



18 February 2015

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



ASX Code: EXG

EXCELSIOR GOLD ACCELERATES DEVELOPMENT AND PRODUCTION

Excelsior Gold Limited ("Excelsior Gold" or the "Company") is pleased to announce that it has executed a separate ore treatment agreement with Norton Gold Fields Limited ("Norton") (ASX:NGF) to accelerate development and production from satellite deposits located within the Bardoc South Tenements area ("Bardoc South Ore Treatment Agreement" or "Agreement").

Subject to regulatory approvals, Excelsior Gold is targeting commencement of mining operations in the June Quarter 2015 for delivery of ore to the Paddington Mill for processing in June/July 2015.

Pursuant to the Bardoc South Ore Treatment Agreement, Norton agrees to process up to 400,000 tonnes of ore from the satellite deposits over a period of approximately six months. Excelsior Gold will be responsible for all of the mining operations whilst Norton will be responsible for haulage and milling of the ore.

The amount of contained gold derived from the Company's ore will be calculated via a robust grade determination and gold recovery procedure prior to blending and processing of ore at the Paddington Mill. Payment for milling will be based on an open book, cost plus structure.

The Bardoc South Tenements which form part of the southern portion of the Kalgoorlie North Gold Project, were previously a divestment from the Paddington Operations (*refer Figure 1*). Norton has the first right to treat ore mined from within the Bardoc South Tenements area and is entitled to a 2% net smelting royalty for gold produced.

There are 11 defined resources situated within the Bardoc South Tenements area which contain total Indicated and Inferred resources of 3.59 million tonnes grading 1.70g/t Au for 195,800 ounces (*refer ASX announcement dated 26 November 2014*). Excelsior Gold will prioritise the mining of selected satellite deposits to maximise return and cash flow.

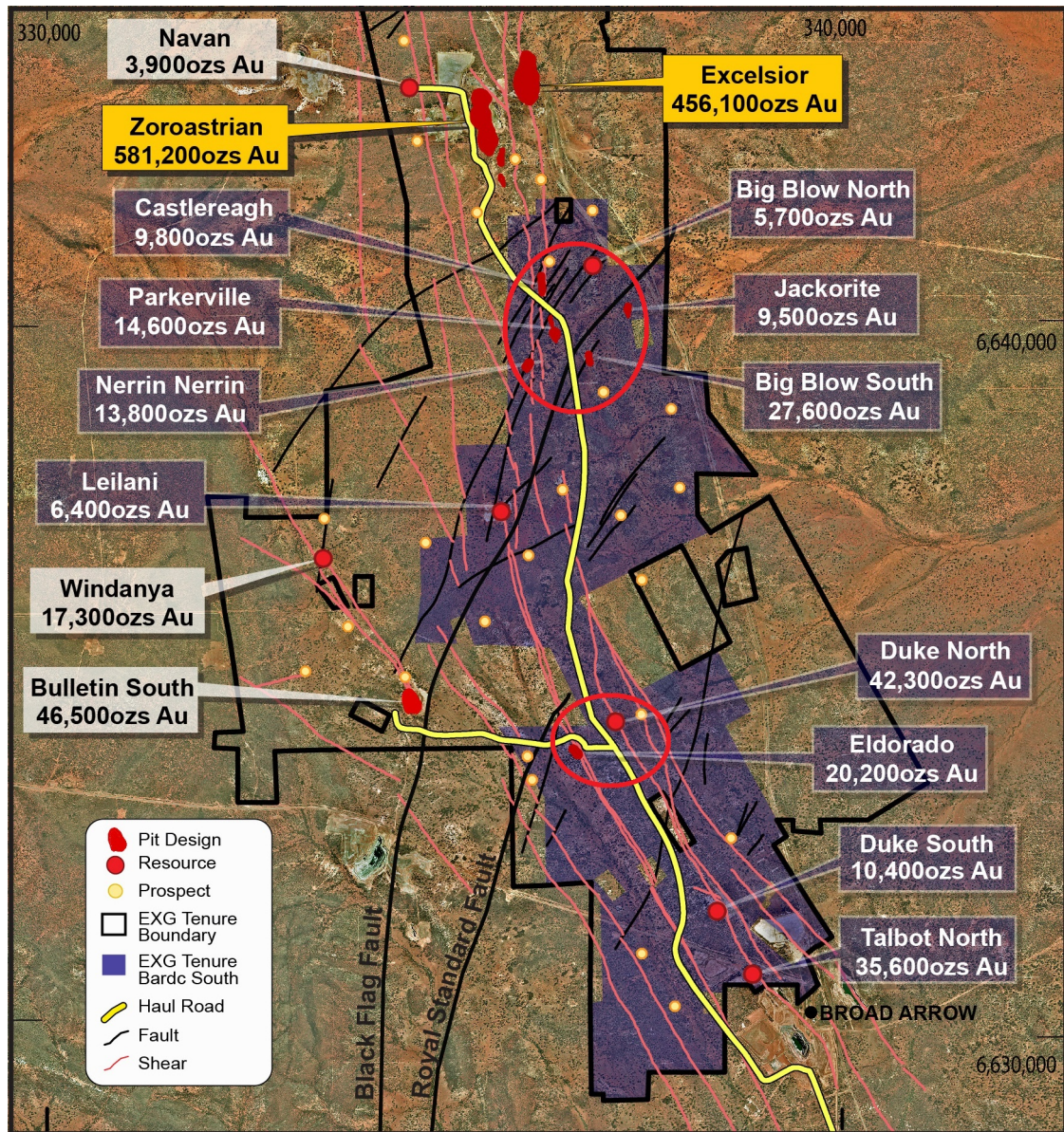


Figure 1: Bardoc South Tenements Area (shaded) and Satellite Resources showing proposed mine development areas (circled) and proposed haul road

The Bardoc South Ore Treatment Agreement is separate to the Capital Contribution and Ore Treatment Agreement and therefore does not require any upfront capital payment to Norton and the Paddington Mill. The Agreement is conditional upon Excelsior Gold obtaining all necessary regulatory approvals for mining activities and haul road construction.

It is anticipated that the construction of haul road, site establishment and mobilisation of mining equipment will commence immediately upon granting of the final approval for mining activities.

Excelsior Gold's Managing Director, Mr David Hamlyn, said: "Signing of the Bardoc South Ore Treatment Agreement signifies a major milestone for the Company. It will enable the Company to bring production forward by six months and to take advantage of the recent rally in Australian dollar gold price. Excelsior Gold will continue to de-risk its Kalgoorlie North Gold Project by systematically mining a series of the smaller deposits to provide cash flow for the development of the larger Bulletin South and Zoroastrian mines in 2016."

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

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