



30 January 2012

Company Announcements Office
ASX Limited
Exchange Centre
20 Bridge Street
Sydney NSW 2000



ASX Code: EXG

Significant Increase in Zoroastrian High Grade Gold Resources

Highlights:

- **New Indicated and Inferred resource estimations increases overall grade by 240% from 1.28g/t Au to 4.4g/t Au on Zoroastrian mineralisation: -**
 - High-Grade Resource 454,000t @ 6.9g/t Au for 101,000 ounces***
 - Near Surface Resource 472,000t @ 1.9g/t Au for 28,600 ounces***
 - Total 926,000t @ 4.4g/t Au for 129,600 ounces***
- Diluted high-grade resource supports the potential for underground development of the high-grade vein system.
- New near surface (less than 80m vertical depth) resource to be optimized for open pit development.
- Resources remain open in all directions with numerous significant drill intercepts outside current resource area and additional mineralized zone yet to be modelled.
- Update of the gold resources at Zoroastrian significantly improves the quality of the resource and the potential mineability.
- Total Kalgoorlie North Gold Project Indicated and Inferred Resources are: -
13.77Mt @ 1.62g/t Au for 715,000 ounces (at 0.6g/t and 3.0g/t lower cut-offs)

The Directors of Excelsior Gold (**Excelsior** or **the Company**) are pleased to announce an update to the Zoroastrian resource in the central portion of the Company's 100% owned Kalgoorlie North Gold Project.

The resource update is based on historical drilling data and new results received from the

Excelsior Gold Limited
ABN 38 123 629 863

Address Ground Floor, 1306 Hay Street, West Perth WA 6005 **Postal** PO Box 52, West Perth WA 6872
Telephone +61 (8) 9481 2276 **Facsimile** +61 (8) 9486 4799

www.excelsiorgold.com.au



Company's 2011 targeted reverse circulation and diamond drilling programs.

The resource modelling was conducted on those zones which may be amendable to underground mining using a 3.0g/t Au lower cut-off and also shallower zones, less than 80m vertical depth, which present open pit mining opportunities (0.6g/t Au lower cut-off).

The total Indicated and Inferred resource at the Zoroastrian Deposit are:

926,000 tonnes at 4.4g/t Au for 129,600 ounces of gold

MODEL	LOWER CUT-OFF	INDICATED			INFERRED			TOTAL RESOURCES		
		Tonnes (t)	Grade (g/t Au)	Ounces (oz)	Tonnes (t)	Grade (g/t Au)	Ounces (oz)	Tonnes (t)	Grade (g/t Au)	Ounces (oz)
Open Pit	0.6g/t Au	0	0	0	472,000	1.9	28,600	472,000	1.9	28,600
Under-ground	3.0g/t Au	166,000	7.8	41,000	288,000	6.4	59,000	454,000	6.9	101,000
TOTAL		166,000	7.8	41,000	760,000	3.6	87,600	926,000	4.4	129,600

Table 1: Zoroastrian Resource Summary

The new diluted resource demonstrates the potential for the underground development of the deposit and complements the Company's production strategy for the Kalgoorlie North Project.

In December 2011, prefeasibility studies were initiated to evaluate a multi-pit mining plan with heap leach and toll treatment processing options, centred on the neighbouring Excelsior resource (405,000ozs – 9.7Mt @ 1.3g/t Au) and satellite deposits within a four kilometre radius of Excelsior. Potential open pit and higher grade, underground feed from the Zoroastrian area significantly strengthens the development strategy and feasibility investigations will now be extended to evaluate underground and open pit mining at Zoroastrian.

Background

Gold mineralisation at Zoroastrian consists of high grade quartz veins within the Zoroastrian Dolerite and it is similar in style to the extensive gold mineralisation mined from the same dolerite unit at Paddington, 17 kilometres to the south.

Historical mining in the late 1890s and early 1900s produced about 56,000ozs of gold from high grade quartz veins mined to a depth of approximately 120m at the underground Zoroastrian Mine which is located in the northern part of the current pit area. The existing open pit, mined by Aberfoyle Gold Pty Ltd between 1987 and 1991, produced 200,000t @ 2.5g/t Au for 16,000ozs of gold.

In April 2010, Excelsior Gold estimated Indicated and Inferred resources at Zoroastrian to be 3.35Mt @ 1.28g/t Au for 137,800ozs, based on historical drilling and limited new infill drilling conducted by the Company. The distribution of high grade quartz veins within the deposit were not well understood when initial resource modelling was conducted and the estimate was



based on conceptual open pit mining of the deposit and calculated using a 0.6g/t Au lower cut-off.

Historical drilling beneath the southern end of the Zoroastrian open pit and initial drilling by Excelsior, demonstrated significant high grade intersections in mineralised quartz veins including 1m @ 105g/t Au from 58m vertical depth (VD), 2m @ 27.6g/t Au from 80m and 4m @ 11.3g/t Au from 84m. The Company regarded that the style of mineralisation at Zoroastrian offered potential for underground development rather than open pit mining and exploration programs were initiated to assess the distribution of the high grade veins in the dolerite.

Structural mapping and rock chip sampling completed in 2011 facilitated the development of a three dimensional geological model of the historical drill data for the southern portion of the open pit area. This model indicated that very high grade coarse grained gold mineralisation was present within multiple orientated narrow quartz shear structures with wider zones (3-10m) occurring within flexures and at intersections between structures. These orientations and positions had not been effectively tested by previous drilling.

A diluted high grade Inferred Resource of 74,000t @ 7.8g/t Au for 18,500ozs was calculated at a 3.0g/t lower cut-off in April 2011, based on the four most well defined structures at the southern end of the open pit.

A lack of drilling information to the south and at depth limited the resource estimate to a strike length of 195m and a vertical depth of 45m below the base of the current pit (65m VD). Individual lode positions remain open down dip and along strike to the south.

This high grade resource was included within the larger 3.35Mt @ 1.28g/t Au (137,800ozs) quoted at that time at a 0.6g/t cut-off for the greater Zoroastrian area. The high grade resource was indicative of the potential of higher grade structures present within the overall deposit.

In late 2011 Excelsior Gold conducted reverse circulation and diamond drilling at the Zoroastrian to test its structural model for the distribution of quartz veining within the Zoroastrian Dolerite which was interpreted to be associated with a complex ladder array of vertical and flat lying quartz veins. In excess of 15 veins within the system indicated potential to contain high gold intercepts however, the initial high grade resource model of 74,300 tonnes @ 7.8g/t Au was based on only four structures over a limited strike and depth.

The 2011 drilling intersected high grade mineralisation including **4m @ 36.9g/t Au** from 64m (KNC110002), **12m @ 5.81g/t Au** from 120m (KNC110007) and **1m @ 68.0g/t Au** from 150m (KNC110003) and consistently intersected quartz veins close to zones predicted by the structural model. This information significantly extended the known vein positions at depth and along strike and has allowed a new expanded resource model to be constructed over the current 1,000m of strike of the high grade vein system at Zoroastrian and down to vertical depths up to 180m.



New Gold Resources

New resource modelling was conducted on both shallow potentially open pittable mineralisation to the west and south of the Zoroastrian Pit and on deeper high grade zones which may be amendable to underground mining beneath the southern end of the pit and extending to the south.

The gold mineralisation in the Zoroastrian area is predominately associated with a complex array of variably orientated quartz veins and stock works within the differentiated Zoroastrian dolerite (refer *Figure 4; page 12*). In places a surficial 1-2m thick calcrete/lateritic gold bearing horizon and small near surface supergene pods may also be present.

Three dimensional geological modelling identified 33 gold bearing structures of varying dimensions and orientations within the Zoroastrian system and 28 of these have been used to calculate resources. These lodes were broken down into those that could possibly be best exploited by underground methods (13) and those that could possibly be best exploited by open pit methods (15).

The open pit (OP) mineralisation wireframes were digitised at a nominal lower cut of 0.3g/t Au with a final composite grade of 2.0m greater than 0.6g/t Au.

Shallow Inferred resources totalling **472,000 tonnes @ 1.90g/t Au for 28,600ozs** (0.6g/t Au lower cut-off) have been estimated on mineralisation at Royal Mint to the west of the current pit and on the Slug Hill zones to the south (refer *Figure 2; page 10*). Mineralisation remains open at depth and along strike and additional mineralised trends remain to be drill tested in the area to the south of the Zoroastrian Pit.

Table 2: Near Surface, Potential Open Pit Resource Summary
(modelled @ 0.3g/t Au lower cut with variable top-cuts)

LOWER CUT-OFF	INDICATED			INFERRED			TOTAL RESOURCES		
	Tonnes (t)	Grade (g/t Au)	Ounces (oz)	Tonnes (t)	Grade (g/t Au)	Ounces (oz)	Tonnes (t)	Grade (g/t Au)	Ounces (oz)
0.3g/t Au	0	0	0	485,000	1.8	28,700	485,000	1.8	28,700
0.6g/t Au	0	0	0	472,000	1.9	28,600	472,000	1.9	28,600
1.0g/t Au	0	0	0	325,000	2.4	24,800	325,000	2.4	24,800
1.5g/t Au	0	0	0	171,000	3.4	18,700	171,000	3.4	18,700

The underground (UG) mineralisation wireframes were digitised at a nominal lower cut of 3.0g/t Au with a final composite grade 2.0m greater than 3.0g/t Au. The high grade vein structures display highly variable analytical gold results due to a large nugget effect as demonstrated by coarse gold seen within the quartz veins in the open pit and in diamond core holes. Consequently a number of intervals were included in the model where the lode position was interpreted to exist due to the presence of quartz or voids but where assays were not

significant. The true widths of the UG lodes were diluted to at least 1.2m to better represent potential extractable grade. Where voids were intercepted assay results were ignored.

Higher grade Indicated and Inferred resources totalling **454,000 tonnes @ 6.90g/t Au** for **101,000ozs** (3.0g/t Au lower cut-off; 50g/t Au top cut) have been estimated for 13 vein structures at the southern end of the open pit.

Table 3: High Grade Potential Underground Resource Summary

LOWER CUT-OFF	INDICATED			INFERRED			TOTAL RESOURCES		
	Tonnes (t)	Grade (g/t Au)	Ounces (oz)	Tonnes (t)	Grade (g/t Au)	Ounces (oz)	Tonnes (t)	Grade (g/t Au)	Ounces (oz)
3.0g/t Au	166,000	7.8	41,000	288,000	6.4	59,000	454,000	6.9	101,000
5.0g/t Au	97,000	10.6	33,000	157,000	8.6	43,000	254,000	9.3	76,100

Modelled at nominal true width > 1.2m 50g/t Au top-cut

The new UG and OP resource models for Zoroastrian replace the April 2010 low grade resource (3.35Mt @ 1.28g/t Au). As a result of focusing on the underground potential at Zoroastrian and the application of a significantly higher lower cut-off grade (3.0g/t as opposed to 0.6g/t Au) the total resource tonnes have decreased by 262% from 3.35Mt to 926,000t with a 6% decrease in overall contained gold ounces from 137,800ozs to 129,600ozs.

However the grade of the Zoroastrian combined resource has increased by 240% from 1.28g/t Au to 4.40g/t Au. This is represented by the high grade component increasing by 446% in contained resource ounces to 101,000 ounces from the previous calculated 18,500 ounces.

Table 4: Previous Resource

MODEL	LOWER CUT-OFF	INDICATED			INFERRED			TOTAL RESOURCES		
		(t)	(g/t Au)	(oz)	(t)	(g/t Au)	(oz)	(t)	(g/t Au)	(oz)
Low-grade#	0.6g/t Au	1,871,000	1.34	80,700	1,478,000	1.20	57,100	3,350,000	1.28	137,800
High grade	3.0g/t Au				74,300	7.8	18,500	74,300	7.8	18,500
TOTAL		1,871,000	1.34	80,700	1,478,000	1.20	57,100	3,350,000	1.28	137,800

the high-grade model was included in the low-grade model

Additional Resource Growth Potential

Further resource growth potential exists within and outside of the modelled area: -

- Multiple vein orientations, some sub-parallel to current drilling, are present which have not been adequately drilled to enable effective resource modelling. Drill intercepts not included in calculations include **4m @ 10.8g/t Au** (rc000259), **1m @ 14.7g/t Au** (KNC110007), **1m @ 21.7g/t Au** (KNC110007), **1m @ 17.4g/t Au** (KNC09050) and **7m @ 4.4g/t Au** (HZOC003).



- Mineralised zones within the current resource model also remain open down dip and down plunge with only two drill holes greater than 200m vertical depth.
- Drilling to date at Zoroastrian has been designed to confirm lode positions and as yet no drilling has been conducted to specifically target high-grade controls within the currently defined 1000m of strike of the Zoroastrian system. Future drilling will target potential economic “shoots” within the overall Zoroastrian system.
- The Zoroastrian system continues to the south where numerous historical works and shafts exist over a further 2km of strike within the dolerite unit. The southernmost hole drilled to date, KNC110021, returned a wide intercept of **29m @ 2.00g/t Au** from 70m VD including **1m @ 5.42g/t Au**, **1m @ 6.52 Au** and **4m @ 8.28g/t Au**.
- Further interpreted lode positions from historical workings and wide spaced drilling (greater 80m apart) to the east are not included in the resource calculation. Intercepts from the sparse drilling on these eastern zones include **1.7m @ 13.8g/t Au** (hole ddb00043) from 90m, **3.6m @ 3.62g/t Au** (hole ddb00030) from 110m and **15.5m @ 1.34g/t Au** (hole ddb00031) from 100m.

Zoroastrian North Resource Potential

The new resource estimate does not cover the north portion of the open pit area where the historical Zoroastrian Underground Mine was located and the open pit has intersected the old underground workings. Resource modelling in this area is complicated by the old workings as accurate stoping records make it difficult to assess the extent of the workings (refer *Figure 2; page 10*).

Drilling by Aberfoyle Gold previously returned spectacular gold intersections in this area including **9.8m @ 1746g/t Au** (hole DD000194) and **6m @ 289g/t Au** (RC00064) at a vertical depth of 67m. A small exploratory underground operation by Aberfoyle Gold, targeted these results and confirmed that the mineralisation was hosted within narrow quartz filled shears (refer *Figure 3: page 11*).

Excellent potential exists to delineate further high grade resources on the Zoroastrian Main Lode structure beneath the historical underground workings. Only limited deeper drilling has tested the area and has returned intercepts including **1m @ 89.5g/t Au** from 71m VD, **1m @ 81.1g/t Au** from 55m VD and **2m @ 11.0g/t Au** from 57m VD.

Excelsior Gold will continue to assess the underground potential of the Zoroastrian vein system and further reverse circulation and diamond drilling is planned to test addition vein structures and high grade controls on the mineralisation.

The Company will assess the viability of establishing an exploration decline at the southern end of the Zoroastrian pit to evaluation the underground potential of the vein system in the immediate vicinity of the pit.



Potential underground operations at Zoroastrian could have a major impact on underground development of the deeper high grade mineralisation at the southern end of the neighbouring Excelsior deposit, 300m to the east. The opportunity to share a common access portal at Zoroastrian as well as underground and surface infrastructure would enhance the development prospects of both deposits.

The Excelsior deposit hosts current Indicated and Inferred resources totalling 9.72Mt @ 1.30g/t Au for 405,300ozs of gold. The deposit offers large open pit mining potential and is currently the focus of pre-feasibility studies aimed at assessing open pit mining to a vertical depth of approximately 175m. Intersections from limited deeper drilling on higher grade mineralisation below the conceptual open pit depth include **4m @ 12.4g/t Au**, **2m @ 16.4g/t Au** and **21m @ 2.94g/t Au** and indicate bulk underground mine potential which warrants further examination in conjunction with the Zoroastrian underground mine review.

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

Excelsior Gold Limited

David Hamlyn

Chief Operating Officer/Executive Director

T: + 61 8 9481 2276

E: info@excelsiorgold.com.au

Disclaimer:

The conceptual mining study on the Excelsior deposit was carried out by Mr. Daniel Tuffin of Auralia Mining Consulting Pty Ltd and is based on the Indicated and Inferred JORC Resources as outlined in Table 5 below. The subsequent material inventory resulting from this work does not constitute or imply Minable Reserves. The estimates and beliefs applied in undertaking the conceptual mining study, either stated or implied, by the company and its consultants are based on a number of assumptions that involve known and unknown risks and uncertainties which may result in future outcomes that may significantly differ to any expressed or implied estimates or projections derived from the conceptual studies. Given the level of study, any data resulting from the conceptual study refers solely to potential and does not guarantee that future work will result in the determination of Minable Reserves.



excelsiorgold
LIMITED

KALGOORLIE NORTH RESOURCES	INDICATED <i>0.6g/t Au cut-off</i>			INFERRED <i>0.6g/t Au cut-off</i>			TOTAL RESOURCES <i>0.6g/t Au cut-off</i>		
	Tonnes (,000t)	Grade (g/t Au)	Ounces (,000oz)	Tonnes (,000t)	Grade (g/t Au)	Ounces (,000oz)	Tonnes (,000t)	Grade (g/t Au)	Ounces (,000oz)
DEPOSIT									
Excelsior	7,424	1.32	316.2	2,300	1.21	89.1	9,724	1.30	405.3
Zoroastrian (U/G)	166	7.80	41.6	288	6.40	59.3	454	6.91	100.9
<i>Satellite Resources (within 4km radius of Excelsior)</i>									
Zoroastrian (O/P)				472	1.90	28.8	472	1.90	28.8
Lochinvar	448	1.74	25.1	60	1.70	3.3	508	1.74	28.4
Three Star				92	2.26	6.7	92	2.26	6.7
Ellen Pearce				35	1.75	2.0	35	1.75	2.0
Navan				76	1.61	3.9	76	1.61	3.9
Jackorite (1.0g/t cut)				53	4.68	8.0	53	4.68	8.0
Castlereagh	194	1.48	9.2	13	1.29	0.5	207	1.47	9.8
Nerrin Nerrin				94	2.85	8.6	94	2.85	8.6
Big Blow South (5.0g/t cut)				28	9.13	8.4	28	9.13	8.4
<i>Total Satellite Resources*</i>	<i>642</i>	<i>1.66</i>	<i>34.4</i>	<i>923</i>	<i>2.36</i>	<i>70.2</i>	<i>1,565</i>	<i>2.08</i>	<i>104.5</i>
<i>Other Resources (greater than 4km from Excelsior)</i>									
Eldorado				252	1.97	16.0	252	1.97	16.0
North Talbot				662	1.67	35.6	662	1.67	35.6
North Duke				706	1.12	25.4	706	1.12	25.4
Bulletin South				363	2.01	23.4	363	2.01	23.4
Windanya (1.0g/t cut)				42	3.00	4.0	42	3.00	4.0
<i>Total Other Resources</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>2,024</i>	<i>1.60</i>	<i>104.4</i>	<i>2,024</i>	<i>1.60</i>	<i>104.4</i>
TOTAL	8,232	1.48	392.2	5,536	1.81	322.9	13,767	1.62	715.1

Table 5. Kalgoorlie North Gold Project – Resource Inventory (January 2012)

Competent Person Statement:

Information in this announcement that relates to Mineral Resource and exploration results is based on information compiled by Mr David Potter 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 which they are undertaking, to qualify as Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Potter consents to the inclusion in the document of the information in the form and context in which it appears.



excelsiorgold
LIMITED

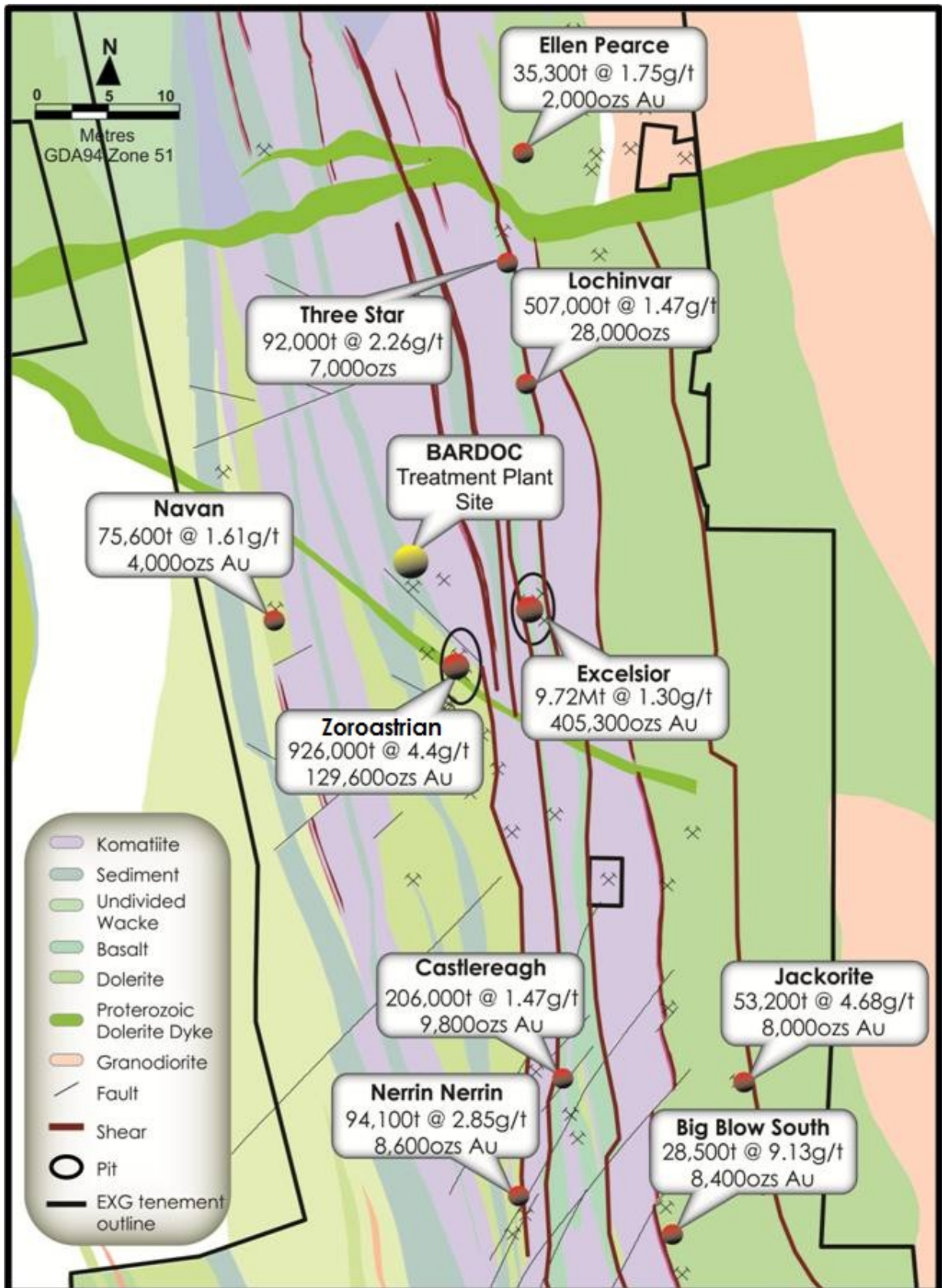


Figure 1 Kalgoorlie North – Central Resource Area Geological Plan



excelsiorgold
LIMITED

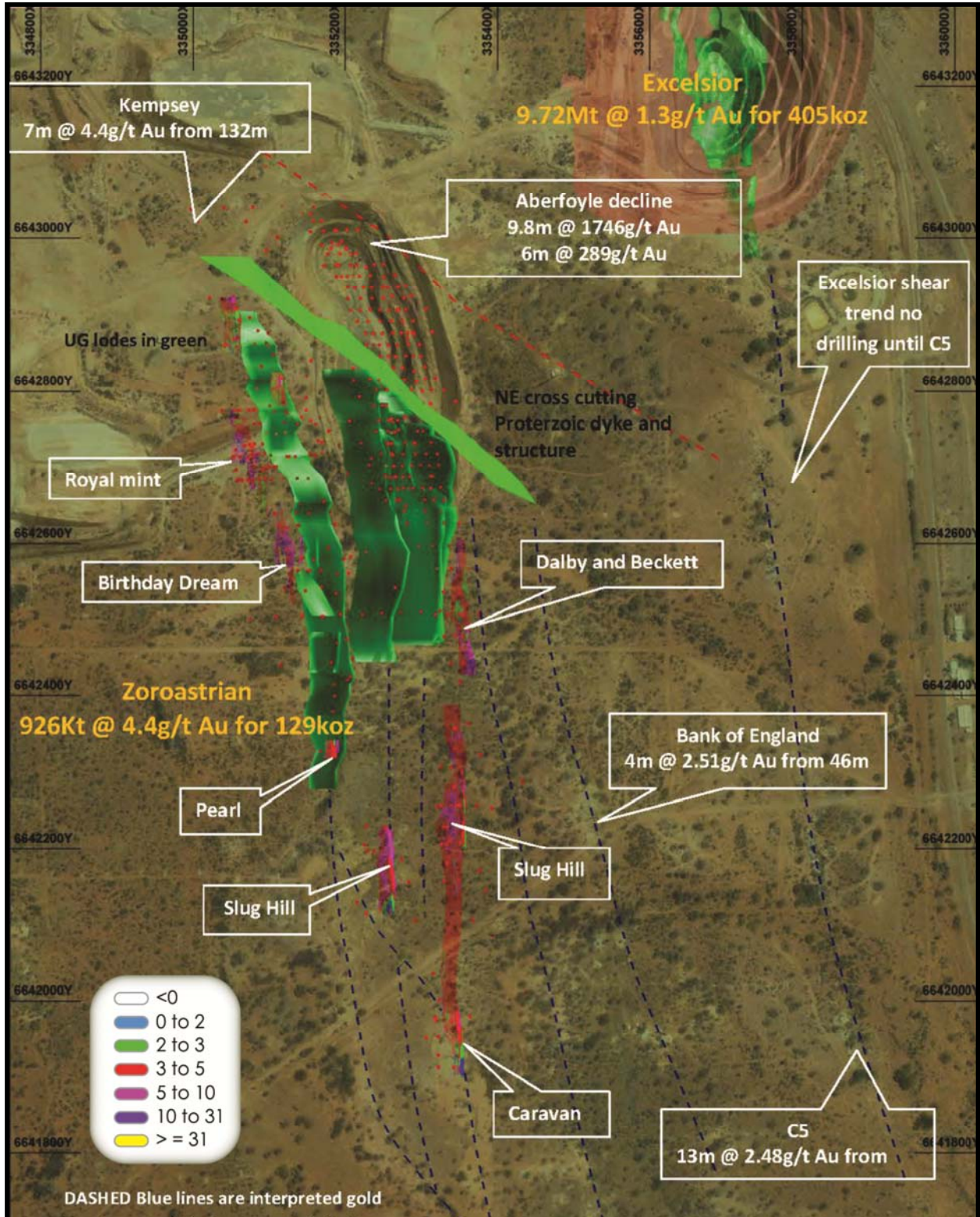


Figure 2. Zoroastrian Open Pit and Resource Area

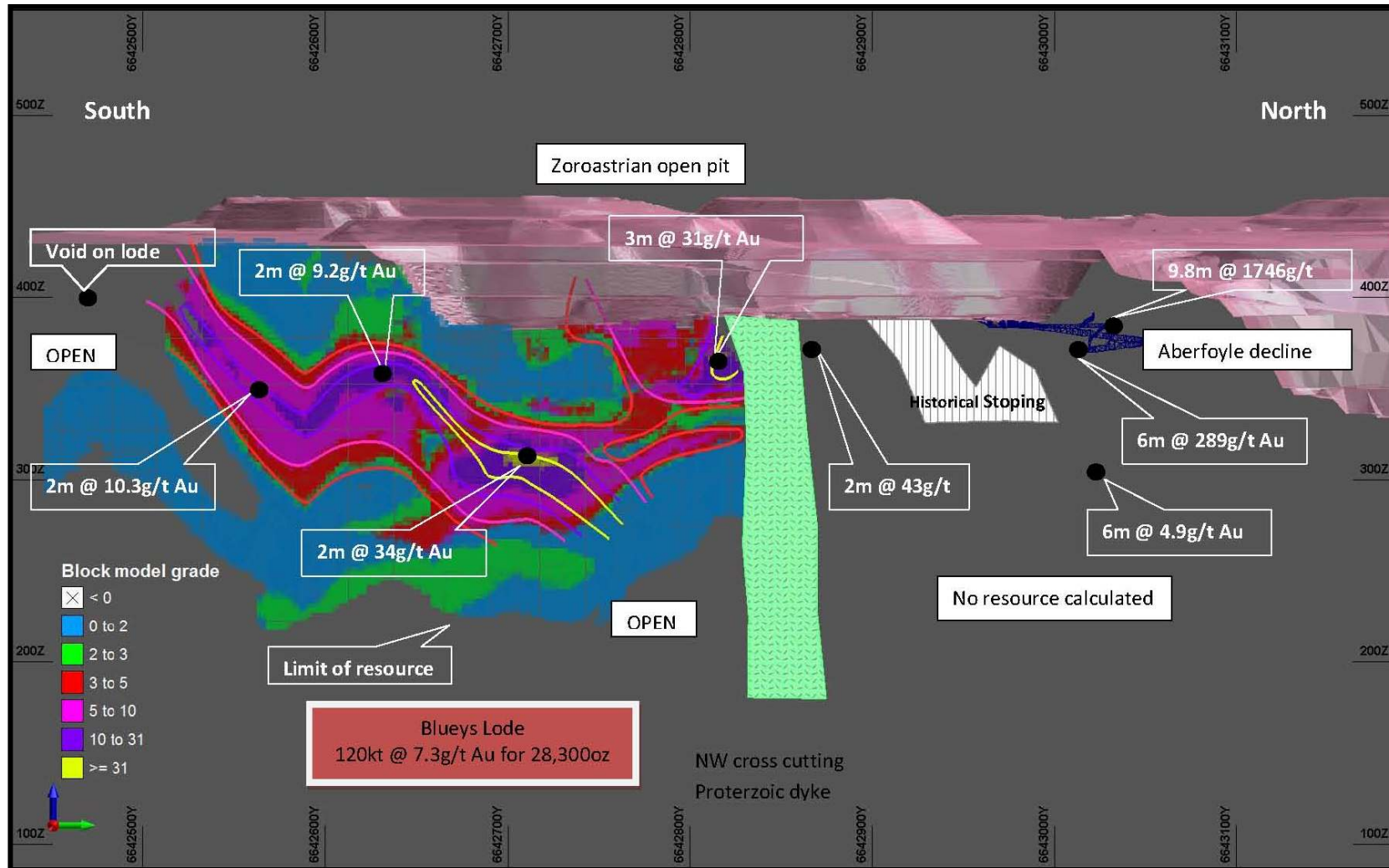


Figure 3: Zoroastrian Long Section



excelsiorgold
LIMITED

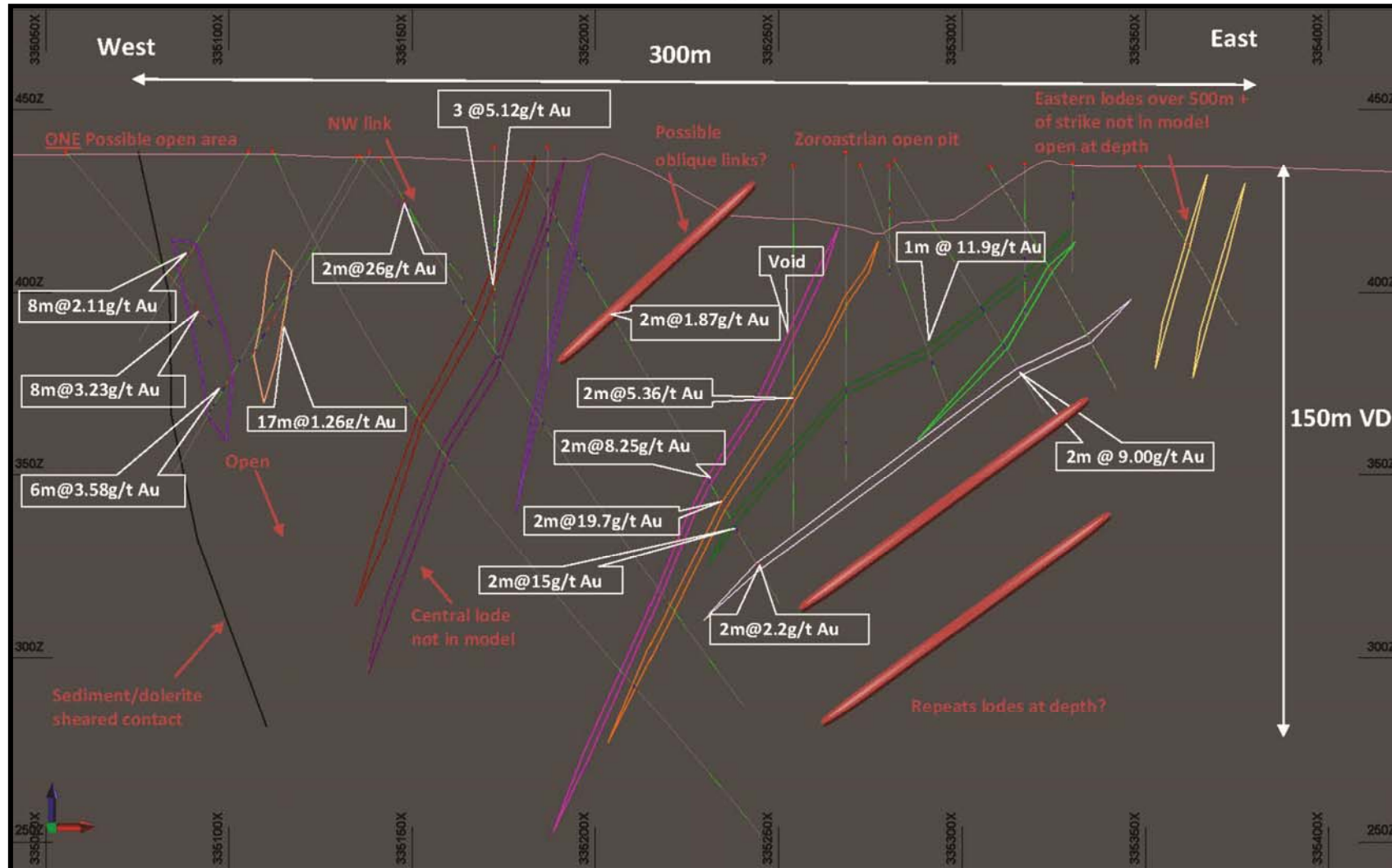


Figure 4: Zoroastrian Cross Section

APPENDIX

Resource modelling process

The mineralisation in the Zoroastrian area is predominately associated with a complex array of multiple dimensional and variable orientated quartz veins and stock works within the differentiated Zoroastrian dolerite. In places a surficial 1-2m thick calcrete/lateritic gold bearing horizon and small near surface supergene pods exist. Recent open pits, historical works and shafts exist within this unit throughout the company's tenements and beyond.

The Zoroastrian Dolerite is equivalent to the northern extensions of the Paddington Dolerite which produced in excess of two million ounces of gold from a similar style of mineralisation at the Paddington Operations 17 kilometres to the south.

The high grade vein structures at Zoroastrian display highly variable analytical gold results due to a large nugget effect as demonstrated by coarse gold seen within the quartz veins in the historical open pit and in the recently drilled diamond core holes. Despite not always returning significant assay results the intersection of voids and quartz lodes within drillholes where the gold mineralisation is predicted to occur confirms geological interpretations.

From 3D geological interpretation 33 gold bearing lodes of varying dimensions and orientations within the system have been identified of which 28 were used to calculate resources. These lodes were broken down into those that could possibly be best exploited by underground methods (13) and those that could possibly be best exploited by open pit methods (15).

The open pit (OP) mineralisation wireframes were digitised at a nominal lower cut of 0.3g/t Au with a final composite grade of 2.0m greater than 0.6g/t. The total volume of these wireframes was 512, 541 bank cubic metres.

Whilst the underground (UG) mineralisation wireframes were digitised at a nominal lower cut of 3.0g/t Au with a final composite grade 2m greater than 3.0g/t Au a number of intervals were included where the lode position was interpreted to exist due to the presence of quartz or voids. The true widths of the UG lodes were diluted to at least 1.2m to better represent potential extractable grade. Where voids were intercepted assay results were ignored. The total volume of these wireframes was 557,713 bank cubic metres.

Within the modelled area, 434 aircore, reverse circulation and diamond drill holes totalling 26511.6metres of drilling have been completed within an area of approximately 1100m (north) x 400m (east) down to a maximum depth of 210m below surface. Drilling spacing is highly irregular ranging from on a nominal 15m x 15m (or closer) grid pattern with the remainder at a maximum spacing of approximately 80m x 40m to a maximum depth of 230m below surface.

A total of 1516 one metre composited gold assay results were used in the estimation. Over 95% of gold grades were obtained using a standard fire assay extraction with an AAS or ICP MS analysis except for the most recent drilling conduct by Excelsior Gold which was done using an accelerated 4 hour Leach Well on a 400g sample with analysis by Flame Atomic Absorption.

Two blank models were built to allow for future optimisations based on the following block parameters.

Table 6: Empty Block Model Dimensions

Block model extents and panel sizes_UG

Entire Model	Minimum	Maximum	Panel Size	Number of panels	sub-blocking
Easting	335,000	335,900	2	451	4
Northing	6,642,190	6,643,000	5	163	2
Elevation	180	450	5	55	2

Block model extents and panel sizes_OP

Entire Model	Minimum	Maximum	Panel Size	Number of panels	sub-blocking
Easting	334,850	335,900	2	526	2
Northing	6,641,900	6,643,000	10	111	4
Elevation	180	450	5	55	2

The blocks were filled with specific gravity data based on interpreted weathering horizons and historical specific data collected by previous owners during mining of the existing Excelsior pit. The density data assigned was oxide – 2.0t/m³, transitional -- 2.3t/m³, fresh -- 2.70t/m³

Geostatistical analysis and variography were conducted on various sample populations and the final data set to help assess the appropriate estimation technique and to ascertain Krigging parameters. A number of different estimation techniques including Indicator Krigging, Ordinary Krigging and Inverse Weighted Distance were conducted. Multiple runs were made for each technique adjusting the various parameters to assess the most appropriate technique and parameters. From this work the final block estimation was undertaken using a combination of ordinary Krigging and Inverse Weighted Distance. Multiple search ellipsoids and run criteria were used to reflect the different lode characteristics.

Statistical and visual analysis of the final calculated block model gold grades and distribution was undertaken to ensure the estimation parameters used produced estimated grades that best honoured the available data.

The models and associated calculations utilised all available data and whilst depleted for known workings no adjustment was made for smaller undefined workings.

Excelsior follows the JORC classification system with final individual block classification based assigned by visually taking into account the following factors and adjusting on:

- Drill spacing and orientation.
- Average distance to fill individual blocks.



- *Number of holes and points used to fill the block.*
- *Statistical analysis of results.*
- *Classification of surrounding blocks, and*
- *Lode position and confidence in interpretation*

Excelsior does not classify any resources that make use of historical data as Measured due to varying QAQC data. Those blocks that were nominally classified as Measured were automatically reclassified as Indicated. Further, Excelsior does not classify any resources that are based on historical data as Indicated unless this has been confirmed by drilling undertaken by the company. Those blocks that were nominally classified as Measured/Indicated where confirmation drilling has not been undertaken are automatically reclassified as Inferred.

Approximately 7% of the UG modelled blocks were classified as Measured and reclassified to Indicated, 21% as Indicated (total Indicated 28%) and 61% as Inferred. A further 10% of the modelled blocks were unclassified and are not reported in the JORC resource.

As Excelsior, as yet, has not undertaken enough drilling in those areas considered to have potential for open pit mining all of that resource has been classified as Inferred. As such approximately 32% of the OP modelled blocks which were initially classified as Measured and 11% as Indicated were reclassified to Inferred. A further 6% of the modelled blocks were unclassified and are not reported in the JORC resource.