



excelsiorgold
LIMITED

EXCELSIOR GOLD LIMITED

ABN 38 123 629 863

30 June 2016 Annual Report

Excelsior Gold Limited
ABN 38 123 629 863

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EXCELSIOR GOLD LIMITED
CORPORATE DIRECTORY

Directors

David Hatch (Non-Executive Chairman)
Rowan Johnston (Managing Director)
Jonathon West (Non-Executive Director)
Jimmy Kong Leng Lee (Non-Executive Director)

Company Secretary

Amanda Sparks

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Share Registry

Security Transfer Registrars
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Stock Exchange Listing

The Company is listed on the Australian Securities Exchange Ltd (ASX)
Home Exchange: Perth, Western Australia
ASX Code: EXG

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EXCELSIOR GOLD LIMITED

CHAIRMAN'S LETTER

It is pleasing to present the Annual Report to Shareholders as the new Chairman of the Company and to deliver a report that covers the first period of gold production for Excelsior Gold Limited.

Although the past year has seen the transition from explorer to producer, the year has nevertheless been a difficult one for the Company. This has largely been due to issues around actual orebody performance versus resource and reserve modelling, which occurred across the initial small open pits mined and then the larger baseload Zoroastrian open pit, mining of which commenced in the March 2016 Quarter. In particular, the Company experienced a significant shortfall in ore tonnes mined against the reserve model, which had the flow-on impact of lower tonnes of ore milled than forecast and significantly lower gold production. Projected cashflow was subsequently adversely affected, resulting in the Company having to raise additional working capital.

The Company's focus for the year has been on mine development at the Kalgoorlie North Gold Project on the back of the revised Ore Treatment Agreement with Norton Gold Fields Limited which was executed in October 2015. This agreement has enabled Excelsior Gold to make the transition to gold producer with virtually no requirement for up front capital, with competitive operating costs and with minimal debt which is a commendable achievement during a period when it was difficult to secure funding.

Mining commenced on 15 November 2015 in the three small starter pits with first ore deliveries to the Paddington Mill ahead of schedule in December 2015. Waste stripping commenced in the large Zoroastrian Central Pit in February as mining operations were accelerated to accommodate increasing demand from Norton for oxide feed for the mill, to be provided by our ore. Whilst unit operating costs were competitive, the initial lower ore tonnes from the starter pits did not result in material positive cashflow.

During the year a total of 225,349 dry tonnes of ore grading 1.84g/t Au were treated for 12,828 recovered ounces at an average credited mill recovery of 95.7%.

Under the terms of the Ore Treatment Agreement, Norton pays the Company the spot gold price for the recoverable gold content of each ore batch delivered to the Paddington Mill. The average gold price achieved from Norton during the period was A\$1,659 per ounce, the benefits of which were partially offset by financial settlement of 15,344 ounces of gold during the financial year, previously sold at A\$1,570 per ounce under the forward hedge contracts with Macquarie Bank.

The Company reported a pre-tax loss of A\$20.2 million for the year based on sales of A\$19.6 million and direct cost of sales (excluding depreciation, amortisation and the realised loss on forwards) of A\$22.5 million.

Following mining of the initial starter open pits, the focus was on developing the much larger Zoroastrian Central open pit, which was optimised and designed based upon the original geological model. The intended production ramp up proved to be challenging as ore definition in the upper parts of the Zoroastrian open pit as defined by grade control drilling differed from that forecast by the resource and reserve models. Shortfalls in ore tonnes again impacted upon ore delivery to the Paddington mill resulting in reduced gold production and associated cash flow shortfalls. Ultimately, as disclosed in the Prospectus dated 13 July 2016, it was determined that "corrupted resource definition modelling data provided erroneous mine reconciliation information".

As a result, mine staff undertook a process to better understand the structural controls on Zoroastrian mineralisation and with the benefit of a 20 metre vertical pass of grade control drilling sought to revisit and recalibrate the geological model in consultation with specialist technical consultants. At the time

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CHAIRMAN'S LETTER

of writing, the report on a new geological resource model, revised Zoroastrian open pit reserves and the associated new pit design has not been received. This process is still underway, however it is understood that the Zoroastrian open pit reserves are likely to decrease. The Board and management will communicate the findings of this review process to shareholders as soon as it is confident that it is able to forecast future mine performance with confidence.

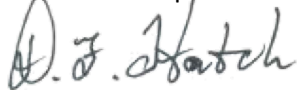
It is understood that whilst the Company was able to fast track into production by going down the toll treatment path, thereby avoiding the substantial capital cost of constructing its own processing facility, there are nevertheless other impacts upon the business including a degree of revenue and cash flow delays. The Company feels that in addition to having access to a competitive processing cost structure via the Norton toll treatment arrangement, it has also in dialogue with Norton been able to minimise the delays in settlement of ore parcels and the corresponding timeliness of cash flow impacts.

Due to the focus on mine development during the year, exploration activities were limited. However, the Board strongly believes in the exploration potential of the Company's land tenure and looks forward to targeted exploration expenditure once it is confident that the past operations difficulties are resolved and the Company is generating meaningful cash flow. The Company's land holding hosts numerous targets which offer substantial resource and reserve growth opportunities, especially at current gold prices which bring in potential cut backs of pits mined at lower gold prices. The exploration focus for the coming year will be on reserve expansion through the delineation of extensions to existing, known mineralisation both along strike and at depth. The Bulletin area will be high on the list for future attention. In addition, the potential for high grade underground resources and reserves on the lease area is largely untested as much of the historical drilling is shallow and significant "old workings" are present.

A number of Board changes subsequent to the end of the year which have been designed to strengthen both the operational and strategic focus of the Company. Mr Jimmy Lee was appointed a non-executive director in June 2016, Mr David Potter left the Company in August 2016 and in September 2016 Mr Peter Bird, Mr David Hamlyn and Mr Nicholas Ong resigned as directors of the Company and were replaced by Mr David Hatch, Mr Rowan Johnston and Dr Jonathan West.

In summary, the transitional year to gold producer for Excelsior Gold Limited has been more difficult than anticipated for several reasons, resulting in something of a loss of confidence in the Company's shorter term prognosis. With the benefit of recent and current resources and reserves rework, especially for the Zoroastrian open pit, the December 2016 quarter operations performance will provide an important indication of the likely medium term prospects for our Company. Clearly, the business focus for the incumbent Board and management team is to rebuild confidence in the Company's operational performance so that it may then turn its attention to growing and extracting shareholder value from the Company's exploration assets.

On behalf of my fellow directors, I thank former directors, staff, consultants, contractors and suppliers for their dedication and persistence under sometimes trying circumstances and for the significant support provided to the Company over the course of the past year. I look forward to working with the new Board members and the Company's management team with the objective of realizing Excelsior Gold Limited's potential for the benefit of all stakeholders.



David Hatch
Interim Chairman

EXCELSIOR GOLD LIMITED
2015/2016 DEVELOPMENT MILESTONES

July 2015

- ♦ Zoroastrian Mineral Resources updated and Ore Reserves of 2.63mt @ 2.84g/t Au for 239,900ozs established from open pit and underground mine design and feasibility studies (*ASX announcement 6 July 2015*).
- ♦ Bardoc South and Bulletin South Mining Proposal approved for development the Castlereagh, Jackorite, Big Blow South, Nerrin Nerrin and Bulletin South open pits with combined Ore Reserves of 690,000t @ 2.32g/t Au for 49,700ozs (*ASX announcement 9 July 2015*).
- ♦ Grade control drilling from surface commenced at Castlereagh, Jackorite and Big Blow South open pit areas.
- ♦ A credit approved \$15 million loan and hedging facility with Macquarie accepted consisting of \$12 million loan facility and \$3 million call grant facility, subject to conditions precedent including an equity of subordinate debt raising of \$7 million by the Company (*ASX announcement 13 July 2015*).
- ♦ Zoroastrian Mining Proposal approved covering the development of the Zoroastrian Central and Zoroastrian Extended open pits with combined Ore Reserves of 1.196mt @ 1.92g/t au for 74,200ozs (*ASX announcement 28 July 2015*).
- ♦ Ore Reserves approved for mining at Bardoc South, Bulletin South and Zoroastrian total 1.886mt @ 2.07g/t Au for 123,900ozs.

August 2015

- ♦ Hedging contract consisting of approximately 50,800 ounces of forwards at A\$1,570 per ounce deliverable through to December 2017 entered into as a condition precedent of the Project Loan Facility being finalised with Macquarie Bank Limited (*ASX announcement 25 August 2015*).

September 2015

- ♦ Zoroastrian underground Ore Reserve updated to 1.43 million tonnes @ 3.65g/t Au for 169,300 ounces (*ASX announcement 4 September 2015*).

October 2015

- ♦ New Ore Treatment Agreement with Norton Goldfields removes upfront capital payments and significantly reduces funding requirements for mine start-up (*ASX announcement 13 October 2015*).
- ♦ Drilling at Lady Kelly in the Bulletin Area returns broad zones of high grade mineralisation at shallow depths (*ASX announcement 22 October 2015*).

November 2015

- ♦ Drilling at Better News returns shallow gold intersections (*ASX announcement 3 November 2015*).
- ♦ Award of Mining Contract to Hampton Transport Services Pty Ltd (*ASX announcement 9 November 2015*).
- ♦ Commencement of mining at Castlereagh Pit (*ASX announcement 20 November 2015*).

EXCELSIOR GOLD LIMITED
2015/2016 DEVELOPMENT MILESTONES

December 2015

- ♦ Commencement of haulage of ore to Paddington Mill (*ASX announcement 10 December 2015*).
- ♦ Processing of first ore and commencement of mining at Jackorite Pit (*ASX announcement 22 December 2015*).
- ♦ First ore payment received from Norton Gold Fields (*ASX announcement 30 December 2015*).
- ♦ Mining fleet expanded to accelerate production in response to request from Norton for additional ore feed for the Paddington Mill (*ASX announcement 31 December 2015*).

January 2016

- ♦ Macquarie Bank \$4 million convertible loan facility closed and associated 43,478,261 options expire unexercised (*ASX announcement 4 January 2016*).

February 2016

- ♦ Process allocation at Paddington Mill increased from 500,000 tonnes to 650,000 tonnes for calendar 2016 (*ASX announcement 3 February 2016*).

March 2016

- ♦ Drilling initiated to test extensions to historical Zoroastrian Main Lode underground high grade mineralisation (*ASX announcement 18 March 2016*).

May 2016

- ♦ Agreement reached with Norton Gold Fields on procedures to facilitate settlement of outstanding second tranche ore payments (*ASX announcement 17 May 2016*).
- ♦ Zoroastrian Central Pit mine design refined to increase ore delivery and reduce strip ratio (*ASX announcement 18 May 2016*).
- ♦ Norton Gold Fields agrees to treat up to 750,000 tonnes at Paddington Mill in calendar 2016 (*ASX announcement 19 May 2016*).
- ♦ Mining approval granted for development of Navan laterite deposit (*ASX announcement 24 May 2016*).

June 2016

- ♦ GWR Group provides funding support via initial \$2.25 million loan and Farrah Property Securities invest \$500,000 and commit to \$2.0 million underwriting of 1 for 6 Right Issue designed to raise \$5.1 million (*ASX announcement 20 June 2016*).
- ♦ Broad zones of mineralisation intersected in grade control drilling of Birthday Dream structure in Zoroastrian Central Pit (*ASX announcement 21 June 2016*).
- ♦ Completion of satellite pit ore payments following resolution of analytical issues (*ASX announcement 23 June 2016*).
- ♦ Appointment of mining engineer, Mr Jimmy Kong Leng Lee as a non-executive director (*ASX announcement 24 June 2016*).

Subsequent Events

July 2016

- ♦ GWR Group elects not to invest further after Due Diligence (*ASX announcement 12 July 2016*).
- ♦ Issue of additional \$200,000 of shares to Farrah Property Securities (*ASX announcement 19 July 2016*).

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2015/2016 DEVELOPMENT MILESTONES

August 2016

- ♦ Rights Issue raises \$4.84 million and additional placement raises \$500,000 (*ASX announcements 3 and 16 August 2016*).
- ♦ Placement of \$950,000 (*ASX announcement 19 August 2016*).
- ♦ Termination of Technical Director, David Potter (*ASX announcement 26 August 2016*).

September 2016

- ♦ Appointment of new Directors, Mr David Hatch, Mr Rowan Johnston and Dr Jonathan West, and resignations of Mr Peter Bird, Mr David Hamlyn and Mr Nicholas Ong (*ASX announcement 22 September 2016*).

KALGOORLIE NORTH GOLD PROJECT

Overview

Excelsior Gold operates the Kalgoorlie North Gold Project which is located between 30 and 55 kilometres north of Kalgoorlie in Western Australia. The Project covers 96.4 square kilometres of granted mining leases and prospecting licences over 25 kilometres of strike of the Bardoc Tectonic Zone greenstone belt (*refer Figure 1*).

The Project is located at the convergence of two major gold mineralising structural systems, the Bardoc Tectonic Zone and the Black Flag Fault. The convergence of these mineralising systems resulting in widespread gold mineralisation throughout the tenements related to the interaction of the north-north-west trending Bardoc Tectonic Zone and the north-east trending Black Flag Fault structures.

Historic gold production from the Bardoc Mining Centre in the central part of the tenements occurred from the underground Zoroastrian Mine in the late 1890s to early 1900s and from the Zoroastrian and Excelsior open pits mined by Aberfoyle Gold Pty Limited between 1987 and 1991. Open pit production totalled 2,220,000 tonnes at 1.6g/t Au for 113,000 ounces of gold.

Exploration to date by Excelsior Gold has delineated priority areas within the extensive mineralisation including 22 defined resource areas to date and over 60 advanced prospects or zones with significant drill intercepts which present further resource expansion opportunities.

Total current Measured, Indicated and Inferred Mineral Resources for the Project, at 0.6 and 3.0g/t Au cut-off grades, are:

23.93 million tonnes @ 1.74g/t Au for 1,338,400 ounces

Based on performance to date of the Zoroastrian Pit, questions have been raised over the geological interpretation of some of the resource/reserve model. Careful monitoring of the performance of the new geological model for Zoroastrian will be used to reinterpret other models if deemed appropriate.

EXCELSIOR GOLD LIMITED
REVIEW OF OPERATIONS

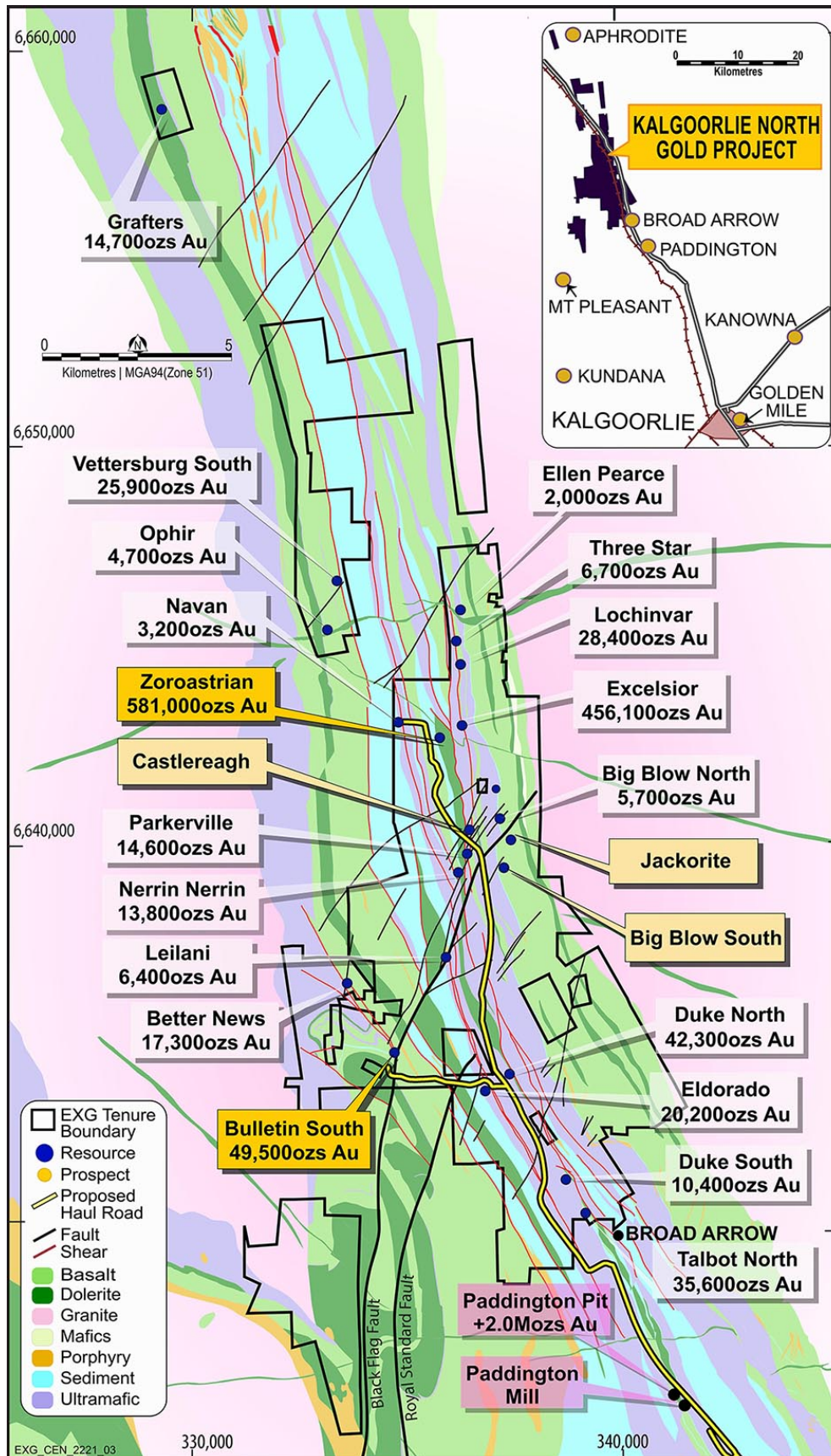


Figure 1. Kalgoorlie North Gold Project Prospect Location Plan, Geology, Tenements, Resource Targets and Neighbouring Significant Gold Deposits
showing gold resource ounces @ 0.6g/t and 3.0g/t Au lower cut-offs

EXCELSIOR GOLD LIMITED

REVIEW OF OPERATIONS

Operations

Open pit mining commenced at the Project on 15 November 2015 and the processing of ore commenced on 12 December 2015 through the long term Ore Treatment Agreement with Norton Gold Fields Limited ("Norton"), owner of the 3.5 million tonne per annum Paddington Mill (*ASX announcement 13 October 2015*).

Under the Ore Treatment Agreement, Norton agreed to process an initial allocation of up to 2.9 million dry tonnes of ore at a minimum rate of 500,000 tonnes per annum over 5 years and 10 months. Excelsior Gold has also been granted five annual options, each to extend the processing agreement by 12 months providing a potential total dry tonnage available for Excelsior Gold ores of 5.4 million tonnes which would be processed over a period of 10 years and 10 months at the minimum treatment rate of 500,000 tonnes per annum.

Excelsior Gold and Norton entered into a series of letter agreements to modify the terms the Ore Treatment Agreement (*ASX announcements 22, 30 and 31 December 2015 and 3 February 2016*) to accommodate higher tonnages scheduled for treatment, to up to 750,000 tonnes in CY 2016, and to vary the payment timetable by providing front end payments to Excelsior Gold for ore delivered and treated, in return for the gold credits being allocated to Norton

Initial mining in the Castlereagh, Big Blow South and Jackorite open pits was completed in March 2016 and waste stripping commenced in the larger Zoroastrian Central Pit in February 2016. Ore production commenced from the upper levels of the Central Pit in April 2016 and small scale mining was also carried out in the Zoroastrian Extended Pit during this period. Mine production and treatment statistics are presented in *Table 1*.

Open Pit	Units	Castlereagh	Jackorite	Big Blow Sth	Extended	Central	TOTAL PITS
MINING							
Waste mined	BCM	274,758	139,016	190,725	40,291	1,914,689	2,559,479
Ore mined (HG & LG)	T	72,633	33,508	29,202	10,780	105,453	251,576
Grade	g/t Au	1.85	2.73	2.23	2.45	1.40	1.85
Contained gold	Ozs	4,329	2,939	2,090	849	4,745	14,952
Strip ratio	W/O	7.8	9.4	14.7	8.0	35.9	21.1
PROCESSING (<i>adjusted for final gold recovery sampling</i>)							
Tonnes milled	Dt	68,394	32,505	27,975	10,329	86,158	225,359
Milled grade (<i>final</i>)	g/t Au	1.52	2.54	2.09	2.76	1.65	1.84
Mill recovery	%	97.58	95.80	97.08	94.00	94.00	95.71
Recovered ounces	ozs Au	3,248	2,598	1,826	862	4,295	12,828
Gold sale price	A\$/oz	1,602.35	1,651.49	1,653.43	1,638.96	1712.12	1,658.79
FINANCIALS							
C1 Cash Costs	A\$/oz	1,311	782	1,113	1,047	2,798	1,686

Table 1: Production Summary

MINING

Castlereagh Pit

The Castlereagh Pit is centred on the southern extensions of the Excelsior Shear Zone. Mining commenced on 15 November 2015 and the pit was completed to design by April 2016. Mill reconciled production 68,394 dry tonnes at a mill determined grade of 1.52g/t Au for 3,248 mill recovered ounces at 97.58% recovery. There remains potential for a cut-back on the western and northern ends of the pit where newly discovered lode positions observed in the pit walls were not effectively defined by drilling.

Jackorite Pit

The Jackorite Pit was commenced in early December 2015 and produced 32,505 dry tonnes @ 2.54g/t Au for a 2,598 mill recovered ounces at a recovery of 95.80%. Heavy rain in March resulted in the premature closure of the pit due to flooding and a small wall failure below the ramp. The Company is reviewing the feasibility of salvaging the broken ore from the bottom of the pit and the potential to deepen the pit to access additional ore.

Big Blow South Pit

Commenced on 1 January 2016, the Big Blow South Pit also suffered a small wall failure which inhibited access to some ore at the base of the pit. The Pit produced 27,975 dry tonnes at a mill determined grade of 2.09g/t Au for a provisional 1,826 mill recovered ounces at a provisional recovery of 97.08%.

The clayey nature of the BBS ore presented material handling issues in the sampling plant and in the grade determination procedure. Blending of the Big Blow South ore with Jackorite and Castlereagh material was required to alleviate problems in the sampling plant however the fine particle size of the ore may have adversely affect the grade determination procedure.

Excelsior Gold commenced delivery of ore batches from these start-up pits to Norton's Paddington Mill in December 2015 under the long term Ore Treatment Agreement. The oxide ores were blended with Norton's various ore sources to optimise mill throughput and the recoverable gold contents of each ore batch is determined from the sampling and recoverable gold determination procedure which forms an integral part of the Ore Treatment Agreement.

Initial implementation of the sampling and recoverable gold determination procedures exposed laboratory specific assay procedural issues which contributed to inconsistencies in analytical results and which severely impacted on both the delivery time of results and the ability of the companies to finalise payments to Excelsior Gold, thereby putting pressure on cashflows.

In May, the Company resolved the sampling issues (*ASX announcement 17 May 2016*) and implemented improvements to the sampling plant operation and the laboratory processes and metallurgical testing program to provide more consistent results and greatly improved turnaround times. The impacts of the analytical inconsistencies on the final grade determinations for the start-up pits is not known but is suspected to have partially contributed to the apparent underperformance of the pits. Sampling,

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REVIEW OF OPERATIONS

geological interpretation, dilution, weather and geotechnical conditions all worked against these early pits performing as expected.

Zoroastrian Extended Pit

The Zoroastrian Extended pit involves deepening of the pre-existing Zoroastrian Pit mined by Aberfoyle Gold Pty Ltd in the early 1990s. The Main Lode and Bluey's Lode structures are exposed in the base of the current pit providing access to small tonnages of narrow high grade vein mineralisation.

Mining commenced in the first week of April and the initial 10 metres of the pit were mined for an estimated 10,780 tonnes at a mine claimed grade of 2.45g/t Au. Blasting in the restricted area of the pit base resulted in dilution of the highly visible quartz veins within the semi-oxidised to fresh dolerite host rock. Further mining was deferred pending grade reconciliation results from the mill sampling procedure and a review of the remaining accessible ore.

Zoroastrian Central Pit

The Zoroastrian gold mineralisation is hosted in quartz veins and stockwork zones within the differentiated Zoroastrian Dolerite. The quartz veining has been defined over a strike length of 1.4 kilometres and to a vertical depth of 380 metres. The system remains open along strike and at depth and the stockwork and the narrower vein style mineralisation demonstrate both open pit and underground mine potential.

Mining commenced in the Zoroastrian Central open pit in February 2016 based on Probable Ore Reserves of 1,176,000 tonnes @ 1.88g/t Au for 70,900 ounces (*ASX announcement 9 July 2016*). By the end of June, the pit was approximately 20 to 30 metres below surface.

It was anticipated that the mineralisation in the upper oxidised profile would be more sporadic and generally lower in grade compared to more consistent ore zones which extend below a vertical depth of approximately 30 metres however ore production from the upper levels of the pit has been significantly below expectations (*ASX announcement 4 July 2016*).

A review of the reconciliation estimates and the Company's internal audit procedures was completed and corrected reconciliation estimates demonstrate that mine production of 105,453 tonnes @ 1.40g/t Au for 4,745 contained ounces was below the diluted resource model production estimate of 198,600 tonnes @ 1.49g/t Au for 9,490 ounces, which formed the basis for the original Ore Reserve estimates.

Independent consultants, Cube Consulting, were commissioned by the Company to review the resource model and to provide a new resource model based on the more comprehensive data set available from recent mining, grade control drilling and in pit mapping. As more data became available from the large grade control drilling program conducted in August it was added to the model to a point in mid-September where it was considered enough data was available to best estimate the new resource. Completion of this report will enable the Company to finalise the pit design and subsequent ore production schedule.

EXCELSIOR GOLD LIMITED REVIEW OF OPERATIONS

From the preliminary work conducted by Cube and the onsite geological team the discrepancy between the mine production and resource definition model forecast tonnages is attributable to variations in both the orientation of some interpreted zones of mineralisation and distribution of the gold mineralisation within the structures.

The Central Pit is centred on two main steep west dipping shears, the easterly Royal Mint structure which is the main driver of the pit, and the westerly Birthday Dream structure. Other lesser parallel, steep west dipping structures were interpreted and formed part of the Ore Reserve along with flat lodes and cross cutting shears. While the Royal Mint and Birthday Dream structures are well defined, mining has identified areas within the pit where flat structures predominate at the expense of the interpreted steep west dipping structures. Mining has also demonstrated that the distribution of gold mineralisation within the Royal Mint and Birthday Dream structure is not as consistent as originally interpreted from the broader spaced resource drilling. The net effect of these changes in orientation of the structures and varying grade distribution is a significant reduction in ore tonnages mined compared to the original resource model.

Once the refined Cube resource model is finalised at the beginning of October 2016, the Company will complete a redesign of the Central Pit to optimise ore production and cash flows from the operations. In the meantime mining has reduced to a single excavator on two shifts and the pit modified below the 410mRL (25m depth) to reduce the strip ratio and reduce cash outflow from waste stripping.

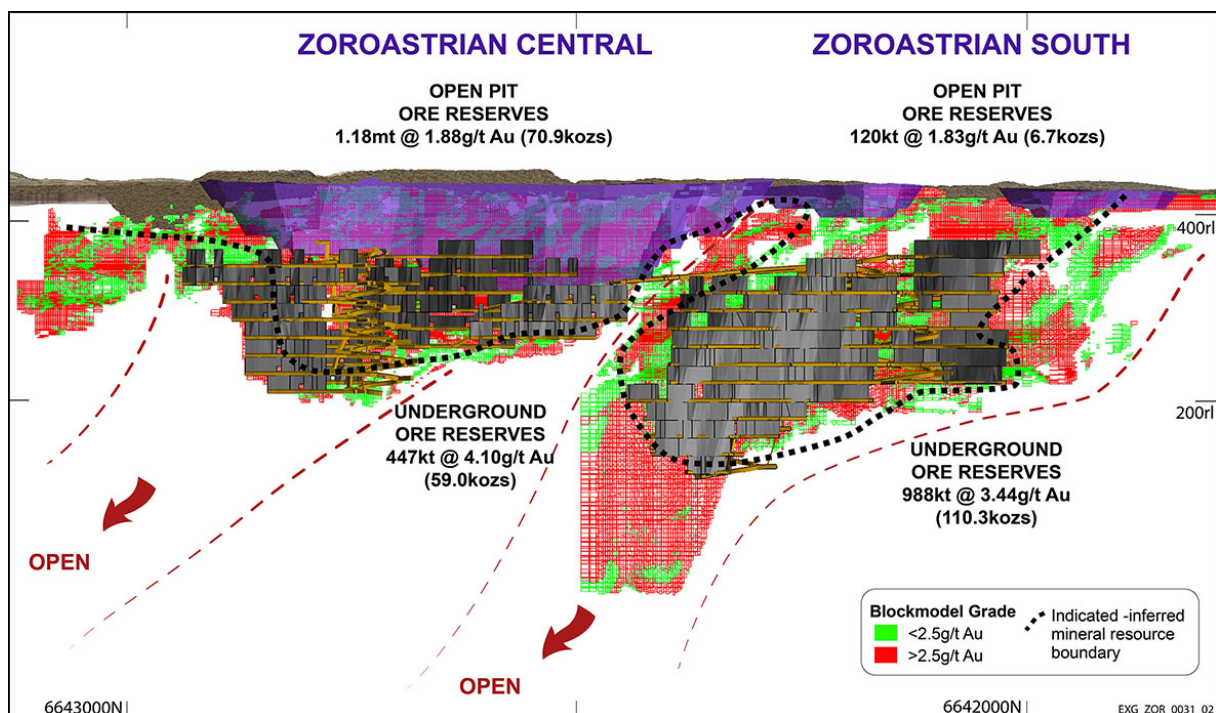


Figure 2: Zoroastrian Long Section
showing Mineral Resource block model, Ore Reserves and proposed open pits and underground mine designs

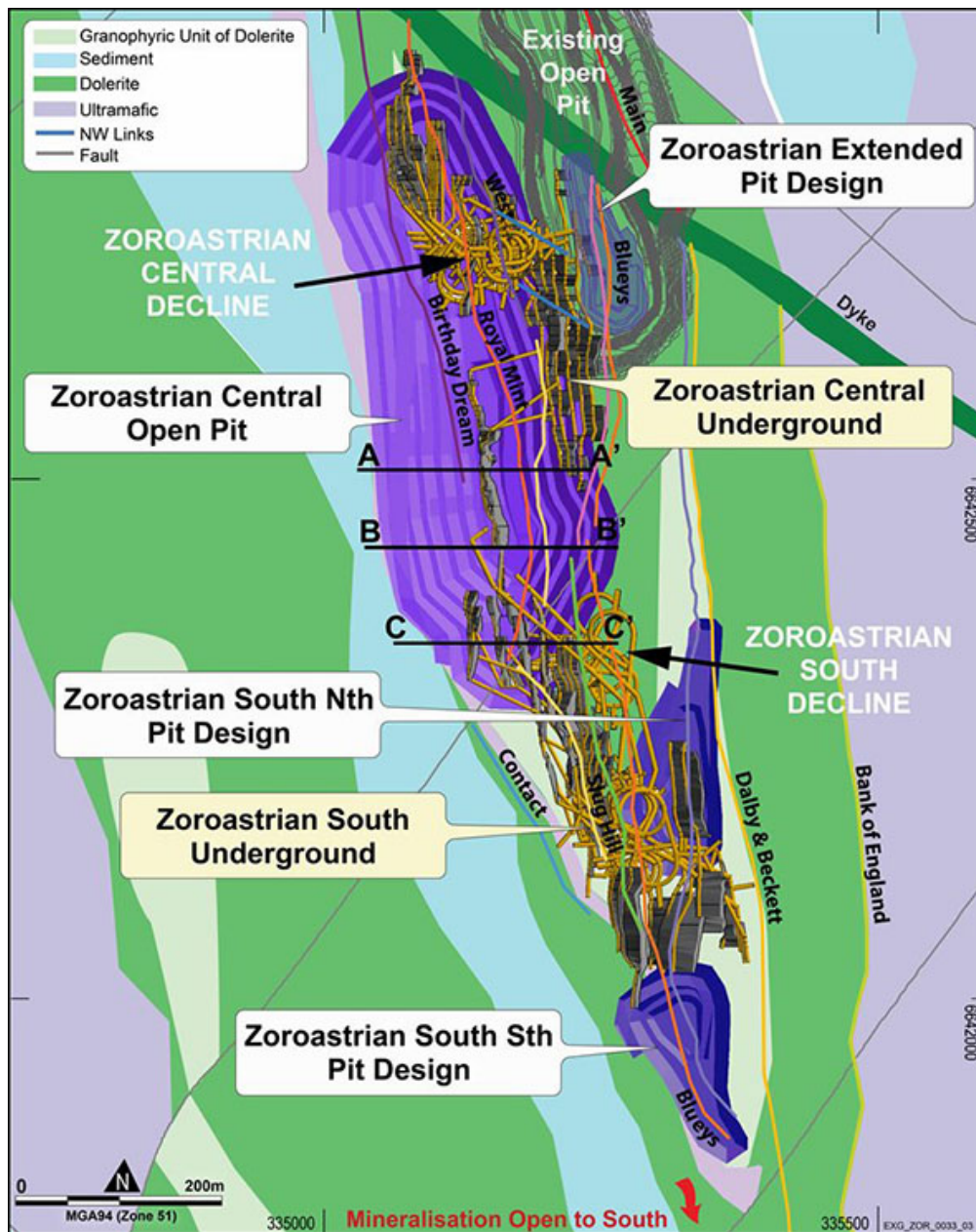


Figure 3: Zoroastrian Central Open pit and Central and South Underground Mine Designs
showing geology, Ore Reserves, proposed open pit designs, portal locations and Central and South underground mine designs

Exploration – Resource Definition

The Project represents a tenement holding over a well mineralised, structurally complex setting of intersecting shears and favourable rock units.

Gold mineralisation is associated with five major north north-west trending shears and multiple north-east and north-west trending cross structures providing a lattice of gold occurrences and abundant drill targets.

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REVIEW OF OPERATIONS

Excelsior Gold's exploration efforts over the past five years have been directed at the most advanced of the resource targets with a view to advancing the Project to mine production and cash flow in preference to continued resource expansion drilling. Good exploration potential remains within the Project with numerous drill ready targets available which the Company can pursue armed with the improved geological understanding from the mining operations.

The focus on the commencement of mining operations limited the amount of discretionary funding available during the year and exploration was restricted to small drilling programs on resource areas in the Greater Bulletin Area in the south western portion of the Project tenements.

The Bulletin South Pit was mined in 1994 and reportedly produced 66,592 tonnes @ 2.76g/t Au for 5,900 recovered ounces of gold. The current Probable Ore Reserve of 458,000 tonnes @ 2.14g/t Au (31,600ozs) is derived from Indicated Resources of 729,300 tonnes @ 2.02g/t Au (47,200ozs) (*ASX announcement 10 April 2015*). Primary gold mineralisation is hosted in a quartz stockwork system within a felsic porphyry unit and may represent mineralisation along splay structures emanating from the regionally significant Black Flag Fault structure which is interpreted to be close to the southern end of the historical open pit.

The area around the Bulletin South deposit contains significant gold mineralisation, both within current gold resources and in historical drilling and is a priority exploration area. Due to fragmented tenement ownership in the past, the area has not been systematically explored and historical drilling is generally shallow and sporadic. Consolidation of tenements by Excelsior Gold in 2014 paved the way for a more comprehensive evaluation of the gold mineralised systems.

In October 2015, Excelsior Gold commenced drilling on resource areas at Lady Kelly, Windanya (Better News) and Botswana Locker in close proximity to the proposed open pit at Bulletin South, to aid delineation of additional near surface mineral resources and potentially ore reserves to enhance mining opportunities in the area (*refer ASX announcement 13 October 2015*).

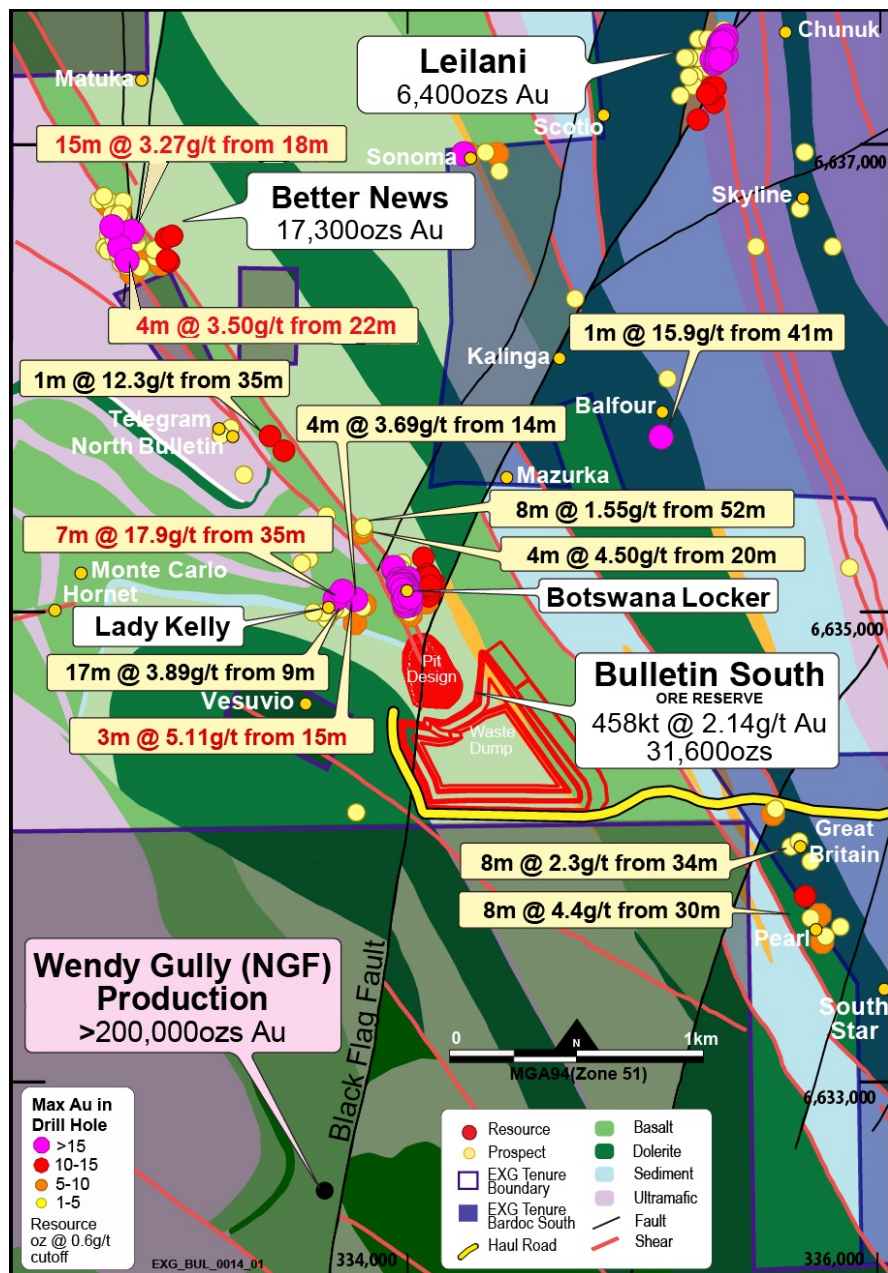


Figure 4. Greater Bulletin Area – Geology and Location Plan
showing proposed Bulletin South open pit, waste dump design and Ore Reserves,
prospects with current gold resource ounces, structural trends
and recent (in red) and historical (in black) drilling results

Initial drilling at **Lady Kelly** encountered zones of high grade gold mineralisation (ASX announcement 22 October 2015) including 7 metres @ 17.9g/t Au from 35 metres to end of hole (KNC150020) 3 metres @ 5.11g/t Au from 15 metres (KNC150022).

The results confirm the substantial exploration upside of the Bulletin area and the potential to add cost effective ounces to the project resources and ore reserves.

EXCELSIOR GOLD LIMITED REVIEW OF OPERATIONS

The **Better News** resource area was recognised and drilled in the mid 1980's down to a maximum 80 metre vertical depth. A current 2012 Inferred JORC mineral resource of 360,000 tonnes @ 1.49g/t Au for 17,300 ounces of gold has been estimated from the historical drilling data (*ASX announcement 11 December 2013*).

Six holes for 252 metres of drilling were completed to confirm the validity of the historical drilling. Drill results (*ASX announcement 3 November 2015*) included 5 metres @ 1.89g/t Au from 23 metres (KNC15035), 15 metres @ 3.27g/t Au from 18 metres (KNC15036) and 2 metres @ 12.3g/t Au from 18 metres (KNC15036) which confirmed the current resource model interpretation of the gold mineralisation and validated the locations and the tenor of the historical drilling.

The gold mineralisation remains open along strike to the north and the south and also at depth and further drilling is warranted ahead of resource modelling to facilitate the definition of open pit Ore Reserves at Better News.

Botswana Locker is a shallow (10-20m deep) historical pit approximately 120 metres to the north of Bulletin South. Historical drilling returned numerous high-grade intercepts including 12 metres @ 8.7g/t Au and 17 metres @ 4.30g/t Au both from surface and associated with a quartz stockwork hosted by a similar porphyry to that at Bulletin South.

Gold mineralisation is potentially localised in north plunging shoots as demonstrated by drilling by Excelsior Gold in 2012 which returned an intersection of 12 metres @ 2.67g/t Au from 23 metres in to the north of the existing Botswana Locker pit.

Four holes for 188 metres of drilling completed to the west and south-west of the historical Botswana's Locker pit to test for near surface gold mineralisation returned only anomalous gold grades up to 1.25g/t Au (*ASX announcement 3 November 2015*). Further drilling to the north and beneath the existing Botswana Locker pit is warranted to delineate mineralisation trends and improve geological models ahead of resource definition programs.

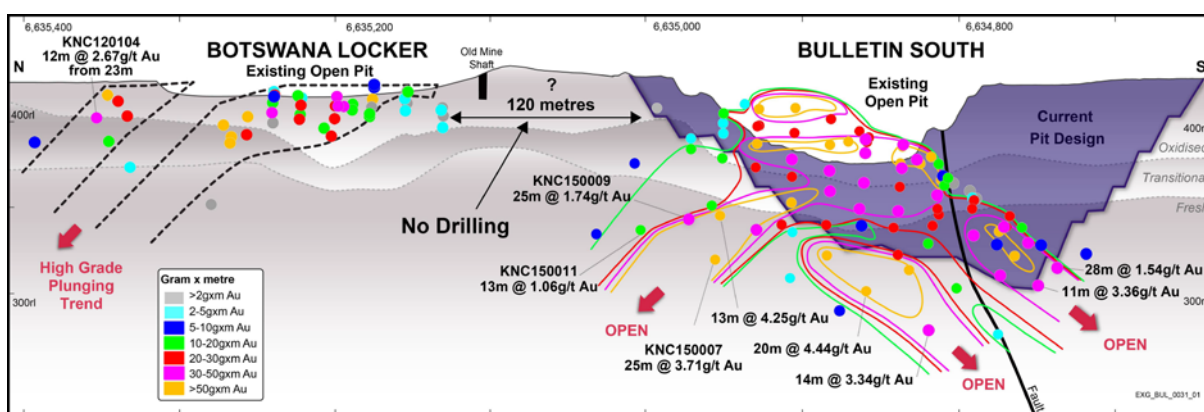


Figure 5: Bulletin South – Long Section

showing current pit design, existing open pit, interpreted gold mineralisation gram x metre contours, historical and recent drilling results.

FINANCING

Project Funding

On 13 July 2015, the Company announced that it had accepted a credit approved funding package of up to \$15 million via a project loan and hedging facility (the "Facility") from Macquarie.

The Facility was to refinance the existing \$4 million Convertible Loan Facility also provided by Macquarie (*ASX announcement 20 May 2014*) and to make payments to Norton pursuant to the now superseded Capital Contribution and Ore Treatment Agreement.

The new Ore Treatment Agreement signed in October 2015 changed the funding requirements for the Project and a smaller funding package was finalised with Macquarie on 9 November 2015. The funding arrangement consisted of a \$4.5 million Facility Loan, a gold hedging program covering 40,636 ounces of gold at a fixed price of A\$1,570 per ounce delivered in quarterly instalments from March 2016 to December 2017 and a 19,942 call option at A\$1,600 per ounce deliverable quarterly from December 2017 to March 2019.

Conditions precedent for the Macquarie facility were satisfied or waived following the placement announced on 27 October of 75.8 million shares at an issue price of \$0.06 per share to sophisticated and institutional investors raising \$4.55 million.

In November 2015 the Company utilised the call options premium and the first drawdown of A\$1.32 million from the Facility Loan to refinance the existing A\$4 million Convertible Loan on the eve of commencement of mining operations. The remainder of the Facility Loan (A\$3.18 million) remains undrawn.

Excelsior Gold entered into binding funding agreements on 17 June 2016 with ASX listed GWR Group Limited ("GWR"), and existing shareholder group Farrah Property Securities Pty Ltd ("Farrah") to provide financing to advance the Company's mining and exploration activities (*ASX announcement 20 June 2016*).

The agreements provided immediate funds to the Company of \$2.75 million and a commitment for partial underwriting of a non-renounceable 1 for 6 rights issue ("Rights Issue") to raise up to an additional \$4.84 million.

Under the terms of the agreements, GWR has provided funding of \$2.25 million consisting of a \$1.59 million Loan and \$0.66 million of Convertible Notes and Farrah has provided funding of \$0.5 million of Convertible Notes. On completing due diligence by 1 July 2016, and subsequently extended to 7 July 2016, GWR had the right to subscribe for approximately 27.8 million Shares in full satisfaction of the GWR Loan and at the same time convert the GWR Convertible Notes to Shares.

As part of the transaction, GWR Director and highly credentialed mining executive, Mr Jimmy Lee, was appointed a Non-Executive Director of Excelsior Gold. Mr Lee is a qualified mining engineer with over 30 years' experience with a number of major Australian mining companies and has a successful track record with contract negotiations and company investment strategies. Mr Lee's appointment is

EXCELSIOR GOLD LIMITED

REVIEW OF OPERATIONS

consistent with Excelsior Gold's corporate strategy of ensuring appropriate and complementary skills are added to the organisation as it transitions from explorer to developer and mine operator.

GWR elected not to convert the GWR Loan and GWR Convertible Notes (*ASX announcement 12 July 2016*) and the opportunity to take up additional financing rights that could have provided GWR with a substantial cornerstone interest in Excelsior Gold. Its interest in Excelsior Gold will remain the GWR Loan (repayment on 21 June 2017) and GWR Convertible Notes (which at GWR's election convert to Excelsior Gold shares at \$0.0387 and mature on 21 June 2017).

In response to GWR's decision not to take up their full financing rights, Excelsior Gold agreed to convert Farrah's existing Convertible Loan to 10 million Shares and with 10 million Attaching Options and to issue a further 4,000,000 Shares at \$0.05 per share and 4,000,000 Attaching Options to Farrah. As a result Farrah's initial investment will increase to \$0.7 million. In addition and as previously announced, Farrah has agreed to underwrite 40 million Shares (or \$2 million) under the Rights Issue.

Rights Issue and Placements

Subsequent to the end of the year, the Company announced on 13 July 2016, a non-renounceable pro rata offer to shareholders of 1 new share for every 6 existing shares held at the Record Date (19 July 2016) at an issue price of \$0.05 per share ("Offer"). A prospectus for the Offer was lodged with ASIC and announced to ASX on 13 July 2016.

The Offer was fully underwritten by Farrah and DJ Carmichael and strongly supported by shareholders and successfully raised \$4.84 million before issue costs. Due to the strong demand the Company agreed to a placement of approximately 49 million fully paid ordinary shares at \$0.05 to raise a further \$2.45 million ("Placement") to the Company's Underwriters to the Rights Issue, DJ Carmichael and Farrah Gold and to an existing sophisticated investor. Funds raised under the Offer will be used to advance mining activities at the Kalgoorlie North Gold Project and for general working capital.

Cash Position

As at the 30 June 2016, Excelsior Gold had \$1.96 million in cash.

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MINERAL RESOURCE SUMMARY AS AT 30 JUNE 2016

KALGOORLIE NORTH GOLD RESOURCES		MEASURED			INDICATED			INFERRED			TOTAL RESOURCES		
Deposit	Cut-Off (g/t Au)	Tonnes (,000t)	Grade (g/t Au)	Ounces (,000oz)	Tonnes (,000t)	Grade (g/t Au)	Ounces (,000oz)	Tonnes (,000t)	Grade (g/t Au)	Ounces (,000oz)	Tonnes (,000t)	Grade (g/t Au)	Ounces (,000oz)
Excelsior	0.6	5,175	1.40	232.2	3,230	1.20	124.9	2,652	1.16	99.0	11,057	1.28	456.1
Zoroastrian (O/P)	0.6				4,467	2.30	330.7	1,719	1.86	102.9	6,186	2.18	433.5
Zoroastrian (U/G)	3.0				737	4.83	114.5	218	4.70	33.0	955	4.80	147.5
Zoroastrian (Total)					5,204	2.66	445.1	1,937	2.18	135.8	7,141	2.53	581.0
Satellite Resources (within 4km radius of Excelsior)													
Lochinvar	0.6				448	1.74	25.1	60	1.70	3.3	508	1.74	28.4
Three Star *	0.6							92	2.26	6.7	92	2.26	6.7
Ellen Pearce *	0.6							35	1.75	2.0	35	1.75	2.0
Navan	0.6				52	1.04	1.7	39	1.13	1.4	91	1.08	3.2
Nerrin Nerrin	0.6				74	2.40	5.7	107	2.37	8.1	181	2.38	13.8
Parkerville	0.6				213	1.60	11.0	83	1.39	3.7	296	1.54	14.6
Big Blow North	0.6							120	1.46	5.7	120	1.46	5.7
Ophir	0.6							75	1.94	4.7	75	1.94	4.7
Vettersburg South	0.6							552	1.46	25.9	552	1.46	25.9
Total Satellite Resources					787	1.72	43.5	1162	1.64	61.4	1,950	1.67	104.9
Other Resources (greater than 4km from Excelsior)													
Eldorado	0.6				362	1.61	18.8	31	1.43	1.4	393	1.60	20.2
Leilani	0.6				52	2.33	3.9	67	1.17	2.5	119	1.68	6.4
Talbot North *	0.6							662	1.67	35.6	662	1.67	35.6
Duke South	0.6							226	1.43	10.4	226	1.43	10.4
Duke North	0.6				644	1.30	26.8	350	1.37	15.5	994	1.32	42.3
Bulletin South	0.6				729	2.02	47.2	34	2.13	2.3	763	2.02	49.7
Windanya	0.6							360	1.49	17.3	360	1.49	17.3
Grafters	0.6							261	1.75	14.7	261	1.75	14.7
Total Other Resources					1,787	1.68	96.7	1,990	1.56	99.6	3,778	1.62	196.4
TOTAL RESOURCES		5,175	1.40	232.2	11,008	2.01	710.2	7,742	1.59	395.9	23,925	1.74	1,338.4

* This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

MINING SCHEDULE ORE RESERVES SUMMARY AS AT 30 JUNE 2016

DEPOSIT	PROVEN ORE RESERVES			PROBABLE ORE RESERVES			TOTAL ORE RESERVES		
	Tonnes (,000t)	Grade (g/t Au)	Ounces (,000oz)	Tonnes (,000t)	Grade (g/t Au)	Ounces (,000oz)	Tonnes (,000t)	Grade (g/t Au)	Ounces (,000oz)
Bulletin South O/P				458.0	2.14	31.6	458.0	2.14	31.6
Zoro Central OP				886.0	1.78	50.6	886.0	1.78	50.6
Zoro S_N				60.0	1.56	2.8	60.0	1.56	2.8
Zoro S_S				60.0	2.09	3.9	60.0	2.09	3.9
Zoro_Central UG				447.0	4.10	59.0	447.0	4.10	59.0
Zoro_South UG				988.0	3.44	110.3	988.0	3.44	110.3
Total Zoroastrian				2,441.0	2.88	226.6	2,441.0	2.88	226.6
Total OP Reserves				1,464.0	1.90	88.9	1,464.0	1.90	88.9
Total UG Reserves				1,435.0	3.65	169.3	1,435.0	3.65	169.3
TOTAL				2,899.0	2.76	258.2	2,899.0	2.76	258.2

* Zoroastrian Central depleted for mining to 30 June 2016.

EXCELSIOR GOLD LIMITED

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Qualifying Statement

This release may include forward-looking statements. These forward-looking statements are based on a number of assumptions made by the Company and its consultants in light of experience, current conditions and expectations concerning future events which the Company believes are appropriate in the present circumstances. Forward-looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of Excelsior Gold, which could cause actual results to differ materially from such statements. The Company makes no undertaking to subsequently update or revise the forward-looking statements made in this release to reflect the circumstances or events after the date of this release.

Competent Person Statement – Mineral Resources:

Information in this announcement, at the time of reporting, that relates to Mineral Resource and exploration results is based on information compiled by Mr. David Potter who was the Technical Director of Excelsior Gold Limited. Mr. Potter is a Member of The Australian Institute of Geoscientists and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking, to qualify as Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Potter has previously consented to the inclusion in the document of the information in the form and context in which it appears.

Competent Persons Statements – Ore Reserves Zoroastrian Central Open Pit

The information in this Release which relates to the Ore Reserve estimates accurately reflect information prepared by Competent Persons (as defined by the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves). The information in this public statement that relates to the Zoroastrian Central Open Pit Ore Reserve at the Excelsior Gold Kalgoorlie North Gold Project is based on information resulting from Feasibility works carried out by Auralia Mining Consulting. Mr. Daniel Tuffin completed the Ore Reserve estimate for this Zoroastrian Central Open Pit. Mr Daniel Tuffin is a Member and Chartered Professional (Mining) of the Australasian Institute of Mining and Metallurgy and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify him as a Competent Person as defined in accordance with the 2012 Edition of the Australasian Joint Ore Reserves Committee (JORC). Mr Tuffin consents to the inclusion in the document of the information in the form and context in which it appears.

Competent Persons Statements – Ore Reserves Zoroastrian Extended Open Pit

The information in this Release which relates to the Ore Reserve estimates accurately reflect information prepared by Competent Persons (as defined by the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves). The information in this public statement that relates to the Zoroastrian Extended and Zoroastrian South Ore Reserves at the Excelsior Gold Kalgoorlie North Gold Project is based on information resulting from Feasibility works carried out by Mining Plus. Mr. David Billington completed the Ore Reserve estimate for these pits. Mr Billington is a Member of the Australasian Institute of Mining and Metallurgy and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify him as a Competent Person as defined in accordance with the 2012 Edition of the Australasian Joint Ore Reserves Committee (JORC). Mr Billington consents to the inclusion in the document of the information in the form and context in which it appears.

Competent Persons Statements – Ore Reserves Zoroastrian Underground

The information in this Release which relates to the Ore Reserve estimates accurately reflect information prepared by Competent Persons (as defined by the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves). The information in this public statement that relates to the Zoroastrian Underground Ore Reserves at the Excelsior Gold Kalgoorlie North Gold Project is based on information resulting from Feasibility works carried out by Mining Plus. Mr. Peter Lock completed the Ore Reserve estimate for these pits. Mr Lock is a Member of the Australasian Institute of Mining and Metallurgy and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify him as a Competent Person as defined in accordance with the 2012 Edition of the Australasian Joint Ore Reserves Committee (JORC). Mr Lock consents to the inclusion in the document of the information in the form and context in which it appears.

Refer ASX Announcement 9 July 2016 for all JORC Table 1 Sampling Techniques, Exploration Result Reporting, Mineral Resource

Based on adverse reconciliations events subsequent to June 2016, a full review of the resource and reserve statements is being undertaken and targeted for release at the end of the December Quarter.

EXCELSIOR GOLD LIMITED

REVIEW OF OPERATIONS

CORPORATE ACTIVITY

SHARE ISSUES

On 3 November 2015, 76,916,004 shares were issued to raise A\$4.6 million (before costs).

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

On 12 July 2016, the Company announced that GWR Group Limited has decided not to exercise its' option to convert both the convertible notes and loan totalled \$2.25 million. In response to GWR's decision not to take up their full financing rights, Farrah has requested, and EXG has agreed, to immediately convert the existing Convertible Loan to 10 million Shares and with 10 million Attaching Options and issue a further 4,000,000 Shares at \$0.05 per share and 4,000,000 free Attaching Options to Farrah, raising \$700,000.

The Company also announced that its mining team reviewed the reconciliation estimates and identified that although mine production has been consistent with the Company's grade control resource estimate, however it is significantly below the diluted resource model production estimate. The Company has since commissioned independent consultants Cube Consulting to carry out a review of the grade control and site procedures which has provided recommendations to improve grade control and resource modelling practices, many of which have already been implemented. The new resource model is yet to be completed as at the date of writing.

On or around 12 August 2016, the Company completed a fully underwritten rights issue raising \$4.84 million before cost, followed by placements raising a further \$1.45 million.

EXCELSIOR GOLD LIMITED

DIRECTORS' REPORT

Your Directors present their report on the consolidated entity of Excelsior Gold Ltd ("the Group") and the entities it controlled at the end of, or during, the year ended 30 June 2016 and the state of affairs at that date.

DIRECTORS

The following persons were directors of Excelsior Gold Ltd during the whole of the financial period (or as disclosed) and up to the date of this report:

Current Directors

Mr David Hatch (appointed 21 September 2016)
Mr Robert Rowan Johnston (appointed 21 September 2016)
Dr Jonathan West (appointed 21 September 2016)
Mr Kong Leng (Jimmy) Lee (appointed 20 June 2016)

Previous Directors

Mr Peter Bird (resigned 21 September 2016)
Mr David Hamlyn (resigned 21 September 2016)
Mr Chen Chik Ong (resigned 21 September 2016)
Mr David Potter (resigned 23 August 2016)

PRINCIPAL ACTIVITIES

The principal activity of the Company is gold mining and exploration at its Kalgoorlie North Gold Project.

FINANCIAL RESULTS

The loss of the Group after income tax for the financial year was \$22,245,550 (2015: restated loss of \$7,335,814).

DIVIDENDS

No dividends have been paid or declared and no dividends have been recommended by the Directors.

EVENTS SINCE THE END OF THE FINANCIAL YEAR

On 18 July 2016, the Company issued a total of 14,000,000 shares at an issue price of A\$0.05 per share of which \$500,000 was to convert a convertible note, and \$200,000 was a placement.

On 3 August 2016, the Company announced completed a rights issue of a total of 96,877,775 shares at an issue price of A\$0.05 per share to raise A\$4.84 million (before costs).

On 16 August 2016, the Company completed a placement of a total of 10,000,000 shares at an issue price of A\$0.05 per share to raise A\$0.5 million (before costs).

EXCELSIOR GOLD LIMITED
DIRECTORS' REPORT

On 19 August 2016, the Company completed a placement of a total of 19,000,000 shares at an issue price of A\$0.05 per share to raise A\$0.95 million (before costs).

Based on adverse reconciliations events subsequent to June 2016, a full review of the resource and reserve statements is being undertaken and targeted for release at the end of the December Quarter.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The Directors are not aware of any developments that might have a significant effect on the operations of the Group in subsequent financial years that are not already disclosed in this report.

DIRECTORS' QUALIFICATIONS, EXPERIENCE AND SPECIAL RESPONSIBILITIES

MR DAVID HATCH	— Interim Chairman (Non-Executive) appointed 21 September 2016
Qualifications	— Assoc Dip Mining Engineering, Dip Mineral Economics
Experience	— Mining Engineer with extensive senior management experience in Australia, Papua New Guinea, Indonesia and Ghana. Seven years experience as Managing Director of ASX listed gold companies.
Directorships held in other listed entities	— No other directorships in the past three years.
MR ROWAN JOHNSTON	— Acting Managing Director appointed 21 September 2016
Qualifications	— BSc (Mining Engineering), first class mine managers certificate
Experience	— Mining Engineer and experienced executive director, most recently being the Acting CEO and Executive Director of Operations for ASX listed Mutiny Gold Limited prior to the takeover by Doray Minerals Limited, previously Executive Director of Integra Mining.
Directorships held in other listed entities	— Mutiny Gold Limited (until 31 January 2015)
DR JONATHAN WEST	— Non-Executive Director appointed 21 September 2016
Qualifications	— BSc(Hons) MSc PhD
Experience	— Dr Jonathan West has worked across a variety of resource and energy development and management areas, in both the private and public sector for over 40 years, both in Australia and overseas. He has extensive senior executive management experience with a particular focus on strategic planning, policy development, resource development and management, and corporate and organisational change management.
Directorships held in other listed entities	— No other directorships in the past three years.

EXCELSIOR GOLD LIMITED
DIRECTORS' REPORT

MR JIMMY KONG KENG LEE

Qualifications

- Non-Executive Director appointed 20 June 2016
- BSc (Min Tech)
First Class Mine Managers Certificate of Competency
Quarry Managers Certificate of Competency

Experience

- Mr Lee is a mining engineer with more than 30 years of industry experience and is a member of AusIMM. He has successfully worked with a number of major Australian mining companies and has held senior positions with Hamersley Iron Ltd, Dominion Mining Ltd, Christmas Island Phosphates, North Ltd and Carey Mining Ltd.

Mr Lee provides mining and corporate advisory services to the mining industry and was formerly a founding director of Terrain Minerals Limited. In addition, he has a successful track record with contract negotiations and company investment strategies.

Directorships held in other listed entities

- GWR Group Limited (current), Tungsten Mining NL (current), Corizon Limited (previous)

Previous Directors

MR PETER BIRD

(Resigned 21/9/16)

Qualifications

- Chairman (Non-Executive) appointed 29 August 2011 – resigned
— 21 September 2016.

Experience

- BSc(Hons), MAICD, A Fin
- Geologist with over 20 years of operational and corporate experience with strong understanding of company analysis and global investment markets. Geological experience in exploration and multiple open pit and underground gold mines in the Eastern Goldfields of Western Australia. A leading broking analyst for the gold sector and held senior executive roles with Newcrest Mining Ltd and Normandy Mining Ltd advising on investor relations and corporate matters.

Directorships held in other listed entities

- Managing Director of Heemskirk Consolidated Limited. No other directorships in the past three years.

EXCELSIOR GOLD LIMITED
DIRECTORS' REPORT

MR DAVID HAMLYN
(Resigned 21/9/16)

— Managing Director (from 28 May 2012) appointed as Executive Director 21 May 2010 – resigned 21 September 2016

Qualifications — BAppSc(Geol), MAusIMM

Experience — David Hamlyn is a geologist with a broad range of exploration, mine management and corporate experience. Mr Hamlyn has held senior exploration positions with numerous companies throughout Australia and Resident Manager and General Manager roles on gold mining operations in the Kalgoorlie region from 1992 to 2001. Mr Hamlyn was Managing Director of Atom Energy Limited (June 2007 to May 2008), Technical Director of West Australian Metals Ltd (2002 to 2006) and has previously served as Director of Austin Engineering Limited (2002 to 2004) and Exploration Director of Australasian Gold Mines NL (1988 to 1990).

Directorships held in other listed entities — None

MR DAVID POTTER
(Resigned 23/8/16)

Director (Executive) appointed 24 May 2011 – resigned 23 August 2016

Qualifications — MSc (Econ), BSc (Geology), GradDipAppFIA, MAIG

Experience — David Potter is a geologist with twenty years experience across a broad range of commodities including extensive gold exploration and mine development experience in the Eastern Goldfields of Western Australia.

Directorships held in other listed entities — None

MR CHEN CHIK ONG
(Resigned 21/9/16)

Director (Executive) appointed 24 May 2011 – resigned 21 September 2016

Company Secretary appointed 6 March 2015 – resigned 21 September 2016

Qualifications — BComm, GradDipAppFin, GradDipACG, MBA

Experience — Chen Chik (Nicholas) Ong was formerly a Principal Adviser at the Australian Security Exchange in Perth with ten years experience in corporate compliance.

Directorships held in other listed entities — Segue Resources Ltd, Fraser Range Metals Group Limited, Minerals Corporation Limited, Auroch Minerals NL and CoAssets Limited.

EXCELSIOR GOLD LIMITED
DIRECTORS' REPORT

DIRECTORS' INTERESTS IN THE SHARES AND OPTIONS OF THE COMPANY

The particulars of Directors' interest in shares and options are as at the date of this report.

	Ordinary Shares		Options	
	Direct	Indirect	Direct	Indirect
Current Directors				
D Hatch	-	-	-	-
R Johnston	-	-	-	-
J West	150,000	600,000	-	-
J Lee	-	-	-	-

MEETINGS OF DIRECTORS

During the financial year 6 meetings of directors were held. The number of meetings attended by each director during the financial year are as follows:

Director	Meetings of the		Meetings of Committees					
	Board of Directors		Audit		Nomination		Remuneration	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
D Hamlyn	6	6	2	2	1	1	-	-
D Potter	6	6	2	2	1	1	-	-
P Bird	6	6	2	2	1	1	-	-
C Ong	6	6	2	2	1	1	-	-
J Lee	-	-	-	-	-	-	-	-

REMUNERATION REPORT (AUDITED)

The remuneration report is set out under the following main headings:

- A Principles used to determine the nature and amount of remuneration
- B Details of remuneration
- C Service agreements
- D Share-based compensation
- E Equity Holdings and Movements during the Year
- F Other Transactions with Key Management Personnel
- G Use of Remuneration Consultants
- H Voting of Shareholders at Last Year's Annual General Meeting

The information provided in this remuneration report has been audited as required by section 308(3C) of the Corporations Act 2001.

A. Principles used to determine the nature and amount of remuneration

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders.

The Board ensures that executive reward satisfies the following key criteria for good reward corporate governance practices:

- Competitiveness and reasonableness;
- Acceptability to shareholders;
- Performance linkage/alignment of executive compensation;
- Transparency; and
- Capital management.

The Group has structured an executive framework that is market competitive and complementary to the reward strategy for the organisation.

Executive directors

The Board's policy for determining the nature and amount of remuneration for board members and executives of the Group is as follows:

The remuneration policy, setting the terms and conditions for the Executive Directors and executives, was developed and approved by the Board. All executives receive a salary, part of which may be taken as superannuation, and from time to time, securities. Securities issued to directors are subject to approval by Shareholders. Remuneration is based on market rates and currently not linked between financial performance and remuneration. The Board reviews executive packages annually by reference to the Group's performance, executives' performance reviews and comparable information from industry sectors and other listed companies in similar industries. The Board may in its discretion establish a performance based bonus system to provide up to 20% of the base salary level to the executives on such terms as the Board may determine.

Salaried executive directors and specified executives are allocated superannuation guarantee contributions as required by law, and do not receive any other retirement benefits. From time to time, some individuals may choose to sacrifice their salary or consulting fees to increase payments towards superannuation.

At present, the existing policy is not impacted by the Group's performance, including earnings and changes in shareholder wealth (dividends, changes in share price or returns of capital to shareholders).

Reward in the form of options where possible take the form of options with exercise prices above the share price at the date of issue which provides linkage to the Group's increase in shareholder wealth. All remuneration paid to directors and specified executives is valued at the cost to the Group and expensed. Securities are valued with reference to the prevailing market price with options valued using the Black-Scholes methodology.

EXCELSIOR GOLD LIMITED

DIRECTORS' REPORT

Assessing performance and claw-back of remuneration

The remuneration committee is responsible for assessing performance against KPIs and determining the STI and LTI to be paid. To assist in this assessment, the committee receives detailed reports on performance from management which are based on independently verifiable data such as financial measures, market share and data from independently run surveys. In the event of serious misconduct or a material misstatement in the company's financial statements, the remuneration committee can cancel or defer performance-based remuneration and may also claw back performance-based remuneration paid in previous financial years.

A performance-related cash bonus in the contract of David Hamlyn is as follows: \$50,000 Performance Based Bonus will be provided to David Hamlyn upon the commencement of mining operations leading to commercial gold production, where commercial gold production is to be set at a minimum of 20,000 cumulative ounces of gold in any 12 month period from any of the project areas that comprise the Kalgoorlie North Gold Project. Zero percent of the bonus pool was achieved.

The relative proportions of remuneration that are linked to performance and those that are fixed are as follows:

Name	Fixed Remuneration 2016	At risk – STI 2016	At risk - LTI 2016
Executive Directors			
D Hamlyn	77%	-	23%
D Potter	76%	-	24%
C Ong	76%	-	24%
Non-executive Directors			
P Bird	63%	-	37%
J Lee	100%	-	-

* *Since the long term incentives are provided exclusively by way of options or performance shares, the percentages disclosed reflect the value of remuneration consisting of options or performance shares, based on the value of options expensed during the year.*

Non-Executive directors

The board policy is to remunerate Non-Executive directors at commercial market rates for comparable companies for their time, commitment and responsibilities. Independent external advice is sought when required. Directors' fees are determined within an aggregate directors' fee pool limit, which is periodically recommended for approval by shareholders. The maximum amount of fees that can be paid to non-executive directors currently stands at \$200,000 per annum in aggregate. Fees for Non-Executive directors are not linked to the performance of the Group. Non-Executive directors' remuneration may also include a component consisting of share-based payments, subject to approval by Shareholders, as a means to attract and retain suitably qualified Board of Directors.

Employee Share Plan

The objective of the Employee Share Plan (Plan) is to attract directors and employees with suitable qualifications, skills and experience to plan, carry out and evaluate the Company's strategy and to motivate and retain those persons and it is considered by the Company that the adoption of the Plan and the future issue of performance shares under the Plan will provide selected directors and employees with the opportunity to participate in the future growth of the Company.

EXCELSIOR GOLD LIMITED
DIRECTORS' REPORT

Excelsior Gold is able to conserve its cash resources by utilising performance shares under the Plan to incentivise directors and employees in addition to the cash salaries under their employment contracts. The Company also believes that the interests of directors and employees are aligned with those of the Company's when they are shareholders in the Company, and vesting of those performance shares are subject to performance milestones.

B. Details of remuneration

The details of the remuneration of key management personnel of the Group are set out in the following tables.

2016	Short-term benefits	Post- employment		Share-based payment	Total
Name	Directors' Fees	Super- annuation	Bonus	Shares	
	\$	\$	\$	\$	\$
Non-Executives					
P Bird	60,000	5,700	-	38,978	104,678
J Lee	1,636	155	-	-	1,791
Executive Directors					
D Potter	270,000	25,650	-	97,445	393,095
D Hamlyn	360,000	34,200	-	116,934	511,134
C Ong	223,200	21,204	-	77,956	322,360
	914,836	86,909	-	331,313	1,333,058

2015	Short-term benefits	Post- employment		Share-based payment	Total
Name	Salary & consulting	Super- annuation	Bonus	Shares *	
	\$	\$	\$	\$	\$
Non-Executives					
P Bird	55,833	5,304	-	143,939	205,076
Executive Directors					
D Potter	271,667	28,183	25,000	340,566	665,416
D Hamlyn	330,833	33,804	25,000	348,738	738,375
C Ong	198,470	18,855	-	98,036	315,361
	856,803	86,146	50,000	931,279	1,924,228

*Includes expense relating to cancellation of shares and the resulting acceleration of their value.

EXCELSIOR GOLD LIMITED
DIRECTORS' REPORT

C. Service agreements

On appointment to the Board, all Non-Executive directors enter into a service agreement with the company in the form of an executive services agreement. The executive services agreement summarises the Board policies and terms, including compensation, relevant to the office of director.

Remuneration and other terms of employment for the Managing Director, Technical Director and other Key Management Personnel are also formalised in service agreements. Each of these agreements provide for the provision of performance-related cash bonuses, other benefits including car parking and participation, when eligible, in the Excelsior Gold Employee Share Plan or Share Loan Plan approved by shareholders on 29 November 2014.

All contracts with executives may be terminated early by either party with three months written notice, subject to termination payments as detailed below:

Name	Term of agreement	Base salary including superannuation	Termination benefit
David Hamlyn <i>Managing Director</i>	No fixed term commencing 28 May 2013	394,200	Six months base salary
David Potter <i>Technical Director</i>	No fixed term commencing 1 July 2014	295,650	Three months base salary
Chen Chik Ong <i>Director</i>	No fixed term commencing 25 February 2013	244,404	Two months base salary

D. Share based compensation

Shares

The Excelsior Gold Ltd Employee Share Plan ("Plan") may be used to reward Directors and employees for their performance and to align their remuneration with the creation of shareholder wealth. The Plan is designed to provide long-term incentives to deliver long-term shareholder returns. Participation in the Plan is at the discretion of the Board and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits except as referred to elsewhere in the Remuneration Report.

Shares offered under the Plan may be subject to restriction conditions including, without limitation, any service condition or performance or milestone criteria.

The Group's Remuneration Policy includes a clause prohibiting Directors and senior executives from entering into transactions or arrangements which limit the economic risk of participating in unvested entitlements.

During the prior year (in December 2014) 21,250,000 shares were issued to Directors subject to performance hurdles (some of which are yet to be reached). These shares were issued in replacement of 13,200,000 shares (which were issued but not vested in prior periods) cancelled in the prior year.

EXCELSIOR GOLD LIMITED
DIRECTORS' REPORT

Summary of Directors' performance shares as at 30 June 2016:

Share-based compensation benefits (performance shares)									
Name	Year Granted	Financial years in which shares may vest	Number Granted	Value of shares at grant date	Vested shares 2016	Vested %	Forfeited shares 2016	Forfeited %	Maximum value yet to vest
P Bird	2015	2017	2,500,000	90,142	500,000	20%	-	-	72,114
D Potter	2015	2017	6,250,000	225,354	1,250,000	20%	-	-	180,283
D Hamlyn	2015	2017	7,500,000	270,425	1,500,000	20%	-	-	216,340
C Ong	2015	2017	5,000,000	180,284	1,000,000	20%	-	-	144,227

The shares were issued pursuant to the Plan. These shares have performance hurdles imposed on them constituting a “real risk of forfeiture” in the furthering of the Group’s objectives. The trading restriction will be lifted subject to the achievement of certain Restriction Conditions. The milestones for the release of these conditions are disclosed in detail below.

The following share-based payments were made to directors during 2016:

2016	Grant Date	Number of shares issued	Value per share at grant date	Total Value Expensed 30 June 2016
Peter Bird	28/11/2014	2,500,000	0.04	38,978
David Hamlyn	28/11/2014	7,500,000	0.04	116,934
David Potter	28/11/2014	6,250,000	0.04	97,445
Nicholas Ong	28/11/2014	5,000,000	0.04	77,956
Other employees	28/11/2014	5,250,000	0.04	81,854

Shares issued to Directors and employees resulted in \$413,167 being expensed to the statement of profit or loss and other comprehensive income in the current period (2015 \$1,352,837). \$1,179,596 of the 2015 expense relates to the accelerated value of shares cancelled during the prior year.

The shares were issued pursuant to the Company’s Employee Share Plan or on terms and conditions consistent with that Plan. These shares have performance hurdles imposed on them constituting a “real risk of forfeiture” to incentivise Directors and employees to further the Group’s objectives. The trading restriction will be lifted subject to the achievement of certain Restriction Conditions.

EXCELSIOR GOLD LIMITED
DIRECTORS' REPORT

Milestones for the release of these conditions are:

Number of shares	Milestone
5,300,000	Upon delivery of first ore under the Paddington production scenario (this milestone has been met);
5,300,000	Upon the production of 40,000 ounces of gold from ore derived from the Kalgoorlie North Gold Project
5,300,000	Upon the production of 80,000 ounces of gold from ore derived from the Kalgoorlie North Gold Project
5,300,000	Upon the delineation of at least 2 million ounces of gold resources on a cumulative basis and reported consistent with the 2012 JORC Code at Kalgoorlie North Gold Project; and
5,300,000	Upon the third anniversary of the issue of the Incentive Shares and the holder remains an employee or director of the Company.
26,500,000	

E. Equity Holdings and Movements during the Year

Shareholdings of Directors and Key Management Personnel of Excelsior Gold Limited

2016	Balance at start of the financial period	Received during the year on the exercise of options	Received during the year as remuneration	Other changes during the financial period	Balance at the end of the financial period	Balance nominally held
David Potter	11,496,699	-	-	-	11,496,699	-
David Hamlyn	17,678,666	-	-	-	17,678,666	-
Nicholas Ong	6,250,000	-	-	-	6,250,000	-
Peter Bird	4,250,000	-	-	-	4,250,000	-

Options

No options were granted to Directors, key management personal or to employees during the year (2015: Nil).

No Director or key management personal held any options during the year.

F. Other Transactions with Key Management Personnel

There were no other transactions with Key Management Personnel

G. Use of Remuneration Consultants

No external remuneration consultants were used during the year.

H. Voting of Shareholders at Last Year's Annual General Meeting

The Company received more than 90% of "yes" votes on its Remuneration Report for the 2015 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

THIS IS THE END OF THE AUDITED REMUNERATION REPORT

DIRECTORS AND OFFICERS INSURANCE

The Group has entered into Indemnity Deeds with each Director. Under the Deeds, the Group indemnifies each Director to the maximum extent permitted by law against legal proceedings or claims made against or incurred by the Directors in connection with being a Director of the Group, or breach by the Group of its obligations under the Deed.

During the financial year, the Company paid an insurance premium to insure the directors and secretaries of the Company and its controlled entities. Details of the premium are subject to a confidentiality clause under the contract of insurance. The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the Officers in their capacity as officers of the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving wilful breach of duty by the officers or the improper use by the officers of their position or information obtained. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

ENVIRONMENTAL REGULATION

The Group's projects are subject to State, Federal and International laws and regulations regarding environmental matters in Australia. Many of the activities and operations of the Group cannot be carried out without prior approval from and compliance with all relevant authorities.

Excelsior Gold Limited conducts its activities in an environmentally responsible manner and in accordance with all applicable laws. The Group is not aware of any breach of statutory conditions or obligations.

Greenhouse gas and energy data reporting requirements

The Company has not yet fully reviewed the reporting requirements under the *Energy Efficiencies Opportunity Act 2006* or the *National Greenhouse and Energy Efficient Reporting Act 2007*, but believes it has adequate processes in place to ensure compliance with these Acts.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring about proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

EXCELSIOR GOLD LIMITED
DIRECTORS' REPORT

CORPORATE GOVERNANCE

The directors of the Company support and adhere to the principles of corporate governance, recognising the need for the highest standard of corporate behaviour and accountability. Please refer to the Company's website for details of corporate governance policies:

<http://www.excelsiorgold.com.au/company-profile/corporate-governance>

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 is set out on page 74.

Non-audit services

There were no non-audit services provided by the auditor during the year (2015: none).

This report is signed in accordance with a resolution of the Directors.

30th day of September 2016, at Perth, Western Australia



Rowan Johnston
Managing Director



David Hamlyn
Previous Managing Director (resigned as a Director on 21/9/16)

INDEPENDENT AUDITOR'S REPORT

To the members of Excelsior Gold Limited

Report on the Financial Report

We have audited the accompanying financial report of Excelsior Gold Limited, which comprises the consolidated statement of financial position as at 30 June 2016, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of Excelsior Gold Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

- (a) the financial report of Excelsior Gold Limited is in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 25 to 32 of the directors' report for the year ended 30 June 2016. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Excelsior Gold Limited for the year ended 30 June 2016 complies with section 300A of the Corporations Act 2001.

BDO Audit (WA) Pty Ltd



Neil Smith

Director

Perth, 30 September 2016

EXCELSIOR GOLD LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 \$	2015 (Restated) \$
Revenue from gold sales		19,634,502	-
Other income	3	3,529,433	315,216
Site costs		(23,532,934)	(106,933)
Corporate and administrative costs		(455,155)	(338,295)
Employee benefits expense	4	(903,575)	(819,523)
Share based payment expense	30(c)	(413,167)	(1,352,837)
Amortisation		(2,499,540)	-
Depreciation		(34,583)	(44,204)
Legal fees		(169,447)	-
Rent		(79,491)	(98,312)
Travel		(61,208)	(42,702)
Realised loss on derivatives		(955,438)	-
Fair value adjustment of derivatives		(13,025,709)	-
Exploration costs expensed		(1,904,062)	(4,234,120)
Finance costs	4	(1,000,947)	(373,515)
Other expenses		(374,229)	(240,589)
Loss before income tax		(22,245,550)	(7,335,814)
Income tax benefit/(expense)	5	-	-
Loss for the year attributable to the owners of Excelsior Gold Limited		(22,245,550)	(7,335,814)
Other comprehensive loss for the year			
<i>Items that may be reclassified to profit or loss</i>			
Changes in the fair value of available-for-sale investments		-	5,000
Total comprehensive loss for the year attributable to the owners of Excelsior Gold Limited		(22,245,550)	(7,330,814)
		Cents	Cents
Loss per share for the year attributable to the members of Excelsior Gold Ltd	6	(4.11)	(1.61)

*The above Consolidated Statement of Profit or Loss and other comprehensive income should be read in
conjunction with the accompanying notes*

EXCELSIOR GOLD LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

	Note	30 June 2016	CONSOLIDATED 30 June 2015 Restated	1 July 2014 Restated
		\$	\$	\$
ASSETS				
Current Assets				
Cash and cash equivalents	7	1,965,647	3,757,336	839,896
Trade and other receivables	8	5,660,560	123,366	57,303
Inventories	9	182,084	-	-
Total current assets		7,808,291	3,880,702	897,199
Non-Current Assets				
Other financial assets	10	72,454	72,454	245,106
Mine Development:				
Site rehabilitation asset	11	7,293,263	8,750,000	-
Mine Properties	12	1,299,574	-	-
Deferred Stripping costs	13	3,955,625	-	-
Property, plant and equipment	14	129,034	163,617	198,234
Available-for-sale financial assets	15	-	60,000	67,500
Total non-current assets		12,749,950	9,047,071	510,840
TOTAL ASSETS		20,558,241	12,926,773	1,408,039
Current Liabilities				
Trade and other payables	16	12,656,199	515,896	204,139
Provisions	17	194,777	174,880	126,189
Borrowings	18	4,004,271	4,037,745	-
Derivative financial instruments	19	4,422,957		
Total current liabilities		21,278,204	4,728,521	330,328
Non-Current Liabilities				
Provisions	17	8,797,961	8,750,000	-
Derivative financial instruments	19	8,602,752		
Total non-current liabilities		17,400,713	8,750,000	-
TOTAL LIABILITIES		38,678,917	13,478,521	330,328
NET (DEFICIENCY) / ASSETS		(18,120,676)	(551,748)	1,077,711
EQUITY				
Contributed Equity	20	44,000,750	39,727,295	33,899,933
Reserves	21	586,408	183,241	304,248
Accumulated losses		(62,707,834)	(40,462,284)	(33,126,470)
TOTAL EQUITY		(18,120,676)	(551,748)	1,077,711

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

EXCELSIOR GOLD LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2016

	Contributed Equity	Accumulated Losses	S/based Payments Reserve	Options Premium Reserve	Avail. for Sale Inv. Reserve	Total Equity
	\$	\$	\$	\$	\$	\$
As at July 2015 (Restated)	39,727,295	(40,462,284)	173,241	-	10,000	(551,748)
Loss for the year	-	(22,245,550)	-	-	-	(22,245,550)
Comprehensive income	-	-	-	-	-	-
Total comprehensive income/(loss) for the year	-	(22,245,550)	-	-	-	(22,245,550)
Transactions with owners in their capacity as owners						
Placement of shares, net of transaction costs	4,201,391	-	-	-	-	4,201,391
Employee share-based payments	-	-	413,167	-	-	413,167
Sale of investment	-	-	-	-	(10,000)	(10,000)
Equity component of convertible loan	72,064	-	-	-	-	72,064
As at 30 June 2016	44,000,750	(62,707,834)	586,408	-	-	(18,120,676)
As at 1 July 2014	33,899,933	(11,318,306)	-	299,248	5,000	22,885,875
Change in accounting policy (Note 1)		(21,808,164)				(21,808,164)
	33,899,933	(33,126,470)	-	299,248	5,000	1,077,711
Loss for the year	-	(7,335,814)	-	-	-	(7,335,814)
Comprehensive income	-	-	-	-	5,000	5,000
Total comprehensive income/(loss) for the year	-	(7,335,814)	-	-	5,000	(7,330,814)
Transactions with owners in their capacity as owners						
Share buy-back, net of transaction costs	(1,320)	-	-	-	-	(1,320)
Exercise of options	290,000	-	-	-	-	290,000
Transfer from reserve on exercise of options	299,248	-	-	(299,248)	-	-
Placement of shares, net of transaction costs	4,036,266	-	-	-	-	4,036,266
Employee share-based payments	1,179,596	-	173,241	-	-	1,352,837
Equity component of convertible loan	23,572	-	-	-	-	23,572
As at 30 June 2015	39,727,295	(40,462,284)	173,241	-	10,000	(551,748)

This above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

EXCELSIOR GOLD LIMITED
CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 \$	2015 Restated \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Revenue received		14,350,929	-
Site costs		(11,903,642)	-
Payments for administration		(1,691,587)	(1,374,592)
Payments for exploration and evaluation		(1,904,062)	(4,100,783)
Other payments – GST		(253,640)	(110,713)
Hedging costs		(955,438)	-
Other income		3,360,900	-
R & D tax refund		108,437	-
Interest received		60,096	72,012
Finance costs		(986,930)	(312,198)
Net cash inflow/(outflow) from operating activities	22	185,063	(5,826,274)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for development - deferred stripping costs		(4,740,550)	-
Payments for development – mine properties		(1,557,452)	-
Payments for plant and equipment		-	(9,588)
Proceeds from sale of investments		47,325	257,494
Refund of security deposits		-	170,862
Net cash inflow/(outflow) from investing activities		(6,250,677)	418,768
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		4,550,000	4,618,680
Costs associated with share issue		(348,609)	(293,734)
Payment of borrowings		(3,998,471)	-
Proceeds from borrowings		4,071,005	4,000,000
Net cash (inflow from financing activities		4,273,925	8,324,946
Net increase/(decrease) in cash and cash equivalents		(1,791,689)	2,917,440
Cash and cash equivalents at the beginning of the year		3,757,336	839,896
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	7	1,965,647	3,757,336

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes

EXCELSIOR GOLD LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. These financial statements include the consolidated entity consisting of Excelsior Gold Limited and its subsidiaries (together referred to as the 'consolidated entity' or 'Group'). Excelsior Gold Limited is a company limited by shares incorporated in Australia, whose shares are publicly traded on the Australian Securities Exchange.

These financial statements were authorised for issue in accordance with a resolution of the Directors on 30 September 2016.

(a) Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the *Corporations Act 2001*. Excelsior is a for-profit entity for the purpose of preparing financial statements.

Compliance with IFRS

The consolidated financial statements of the group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Parent Entity

Financial information for Excelsior Gold Limited as an individual entity is included in note 26.

Historical cost convention

These financial statements have been prepared on an accruals basis and are based on historical costs and do not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

New and amended standards adopted by the group

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2015 affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods. Refer to Note 1(x) for details on these new standards and amendments.

(b) Principles of Consolidation

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Excelsior Gold Limited as at 30 June 2016 and the results of all subsidiaries for the year then ended. Excelsior Gold Limited and its subsidiaries together are referred to in this financial report as the group or the consolidated entity.

Subsidiaries are all those entities (including special purpose entities) over which the Group has the control. Control is achieved when the Company:

- Has power over the relevant activities of the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

EXCELSIOR GOLD LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. All relevant facts and circumstances are considered included potential voting rights and rights arising from other contractual arrangements.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations by the group.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(c) Impairment of Assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets of the company the asset's values in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

As assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had the impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at the revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

EXCELSIOR GOLD LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Share Based Payment Transactions

Under AASB 2 Share Based Payments, the Company must recognise the fair value of options granted to directors, employees and consultants as remuneration as an expense on a pro-rata basis over the vesting period in the statement of profit or loss and other comprehensive income with a corresponding adjustment to equity.

The Group provides benefits to employees (including directors) of the Group in the form of share based payment transactions, whereby employees render services in exchange for shares or rights over shares ("equity-settled transactions"). The cost of these equity-settled transactions with employees (including directors) is measured by reference to fair value at the date they are granted. The fair value of share options is determined using the Black Scholes option pricing model.

Shares are valued at market rate, as indicated by the listed share price when issued.

(e) Segment Reporting

Operating segments are reported in a manner that is consistent with the internal reporting to the chief operating decision maker ("CODM"), which has been identified by the company as the Managing Director and other members of the Board of Directors.

(f) Fair Value Estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The carrying value less impairment provision of trade receivables and payables are assumed to approximately their fair value due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

(g) Property, Plant and Equipment

Plant and equipment is stated at cost less accumulated depreciation and any impairment in value.

Depreciation is calculated using the diminishing value and prime cost methods and is brought to account over the estimated economic lives of all plant and equipment. The rates used are based on the useful life of the assets and range from 10% to 40%.

Assets residual value and useful lives are reviewed and adjusted if appropriate, at the end of each reporting period. An assets carrying amount is written down immediately to its recoverable amount if the assets carrying value is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These are included in the profit or loss.

EXCELSIOR GOLD LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Income Tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the statement of financial position date.

Deferred income tax is provided on all temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each statement of financial position date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Goods & Service Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flow arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(i) Exploration and Evaluation Expenditure

Exploration and evaluation expenditure will be expensed until the technical and commercial viability of extracting the resource are demonstrable and that future economic benefits are probable, at which point costs will be capitalised as mine properties.

EXCELSIOR GOLD LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Cash and Cash Equivalents

For the purposes of the statement of cash flows, cash and cash equivalents includes cash on hand, cash in bank accounts, money market investments readily convertible to cash within two working days, term deposits and bank bills but net of outstanding bank overdrafts.

(k) Investments and other financial assets

Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of the investment within 12 months of the end of the reporting period. Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

Loans and receivables

Loans and receivables are non-derivate financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the statement of financial position date which are classified as non-current assets. Loans and receivable are included in trade and other receivables in the statement of financial position.

Recognition and derecognition

Investments are initially recognised at fair value plus transactions costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Subsequent measurement

Loans and receivables are carried at amortised cost using the effective interest method.

Impairment

The Group assesses at each reporting date whether there is objective evidence that a financial asset or company of financial assets is impaired. For available-for-sale assets, if there is objective evidence of impairment, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss) is removed from equity and recognised in profit or loss. Impairment losses on these equity instruments that were recognised in the profit or loss are not reversed through profit or loss in a subsequent period.

(l) Employee Entitlements

The Group's liability for employee entitlements arising from services rendered by employees to reporting date are recognised as provisions. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries, and annual leave which will be settled within one year, have been measured at their nominal amount and include related on-costs.

EXCELSIOR GOLD LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Earnings Per Share

Basic earnings per share is determined by dividing the operating loss attributable to the equity holder of the Group after income tax by the weighted average number of ordinary shares outstanding during the financial year. Diluted earnings per share adjusts the figures used in determination of basic earnings per share by taking into account amounts unpaid on ordinary shares and any reduction in earnings per share that will arise from the exercise of options outstanding during the year.

(n) Revenue Recognition

Revenue is measured at fair value of the consideration received or receivable. All revenue is stated net of the amount of goods and services tax (GST).

Sale of gold is recognised at the point of sale, which is where the customer has taken delivery of the goods, the risks and rewards are transferred to the customer and there is a valid sales contract. Amounts disclosed as revenue are net of sales returns and trade discounts.

Sales revenue comprises gross revenue earned from the provision of product to customers, and includes hedging gains and losses. Sales are initially recognised at estimated sales value when the product is delivered. Adjustments are made for variations in gold content, recovery factor and moisture in ore tonnes between the time of delivery and the time of final settlement of sales proceeds.

Receivables are subsequently revalued based on the same method stated above, that once the gold content, recovery factor and moisture in ore tonnes are finalised, it will be adjusted and become payable.

Interest revenue is recognised on a proportional basis taking into account the interest rates application to the financial assets.

Other income, including the sale of gold put options, is recognised at fair value of the consideration received or receivable net of the amount of goods and services tax (GST) payable to the taxation authority.

(o) Trade and Other Receivables

Trade receivables are generally received up to two months after the shipment date. The receivables are initially recognised at fair value. Trade receivables are subsequently revalued by the marking-to-market of open sales. The Group determines mark-to-market prices using forward prices at each period end for recovered gold.

Collectability of trade receivables is reviewed on an ongoing basis. Individual debts that are known to be uncollectible are written off when identified. An impairment provision is recognised when there is objective evidence that the Group will not be able to collect the receivable. Financial difficulties of the debtor or default payments are considered objective evidence of impairment. The amount of the impairment loss is the receivable carrying amount compared to the present value of estimated future cash flows, discounted at the original effective interest rate.

EXCELSIOR GOLD LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Trade and Other Payables

Trade payables and other payables are carried at cost and represent liabilities for goods and services provided to the Group prior to the end of the financial period that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and usually paid within 30 days of recognition.

(q) Restoration, Rehabilitation and Environmental Provision

Obligations associated with exploration and development assets are recognised when the Group has a present obligation, the future sacrifice of the economic benefits is probable, and the provision can be measured reliably. The provision is measured at the present value of the future expenditure and a corresponding rehabilitation asset is also recognised. The determination of the provision requires significant judgement in terms of the best estimate of the costs of performing the work required, the timing of the cash flows and the appropriate discount rate. In support of these judgements, the Group periodically seeks independent external advice on the adequacy of the provision. A change in any, or a combination of, the key assumptions used to determine the provision could have a material impact on the carrying value of the provision.

On an ongoing basis, the rehabilitation will be remeasured in line with the changes in the time value of money (recognised as an expense and an increase in the provision), and additional disturbances (recognised as additions to a corresponding asset and rehabilitation liability).

(r) Contributed Equity

Issued and paid up capital is recognised at the fair value of the consideration received by the group. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

(s) Mine Properties

Mines properties are accumulated separately for each area of interest in which economically recoverable reserves have been identified and a decision to develop has occurred. This expenditure includes all capitalised development expenditure in respect of the area of interest, direct costs of construction, and an appropriate allocation of overheads. Once mining of the area of interest can commence, the aggregated capitalised costs are classified under non-current assets as mines in production. Until production commences they are mine properties in development.

Amortisation is provided on a units-of-production basis, with separate calculations being made for each mineral resource. The units-of-production method results in an amortisation charge proportional to the depletion of the economically recoverable mineral resources (comprising proven and probable reserves).

A regular review is undertaken to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. An impairment exists when the carrying value of expenditure not yet amortised exceeds its estimated recoverable amount. The asset is then written down to its recoverable amount and the impairment losses are recognised in profit or loss.

EXCELSIOR GOLD LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Reserve estimates

Estimates of recoverable quantities of proven and probable reserves include assumptions regarding commodity prices, exchange rates, discount rates, production and transportation costs for future cash flows. It also requires interpretation of complex and difficult geological and geophysical models in order to make an assessment of the size, shape, depth and quality of reserves and their anticipated recoveries. The economic, geological and technical factors used to estimate reserves may change from period to period. Changes in reported reserves can impact asset carrying values, the provision for restoration and the recognition of deferred tax assets, due to changes in expected future cash flows. Reserves are integral to the amount of depreciation, depletion and amortisation charged to the profit or loss and the calculation of inventory. The Group prepares reserve estimates in accordance with the JORC Code, guidelines prepared by the Joint Ore Reserves Committee of The Australian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Mineral Council of Australia.

(t) Deferred stripping

Stripping activity costs incurred in the development phase of a mine are capitalised as part of the cost of constructing the mine and subsequently amortised over the life of the mine on a units-of-production basis.

Stripping activity incurred during the production phase of a mine is assessed as to whether the benefit accruing from that activity is to provide access to ore that can be used to produce ore inventory, or whether it in addition provides improved access to ore that will be mined in future periods.

To the extent that the benefit from the stripping activity is realised in the form of inventory produced, the Group accounts for those stripping activity costs in accordance with AASB102 Inventories. A stripping activity asset is brought to account if it is probable that future economic benefits (improved access to the ore body) will flow to the Group, the component of the ore body for which access has been improved can be identified and costs relating to the stripping activity can be measured reliably.

The amount of stripping activity costs that are capitalised is determined based on a comparison of the stripping ratio in the relevant period with the life of mine stripping ratio. To the extent that there is a period of sustained stripping that exceeds the average life of mine stripping ratio, mine waste stripping costs are capitalised to the stripping activity asset. Such capitalised costs are amortised over the life of that mine on a units-of-production basis. The life of mine ratio is based on economically recoverable reserves of the mine. Changes to the life of mine are accounted for prospectively.

Deferred stripping costs are disclosed in the balance sheet. These form part of the total investment in the relevant cash generating units, which are reviewed for impairment if events or changes of circumstances indicate that the carrying value may not be recoverable.

EXCELSIOR GOLD LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(u) Inventories

Ore stockpiles, are valued at the lower of weighted average cost and net realisable value. Costs include fixed direct costs, variable direct costs and an appropriate portion of fixed overhead costs. A portion of the related depreciation, depletion and amortisation charge is included in the cost of inventory.

The recoverable amount of surplus items is assessed regularly on an ongoing basis and written down to its net realisable value when an impairment indicator is present.

(v) Derivatives and hedging activities

The Group uses derivative financial instruments to manage its risks associated with metals price fluctuations. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured to fair value at the end of each reporting period.

The Group uses derivative financial instruments such as commodity contracts to hedge its risks associated with gold price fluctuations. Such derivative financial instruments are recognised at fair value.

The fair value of forward exchange contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles. The fair value of commodity contracts is determined by reference to market values for similar instruments. Movements in fair value are recognised in the profit or loss.

(w) Voluntary change in accounting policies

Exploration and evaluation expenditure policy

This financial report has been prepared on the basis of retrospective application of a voluntary change in accounting policy relating to exploration and evaluation expenditure.

The new accounting policy adopted by the Group on 1 July 2015 is to expense exploration and evaluation expenditure as incurred. The previous accounting policy was to capitalise and carry forward exploration, evaluation and development expenditure in relation to separate areas of interest for which rights of tenure are current as an asset in the Consolidated Statement of Financial Position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not yet reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves.

The directors have determined that the change in accounting policy will result in more relevant and no less reliable information as the policy is more transparent and less subjective. Recognition criteria of exploration and evaluation assets are inherently uncertain and expensing as incurred results in a more transparent Consolidated Statement of Financial Position and Consolidated Statement of Profit or Loss and Other Comprehensive Income. Furthermore, the change in policy aids in accountability of the line management's expenditures and the newly adopted policy is consistent with industry practice worldwide.

EXCELSIOR GOLD LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(w) Voluntary change in accounting policies (continued)

Impact on financial statements

As a result of the change in accounting policy for exploration and evaluation expenditure prior year financial statements had to be restated. The following financial statement extracts show the impact of the change in the group's accounting policy for exploration and evaluation expenditure on the prior financial statements.

i) Consolidated Statement of Financial Position 1 July 2015 (Extract)

	CONSOLIDATED		
	1 July 2015 \$	Increase/ Decrease	1 July 2015 \$ (Restated)
Non-Current Assets			
Exploration and evaluation expenditure	26,042,284	(26,042,284)	-
Total Non-Current Assets	26,042,284	(26,042,284)	-
Equity			
Accumulated Losses	(14,420,000)	(26,042,284)	(40,462,284)
Total Non-Current Assets	(14,420,000)	(26,042,284)	(40,462,284)

ii) Consolidated Statement of Profit or Loss and Other Comprehensive Income – 30 June 2015 (Extract)

	CONSOLIDATED		
	30 June 2015 \$	Increase/ Decrease	30 June 2015 \$ (Restated)
Expenses			
Exploration and evaluation expenditure	-	(4,234,120)	(4,234,120)
Other income and expenses	(3,101,694)	-	(3,101,694)
Total Loss for the year	(3,101,694)	(4,234,120)	(7,335,814)
)	
Loss per share (cents per share)	(0.68)	(0.93)	(1.61)

iii) Consolidated Statement of Cash Flows 30 June 2015 (Extract)

	CONSOLIDATED		
	30 June 2015 \$	Increase/ Decrease	30 June 2015 \$ (Restated)
Cash flows from operations activities			
Exploration and evaluation expenditure	-	(4,100,783)	(4,100,783)
Cash flows from investing activities			
Exploration and evaluation expenditure	(4,100,783)	4,100,783	-

EXCELSIOR GOLD LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(x) New accounting standards and interpretations

The Group has applied the following standards and amendments for the first time in the current reporting period:

Affected Standard	Nature of Change to Accounting Policy	Application *
AASB 2015-3 'Amendments to Australian Accounting Standards arising from Withdrawal of AASB 1031 Materiality'	Amendments to Australian Accounting Standards arising from Withdrawal of AASB 1031 Materiality	1 Jan 2015

* Applicable to reporting periods commencing on or after the given date

The AASB has issued new and amended accounting standards and interpretations that have mandatory application dates for future reporting periods and which the Group has decided not to early adopt. A discussion of those future requirements and their impact on the Company is as follows:

AASB 9: Financial Instruments (effective from 1 Jan 2018)

The Standard will be applicable retrospectively (subject to the comment on hedge accounting below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

Key changes made to this standard that may affect the Group on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income.

Although the directors anticipate that the adoption of AASB 9 may have an impact on the Group's financial instruments it is impractical at this stage to provide a reasonable estimate of such impact.

AASB 16: Leases (effective from 1 Jan 2019)

The Standard will AASB 16 will replace *AASB 117 Leases*. The new Standard introduces three main changes:

- Enhanced guidance on identifying whether a contract contains a lease;
- A completely new leases accounting model for lessees that require lessees to recognise all leases on balance sheet, except for short-term leases and leases of low value assets; and
- Enhanced disclosures.

AASB 15: Revenue from Contracts with Customers (applicable to annual reporting periods commencing on or after 1 January 2018).

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

EXCELSIOR GOLD LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(x) New accounting standards and interpretations (continued)

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

This Standard will require retrospective restatement, as well as enhanced disclosures regarding revenue.

Although the directors anticipate that the adoption of AASB 15 may have an impact on the Group's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

Other new accounting standards for application in future periods:

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 2014-3 Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations	1 January 2016	30 June 2017
AASB 2014-9 Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements	1 January 2016	30 June 2017
AASB 2016-1 Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses	1 July 2017	30 June 2018
AASB 2014-4 'Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation'	1 January 2016	30 June 2017
AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107	1 July 2017	30 June 2018
AASB 2015-1 'Amendments to Australian Accounting Standards – Annual improvements to Australian Accounting Standards 2012-2014 cycle'	1 January 2016	30 June 2017
AASB 2015-2 'Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101'	1 January 2016	30 June 2017

The Company does not anticipate early adoption of any of the above Australian Accounting Standards or Interpretations.

EXCELSIOR GOLD LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(y) Leases

Leases of property, plant and equipment where the Group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property, or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. Each lease payment is allocated between the liability and finance cost.

The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the assets useful life and the lease term if there is no reasonable way certainty that the Group will obtain ownership at the end of the lease term.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

(z) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

The fair value of the liability portion of a convertible bond is determined using a market interest rate for an equivalent non-convertible bond. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the bonds. The remainder of the proceeds is allocated to the conversion option. This is recognised and included in shareholders' equity, net of income tax effects.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any noncash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

EXCELSIOR GOLD LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(z) Borrowings (continued)

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing these Financial Statements the Group has been required to make certain estimates and assumptions concerning future occurrences. There is an inherent risk that the resulting accounting estimates will not equate exactly with actual events and results.

Significant accounting judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Deferred tax assets

The Group expects to have carried forward tax losses which have not been recognised as deferred tax assets as it is not considered sufficiently probable that these losses will be recouped by means of future profits taxable.

Significant accounting estimates and assumptions

The carrying amount of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Determination of Mineral Resources and Ore Reserves

The Group reports its Mineral Resources and Ore Reserves in accordance with the Joint Ore Reserves Committee (JORC) "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" – the JORC Code. The information on Mineral Resources and Ore Reserves is prepared by Competent Persons as defined by the JORC Code.

There are numerous uncertainties inherent in estimating Mineral Resources and Ore Reserves. Assumptions that are valid at the time of estimation may change significantly when new information becomes available.

Changes in the forecast prices of commodities, exchange rates, production costs or recovery rates may change the economic status of reserves and may, ultimately, result in the reserves being restated. Such changes may impact asset carrying values, depreciation and amortisation rates, deferred stripping costs and provisions for restoration.

EXCELSIOR GOLD LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Impairment of capitalised mine properties expenditure

The future recoverability of capitalised mine properties expenditure is dependent on a number of factors, including the level of reserves and resources, future technological changes, costs of drilling and production, production rates, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

Deferred stripping expenditure

The Group defers advanced stripping costs incurred during the production stage of its operations. This calculation requires the use of judgements and estimates such as estimates of tonnes of waste to be removed over the life of the mining area and economically recoverable reserves extracted as a result. Changes in a mine's life and design will usually result in changes to the expected stripping ratio (waste to mineral reserves ratio). These changes are accounted for prospectively.

Provision for Rehabilitation

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

Fair value of derivative financial instruments

The Group assesses the fair value of its financial derivatives in accordance with the accounting policy stated in Note 1(v). Fair values have been determined based on well established valuation models and market conditions existing at the reporting date. These calculations require the use of estimates and assumptions. Changes in assumptions concerning gold prices and volatilities could have significant impact on the fair valuation attributed to the Group's financial derivatives. When these assumptions change or become known in the future, such differences will impact asset and liability carrying values in the period in which they change or become known.

The Company has taken out hedges to mitigate the risk in the gold price. The hedges are fair valued at each accounting period, with movements in the fair value being recognised in the statement of comprehensive income for the period.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of share options is determined using the Black Scholes model. Should the assumptions used in these calculations differ, the amounts recognised could significantly change. The valuation of performance shares is based on a 10 day volume weighted average price at which Excelsior shares were traded on the ASX prior to the issue date and include judgements on the probability and timeframe of reaching performance targets.

EXCELSIOR GOLD LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

	2016	2015
	\$	Restated \$
3. OTHER INCOME		
Sale of gold call options	3,360,900	-
Interest from financial assets	60,095	70,222
R & D tax refund	108,438	-
Profit on sale of investments	-	244,994
	<u>3,529,433</u>	<u>315,216</u>
4. EXPENSES		
Employee benefits expense		
Salaries and wages	2,486,792	1,472,129
Superannuation	236,245	139,396
Other costs	48,454	51,652
Allocated to mining and exploration	(1,867,916)	(843,654)
	<u>903,575</u>	<u>819,523</u>
Finance costs		
Interest expense	952,986	373,515
Accretion	47,961	-
	<u>1,000,947</u>	<u>373,515</u>
5. TAXATION		
The reconciliation between tax expense and the product of accounting loss before income tax multiplied by the Group's applicable income tax rate is as follows:		
Loss before income tax multiplied by the Group's applicable income tax rate:	(6,673,665)	(2,200,744)
Tax effect of amounts which are not deductible in calculating taxable income	4,600,195	405,851
Movements in unrecognised temporary differences	3,469,801	(1,294,782)
Deferred tax assets relating to tax losses not recognised	(1,395,801)	3,089,675
Total income tax expense/(benefit)	<u>-</u>	<u>-</u>
Deferred tax assets and liabilities not recognised relate to the following:		
Deferred tax assets		
Tax losses	11,994,533	10,124,097
Other temporary differences	5,196,151	2,683,860
Capital Raising Costs	123,679	154,598
	<u>17,314,363</u>	<u>12,962,555</u>

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	2016	2015 Restated
	\$	\$
5. TAXATION (Continued)		
Deferred tax liabilities		
Other temporary differences	(2,369,894)	(10,437,685)
Net deferred tax assets	14,944,469	2,524,870

Tax losses

Unused tax losses have not been recognised as a deferred tax asset as the future recovery of those losses is subject to the Group satisfying the requirements imposed by the regulatory taxation authorities. The amount of unrecognised carry forward tax losses is based on management's assessment of their ability to meet the same business or the modified continuity of ownership test. The benefits of these deferred tax assets not brought to account will only be brought to account if:

- future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised;
- the conditions for deductibility imposed by tax legislation continue to be complied with; and
- no changes in tax legislation adversely affect the Company in realising the benefit.

The franking account balance at financial period end was \$nil (2015: \$nil).

Tax Consolidation

For the purposes of income taxation, the Company and its 100% controlled Australian entity have not elected to form a tax consolidated group. There will be no consequences to the deferred tax assets, deferred tax liability unutilised tax losses by not joining the consolidated tax regime.

6. LOSS PER SHARE

	2016	2015 Restated
(a) Basic and diluted loss per share		
Basic and diluted loss per share	(4.11) cents	(1.61) cents
(b) Reconciliations of loss used in calculated loss per share		
Loss attributable to the ordinary equity holders of the company used in calculating basic and diluted loss	\$ (22,245,550)	\$(7,335,814)
(c) Weighted average number of shares used as a denominator		
Weighted average number of ordinary shares used as the denominator in calculating basic loss per share	540,925,551	454,529,460

Options have not been included in the calculation of diluted loss per share as they are not considered dilutive because they decrease the loss per share.

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7. CASH AND CASH EQUIVALENTS

	2016	2015
	\$	\$
Deposits at call	1,895,625	3,652,662
Cash at bank – non-interest bearing	70,022	104,674
	<u>1,965,647</u>	<u>3,757,336</u>

There are no restrictions on the deposits at call, and interest is earned on that account at 1.5%p.a.

The Group's exposure to interest rate risk is discussed in Note 28.

8. TRADE AND OTHER RECEIVABLES

Current assets

Trade receivables	5,283,573	-
Other receivables	-	19
GST receivable	376,987	123,347
	<u>5,660,560</u>	<u>123,366</u>

Receivables do not contain any past due or impaired assets (2015: none).

Information about the impairment of trade and other receivables, their credit quality and the group's exposure to credit risk, foreign currency risk and interest rate risk can be found in note 28.

9. INVENTORIES

Ore Stockpiles	<u>182,084</u>	-
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10. OTHER NON-CURRENT FINANCIAL ASSETS

Security deposits	<u>72,454</u>	<u>72,454</u>
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The above deposits are held by financial institutions as security for rehabilitation obligations as required under the respective exploration and mining leases.

11. NON-CURRENT ASSETS – SITE REHABILITATION ASSET

Balance at beginning of the year	8,750,000	-
Less: Amortisation	(1,456,737)	-
Recognition of Rehabilitation Provision	-	8,750,000
Balance at the end of the year	<u>7,293,263</u>	<u>8,750,000</u>

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12. NON-CURRENT ASSETS – MINE PROPERTIES

	2016	2015
	\$	\$
Balance at beginning of the year	-	-
Cost incurred	1,557,452	-
Less: Amortisation	(257,878)	-
Balance at the end of the year	1,299,574	-

13. NON-CURRENT ASSETS – DEFERRED STRIPPING COSTS

Balance at beginning of the year	-	-
Costs capitalised	4,740,550	-
Less: Amortisation	(784,925)	-
Balance at the end of the year	3,955,625	-

14. NON-CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT

Plant and equipment - at cost	353,099	353,099
Accumulated depreciation	(224,065)	(189,482)
Net book value	129,034	163,617

Reconciliation of the carrying amount of property, plant and equipment:

Carrying amount at 1 July	163,617	198,234
Additions	-	9,587
Disposals	-	-
Depreciation expense for the year	(34,583)	(44,204)
Balance at the end of the year	129,034	163,617

15. NON-CURRENT ASSETS – AVAILABLE-FOR-SALE FINANCIAL ASSETS

Listed securities	-	60,000
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The fair value of listed securities is based on quoted market prices at the end of the reporting period.

16. TRADE AND OTHER PAYABLES

Trade payables	3,197,574	436,651
Other payables and accruals	9,458,625	79,245
	12,656,199	515,896

All current liabilities are expected to be settled within 12 months.
The Group's exposure to interest rate risk is discussed in Note 28.

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	2016	2015
	\$	\$
17. PROVISIONS		
<i>Current</i>		
Employee Entitlements	194,777	174,880
<i>Non-Current</i>		
Rehabilitation	8,797,961	8,750,000
<i>Reconciliation of the Provision Rehabilitation:</i>		
Opening balance	8,750,000	-
Additions	-	8,750,000
Accretion	47,961	-
	8,797,961	8,750,000

18. BORROWINGS

Convertible notes	1,098,316	4,037,745
Short term loan – bank	1,321,006	-
Short term loan – others	1,584,949	-
	4,004,271	4,037,745

The convertible notes (2016) are as follows:

1. 17,193,878 notes at an issue price of \$0.0387 per note, convertible 21 June 2017. Coupon rate is 12%.
2. 10,000,000 notes at an issue price of \$0.05 per note. These were converted in July 2016 to 10,000,000 ordinary shares.

The bank loan is unsecured and contains covenants. The Group has received waivers from the bank and accordingly the loan is not payable on demand at 30 June 2016. Interest is based on a base rate plus a 5% margin. The Group's exposure to interest rate risk is discussed in Note 28.

The other loan is unsecured, with an interest rate of 12% and repayable 21 June 2017.

19. Derivative Financial Instruments

<i>Current</i>		
Gold forwards	4,422,957	-
<i>Non-Current</i>		
Gold forwards and call option	8,602,752	-

The Group's exposure to commodity price risk is discussed in Note 28.

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20. CONTRIBUTED EQUITY

(a) Share Capital	2016 \$	2016 Shares	2015 \$	2015 Shares
Ordinary shares				
Fully paid	44,000,750	567,266,648	39,727,295	490,350,644

(b) Movements in ordinary share capital

Date	Details	Number of shares	\$
01/07/14	Opening balance	412,828,424	33,899,933
27/08/14	Options exercised	5,000,000	290,000
31/12/14	Transfer from options reserve	-	299,248
03/10/14	Placement of shares	33,333,330	2,000,000
24/12/14	Cancellation of ESS shares	(13,200,000)	(1,320)
24/12/14	Vesting conditions met for shares issued in prior periods ii	-	1,179,596
24/12/14	Fully paid ordinary shares issued pursuant to ESS Plan i	26,500,000	-
22/07/14	Equity component convertible loan	-	23,572
08/04/15	Placement	24,222,224	2,180,000
11/04/15	Placement	1,666,666	150,000
	Less: Issue costs	-	(293,734)
30/06/15	Closing balance	490,350,644	39,727,295
03/11/15	Placement	75,833,334	4,550,000
03/11/15	Issued in lieu of fees	1,082,670	57,760
23/6/16	Equity component convertible loan	-	72,064
	Less: Issue costs		(406,369)
30/06/16	Closing balance	567,266,648	44,000,750

- i The shares issued as part of the ESS Plan. Refer to note 30 for further information on amounts held in escrow at reporting date.
- ii The value of share issued with vesting conditions on shares issued in previous periods was adjusted as milestones were reached and shares released from escrow. Refer to Note 30 for more details.

(c) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

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20. CONTRIBUTED EQUITY (Continued)

Performance shares

Performance shares have no voting rights until all performance hurdles have been met.

(d) Options

As at year end there were no options outstanding (2015: 43,478,261 options expiring 31 December 2015 with an exercise price of 9.2 cents).

(e) Capital risk management

When managing capital, management's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity.

Management may in the future adjust the capital structure to take advantage of favourable costs of capital and issue further shares in the market. Management has no current plans to adjust the capital structure. There are no plans to distribute dividends in the next year.

Total capital is equity as shown in the statement of financial position.

	2016	2015
	\$	\$
21. RESERVES		
Share-based payments reserve	586,408	173,241
Option premium reserve	-	-
Available for sale financial assets reserve	-	10,000
	<u>586,408</u>	<u>183,241</u>
Movements: <i>Option premium reserve</i>		
Balance 1 July	-	299,248
Expiry of options	-	(299,248)
Balance 30 June	<u>-</u>	<u>-</u>
Movements: <i>Available for sale financial assets</i>		
Balance 1 July	10,000	5,000
Change in fair value of financial assets	-	5,000
Sale of financial assets	(10,000)	-
Balance 30 June	<u>-</u>	<u>10,000</u>
Movements: <i>Share-based payments reserve</i>		
Balance 1 July	173,241	-
Share based payments recognised during the year	413,167	173,241
Balance 30 June	<u>586,408</u>	<u>173,241</u>

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21. RESERVES (Continued)

Nature and purpose of reserves

(i) Share-based payments reserve

The share based payments reserve is used to recognise the fair value of shares and options issued to employees but not exercised;

(ii) Option reserve

The options reserve is used to recognise funds received for options issued to shareholders. The reserve is recognised in contributed equity when the options are exercised and converted to ordinary share capital.

(iii) Available for sale financial assets

The reserve is used to recognise the change in the fair value of Available for Sale Financial Assets.

	2016	2015
	\$	Restated
		\$
22. RECONCILIATION OF LOSS AFTER INCOME TAX TO NET CASH INFLOW FROM OPERATING ACTIVITIES		
Loss for the financial year	(22,245,550)	(7,335,814)
Depreciation	34,583	44,204
Amortisation	2,499,540	-
Fair value adjustment on derivatives	13,025,709	-
Loss/(gain) on sale/disposal of investment	2,675	(244,994)
Share-based payments	413,167	1,352,837
Interest received - capitalised	-	1,790
Finance costs – non cash	47,961	61,317
Change in operating assets and liabilities		
(Increase)/decrease in trade debtors and other receivables	(5,537,193)	(66,062)
(Increase)/decrease in inventories	(182,084)	-
Increase/(decrease) in trade creditors and other payables	12,106,358	311,757
Increase/(decrease) in provisions	19,897	48,691
Net cash (outflow) from operating activities	<u>185,063</u>	<u>(5,826,274)</u>

Non-cash Financing and Investing Activities:

On 3 November 2015, 1,082,670 shares were issued in lieu of brokerage fees (\$57,760). There were no other non-cash investing and financing activities during the year (2015: None).

EXCELSIOR GOLD LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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23. COMMITMENTS

Capital Commitments

There are no capital expenditure commitments as at 30 June 2016 (2015 nil).

Rental Commitments

Rental commitments contracted for at the reporting date but not recognised as liabilities are as follows:

	2016	2015
	\$	\$
Within one year	57,000	58,500
Later than one year but no later than five	95,000	-
	<u>152,000</u>	<u>58,500</u>

24. CONTINGENCIES

As at year end, the Group did not have any contingent assets or liabilities (2015: none).

25. RELATED PARTY TRANSACTIONS

(a) Ultimate Parent Entity

Excelsior Gold Limited is the ultimate Australian parent entity and the ultimate parent entity of the Group.

(b) Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiary:

Name of entity	Country of Incorporation	Class of shares	Equity holding 2016	Equity holding 2015
GPM Resources Pty Ltd	Australia	Ordinary	100%	100%

(c) Key management personnel

	2016	2015
	\$	\$
Short-term employee benefits	914,836	856,803
Post-employment benefits	86,909	86,146
Bonuses	-	50,000
Share-based payments	331,313	931,279
	<u>1,333,058</u>	<u>1,924,228</u>

Other Transactions with Key Management Personnel

There are no other transactions with Key Management Personnel.

(d) Outstanding balances arising from sales/purchases of goods and services

There are no outstanding balances arising from sales/purchases of goods and services.

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26. PARENT ENTITY INFORMATION

The following details information related to the parent entity, Excelsior Gold Ltd, at 30 June 2016. The information presented here has been prepared using consistent accounting policies as presented in Note 1.

	2016	2015
	\$	\$
Current assets	1,158,701	3,759,155
Non-current assets	112,139	25,271,809
TOTAL ASSETS	1,270,840	29,030,964
Current liabilities	17,666,993	4,350,886
TOTAL LIABILITIES	17,666,993	4,350,886
NET ASSETS	(16,396,153)	24,680,078
Contributed equity	44,000,750	39,727,295
Reserves	586,408	183,241
Accumulated losses	(60,983,311)	(15,230,458)
TOTAL EQUITY	(16,396,153)	24,680,078
Loss for the year	(45,752,853)	(2,986,567)
Other comprehensive income for the year	-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	(45,752,853)	(2,986,567)

Parent entity capital commitments

There are no commitments contracted for by the parent entity at the reporting date but not recognised as liabilities.

27. REMUNERATION OF AUDITORS

Amounts paid or payable at 30 June to the auditors for:	2016	2015
	\$	\$
Audit services:		
BDO Audit (WA) Pty Ltd - Audit and review of financial statements	50,543	38,569

EXCELSIOR GOLD LIMITED
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28. FINANCIAL RISK MANAGEMENT

Overview

The Group has exposure to the following risks from their use of financial instruments:

- credit risk
- liquidity risk
- market risk
- commodity price risk

This note presents information about the Group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks relating to the operations of the Group through regular reviews of the risks.

(a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from cash and cash equivalents. All cash balances are held with recognised institutions limiting the exposure to credit risk. There are no formal credit approval processes in place. However, the Group reviews management information for subsidiaries to ensure early detection of risks.

Exposure to credit risk

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at the reporting date was:

	2016	2015
	\$	\$
Cash and cash equivalents	1,965,647	3,757,336
Trade receivables	5,283,573	-
Other financial assets	72,454	72,454
	<u>7,321,674</u>	<u>3,829,790</u>

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about default rates.

Financial assets that are neither past due and not impaired are as follows:-

	2016	2015
	\$	\$
Trade receivables - counterparties without external credit rating:		
Financial assets with no defaults in past	<u>5,283,573</u>	<u>-</u>
Cash and cash equivalents		
AA S&P rating	<u>1,965,647</u>	<u>3,757,336</u>
Other financial assets		
AA S&P rating	<u>72,454</u>	<u>72,454</u>

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28. FINANCIAL RISK MANAGEMENT (Continued)

(b) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows.

Typically the Group tries to ensure that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The Group has credit standby facilities or arrangements for further funding or borrowings in place as discussed in Note 18. The Group also has access to equity funding.

The financial liabilities the Group had at reporting date were trade payables incurred in the normal course of the business and borrowings. Trade payables were non-interest bearing and were due within the normal 30-60 days terms of creditor payments.

Maturities of financial liabilities

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Group	Less than 6 months	6-12 months	1-2 years	2-5 years	Over 5 years	Total contractual cash flows	Carrying amount liabilities
	\$	\$	\$	\$	\$	\$	\$
30 June 2016							
Non-derivatives							
Trade and other payables	12,656,199	-	-	-	-	12,656,199	12,656,199
Borrowings	750,000	3,254,271	-	-	-	4,316,112	4,004,271
Derivatives							
Gold forwards and calls	1,992,285	2,430,672	5,515,968	3,086,784	-	13,025,709	13,025,709
30 June 2015							
Trade and other payables	515,896	-	-	-	-	515,896	515,896
Borrowings	4,037,745	-	-	-	-	4,037,745	4,037,745

(c) Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

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28. FINANCIAL RISK MANAGEMENT (Continued)

(c) Market Risk (continued)

Interest rate risk

The Group's interest rate risk arises from cash and cash equivalents held and some borrowings. Term deposits and current accounts held with variable interest rates expose the Group to cash flow interest rate risk.

The following sets out the Group's exposure to interest rate risk, including the effective weighted average interest rate.

	Weighted average interest rate	Balance \$
30 June 2016		
Financial assets		
Cash and cash equivalents	1.3%	1,965,647
Financial liabilities		
Borrowings	10.35%	4,004,271
30 June 2015		
Financial assets		
Cash and cash equivalents	1.5%	3,757,336

Sensitivity Analysis

	2016 \$ Interest rate risk movement of 1% +1%-	2015 \$ Interest rate risk movement of 1% +1%-
Financial Assets		
Cash and cash equivalents	19,656	37,573
Financial Liabilities		
Borrowings (only those with variable rates)	13,210	-

A 100 basis point change is used when reporting to internally to key management personnel and represents management's assessment of the change reasonably expected in interest rates.

(d) Commodity Price Risk

The Group is exposed to movements in the gold price. As part of the risk management policy of the Group and in compliance with the conditions required by the Group's financiers, a variety of financial instruments (gold forward sales contracts and gold call options) are used from time to time to minimise the risk of AUD denominated gold prices falling below the cash costs of production by providing price certainty over a portion of the forecast production at an acceptable margin in excess of the forecast cash cost of production.

The value of these financial instruments at any given point in time, will in times of volatile market conditions, show substantial variation over the short term. The hedging facilities provided by the Group's various hedging counterparties do not contain margin calls. The Group does not hedge account for these instruments.

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28. FINANCIAL RISK MANAGEMENT (Continued)

(d) Commodity Price Risk (continued)

Sensitivity

At 30 June 2016, if the gold price had decreased by 15% with all other variables held constant, the derivative on the balance sheet would be reduced by \$12,904,610 and the profit or loss statement would be improved by \$12,904,610 due to the non-cash fair value adjustment on derivatives through the statement of comprehensive income. The percentage change used in the sensitivity analysis is based on the differential between forward and spot prices as at year-end.

Details of the gold hedging contracts (all AUD denominated) at year end are shown below.

2016 (2015: none)

	Forward sale contracts		Call Options		Total	
	Ounces	Average Sales Price A\$/Ounce	Ounces	Average Strike Price A\$/Ounce	Ounces	Average A\$/Ounce
Maturity within 1 year	19,690	1,570	-	-	19,690	1,570
Between 1 and 2 years	8,847	1,570	11,116	1,600	19,963	1,587
Between 2 and 3 years	-	-	8,826	1,600	8,826	1,600
Total	28,537	1,570	19,942	1,600	48,479	1,582

(e) Fair values

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

AASB 7 *Financial Instruments: Disclosures* requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- Inputs other than quoted prices included within Level 1 that are observable for the asset and liability, either directly (as prices) or indirectly (derived from prices) (level 2), and
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The following table presents the group's assets measured and recognised at fair value:

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
2016				
Liabilities				
Derivative financial instruments	-	-	13,025,709	13,025,709
2015				
Assets				
Equity Securities available for sale	60,000	-	-	60,000

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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28. FINANCIAL RISK MANAGEMENT (Continued)

(e) Fair values (Continued)

The fair value of derivative financial instruments, being gold forward and call options, is based on mark to market calculations which use a mixture of quoted prices and unobservable inputs and accordingly are included as level 3. The fair value of financial instruments traded in active markets (being the available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1 and there were no transfers between levels during the year.

29. SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the board of directors that are used to make strategic decisions. The Group does not have any material operating segments with discrete financial information. The Group does not have any customers other than one entity who acquires the gold produced and all its' assets and liabilities are primarily related to the mining industry and its operations are located within Western Australia. The Board of Directors review internal management reports on a regular basis that is consistent with the information provided in the statement of profit or loss and other comprehensive income, balance sheet and statement of cash flows. As a result no reconciliation is required because the information as presented is what is used by the Board to make strategic decisions.

30. SHARE BASED PAYMENT TRANSACTIONS

(a) Employee share plan and incentive shares

The Excelsior Gold Ltd Employee Share Plan ("Plan") is used to reward Directors and employees for their performance and to align their remuneration with the creation of shareholder wealth. The Plan is designed to provide long-term incentives to deliver long-term shareholder returns. Participation in the Plan is at the discretion of the Board and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits. The share based payments listed below have been issued to the company directors and employees under the terms of the Plan.

In addition incentive shares have been issued in the past to Directors of the Company on terms consistent with the Plan but outside of that Plan.

EXCELSIOR GOLD LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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30. SHARE BASED PAYMENT TRANSACTIONS (Continued)

Shares issued under the Plan and the incentive shares were issued at fair value as at the share price prevailing on the grant date. The shares issued to all employees were:

2016

Grant date	Share price	Balance at start of the year	Granted during the year	Cancelled during the year	Vested during the year	Balance at the end of the year
		Number	Number	Number	Number	Number
24/12/14	\$0.05	26,500,000	-	-	-	26,500,000

2015

Grant date	Share price	Balance at start of the year	Granted during the year	Forfeited during the year	Vested during the year	Balance at the end of the year
		Number	Number	Number	Number	Number
07/12/11	\$0.10	5,750,000	-	(5,750,000)	-	-
21/12/12	\$0.23	5,150,000	-	(5,150,000)	-	-
08/02/13	\$0.23	2,300,000	-	(2,300,000)	-	-
07/06/13	\$0.12	350,000	-	(350,000)	-	-
24/12/14	\$0.05	-	26,500,000	-	-	26,500,000

(b) Options

			Balance at	Granted	Exercised		Balance at the	Vested and
			start of the	during the	during the	Forfeited	end of the	exercisable at
Grant date	Expiry date	Exercise	year	year	year	during the year	year	the end of the
		price	Number	Number	Number	Number	Number	year
			Number	Number				Number
2016								
17/07/14	31/12/15	\$0.092	43,478,261	-	-	(43,478,261)	-	-
Weighted average exercise price			\$0.000					
Weighted average contractual maturity of options			0 years					
2015								
25/08/11	23/08/14	\$0.058	5,000,000	-	-	(5,000,000)	-	-
17/07/14	31/12/15	\$0.092	-	43,478,261	-	-	43,478,261	43,478,261
			5,000,000	43,478,261	-	(5,000,000)	43,478,261	43,478,261
Weighted average exercise price			\$0.058					
Weighted average contractual maturity of options			0.23 years					

EXCELSIOR GOLD LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

30. SHARE BASED PAYMENT TRANSACTIONS (Continued)

(c) Share-based payments expense arising from share-based payment transactions

Shares issued to Directors and employees resulted in \$413,167 being expensed to the statement of profit or loss and other comprehensive income in the current period (2015 \$1,352,837).

The shares were issued pursuant to the Company's Employee Share Plan or on terms and conditions consistent with that Plan. These shares have performance hurdles imposed on them constituting a "real risk of forfeiture" to incentivise Directors and employees to further the Group's objectives. The trading restriction will be lifted subject to the achievement of certain Restriction Conditions.

Milestones for the release of these conditions on shares issued during the previous period are:

Number of shares	Milestone
5,300,000	Upon delivery of first ore under the Paddington production scenario (milestone has been reached);
5,300,000	Upon the production of 40,000 ounces of gold from ore derived from the Kalgoorlie North Gold Project
5,300,000	Upon the production of 80,000 ounces of gold from ore derived from the Kalgoorlie North Gold Project
5,300,000	Upon the delineation of at least 2 million ounces of gold resources on a cumulative basis and reported consistent with the 2012 JORC Code at Kalgoorlie North Gold Project; and
5,300,000	Upon the third anniversary of the issue of the Incentive Shares and the holder remains an employee or director of the Company.
26,500,000	

2016:

No shares were issued during the period. \$413,167 was expensed to the Statement of Profit or Loss and other Comprehensive Income.

2015:

26,500,000 shares were issued during the period, whilst 13,200,000 shares were cancelled. These movements and changes in probabilities resulted in \$1,352,837 being expensed to the Statement of Profit or Loss and other Comprehensive Income.

EXCELSIOR GOLD LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

31. DIVIDENDS

There were no dividends paid or declared by the Group during the financial year.

32. EVENTS OCCURRING AFTER REPORTING DATE

On 18 July 2016, the Company issued a total of 14,000,000 shares at an issue price of A\$0.05 per share of which \$500,000 was to convert a convertible note, and \$200,000 was a placement.

On 3 August 2016, the Company completed completion of a rights issue of a total of 96,877,775 shares at an issue price of A\$0.05 per share to raise A\$4.84 million (before costs).

On 16 August 2016, the Company completed a placement of a total of 10,000,000 shares at an issue price of A\$0.05 per share to raise A\$0.5 million (before costs).

On 19 August 2016, the Company completed a placement of a total of 19,000,000 shares at an issue price of A\$0.05 per share to raise A\$0.95 million (before costs).

Based on adverse reconciliations events subsequent to June 2016, a full review of the resource and reserve statements is being undertaken and targeted for release at the end of the December Quarter.

No other matters or circumstances, not otherwise dealt with in the financial statements, have arisen since the end of the reporting date and to the date of this report which significantly affected or may significantly affect the operations of the economic entity, the results of the economic entity, or the state of affairs of the economic entity in the financial years subsequent to the financial year ended 30 June 2016.

EXCELSIOR GOLD LIMITED
DIRECTORS' DECLARATION

1. In the opinion of the directors:
 - a) The financial statements and notes are in accordance with the Corporations Act 2001, including:
 - i) giving a true and fair view of the Group's financial position as at 30 June 2016 and of its performance for the year then ended; and
 - ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations), the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - iii) complying with International Financial Reporting Standards (IFRS) as stated in note 1 of the financial statements; and
 - b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. This declaration has been made after receiving the declarations required to be made to the directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2016.

This declaration is signed in accordance with a resolution of the Board of Directors.



Rowan Johnston
Managing Director
Perth, Western Australia

30 September 2016

DECLARATION OF INDEPENDENCE BY NEIL SMITH TO THE DIRECTORS OF EXCELSIOR GOLD LIMITED

As lead auditor of Excelsior Gold Limited for the year ended 30 June 2016, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Excelsior Gold Limited and the entity it controlled during the year.



Neil Smith

Director

BDO Audit (WA) Pty Ltd

Perth, 30 September 2016

EXCELSIOR GOLD LIMITED
ADDITIONAL ASX INFORMATION

The ASX additional information set out below was applicable as at the dates specified.

1 Distribution of Equity Securities (Current as at 28 September 2016)

Analysis of numbers of ordinary shareholders by size of holding:

	Total holders	Units
1 - 1,000	109	21,035
1,001 - 5,000	118	385,614
5,001 - 10,000	293	2,350,804
10,001 - 100,000	655	25,559,274
100,001 and above	423	678,827,696
Total	1,598	707,144,423

Minimum unmarketable parcel holders at \$0.048 per share is 526.

2 Substantial Holders of Ordinary Shares (Current as 26 September 2016)

Name	Number held	Percentage
National Nominee Limited	121,375,275	17.16%

3 Voting Rights

The voting rights attaching to each class of equity securities are set out below:

a) Ordinary Shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

b) Convertible Notes

The Company has 17,193,878 convertible notes on issue. The notes are convertible at \$0.0387 at the election of the holder. The convertible notes have no voting rights.

EXCELSIOR GOLD LIMITED
ADDITIONAL ASX INFORMATION

4 Equity Security Holders (Current as at 28 September 2016)

The names of the twenty largest holders of quoted equity securities are listed below:

Ordinary Shares

	Name	Number of Ordinary Shares	% of Issued Capital
1	National Nominees Limited	121,062,884	17.12%
2	Farrah Gold Pty Limited	21,162,015	2.99%
3	Carmant Pty Ltd	18,380,000	2.60%
4	Gary B Branch Pty Limited	18,000,000	2.55%
5	J P Morgan Nominees Australia	17,125,724	2.42%
6	HSBC Custody Nominees	17,100,456	2.42%
7	Rigi Investments Pty Limited	14,783,810	2.09%
8	Farrah Property Securities	14,000,000	1.98%
9	Farrah Superannuation Pty Ltd	13,026,415	1.84%
10	BBY Nominees Pty Ltd	12,645,533	1.79%
11	Citicorp Nominees Pty Limited	12,594,370	1.78%
12	Ironside Pty Ltd	11,293,959	1.60%
13	Dr Christopher Kong Leng Shun	10,703,159	1.51%
14	Resourserve Pty Ltd	10,478,666	1.48%
15	GKK Group Holdings Pty Ltd	10,091,667	1.43%
16	JB Toro Pty Ltd	8,300,000	1.17%
17	McQuade Holdings Pty Ltd	8,200,000	1.16%
18	Aurum (NSW) Pty Ltd	8,150,158	1.15%
19	Mr David Samuel Nour	7,723,666	1.09%
20	Mr David Hamlyn	7,500,000	1.06%
	Total Top 20 Holders	362,322,482	51.23%
	Total Remaining Holders	344,821,941	48.77%
	Grand Total	707,144,423	100%

5 On-Market Buy-Back

There is no current on-market buy-back.

6 Company Secretary

The name of the Company Secretary is Ms Amanda Sparks.

7 Principal Registered Office

The address of the principal registered office is Unit 2, 124 Stirling Highway, North Fremantle, Western Australia 6159. Telephone (08) 9335 7770.

8 Registers of securities

Registers of securities are held at Security Transfer Registrar Pty Ltd, 770 Canning Highway, Applecross WA 6153.

9 Stock Exchange Listing

Quotation has been granted for all the ordinary shares of the Company on the Australian Securities Exchange Ltd.

10 Securities Subject to Escrow

There are no securities currently subject to an ASX escrow. The Company has 26,500,000 shares restricted under the Company's Incentive Scheme.

EXCELSIOR GOLD LIMITED
TENEMENT SCHEDULE

TENEMENT	REGISTERED HOLDER	OWNER
L24/148	GPM Resources Pty Ltd	N/A – borefield
L24/202	GPM Resources Pty Ltd	N/A – borefield
L24/203	GPM Resources Pty Ltd	N/A – borefield
L24/209	GPM Resources Pty Ltd	N/A - groundwater
L24/223	GPM Resources Pty Ltd	N/A – haul road
M24/11	GPM Resources Pty Ltd	GPM (100%)
M24/43	GPM Resources Pty Ltd	GPM (100%)
M24/83	GPM Resources Pty Ltd	GPM (100%)
M24/96	GPM Resources Pty Ltd	GPM (100%)
M24/99	GPM Resources Pty Ltd	GPM (100%)
M24/121	GPM Resources Pty Ltd	GPM (100%)
M24/122	GPM Resources Pty Ltd	GPM (100%)
M24/135	GPM Resources Pty Ltd	GPM (100%)
M24/244	GPM Resources Pty Ltd	GPM (100%)
M24/326	GPM Resources Pty Ltd	GPM (100%)
M24/405	GPM Resources Pty Ltd	GPM (100%)
M24/420	GPM Resources Pty Ltd	GPM (100%)
M24/469	GPM Resources Pty Ltd	GPM (100%)
M24/498	GPM Resources Pty Ltd	GPM (100%)
M24/510	GPM Resources Pty Ltd	GPM (100%)
M24/512	GPM Resources Pty Ltd	GPM (100%)
M24/854	GPM Resources Pty Ltd	GPM (100%)
M24/869	GPM Resources Pty Ltd	GPM (100%)
M24/870	GPM Resources Pty Ltd	GPM (100%)
M24/871	GPM Resources Pty Ltd	GPM (100%)
M24/886	GPM Resources Pty Ltd	GPM (100%)
M24/887	GPM Resources Pty Ltd	GPM (100%)
M24/888	GPM Resources Pty Ltd	GPM (100%)
P24/5109	GPM Resources Pty Ltd	Pending
P24/5060	GPM Resources Pty Ltd	GPM (100%)
P24/5061	GPM Resources Pty Ltd	GPM (100%)
P24/4832	GPM Resources Pty Ltd	GPM (100%)
P24/4833	GPM Resources Pty Ltd	GPM (100%)
P24/4840	GPM Resources Pty Ltd	GPM (100%)
P24/4587	GPM Resources Pty Ltd	GPM (100%)
P24/4816	GPM Resources Pty Ltd	GPM (100%)
M24/364	GPM Resources Pty Ltd	GPM (100%)
M24/951	GPM Resources Pty Ltd	GPM (100%)
M24/487	GPM Resources Pty Ltd	GPM (100%)
M24/133	GPM Resources Pty Ltd	GPM (100%)
M24/134	GPM Resources Pty Ltd	GPM (100%)
M24/348	GPM Resources Pty Ltd	GPM (100%)
M24/471	GPM Resources Pty Ltd	GPM (100%)
M24/491	GPM Resources Pty Ltd	GPM (100%)
M24/532	GPM Resources Pty Ltd	GPM (100%)
M24/889	GPM Resources Pty Ltd	GPM (100%)
M24/890	GPM Resources Pty Ltd	GPM (100%)
M24/891	GPM Resources Pty Ltd	GPM (100%)
M24/892	GPM Resources Pty Ltd	GPM (100%)
M24/952	GPM Resources Pty Ltd	GPM (100%)
M24/146	GPM Resources Pty Ltd	GPM (100%)

EXCELSIOR GOLD LIMITED
TENEMENT SCHEDULE

TENEMENT	REGISTERED HOLDER	OWNER
M24/395	GPM Resources Pty Ltd	GPM (100%)
M24/955	GPM Resources Pty Ltd	GPM (100%)
M24/942	GPM Resources Pty Ltd 95% Denzle Schorer 5%	GPM (95%) Schorer (5%)
M24/943	GPM Resources Pty Ltd 100%	GPM (100%)
P24/4757	Silvertree Nominees	GPM (80%) Silvertree (20%)
P24/4758	Silvertree Nominees	GPM (80%) Silvertree (20%)
P24/4373	GPM Resources Pty Ltd	GPM (100%)
P24/4374	GPM Resources Pty Ltd	GPM (100%)
P24/4375	GPM Resources Pty Ltd	GPM (100%)
M24/950	GPM Resources Pty Ltd	GPM (100%)
P24/4445	GPM Resources Pty Ltd	GPM (100%)
P24/4446	GPM Resources Pty Ltd	GPM (100%)
P24/4449	GPM Resources Pty Ltd	GPM (100%)
P24/4447	GPM Resources Pty Ltd	GPM (100%)
M24/956	GPM Resources Pty Ltd	GPM (100%)
P24/4887	GPM Resources Pty Ltd	GPM (100%)
M24/400	GPM Resources Pty Ltd	GPM (100%)
M24/429	GPM Resources Pty Ltd	GPM (100%)
P24/4821	GPM Resources Pty Ltd	GPM (100%)
P24/4822	GPM Resources Pty Ltd	GPM (100%)
P24/4823	GPM Resources Pty Ltd	GPM (100%)
P24/4824	GPM Resources Pty Ltd	GPM (100%)
P24/4825	GPM Resources Pty Ltd	GPM (100%)
P24/4826	GPM Resources Pty Ltd	GPM (100%)
P24/4626	GPM Resources Pty Ltd	GPM (100%)
P24/4627	GPM Resources Pty Ltd	GPM (100%)
P24/4628	GPM Resources Pty Ltd	GPM (100%)
P24/4857	GPM Resources Pty Ltd	GPM (100%)
P24/4858	GPM Resources Pty Ltd	GPM (100%)
P24/4859	GPM Resources Pty Ltd	GPM (100%)
P24/4860	GPM Resources Pty Ltd	GPM (100%)
P24/4861	GPM Resources Pty Ltd	GPM (100%)
P24/4886	GPM Resources Pty Ltd	GPM (100%)