



22 August 2016

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



## Settlement of Zoroastrian Ore Batches

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- **Under Ore Treatment Agreement with Norton Gold Fields second tranche payments for ore process continue to be finalised**
  - **Recent payments received for Zoroastrian Extended and Central ore batches**
    - **Net payments for two ore batches total \$1.28 million after deduction of processing and haulage cost**
    - **Final grades for three ore batches exceed the mine call grades by up to 19%**
    - **Positive results attributed partly to improved operational practices**
  - **Consistent with mine development strategy resource expansion drilling commenced at Bulletin South**
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Excelsior Gold Limited ("Excelsior Gold" or the "Company") is pleased to advise the final grade and recovery of the batch of ore from both the Zoroastrian Extended and the Central open pits, have been agreed by the Company and Norton Gold Fields Limited ("Norton"). The Company is set to receive \$1.28 million from Norton, net of the associated processing and haulage costs.

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

Recent results from the sampling procedure have returned higher gold grades from both the Extended and Central pits than predicted from initial mining based on the grade control drilling programs. The positive grade reconciliations are potentially an indication of the impact of operational improvements developed in consultation with independent mining consultants, to more efficiently mine the visually prominent mineralised structures and to minimising possible ore losses in the open pits.

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Ore batches CEN001 to CEN003 totaling 62,312 dry tonnes of ore at a grade of 1.63g/t Au as determined by the final assay procedure, are on average 19% higher in grade than the mine predicted grade of 1.37g/t Au. The ore batches are from the top part of the Central Pit where the Company has previously report below forecast mine production compared to the original resource model production estimates (*ASX announcement 11 July 2016*).

The higher grade results are complemented by 5.8% higher gold recoveries (average 97.3% recovery) which contribute to a significant 24% improvement in recovered gold to 3,174 ounces compared to the mine predicted production of 2,563 ounces for these ore batches.

The result from the first ore batch from the Extended Pit similarly demonstrated gold grades 8.6% higher than the grade control model predicted grade and 6.9% higher gold recoveries for production of 10,329 dry tonnes @ 2.76g/t Au for 902 recovered ounces, an increase of 17.4% on mine estimated ounces.

Excelsior Gold's Managing Director, David Hamlyn commented "The improved grades being returned from the mill sampling program are an encouraging sign that the Zoroastrian mineralised system is performing in line with expectations. The Company expects further improvements in gold production in the December Quarter as the pit transitions through the upper oxidized zone and into the more consistent ore zones."

Mining is continuing in the Zoroastrian Central Pit with mining of ore and waste progressing on the 412.5mRL (22 metres vertical depth) in the northern end of the pit and waste mining commencing on the cutback along the western wall. Ore batch CEN008 is currently being hauled to the Paddington Mill for treatment and to date a provisional 181,500 dry tonnes @ 1.50g/t Au for 8,200 recovered ounces has been produced from the Zoroastrian deposits.

In the week commencing the 22<sup>nd</sup> August, resource extension drilling will also commence to test extensions to the mineralisation beneath and along strike to the north of the proposed Bulletin South Pit. Bulletin South is the next open pit scheduled for development after the completion of the Zoroastrian pits in late 2017.

For further information visit [www.excelsiorgold.com.au](http://www.excelsiorgold.com.au) or contact

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