



excelsiorgold
LIMITED

12 August 2016

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



ASX Code: EXG

Fully Underwritten Rights Issue and Additional Placement Successfully Raises \$6,800,000

- **79% acceptance of Rights Issue entitlements plus applications for Shortfall Shares from existing shareholders raises approximately \$3.8 million**
 - **Shortfall Shares to be allocated to primary underwriter to raise \$1.04 million**
 - **Strong demand received by DJ Carmichael via additional placement to provide a further \$1.95 million**
 - **New funding applied to mining operations at Zoroastrian, resource expansion drilling programs and general working capital**
 - **Drilling at Bulletin South scheduled to commence late August to expand open pit mine life.**
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Excelsior Gold Limited (ASX: EXG) (“Excelsior Gold” or the “Company”) is pleased to announce the successful completion of the fully underwritten pro rata non-renounceable entitlements issue (“Rights Issue”) and a subsequent placement to facilitate demand to raise \$6,800,000.

The Rights Issue to raise approximately \$4.84 million pursuant to a prospectus dated 13 July 2016 and a supplementary prospectus dated 3 August 2016 (together, the “Prospectus”) offered eligible shareholders the opportunity to subscribe for a total of 96,877,775 shares at an issue price of \$0.05 per share on the basis of 1 new share for every 6 existing shares held at 19 July 2016.

The Rights Issue was strongly supported by existing shareholders with a 79% acceptance of entitlements (54,230,002 shares) received plus applications for 21,858,043 Shortfall Shares to raise a total of approximately \$3.8 million.

In accordance with the Shortfall Shares allocation policy, eligible shareholders who applied for additional Shortfall Shares will receive 100% of the additional Shortfall Shares. The remaining 20,789,730 Shortfall Shares will be allocated to Farrah Gold Pty Ltd (“Farrah Gold”) in accordance with the procedures set out in the Prospectus.

Excelsior Gold Limited

ABN 38 123 629 863

Address: Unit 2, 124 Stirling Highway, North Fremantle WA 6159 **Postal:** PO Box 520, North Fremantle WA 6159

Telephone: 08 9335 7770

Facsimile: 08 9335 6231

Due to the strong demand from the Company's Underwriters to the Rights Issue, DJ Carmichael and Farrah Gold, the Company has agreed to a placement for approximately 39 million fully paid ordinary shares at \$0.05 to raise a further \$1.95 million ("Placement"). The first tranche of the Placement to clients of DJ Carmichael of 19 million shares, will be issued at or around the same time as the issue of Rights Issue Shares using the Company's remaining issue capacity. Issue of the second tranche Placement shares to Farrah Gold of approximately 20 million shares is subject to shareholders approval, or will occur when the Company has the capacity to do so.

The Company is pleased with the strong support from existing shareholders and the level of interest it received from new investors and underwriters.

The new funds will be directed towards the ongoing mining operations in the upper part of the Zoroastrian Central open pit and to resource expansion drilling programs initially at the Bulletin South deposit.

Mining at Zoroastrian Central is focused on the northern end of the open pit with ore and waste mining progressing at vertical depths of 20 to 25 metres. Ore production during August is scheduled to be approximately 104,000 tonnes @ 1.4g/t Au containing 4,600 ounces as higher ore volumes are now being produced predominately from the Birthday Dream and Royal Mint lode structures.

A staged program of reverse circulation drilling is proposed in late August to expand the resources at the Bulletin South deposit in the south west of the Project area. Mining is planned to commence at Bulletin South in May 2017 and the current Bulletin South open pit hosts an Ore Reserve of 458,000 tonnes @ 2.14g/t Au for 31,600 ounces. Strong mineralisation encountered in drilling in 2015 (*ASX announcement 22 April 2015*) included **20 metres @ 4.44g/t Au** from 126 metres (KNC150006) and **25 metres @ 3.71g/t Au** from 93 metres (KNC150007) demonstrated potential to expand and improve the mineral resource and to expand the current proposed open pit design. The gold mineralisation remains open along strike and down dip/plunge both to the north and to the south and an initial 1,500 metres of drilling will target northern and depth extensions to the gold mineralisation.

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: +618 9335 7770
E: nickong@excelsiorgold.com.au

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