



19 May 2016

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



ASX Code: EXG

Further Processing Expansion for 2016

- **Zoroastrian Central pit design refinements and increased ore production schedule provides access to higher ore volumes**
 - **Norton Gold Fields agrees to treat up to 750,000 tonnes of ore in CY 2016**
 - **Increased processing allocation provides opportunities for development of additional open pit resources**
-

Excelsior Gold Limited (“Excelsior Gold” or the “Company”) is pleased to advise that Norton Gold Fields Limited (“Norton”) has agreed to process additional higher tonnages, up to 750,000 tonnes in calendar year 2016 of Excelsior Gold’s ore through the Paddington Mill.

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

The two companies entered into a letter agreement in February 2016 to modify the terms the Ore Treatment Agreement to provide for Excelsior Gold to deliver increased tonnages, up to 650,000 tonnes, to the Paddington Mill (*ASX announcement 2 February 2016*) through to the end of December 2016.

Following the recent refinement of the Zoroastrian Central mining program (*ASX announcement 18 May 2016*) which demonstrated the pit was capable ore production at a higher rate than the 650,000 tonne per annum scheduled, Norton has now agreed to process up to 750,000 tonnes of Excelsior Gold ore during the year.

The increased milling throughput will enable Excelsior Gold to benefit from the increased production scheduled from Zoroastrian Central and to bring other deposits in the vicinity of Zoroastrian into production. The Company is currently evaluating resources at Navan, Lochinvar, Parkerville and Nerrin Nerrin as a potential source of additional ore feed.

Statement by Excelsior Gold's Managing Director, David Hamlyn: -

"The commitment by Norton Gold Fields to process further ore from the Company's mining operations is welcomed by Excelsior Gold at a time when the companies have worked cooperatively to resolve initial grade determination issues and to establish a sound foundation for the success of the long term milling arrangement. The additional processing allocation at the Paddington Mill in 2016 will add significantly to potential cash flow from Excelsior Gold's operations."

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

Excelsior Gold Limited

David Hamlyn

Managing Director

T: + 61 8 9335 7770

E: dhamlyn@excelsiorgold.com.au

Nicholas Ong

Commercial Director

T: + 61 8 9335 7770

E: nickong@excelsiorgold.com.au

Jane Morgan

Investor and Media Relations

T: +61 405 555 618

E: jm@janemorganmanagement.com.au