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ASX Market Announcements
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Exchange Centre
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Execution of Paddington Ore Treatment Agreement

Excelsior Gold Limited (“Excelsior Gold” or the “Company”) is pleased to announce that the execution of the Capital Contribution and Ore Treatment Agreement (“Agreement”) with Norton Gold Fields Limited (“Norton”) (ASX:NGF) relating to a long-term milling allocation at the Paddington Mill has occurred.

Pursuant to the Agreement, Norton agrees to process 500,000 tonnes of ore per annum over a period of 5 years and Excelsior Gold was granted options to extend the annual allocation on a yearly basis for a further five years, providing a cumulative allocation of up to 5 million tonnes. Excelsior Gold may receive higher annual throughput rates of up to 650,000 tonnes per annum, dependent on demonstrating favourable metallurgical characteristics of the Kalgoorlie North Gold Project (“KNGP”) ore and there being availability in the Paddington milling schedule.

Excelsior Gold is responsible for all of the mining operations whilst Norton will be responsible for haulage and milling of ore. The amount of contained gold derived from the Company’s ore is calculated via a robust grade determination and gold recovery procedure prior to blending and processing of KNGP ore at the Paddington Mill. Payment for milling will be based on an open book, cost plus structure. Milling of the KNGP ore is expected to commence from 1 January 2016, or earlier as maybe agreed by the parties.

The Agreement is conditional upon Excelsior Gold obtaining finance sufficient to fund its share of the capital required to upgrade and refurbish the Paddington Mill, capped at \$12.5 million, as well as obtaining all necessary regulatory approvals for mining activities and facilitate haulage of ore to the Paddington Mill. Excelsior Gold is working with its engineers and consultants to finalise mine plans for submission by the end of the year for potential commencement of mining during the second half of 2015.

Excelsior Gold’s Managing Director, Mr David Hamlyn, said: “The Agreement signifies a major milestone for the Company and its shareholders as we march towards production and generate near-term cash flow without significant shareholder dilution. Mining of the Zoroastrian deposit will also significantly elevate our understanding of the gold veining system and geology within the project area, which will then drive further exploration success for Excelsior Gold.”

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Second Tranche Convertible Loan Facility

Excelsior Gold is also pleased to announce that it has reached an agreement with Macquarie Bank Limited to extend the drawdown date of the second tranche \$2 million convertible loan facility ("Facility") to 27 February 2015. All other terms and conditions of the Convertible Loan Agreement remain unchanged.

As announced on 29 September 2014, completion of the recent \$2 million capital raising provides Excelsior Gold with sufficient working capital to complete a majority of the development drilling and engineering studies well into year 2015. The extension of drawdown date allows Excelsior Gold to better manage its capital requirements during the development phase, especially when the Company is finessing open pit mine designs and cost structure on the back of highly competitive definitive mining cost submissions.

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

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