



18 March 2015

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



**ASX Code: EXG**

## **BARDOC SOUTH MINING PROPOSAL AND ORE RESERVE UPDATE**

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Excelsior Gold Limited (“Excelsior Gold” or the “Company”) is pleased to announce that following the execution of the Bardoc South Ore Treatment Agreement (“Bardoc South Agreement”) (ASX announcement 18 February 2015) with Norton Gold Fields Limited (“Norton”) (ASX:NGF), the Company has lodged the Mining Proposal for approval by the Department of Mines and Petroleum (“DMP”) to develop the Bardoc South and Bulletin South open pits.

Under the Bardoc South Agreement, Norton agrees to process up to 400,000 tonnes of ore from the satellite deposits located within the Bardoc South Tenement area (*refer Figure 1*) in the period up to the end of December 2015. This agreement is separate to the longer term Capital Contribution and Ore Treatment Agreement which comes into effect in January 2016 (*refer ASX announcement 20 October 2014*). The Bardoc South Agreement does not require any upfront capital payment to Norton for refurbishment and upgrade of the Paddington Mill however it is conditional upon Excelsior Gold obtaining all necessary regulatory approvals for mining activities and haul road construction. The submission of the Mining Proposal initiates this approval process which is expected to take up to three months.

The Bardoc South Tenements form part of the southern portion of the Kalgoorlie North Gold Project (“Project”) and were a divestment from the Paddington Operations in 2003. Norton has the first right to treat ore mined from these tenements and is entitled to a 2% net smelting royalty for gold produced.

The Bardoc South Agreement, subject to the regulatory mining approvals, enables acceleration of the development of the Project. The Company is now targeting commencement of mining operations in June 2015 for delivery of first ore to the Paddington Mill for processing in July 2015.

The comprehensive Mining Proposal which was lodged with the DMP on 12 March 2015 encompasses the construction of the haul road, the development of four open pits within the Bardoc South area and mining of the larger Bulletin South open pit. A mining proposal covering

the development of the Zoroastrian open pit and underground operations and other deposits within the Project will be submitted later in the year following completion of final mine designs.

The current mining proposal covers the Jackorite, Castlereagh, Big Blow South and Nerrin Nerrin open pits which are scheduled for mining and processing under the Bardoc South Agreement, as well as and the cut back on the Bulletin South Pit which is scheduled for mining in late 2015. The Bulletin South open pit will form the bulk of the ore feed for the Capital Contribution Agreement during calendar year 2016.

Based on an Australian dollar gold price of A\$1,380 per ounce Ore Reserves for the Bardoc South open pits covered by the Mining Proposal are **205,000 tonnes @ 2.75g/t Au for 18,100ozs** of gold.

BARDOC SOUTH SATELLITE DEPOSITS	INDICATED MINERAL RESOURCES			PROBABLE ORE RESERVES		
	Tonnes (,000t)	Grade (g/t Au)	Ounces (,000oz)	Tonnes (,000t)	Grade (g/t Au)	Ounces (,000oz)
<i>Bardoc South Satellite Ore Reserves</i>						
Jackorite O/P	89	2.73	7.8	76	2.76	6.7
Castlereagh O/P	149	1.96	9.4	66	2.23	4.8
Nerrin Nerrin O/P	74	2.40	5.7	36	2.97	3.5
Big Blow South O/P	134	3.58	15.3	27	3.66	3.2
<i>Total Satellites</i>	<b>445</b>	<b>2.67</b>	<b>38.2</b>	<b>205</b>	<b>2.75</b>	<b>18.1</b>

*Mineral Resources at 0.6g/t Au cut-off. - Ore Reserves at A\$1,380/oz Au gold price. - Rounding errors may occur.*

**Table 1: Bardoc South Satellite Deposits – Mineral Resource and Ore Reserve Summary**

The Ore Reserves are derived from total Indicated Mineral Resources of 445,000 tonnes @ 2.67g/t Au containing 38,200ozs of gold. Due to the use of historical drilling data in the resource estimates, Excelsior Gold does not quote Mineral Resources in the Measured JORC classification although data quality, geological continuity and Mineral Resource confidence are high.

The mining of this series of open pits at Bardoc South will provide cash flow to facilitate the development of the larger Bulletin South and Zoroastrian mines which are scheduled to contribute to the more expansive treatment agreement with Norton Gold Fields in 2016. The opportunity to develop these smaller mining operations at the Kalgoorlie North Gold Project in mid-2015 allows the Company to transition smoothly to operational status and considerably de-risks the larger mining program.

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

#### **Excelsior Gold Limited**

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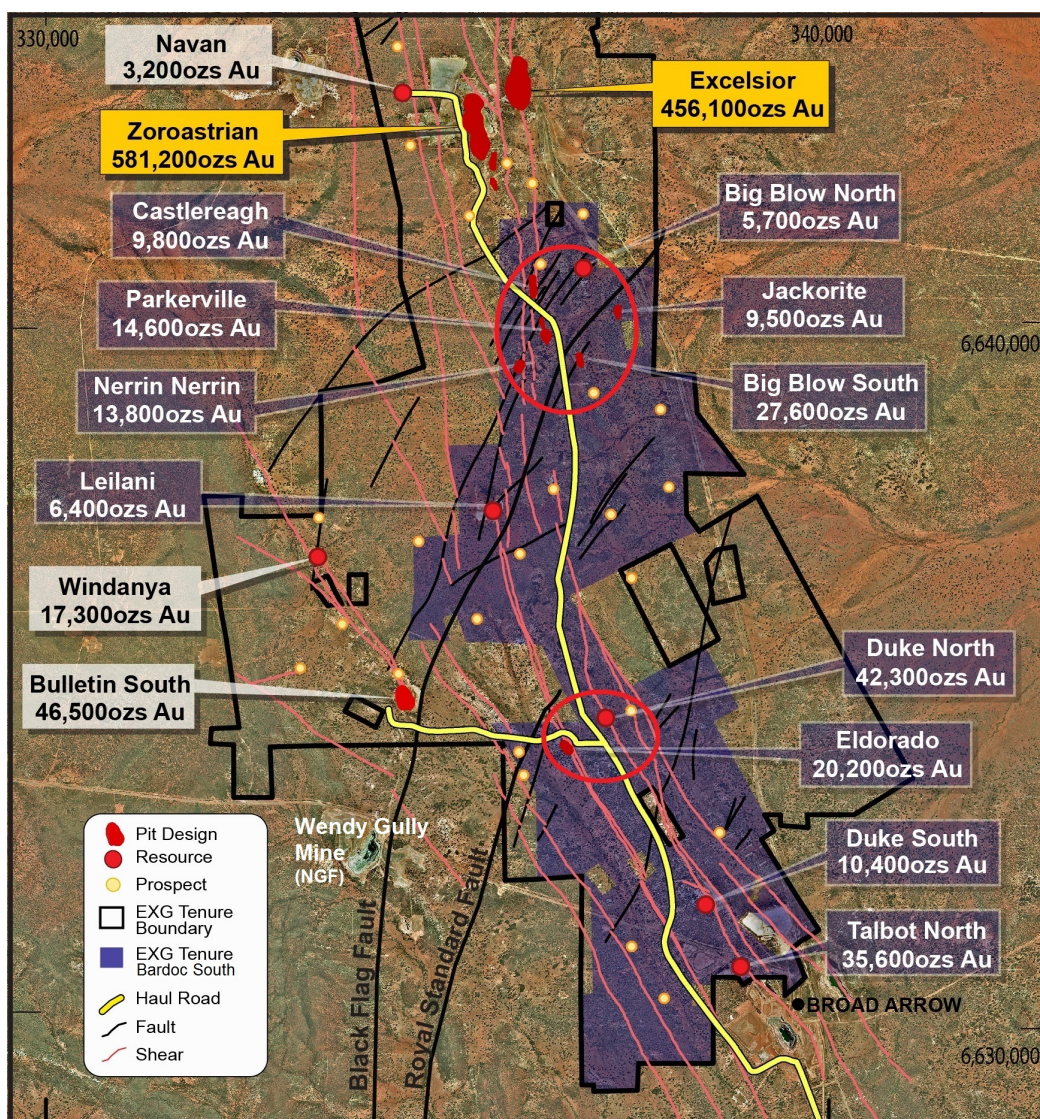
David Potter

Technical Director

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**Figure 1: Bardoc South Tenements Area (shaded) and Mineral Resource Areas**  
showing proposed mine development areas (circled) and proposed haul road  
(Mineral Resource ounces at 0.6 and 3.0g/t Au cut-offs)

#### Competent Person Statement – Exploration Results and Mineral Resources:

Information in this announcement that relates to Mineral Resource and exploration results is based on information compiled by Mr. David Potter who is 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 consents to the inclusion in the document of the information in the form and context in which it appears.

#### Competent Persons Statements – Ore Reserves

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 South Bardoc Tenement Area Ore Reserves 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. 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.

Excelsior Gold Limited ABN 38 123 629 863

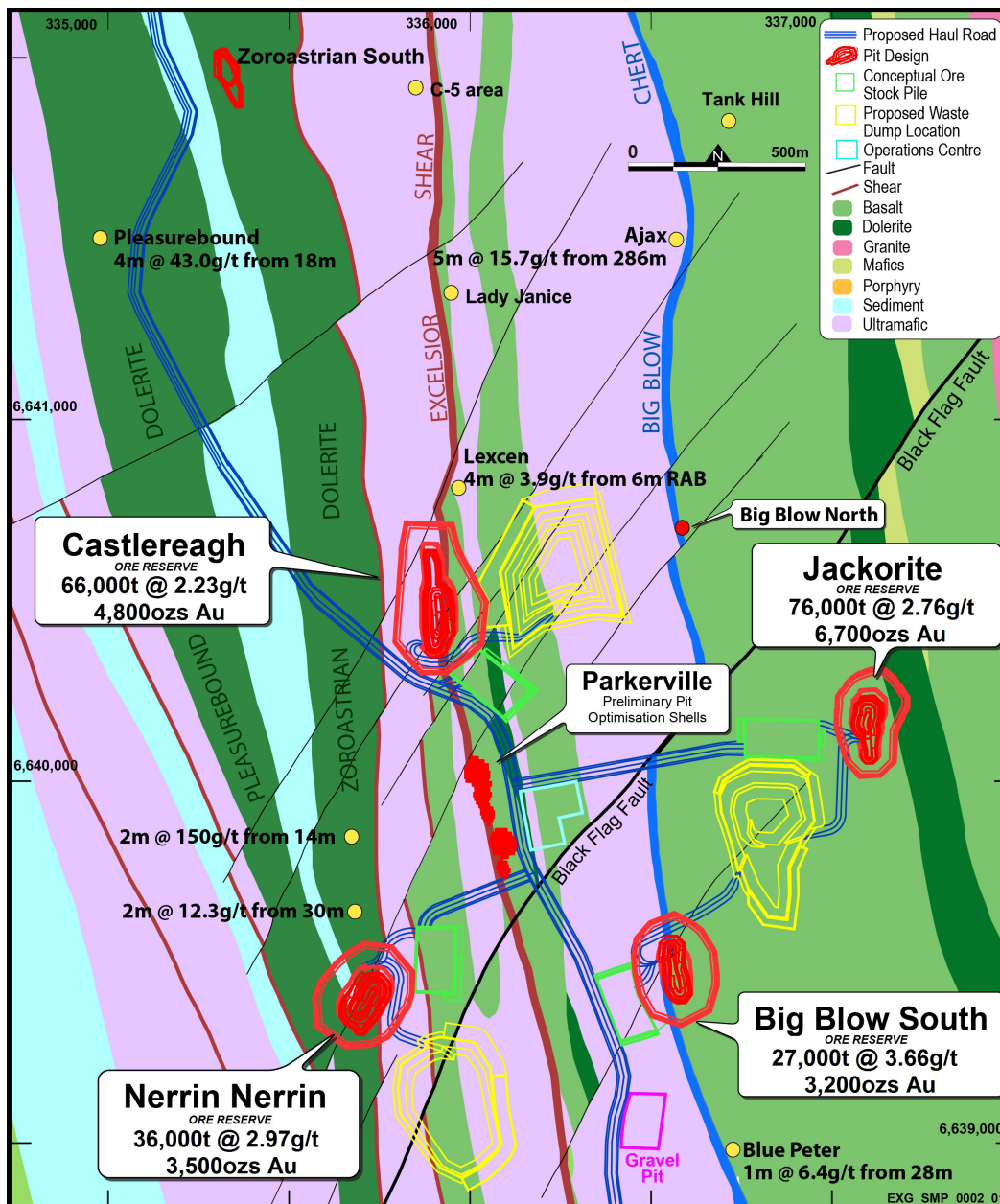
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**Figure 2: Bardoc South Satellite Mining Area**  
showing geology, open pit, waste dump and proposed haul road layout,  
Ore Reserves and neighbouring prospects

#### 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.

# JORC Code, 2012 Edition – Table 1

**Section 1**      **Sampling Techniques and Data – refer ASX announcement 19 February 2014**

**Section 2**      **Reporting of Exploration Results – refer ASX announcement 19 February 2014**

**Section 3**      **Estimation and Reporting of Mineral Resources – refer ASX announcement 19 February 2014**

**Section 4**      **Estimation and Reporting of Ore Reserves (All Deposits)**

(Criteria listed in section 1, and where relevant in sections 2 and 3 for Zoroastrian, Excelsior and Satellite Resources (above), also apply to this section.)

Criteria	JORC Code Explanation	Commentary																																																																																			
Mineral Resource estimate for conversion to Ore Reserves	<ul style="list-style-type: none"><li>Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve.</li><li>Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.</li></ul>	<ul style="list-style-type: none"><li>The Mineral Resources for the Kalgoorlie North Gold Project (KNGP) have been estimated by Mr. David Potter of Excelsior Gold Limited (EXG). These Mineral Resources are inclusive of the area referred to as the Bardoc South Tenements Area Ore Reserves, as outlined below. Given no further Mineral Resources updates have been made to the four deposits, only Section 4 of the Table 1 has been updated for this release. For more information regarding the Mineral Resource estimates, please refer to the prior Table 1 contained in the Excelsior Gold Pre-Feasibility (PFS) release from quarter 1 2014.</li><li>For more information on the Bardoc South Tenements Area please refer to the ASX release “Excelsior Gold Accelerates Development And Production” dated 18 February 2015.</li><li>The following table comprises the Ore Reserves for the selected Bardoc South Tenements Area contained within the Kalgoorlie North Gold Project: Any Mineral Resources are reported as wholly inclusive of the Ore Reserves.</li></ul>																																																																																			
	<table><tr><th colspan="3">KALGOORLIE NORTH ORE RESERVES</th><th colspan="3">PROVEN ORE RESERVE</th><th colspan="3">PROBABLE ORE RESERVE</th><th colspan="3">TOTAL ORE RESERVES</th></tr><tr><th>Deposit</th><th>Tonnes (,000t)</th><th>Grade (g/t Au)</th><th>Ounces (,000oz)</th><th>Tonnes (,000t)</th><th>Grade (g/t Au)</th><th>Ounces (,000oz)</th><th>Tonnes (,000t)</th><th>Grade (g/t Au)</th><th>Ounces (,000oz)</th></tr><tr><td colspan="11">Satellite Ore Reserves</td></tr><tr><td>Jackorite O/P</td><td></td><td></td><td></td><td>76</td><td>2.76</td><td>6.7</td><td>76</td><td>2.76</td><td>6.7</td></tr><tr><td>Castlereagh O/P</td><td></td><td></td><td></td><td>66</td><td>2.23</td><td>4.8</td><td>66</td><td>2.23</td><td>4.8</td></tr><tr><td>Nerrin Nerrin O/P</td><td></td><td></td><td></td><td>36</td><td>2.97</td><td>3.5</td><td>36</td><td>2.97</td><td>3.5</td></tr><tr><td>Big Blow South O/P</td><td></td><td></td><td></td><td>27</td><td>3.66</td><td>3.2</td><td>27</td><td>3.66</td><td>3.2</td></tr><tr><td>Total Ore Reserves</td><td></td><td></td><td></td><td>205</td><td>2.75</td><td>18.1</td><td>205</td><td>2.75</td><td>18.1</td></tr></table>		KALGOORLIE NORTH ORE RESERVES			PROVEN ORE RESERVE			PROBABLE ORE RESERVE			TOTAL ORE RESERVES			Deposit	Tonnes (,000t)	Grade (g/t Au)	Ounces (,000oz)	Tonnes (,000t)	Grade (g/t Au)	Ounces (,000oz)	Tonnes (,000t)	Grade (g/t Au)	Ounces (,000oz)	Satellite Ore Reserves											Jackorite O/P				76	2.76	6.7	76	2.76	6.7	Castlereagh O/P				66	2.23	4.8	66	2.23	4.8	Nerrin Nerrin O/P				36	2.97	3.5	36	2.97	3.5	Big Blow South O/P				27	3.66	3.2	27	3.66	3.2	Total Ore Reserves				205	2.75	18.1	205	2.75	18.1
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Site visits	<ul style="list-style-type: none"><li>Comment on any site visits undertaken by the Competent Person and the outcome of those visits.</li><li>If no site visits have been undertaken indicate why this is the case</li></ul>	<ul style="list-style-type: none"><li>Multiple prior site visits have been carried out by the Competent Person Mr. Daniel Tuffin, an AusIMM Chartered Professional.</li></ul>																																																																																			
Study status	<ul style="list-style-type: none"><li>The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves.</li></ul>	<ul style="list-style-type: none"><li>This is a Feasibility (FS) level of study. The study has been carried out to update the re-aligned goals from those contained in the prior 2014 PFS Ore Reserve, which consisted of the material contained in the Bardoc South Tenements Area being processed in an owner operated mill as part of the larger Kalgoorlie North Gold Project. The current plan is to now process this material, and subsequent materials released for the Bardoc South Tenements Area, through the Norton Goldfield’s (NGF) operated Paddington Mill as part of the joint ore treatment agreement between the two parties.</li></ul>																																																																																			

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	<ul style="list-style-type: none"><li><i>The Code requires that a study to at least Pre-Feasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.</i></li></ul>	<ul style="list-style-type: none"><li>A mine plan has been scheduled that is technically achievable, and is economically viable to the expected detail of FS levels. Although individual deposit discounting and global capital costs have been applied to these works, as yet no comprehensive, detailed global project financial review has been carried out as part of these works.</li><li>Where appropriate modifying factors have been applied to these FS works. These modifying factors have been calculated based on data resulting from independently tendered mining operating costs, vendor-sourced capital cost estimates, independent mining and geotechnical studies, and metallurgical and environmental studies.</li><li>Any material classified as an Inferred Mineral Resource was not included for consideration in as an economic driver during any of the optimisation processes and does not influence the final Ore Reserves calculations.</li></ul>																								
Cut-off parameters	<ul style="list-style-type: none"><li><i>The basis of the cut-off grade(s) or quality parameters applied.</i></li></ul>	<ul style="list-style-type: none"><li>Due to ore haulage transit costs (deposit-to-mill) and lease royalties, multiple economic cut-offs exist per deposit. These economic cut offs are displayed, per weathering zone, in the tables below:</li></ul> <table><tr><th colspan="4">Economic Cut-Offs, Bardoc South Tenements Area (Truncated to 2dp)</th></tr><tr><th>Deposit</th><th>Economic Cut-Off Oxide Material</th><th>Economic Cut-Off Transitional Material</th><th>Economic Cut-Off Fresh Material</th></tr><tr><td>Big Blow South</td><td>0.95</td><td>N/A</td><td>0.95</td></tr><tr><td>Castlereagh</td><td>0.95</td><td>N/A</td><td>0.95</td></tr><tr><td>Jackorite</td><td>0.91</td><td>N/A</td><td>0.91</td></tr><tr><td>Nerrin Nerrin</td><td>0.91</td><td>0.91</td><td>0.91</td></tr></table>	Economic Cut-Offs, Bardoc South Tenements Area (Truncated to 2dp)				Deposit	Economic Cut-Off Oxide Material	Economic Cut-Off Transitional Material	Economic Cut-Off Fresh Material	Big Blow South	0.95	N/A	0.95	Castlereagh	0.95	N/A	0.95	Jackorite	0.91	N/A	0.91	Nerrin Nerrin	0.91	0.91	0.91
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Nerrin Nerrin	0.91	0.91	0.91																							
Mining factors or assumptions	<ul style="list-style-type: none"><li><i>The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design).</i></li><li><i>The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc.</i></li><li><i>The assumptions made regarding geotechnical parameters (e.g. pit slopes, stope sizes, etc), grade control and pre-production drilling.</i></li><li><i>The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate).</i></li></ul>	<ul style="list-style-type: none"><li>Where appropriate modifying factors have been applied to these FS works. These modifying factors have been applied at varying points as required during Whittle optimisation, pit design, scheduling and reporting of Ore Reserves.</li><li>With regards to fleet mining operation costs, studies were firstly carried out to assess the most cost-effective method. A detailed pricing submission process was then carried out. Final costs applied to this process resulted from deposit specific detailed costings provided from two independent mining contractors.</li><li>Standard open pit mining methods using an excavator and truck fleet are employed, assuming double shifting on a continuous basis. The size of the fleet applied for costing and design works was an 85t excavator paired with 40t articulated truck fleet costs and pit design specifications were applied to them.</li><li>In the case of pre-existing historical pits, designs have been created to take into account minimum mining widths to allow mining access at depth.</li><li>Three separate geotechnical case studies (comprising three separate reports) were carried out by independent expert geotechnical firm Peter O'Bryan &amp; Associates as part of the 2014 Pre-Feasibility Ore Reserve works. These studies determined the final FS level design specifications applied to the Bardoc South Tenements Area designs.</li></ul>																								

Criteria	JORC Code Explanation	Commentary
	<ul style="list-style-type: none"> <li><i>The mining dilution factors used.</i></li> <li><i>The mining recovery factors used.</i></li> <li><i>Any minimum mining widths used.</i></li> <li><i>The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion.</i></li> <li><i>The infrastructure requirements of the selected mining methods.</i></li> </ul>	<ul style="list-style-type: none"> <li>A 5% mining dilution was applied.</li> <li>A 97% mining recovery was applied.</li> <li>A minimum pre-goodbye cut mining width of 10m was applied as a crest constraint to the designs.</li> <li>Only the Measured and Indicated portions of the Mineral Resource classified material types were used in the FS optimisation works; while the final designs may contain Inferred material as part of the final material inventory, Inferred material was not utilised as an economic driver and thus not included for consideration for any of Ore Reserve calculations.</li> <li>Any mining infrastructure required has been costed for (via study, price submissions, or quotations) to a Feasibility Study level and either allocated as appropriate directly to mining operating or fixed costs, mining capital, or accounted for in shared site capital costs (such as administration offices).</li> </ul>
<b>Metallurgical factors or assumptions</b>	<ul style="list-style-type: none"> <li><i>The metallurgical process proposed and the appropriateness of that process to the style of mineralisation.</i></li> <li><i>Whether the metallurgical process is well-tested technology or novel in nature.</i></li> <li><i>The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical domaining applied and the corresponding metallurgical recovery factors applied.</i></li> <li><i>Any assumptions or allowances made for deleterious elements.</i></li> <li><i>The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole.</i></li> <li><i>For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet the specifications?</i></li> </ul>	<ul style="list-style-type: none"> <li>The planned treatment of the Bardoc South Tenement Area ore is at the Paddington processing facility, a conventional 3.5Mtpa carbon-in-leach (CIL) plant suitable for regional mineralisation, consisting of primary crusher, SAG mill, pebble crusher, secondary ball mill, gravity recovery, CIL, carbon elution, electrowinning and smelting to produce gold doré.</li> <li>The planned process is a conventional, robust, well tested technology and is appropriate for the lode style of mineralisation in all the Project deposits, as demonstrated by successful treatment of similar regional deposits for 30 years and ore metallurgical test work replicating plant conditions and parameters.</li> <li>Metallurgical test work samples were sourced from diamond drill core holes and Reverse Circulation (RC) chip holes (Jackorite and Big Blow South) drilled in all deposits that have Ore Reserves (excluding Nerrin Nerrin which has had no metallurgical test work conducted to date. The recovery estimation has been made in relation to similar mineralisation of Zoroastrian oxide-transitional material). The metallurgical characterisation test work program on the metallurgical core samples included detailed elemental head grade analysis, gravity and leach recovery test work. Accordingly the samples used for the metallurgical test work is considered representative of the deposits and proposed treatment methodology.</li> <li>The metallurgical characterisation test work program indicated deleterious elements are sufficiently low in content. Agitated leach test work of SMP samples of Big Blow South and Jackorite demonstrated high viscosity with 100% blend at 50% solids in leach. Viscosity impacts were reduced by decreasing leach % solids to 35% for 100% blend test work and operational mitigation would include blending satellite material to reduce leach slurry viscosity.</li> <li>No bulk samples of sufficient quantity for pilot scale test work have been collected or tested. See previous note on metallurgical test work completed to date.</li> <li>The test work discussed above carried out as part of this study predicted varying overall plant gold recoveries, dependent upon deposit type. Each deposit's predicted mill recovery is displayed below: <ul style="list-style-type: none"> <li>Big Blow South: 92.0%</li> <li>Castlereagh: 94.5%</li> <li>Jackorite: 96.4%</li> <li>Nerrin Nerrin: 94.8%</li> </ul> </li> <li>The various Satellite Deposits leach test work was limited to duplicate leach test work at grind sizes ranging from 75 to 106</li> </ul>



Criteria	JORC Code Explanation	Commentary
		<p>micron with recoveries ranging from 92% to 96% over a 24 hour leach residence time.</p> <ul style="list-style-type: none"> <li>To allow for averaging and continuity, a mill recovery of 93% was applied to all deposits during the course of this study.</li> </ul>
Environmental	<ul style="list-style-type: none"> <li><i>The status of studies of potential environmental impacts of the mining and processing operation. Details of waste rock characterisation and the consideration of potential sites, status of design options considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported.</i></li> </ul>	<ul style="list-style-type: none"> <li>Environmental studies have been carried out in conjunction with these works to a detailed level to allow the lodgment of a Mining Proposal (MP) for these areas.</li> <li>These works include flora and fauna surveys, water testing, existing land disturbance surveys, waste rock and tailings sampling, soil analysis, hydrology and native title and heritage surveys and database reviews.</li> <li>Waste Rock Landforms are conservatively designed to take into consideration high proportions of oxide waste and will be rehabilitated as per the license requirements.</li> </ul>
Infrastructure	<ul style="list-style-type: none"> <li><i>The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided, or accessed.</i></li> </ul>	<ul style="list-style-type: none"> <li>The Bardoc South Tenements Area projects are situated close to the historical Bardoc Mining Centre, most recently mined by Aberfoyle Gold Pty Ltd between 1987 and 1991. Prior cleared land, dumps, open pits and underground workings exist throughout the area. The project's location is situated close to the Goldfield-Menzies Highway, meaning power, water, and site access can be easily obtained and/or accessed. The bulk of the site labour is planned to be sourced from, and commute between, the City of Kalgoorlie-Boulder and the Project via this highway.</li> </ul>
Costs	<ul style="list-style-type: none"> <li><i>The derivation of, or assumptions made, regarding projected capital costs in the study.</i></li> <li><i>The methodology used to estimate operating costs.</i></li> <li><i>Derivation of transportation charges.</i></li> <li><i>The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc.</i></li> <li><i>The derivation of assumptions made of metal or commodity price(s), for the principal minerals and co-products.</i></li> <li><i>The source of exchange rates used in the study.</i></li> <li><i>The allowances made for royalties payable, both Government and private.</i></li> <li><i>Allowances made for the content of deleterious elements.</i></li> </ul>	<ul style="list-style-type: none"> <li>Project capital costs are based on: <ul style="list-style-type: none"> <li>Haul road construction cost estimate based on a budget pricing submission from local ore haulage contractor.</li> <li>Haul road crossing costs estimate based on an approved engineered design provided by a locally based engineering firm.</li> <li>Light vehicle and Information Technology (IT) costs are based on vendor quotations.</li> </ul> </li> <li>With regards to fleet mining operation costs, studies were carried out as part of the Pre-Feasibility study. A detailed pricing submission process was carried out. Contractor mining and drill and blast rates from this process were used for the basis of the load and haul and drill and blast cost.</li> <li>Ore haulage transportation charges were applied to all satellite mining operations. Based on assumed haulage routes, they utilise an on-road/off-road ctkm figure (contractor quoted), with the costs then being accounted for as \$/t ore (additional to the processing operating costs) during the optimisation process.</li> <li>Treatment and refining charges are based on current costs associated with the treatment of similar ores at the Paddington Mill as supplied by Norton Gold Fields.</li> <li>All costs are in Australian Dollars. An assumed base gold price of A\$1,380 per gold ounce was applied to the final Bardoc South Tenements Area FS works.</li> <li>N/A all costs are in Australian Dollars.</li> <li>Allowances were made for WA State government royalties; 2.5% of the sale price was reduced as a 'sell cost' upfront during the optimisation works. Specific private royalties have also been included in the FS on an as-required basis.</li> <li>Elemental analysis and metallurgical characterisation test work carried out as part of this study did not show any deleterious elements that would affect process costs. Any PAF material is planned to be placed within the waste dump and fully encapsulated; this process did not add any additional costs for</li> </ul>



Criteria	JORC Code Explanation	Commentary
		the mining process under a volume rate mining contract.
Revenue factors	<ul style="list-style-type: none"> <li><i>The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter returns, etc.</i></li> <li><i>The derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products.</i></li> </ul>	<ul style="list-style-type: none"> <li>The head grade is derived from each individual Mineral Resource and applied Modifying Factors as described above.</li> <li>An assumed base gold price of A\$1,380 per gold ounce was applied to the final study. No doré transport or refining costs were applied.</li> <li>No revenue has been allocated to any possible economically beneficial by-products.</li> </ul>
Market assessment	<ul style="list-style-type: none"> <li><i>The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future.</i></li> <li><i>A customer and competitor analysis along with the identification of likely market windows for the product.</i></li> <li><i>Price and volume forecasts and the basis for these forecasts.</i></li> <li><i>For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract.</i></li> </ul>	<ul style="list-style-type: none"> <li>Gold is a precious metal and thus subject to fluctuations, due principally to market sentiment.</li> <li>EXG will be paid the value of the contained gold in each ore parcel (Recovered Gold Credits) by NGF based on the Gold Recovery Statement derived from the detailed Ore Stockpiling, Sampling and Grade Determination Procedure. NGF will sell the Recovered Gold Credits at the AUD Spot Gold Price as quoted by the Refiner on the business day preceding the delivery of the Gold Recovery Statement.</li> <li>The sell price used for these Bardoc South Tenements Area projects was A\$1,380/oz. The planned volume of production for this portion of the Bardoc South Tenements Area is to supply 205,000t of gold at 2.75g/t to the nearby NGF Paddington Mill.</li> <li>N/A</li> </ul>
Economic	<ul style="list-style-type: none"> <li><i>The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc.</i></li> <li><i>NPV ranges and sensitivity to variations in the significant assumptions and inputs.</i></li> </ul>	<ul style="list-style-type: none"> <li>A discount rate of 10% was applied to the optimisation works.</li> <li>Inputs to the economic analysis include Modifying Factors as described above.</li> <li>Sensitivity studies were carried out. Standard linear deviations were observed.</li> </ul>
Social	<ul style="list-style-type: none"> <li><i>The status of agreements with key stakeholders and matters leading to social licence to operate.</i></li> </ul>	<ul style="list-style-type: none"> <li>All key stakeholder agreements, including Native title and Pastoral Lease holder agreements are in place. The Company has close working relationships with communities and key stakeholders surrounding the Project.</li> </ul>
Other	<ul style="list-style-type: none"> <li><i>To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves:</i></li> <li><i>Any identified material naturally occurring risks.</i></li> <li><i>The status of material legal agreements and marketing arrangements.</i></li> <li><i>The status of governmental agreements and approvals critical to</i></li> </ul>	<ul style="list-style-type: none"> <li>Barring standard economic and/or labour force fluctuations or other unforeseen acts there are no known significant impacts that could affect the Ore Reserves specific to the area.</li> <li>There are no known significant naturally occurring risks to the project.</li> <li>Under the terms of the Bardoc South Ore Treatment Agreement between Paddington Gold Pty Ltd (a wholly owned subsidiary of Norton Gold Fields Limited) and GPM Resources Pty Ltd (a wholly owned subsidiary of Excelsior Gold Limited), dated 17 February 2015, Norton agrees to process up to 400,000 tonnes of ore from the Bardoc South deposits over a period up to end December 2015. Excelsior Gold will be responsible for all of the mining operations whilst Norton will be responsible for haulage and milling of the ore.</li> <li>All current deposits are located on granted Mining Leases and mining will be subject to the DMP approval process. There are no</li> </ul>

Criteria	JORC Code Explanation	Commentary
	<p><i>the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent.</i></p>	<p>currently identified grounds upon which it is likely that mining approvals will be withheld; all MP's and clearing permits have been submitted for review.</p>
<b>Classification</b>	<ul style="list-style-type: none"> <li><i>The basis for the classification of the Ore Reserves into varying confidence categories.</i></li> <li><i>Whether the result appropriately reflects the Competent Person's view of the deposit.</i></li> <li><i>The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any).</i></li> </ul>	<ul style="list-style-type: none"> <li>Indicated Mineral Resources have been converted to Probable Ore Reserves. As no Measured Mineral Resources exist for this section of the Bardoc South Tenements Area there has been no conversion of Mineral Resources to Proven Ore Reserves</li> <li>The estimated Ore Reserves are, in the opinion of the Competent Person, appropriate for this style of deposit.</li> <li>No Measured Mineral Resources existed. Thus none were downgraded to Probable Ore Reserves</li> </ul>
<b>Audits or reviews</b>	<ul style="list-style-type: none"> <li><i>The results of any audits or reviews of Ore Reserve estimates.</i></li> </ul>	<ul style="list-style-type: none"> <li>No external audits or reviews have taken place. Auralia Mining Consulting has completed an internal review of this Ore Reserve estimate.</li> </ul>
<b>Discussion of relative accuracy/ confidence</b>	<ul style="list-style-type: none"> <li><i>Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate.</i></li> <li><i>The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.</i></li> <li><i>Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage.</i></li> <li><i>It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.</i></li> </ul>	<ul style="list-style-type: none"> <li>The level of study carried out as part of this Ore Reserve is to a Feasibility Study level. The relative accuracy of the estimate is reflected in the reporting of the Ore Reserves as per the guidelines re: modifying factors, study levels and Competent Persons contained in the JORC 2012 Code.</li> <li>This statement relates to global estimates of tonnes and grade.</li> <li>It should be noted that for all deposits the optimal cash flow revenue factor (RF1) shell was selected on which to base final pit designs.</li> <li>Sensitivity studies were carried out. Standard linear deviations were observed. Globally, the project is susceptible to fluctuations in gold price, and processing costs.</li> <li>No relevant modern production data as yet exists.</li> </ul>