



**excelsiorgold**  
LIMITED

4 July 2016

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



**ASX Code: EXG**

## Extension of Funding Program Timetable

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- **Extension of due diligence period provided to new cornerstone investor GWR Group**
  - **Further grade control drilling intersections support new interpretation of broad higher grade gold mineralisation on Birthday Dream structure**
    - **8 metres @ 3.74g/t Au from 50 metres** (ZOROGC1352)
    - **9 metres @ 5.29g/t Au from 21 metres** (ZOROGC1362)
    - **10 metres @ 4.38g/t Au from 3 metres** (ZOROGC1363)
    - **33 metres @ 3.26g/t Au from 4 metres** (ZOROGC1388)
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Excelsior Gold Limited (“Excelsior Gold” or the “Company”) wishes to advise that it has granted an extension of time to new investor, ASX listed GWR Group Limited (“**GWR**”) to complete due diligence investigations on the Company. This extension is in response to a request received by the Company from GWR.

Under the terms of the binding agreement between GWR and Excelsior Gold (*ASX announcement 20 June 2016*), GWR has provided interim funding of \$2.25 million to Excelsior Gold consisting of a \$1.59 million Loan and \$0.66 million of Convertible Notes.

Subject to the satisfactory due diligence by GWR, GWR may elect to subscribe for approximately 27.8 million Shares in full satisfaction of Excelsior Gold’s liability pursuant to the Loan and at the same time convert the Convertible Notes to Shares.

GWR’s due diligence was initially expected to be completed by 1 July 2016 however this period has now been extended until on 8 July 2016.

The Company continues to welcome the investment by GWR and recognises the valuable input already made by new director Mr Jimmy Lee, a highly credentialed mining executive who has added significant operational experience to the Excelsior Gold Board.

**Excelsior Gold Limited**

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The extension of the due diligence period provided to GWR will impact on the timetable of the proposed Rights Issue recently released to the market (*ASX announcement 20 June 2016*). The Company will inform the market when the timetable for the Rights Issue is finalised, however it is expected the Record Date for eligible shareholders will now be on or around 15 July 2016.

### **Mine reconciliation data**

As part of a recent internal review process, the Company has identified inconsistencies in its internal resource development model, the result of partially corrupted data. This corrupted model has recently been used by the Company to reconcile open pit mining data against resource models, including that recently announced to the market (*ASX announcement 21 June 2016*). This announcement incorrectly indicated a positive reconciliation of ounces mined to the resource development model.

The Company is working with its mining team to clarify the reconciliation situation and it is evident that there have been both negative and positive reconciliations from different zones within the pit. The corrupt data has only impacted on recent reconciliations performed against the resource development model. It has not impacted on the detailed mine plans that have been developed on planned production rates or on any of the Company's Resource and Ore Reserve statements.

The identification of the corrupt model has prompted a review of the QA/QC procedures to ensure any such issues are identified earlier moving forward and more details of the pit performance will be announced when the review is completed.

Mining of the Zoroastrian Central Pit continues to advance towards areas of the deposit that are considered more uniform and that will facilitate higher production rates.

Gold mineralisation in the upper part of the oxidised profile at Zoroastrian was predicted to be sporadic and of lower grade as this is traditionally the part of the ore body where lode definition is least reliable from drilling data and where the weathering process can contribute to depletion of gold in the oxidised profile.

One of the four main mineralised structures currently being mined, the Birthday Dream structure, has delivered strong results from grade control drilling which has identified broader zones of gold mineralisation in the central part of the pit than originally interpreted (*ASX announcement 21 June 2016*). While this zone is a potential source for higher ore tonnages than forecast, the southern part of the Birthday Dream structure has returned lower ore production than predicted due to disruption of the mineralised zone by cross faults.

Mining on the Birthday Dream South mineralisation is almost completed as the mineralised zone to be developed in the pit extends only 20 metres below the current 400mRL pit floor. The main driver of the pit is the continuous mineralised structure to the north where recent results from grade control drilling continue to highlight strong mineralisation. New results include (*refer ASX announcement 21 June 2016 for JORC Table 1 parameters*):

- **8 metres @ 3.74g/t Au from 50 metres** (ZOROGC1352)

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

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