015	Zoroastrian South Open Pit Mine Plan Accelerated
10/12/2015	Commencement of Ore Haulage
27/11/2015	AGM Presentation
27/11/2015	Results of Annual General Meeting
19/11/2015	Commencement of Mining
18/11/2015	Becoming a substantial holder
09/11/2015	Mining Contract and Construction Update
03/11/2015	Better News Drilling Returns Shallow Gold Intercepts
02/11/2015	Change of Director's Interest Notice
02/11/2015	Issue of Shares and Appendix 3B
30/10/2015	Quarterly Cashflow Report - September 2015
30/10/2015	Quarterly Activities Report - September 2015
28/10/2015	Excelsior Gold Regains Nickel Rights
27/10/2015	Excelsior Gold Fully Funded to Production
26/10/2015	Notice of Annual General Meeting
23/10/2015	Trading Halt
22/10/2015	Lady Kelly Drilling Returns Broad High Grade Gold Intercept
21/10/2015	Company Update
14/10/2015	Commencement of Drilling at Bulletin
13/10/2015	Capital Cost Reduction Ahead of Mine Production
30/09/2015	Appendix 4G & Corporate Governance Statement

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours or from www.asx.com.au.

10.2 Directors' interests

As at the date of this Prospectus the Directors have a relevant interest in securities of the Company and remuneration as set out below.

Director	Shares
Peter Bird	4,250,000
David Hamlyn	17,678,666
David Potter	11,496,699
Chen Chik (Nicholas) Ong	6,250,000
Jimmy Kong Leng Lee	Nil

Remuneration paid to Directors in the two years prior to the date of this Prospectus		
Director	2015/2016	2014/2015
Peter Bird ⁴	\$60,000	\$55,833
David Hamlyn ¹	\$360,000	\$355,833
David Potter ²	\$270,000	\$296,667
Chen Chik (Nicholas) Ong ³	\$223,200	\$198,470
Jimmy Kong Leng Lee	\$0	\$0

Notes:

¹ Mr Hamlyn is the Company's Managing Director and is entitled to an annual salary of \$394,200 inclusive of superannuation. Share based remuneration (amount expensed) for Mr Hamlyn is \$116,934 and \$348,738 for financial years 2016 and 2015 respectively. The 2015 share based remuneration includes expense relating to cancellation of shares and the resulting acceleration of their value.

² Mr Potter is an Executive Director and is entitled to an annual salary of \$295,650 inclusive of superannuation. Share based remuneration (amount expensed) for Mr Potter is \$97,445 and \$340,566 for years 2016 and 2015 respectively. The 2015 share based remuneration includes expense relating to cancellation of shares and the resulting acceleration of their value.

³ Mr Ong is an Executive Director and Company Secretary, and is entitled to an annual salary of \$244,404 inclusive of superannuation. Share based remuneration (amount expensed) for Mr Ong is \$77,956 and \$98,036 for financial years 2016 and 2015 respectively. The 2015 share based remuneration includes expense relating to cancellation of shares and the resulting acceleration of their value.

⁴ Mr Bird is a Non-Executive Director and is entitled to an annual salary of \$65,700 inclusive of superannuation. Share based remuneration (amount expensed) for Mr Bird is \$38,978 and \$143,939 for financial years 2016 and 2015 respectively. The 2015 share based remuneration includes expense relating to cancellation of shares and the resulting

acceleration of their value.

The Company has entered into indemnity, insurance and access deeds with each of the Directors (**Deeds**). Under the Deeds, the Company agrees to indemnify each of the Directors to the extent permitted by the Corporations Act against certain liabilities incurred by the Directors whilst acting as an officer of the Company, and to insure each Director against certain risks to which the Company is exposed as an officer of the Company. The Deeds also grant each Director a right of access to certain records of the Company for a period of up to 7 years after the Director ceases to be an officer of the Company.

The Deeds were entered into as part consideration for the Directors agreeing to hold office as directors of the Company.

The Constitution provides that the Directors may be paid for their services as Directors. Non-executive directors may only be paid a sum not exceeding such fixed sum per annum as may be determined by the Company in general meeting, to be divided among the non-executive directors and in default of agreement then in equal shares.

The Company also pays premiums to insure all of the Directors against liabilities for costs and expenses incurred by them in defending legal proceedings arising from their conduct whilst acting in the capacity as a Director of the Company.

Other than as set out above or elsewhere in this Prospectus, no Director or proposed Director holds at the date of this Prospectus, or held at any time during the last 2 years before the date of lodgement of this Prospectus with ASIC, any interest in:

- (a) the formation or promotion of the Company; or
- (b) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Company or the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given:

- (d) to a Director or proposed Director or to any firm which any such Director is a partner, to induce him or her to become, or to qualify as, a Director; or
- (e) for services provided by a Director or proposed Director or to any firm which any such Director is a partner, in connection with the formation or promotion of the Company or the Offer.

10.3 Interests of promoters and named persons

Except as disclosed in this Prospectus, no expert, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, nor any firm in which any of those persons is or was a partner nor any company in which any of those persons is or was associated with, has now, or has had, in the 2 year period ending on the date of this Prospectus, any interest in:

- (a) the formation or promotion of the Company; or
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or

- (c) the Offer.

Kings Park Corporate Lawyers has acted as solicitors to the Offer and Term Sheet. In respect of this work, the Company will pay approximately \$35,000 (inclusive of GST). Subsequently fees will be paid in accordance with normal hourly rates. Kings Park Corporate Lawyers have received fees for services to the Company totalling approximately \$50,000 (inclusive of GST) in the 2 years prior to the date of this Prospectus.

10.4 Consents

Each of the persons referred to in this section:

- (a) has given and has not, before the date of lodgement of this Prospectus with ASIC withdrawn their written consent:
- (i) to be named in the Prospectus in the form and context which it is named; and
 - (ii) where applicable, to the inclusion in this Prospectus of the statement(s) and/or reports (if any) by that person in the form and context in which it appears in this Prospectus;
- (b) has not caused or authorised the issue of this Prospectus;
- (c) has not made any statement in this Prospectus or any statement on which a statement in this Prospectus is based, other than specified below;
- (d) to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for, any part of this Prospectus, other than the references to their name and the statement(s) and/or report(s) (if any) specified below and included in this Prospectus with the consent of that person.

Name	Role
Kings Park Corporate Lawyers	Lawyers
Farrah Gold Pty Limited	Underwriter

10.5 Expenses of the Offer

The total expenses of the Offer based on full subscriptions are estimated to be \$347,560, consisting of the following:

Cost	\$
Legal fees	35,000
Underwriting Fees	40,000
ASX fees	13,016
ASIC fees	2,350
Capital raising ¹	242,194
Printing, postage and other expenses	15,000
Total	\$347,560

¹ This is the maximum amount that may incur under the Offer.

These expenses have or will be paid by the Company.

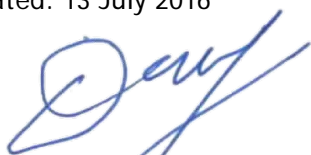
10.6 Litigation

As at the date of this Prospectus, the Company is not involved in any other legal proceedings of a material nature and the Directors are not aware of any other legal proceedings pending or materially threatened against the Company.

11 DIRECTORS' RESPONSIBILITY AND CONSENT

Each Director has consented to the lodgement of this Prospectus with the ASIC and has not withdrawn that consent.

Dated: 13 July 2016



.....
Signed for and on behalf of
Excelsior Gold Limited by
David Hamlyn

12 GLOSSARY

Where the following terms are used in this Prospectus they have the following meanings:

\$, A\$ or Dollars	Australian dollars unless otherwise stated.
AFSL	Australian Financial Services Licence.
Applicant	a person who submits a valid Entitlement and Acceptance Form pursuant to this Prospectus.
Application	a valid application made on an Entitlement and Acceptance Form to subscribe for New Shares pursuant to this Prospectus.
ASIC	the Australian Securities & Investments Commission.
ASX	the ASX Limited ACN 008 624 691 and where the context permits the Australian Securities Exchange operated by ASX Limited.
Attaching Option	an Option (exercisable at \$0.05 and expiring 12 months from issue) to be issued to Farrah (subject to Shareholder approval if required) as set out in section 5.2.
AWST	Australian Western Standard Time.
Board	the Board of Directors.
Business Day	Monday to Friday inclusive, except any day that ASX declares is not a business day.
Closing Date	the date set out in section 1.
Company or Excelsior	Excelsior Gold Limited (ABN 38 123 629 863).
Constitution	the constitution of the Company.
Corporations Act	the <i>Corporations Act 2001</i> (Cth).
Deeds	the indemnity, insurance and access deeds between the Company and each of the Directors.
Director	a Director of the Company.
Eligible Shareholders	a Shareholder as at the Record Date with a registered address in Australia or New Zealand.
Entitlement	a Shareholder's entitlement to subscribe for New Shares offered by this Prospectus.

Entitlement and Acceptance Form	the personalised entitlement and acceptance form attached to this Prospectus.
Ex Date	the date set out in section 1.
Existing Share	a Share issued as at 5:00pm (AWST) on the Record Date.
Full Subscription	approximately \$4.84 million before costs.
GWR	GWR Group Limited (ACN 102 622 051).
GWR Convertible Note	has the meaning given in section 5.2.
GWR Loan	has the meaning given in section 5.2.
Ineligible Shareholder	a Shareholder who is not an Eligible Shareholder.
Listing Rules	the listing rules of the ASX.
Minimum Amount	\$2,204,843, being the underwritten amount of \$2 million and the amount Farrah has agreed to take up as part of its Entitlement of \$204,842.
New Shares	Shares issued pursuant to this Prospectus.
Offer	an offer made under this Prospectus to subscribe for New Shares.
Official List	the official list of the ASX.
Opening Date	the date set out in section 1.
Option	an option to be issued a Share.
Prospectus	this Prospectus and includes the electronic prospectus.
Record Date	the date set out in section 1.
Share	a fully paid ordinary share in the Company.
Share Registry	Security Transfer Registrars.
Shareholder	the registered holder of Shares in the Company.
Shortfall Offer	an offer of Shortfall Shares to Eligible Shareholders on terms set out in section 8.7.
Shortfall Shares	New Shares for which valid Applications have not been received by the Closing Date.
Term Sheet	has the meaning given in section 5.2.

Underwriter or Farrah	means Farrah Gold Pty Limited (ACN 613 040 841).
US person	has the meaning given to that term in Regulation S under the US Securities Act.
US Securities Act	the <i>United States Securities Act of 1933</i> , as amended.

13 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited Consolidated 31 Dec 2015	Pro-forma adjustments	Unaudited Consolidated 31 Dec 2015 Pro Forma
	\$	\$	\$
Current Assets			
Cash and cash equivalents	4,315,732	7,442,003	11,757,735
Trade and other receivables	1,591,399	-	1,591,399
Other financial assets	72,454	-	72,454
Derivative financial assets	2,066,442	-	2,066,442
Total Current Assets	8,046,027	7,442,003	15,488,030
Non Current Assets			
Mineral exploration and evaluation expenditure	-	-	-
Plant and equipment	146,326	-	146,326
Mine properties	9,971,659	-	9,971,659
Total Non Current Assets	10,117,985	-	10,117,985
Total Assets	18,164,012	7,442,003	25,606,015
Current Liabilities			
Trade and other payables	4,011,661	-	4,011,661
Borrowings	750,000	2,250,000	3,000,000
Total Current Liabilities	4,761,661	2,250,000	7,011,661
Non Current Liabilities			
Borrowings	571,006	-	571,006
Derivative instruments	1,422,106	-	1,422,106
Rehabilitation provision	8,843,876	-	8,843,876
Total Non Current Liabilities	10,836,988	-	10,836,988
Net Assets	2,565,363	5,192,003	7,757,366
Equity			
Issued capital	43,928,686	5,192,003	49,120,689
Reserves	418,696	-	418,696
Accumulated losses	(41,782,019)	-	(41,782,019)
Total Equity	2,565,363	5,192,003	7,757,366

Note to the Pro-Forma Statement of Financial Position

The Pro-Forma Statement of Financial Position has been prepared on the basis that there have been no material movements in the assets and liabilities of the Company between 31 December 2015 and the close of the Offer, however it should be noted that significant operating cash flows have occurred since December, resulting in the following balances at 31 May 2016:

- Cash and cash equivalents of \$732,999
- Trade and other receivables of \$8,348,596
- Trade and other payables of \$11,376,227
- Loan from Macquarie Group Limited of \$1,321,006