6th August 2012

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

ASX Code: EXG

Kalgoorlie North Gold Project Resource Upgrade

Highlights:

- **Zoroastrian resources increases by 79,500oz Au to 2.24 million tonnes @ 2.9g/t Au for 209,000ozs**

- **First pass mine optimisation at Zoroastrian favours large open pit mine development and a 500% increase in potential open pit resources ounces from 28,500ozs to 174,500ozs**

- **Big Blow South resource increases ounces by 166% to 124,000 tonnes @ 5.48g/t Au for 21,800ozs**

- **Jackorite resource classification upgrade to 82% indicated.**

- **Parkerville maiden resource of 149,000 tonnes @ 1.73g/t Au for 8,300ozs**

- **Total Kalgoorlie North Gold Project resources increased to 16.7 million tonnes @ 1.61g/t Au for 868,500ozs**

- **Reverse circulation and diamond drilling re-commences at Zoroastrian to increase and improve resource status.**

- **Pre-feasibility study scope extended to assess economic potential of stand alone processing plant.**

Excelsior Gold Limited is pleased to advise that following the drilling programs completed in July 2012 at the Company's 100% owned Kalgoorlie North Gold Project, total Measured, Indicated and Inferred gold resources have been increased to *(refer Table 5, page 10)*

16.7 million tonnes @ 1.61g/t Au for **868,500 ounces** at 0.6 and 3.0g/t Au lower cut-offs

The new resource represents a 13% increase in total Project contain gold ounces and it is predominately driven by a major expansion of the potentially open pittable resources at the Zoroastrian deposit supplemented by a new maiden resource at the Parkerville prospect and an almost threefold increase in the resources at Big Blow South.
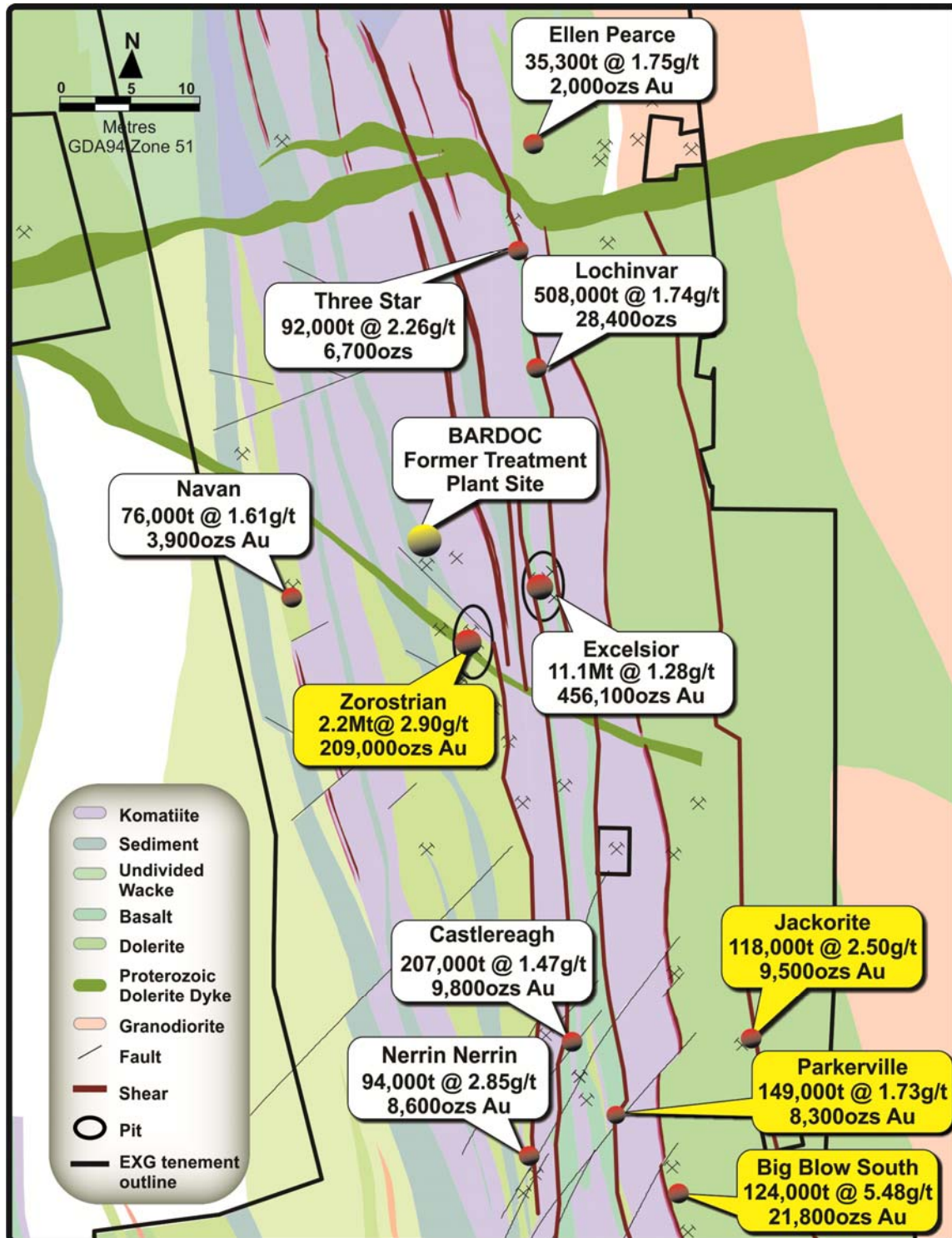

Figure 1. Kalgoorlie North Project – Central Resource Area Geological Plan
(showing updated resource areas in yellow)

Zoroastrian

The drilling results from the thirty five hole reverse circulation drilling program conducted at Zoroastrian in June and July 2012 delineated strong gold mineralisation on the Birthday Dream, Royal Mint and associated structures on the western margin of the Zoroastrian Dolerite. The drilling also intersected the high grade structures extending below and to the south of the pit in the Zoroastrian South area.

The drilling was restricted to a vertical depth of 220 metres over 600 metres of the total interpreted strike length of approximately two kilometres of the mineralised system and when incorporated into a new resource model the extensions to the mineralisation resulted in an increase of 60% in the Zoroastrian resource ounces. Total resources at Zoroastrian are

2,243,800 tonnes @ 2.9g/t Au for 209,000 ounces

The resource update is subdivided into deeper zones potentially amendable to underground mining (calculated at a lower cut >3g/t Au) and shallower, less than 100 metres vertical depth, mineralisation which presents initial open pit mining opportunities modelled at a lower cut-off grade of 0.6g/t Au (*refer Table 1*).

MODEL	LOWER CUT-OFF (g/t Au)	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	**0.6**	674,800	3.08	66,800	1,375,300	2.44	107,800	**2,050,100**	**2.65**	**174,600**
Under-ground	**3.0**	27,700	8.27	7,400	165,900	5.08	27,100	**193,600**	**5.53**	**34,400**
TOTAL		**702,600**	**3.28**	**74,200**	**1,541,200**	**2.72**	**134,900**	**2,243,800**	**2.90**	**209,000**

Underground potential modelled @ nominal true width > 1.2m with variable top-cuts
Rounding errors may occur

Table 1. Zoroastrian Resource Summary

Preliminary mining reviews based on now superseded shallow resources of 472,000t @ 1.9g/t Au for 28,800ozs and a deeper high grade resource of 454,000t @ 6.9g/t Au for 100,900ozs indicated both open pit and underground mining potential at Zoroastrian (*refer to EXG ASX announcement 15 May 2012*).

A first pass open pit optimisation study on the combined previous shallow and deeper high grade resources and utilising conservative current economic optimisation parameters, demonstrates large open pit mine potential for the deposit. The resultant first pass pit shell (*refer Figure 2*) extends to a vertical depth of approximately 150 metres and over 900 metres along strike. The initial optimisation indicates that an open pit on the deposit could potentially consume most of the defined shallower resource and a significant portion of the high grade vein mineralisation beneath and to the south of the existing open pit.

As a result a large portion of the previous "underground" potential resource has been reclassified into the "open pit" resources. This has resulted in a 240% increase in resource tonnes, a 43% reduction in grade but an overall 61% increase in contained gold. There

remains significant potential for an underground operation below the pit shell and to the south as well as further resource growth potential within and outside the modelled area.
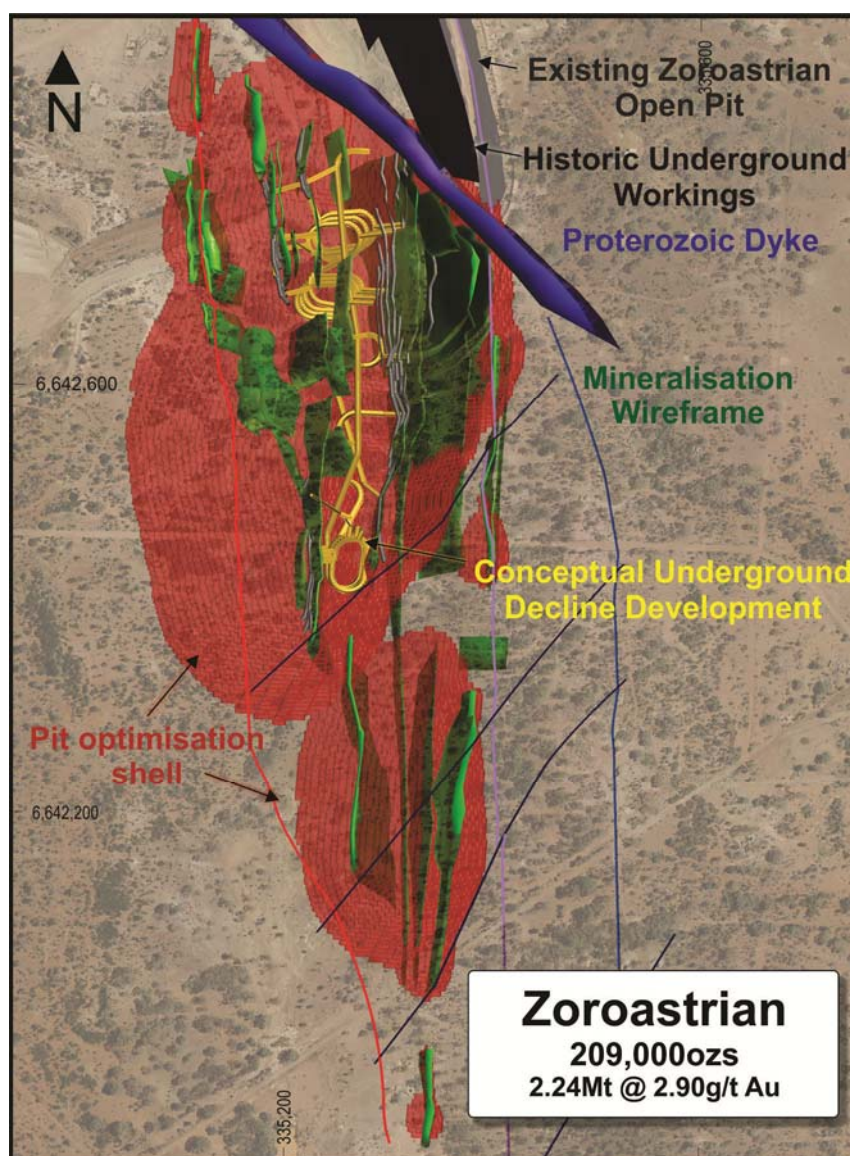

Figure 2. Zoroastrian Conceptual and First Pass Mine Development Options

The large open pit and high grade underground mine potential at Zoroastrian has a very positive impact on the development plans for the Kalgoorlie North Project. The pre-feasibility study initiated in January 2012 was based on open pit mining of resources centred on the Excelsior deposit (**11.1Mt @ 1.28g/t Au** for **456,000ozs**) located 300 metres to the east of Zoroastrian and nearby satellite resources with potential toll treatment processing at nearby treatment facilities.

The update of the Zoroastrian resource and in particular the large tonnage open pit potential warrants immediate review of the scope and timing of the pre-feasibility study. Excelsior Gold commenced further resource expansion and metallurgical drilling at Zoroastrian this week and will initiate open pit and underground mining studies during August. The option of

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re-establishing a standalone processing facility on the old Bardoc mill site located immediately north of Zoroastrian is also under review.
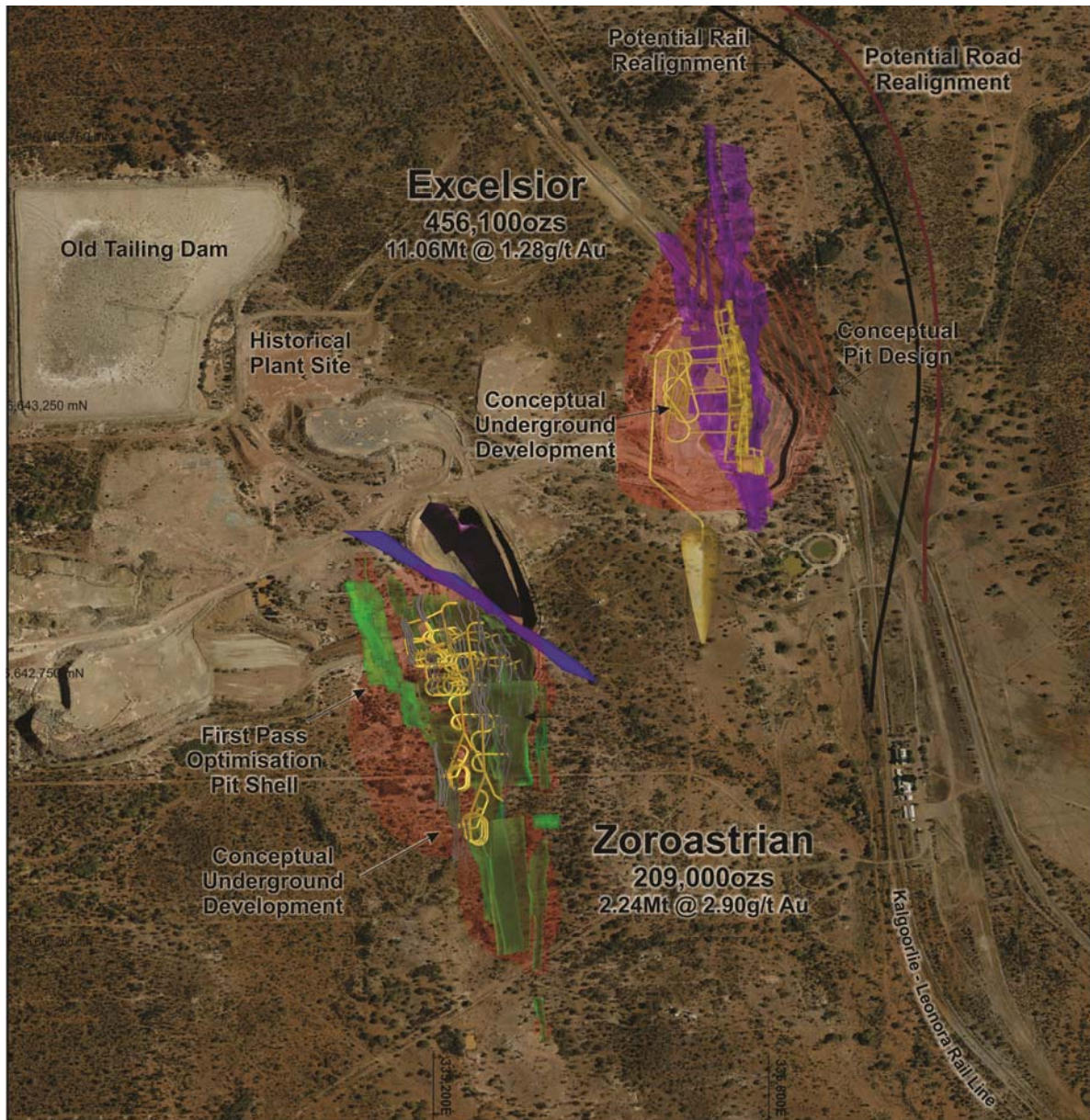

Figure 3. Zoroastrian and Excelsior Conceptual and First Pass Mine Development Plan

Disclaimer

The conceptual underground mining studies were carried out by Auralia Mining Consulting Pty Ltd and are based on the Indicated and Inferred JORC Resources as outlined in Table 5. The subsequent material inventory resulting from this work does not constitute or imply Mineable Reserves. The estimates and beliefs applied in undertaking the conceptual mining studies, 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 studies refers solely to potential and does not guarantee that future work will result in the determination of Minable Reserves.

Jackorite

The new resource model, incorporating results from the recent drilling at the Jackorite prospect, located approximately 3.1 kilometres south west of the Excelsior deposit, produced an increase of 18% in the total resource ounces. Indicated and Inferred resources are

117,850 tonnes @ 2.50g/t Au for 9,470 ounces at 0.6g/t Au lower cut-off

The drilling also enable a significant proportion (82%) of this resource to be upgraded to Indicated resource classification under the JORC code.

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)
0.6g/t Au	**88,800**	**2.73**	**7,800**	**29,100**	**1.79**	**1,700**	**117,900**	**2.50**	**9,500**
1.0g/t Au	83,700	2.84	7,700	22,500	2.07	1,500	106,200	2.68	9,200

Table 2. Jackorite Resource Summary

Within the Jackorite prospect, the gold is associated with a sigmoidal quartz filled shear that strikes North/South with a moderate to steep westerly dip. Very high grade gold appears to be associated with "flattening" of the shear and a NW structure. The gold mineralisation has been modelled over a strike of 300 metres and to a vertical depth of 65 metres and remains open to the north and down plunge.

Big Blow South

Big Blow South is located 3.7 kilometres south of the Excelsior Deposit and high grade gold mineralisation is hosted within a porphyry unit intruded on the contact between the Big Blow Chert and underlying ultramafics.

Total Big Blow South gold resource is

123,900 tonnes @ 5.48g/t Au for **21,825 ounces** at 3.0g/t Au lower cut-off

And represents a 166% increase in contained ounces compared to the previous resource and also an improvement in resource category with 29% of the above resource now classified as Indicated.

Wide spaced drilling has intersected significant gold mineralisation over 520 metres of strike to a maximum vertical depth of 320 metres. Due to drill spacing the resource model is restricted to just 280 metres of this strike to a maximum vertical depth of 165 metres.

The new resource is considered to be highly significant as it demonstrates primary, high grade gold mineralisation persists at depth along the Big Blow Trend which is a stratigraphic marker horizon within the Bardoc Tectonic Zone (BTZ) and is traceable over 25 kilometres of strike within the Kalgoorlie North tenements.

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)
1.0g/t Au	49,700	4.53	7,200	131,100	4.23	17,800	180,800	4.31	25,100
3.0g/t Au	**36,600**	**5.34**	**6,300**	**87,300**	**5.54**	**15,500**	**123,900**	**5.48**	**21,800**
5.0g/t Au	20,600	6.44	4,300	356,900	6.33	11,600	77,500	6.36	15,900

17.0g/t Au top-cut

Table 3. Big Blow South Resource Summary

Parkerville

The Parkerville prospect is located approximately 3.1 kilometres south of the Zoroastrian deposit and represents one of the many prospects at Kalgoorlie North that contain significant gold intercepts requiring further assessment.

Recent drilling confirmed the results from historical drilling which had intersected shallow (less than 20m vertical depth) supergene gold mineralisation over approximately 300 metres of strike.

The calculated maiden total Parkerville resource is

149,340 tonnes @ 1.73g/t Au for 8,330 ounces at 0.6g/t Au lower cut-off

The Company will now undertaken optimisation studies to determine the economic potential of the gold mineralisation which remains open along strike and at depth.

The initial drilling was limited in depth to testing for potentially open pittable, oxide gold mineralisation and it did not follow up deeper historical primary intercepts which include **5m @ 28.7g/t Au from 40m** (BRC034), **5m @ 15.7g/t Au from 130m** (BCDD001) and **15m @ 3.80g/t Au from 96m** (BCRC018).

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)
0.6g/t Au	**97,100**	**1.90**	**5,900**	**52,300**	**1.42**	**2,400**	**149,300**	**1.73**	**8,300**
1.0g/t Au	60,200	2.57	5,000	33,900	1.77	1,900	94,200	2.28	6,900

Table 4. Parkerville Resource Summary

The Company has initiated further drilling, metallurgical and engineering studies into the various possible scenarios available to develop the Project.

Excelsior Gold is progressing open pit mining proposals for the satellite resources within the central Excelsior/Zoroastrian area and at the El Dorado prospect to the south west and will review the development plans for the large deposits at Excelsior and Zoroastrian in light of the substantial resource potential and various mining options available.

The Zoroastrian open pit first pass review indicated that there is potential for an approximate three year mine life open pit, based on all the JORC material types delineated in the previous combined resources and applying a 750,000tpa mill constraint. The Zoroastrian grades appear to support a large strip ratio and the base case pit shell engulfs the current proposed Royal Mint and Birthday Dream small mining projects and a substantial portion of the conceptual underground material.

The Excelsior underground first pass review indicates that there is potential for an approximate three year production mine life preceded by approximately 10 to 12 months of capital development based on a 750,000tpa mill constraint. Pending geotechnical confirmation, the mineralised zone appears suited to a bulk underground mining method that would be required to maximise the mining inventory. The underground development proposal also negates the requirement to divert the Kalgoorlie-Leonora rail line and the Goldfields Highway as would be required to maximise the open pit potential of the deposit.

Assessment of the economic potential of constructing a new processing plant at the Kalgoorlie North Project is warranted.

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

Excelsior Gold Limited
David Hamlyn
Managing Director
T: + 61 8 9335 7770
E: dhamlyn@excelsiorgold.com.au

David Potter
Technical Director
T: + 61 8 9335 7770
E: admin@excelsiorgold.com.au

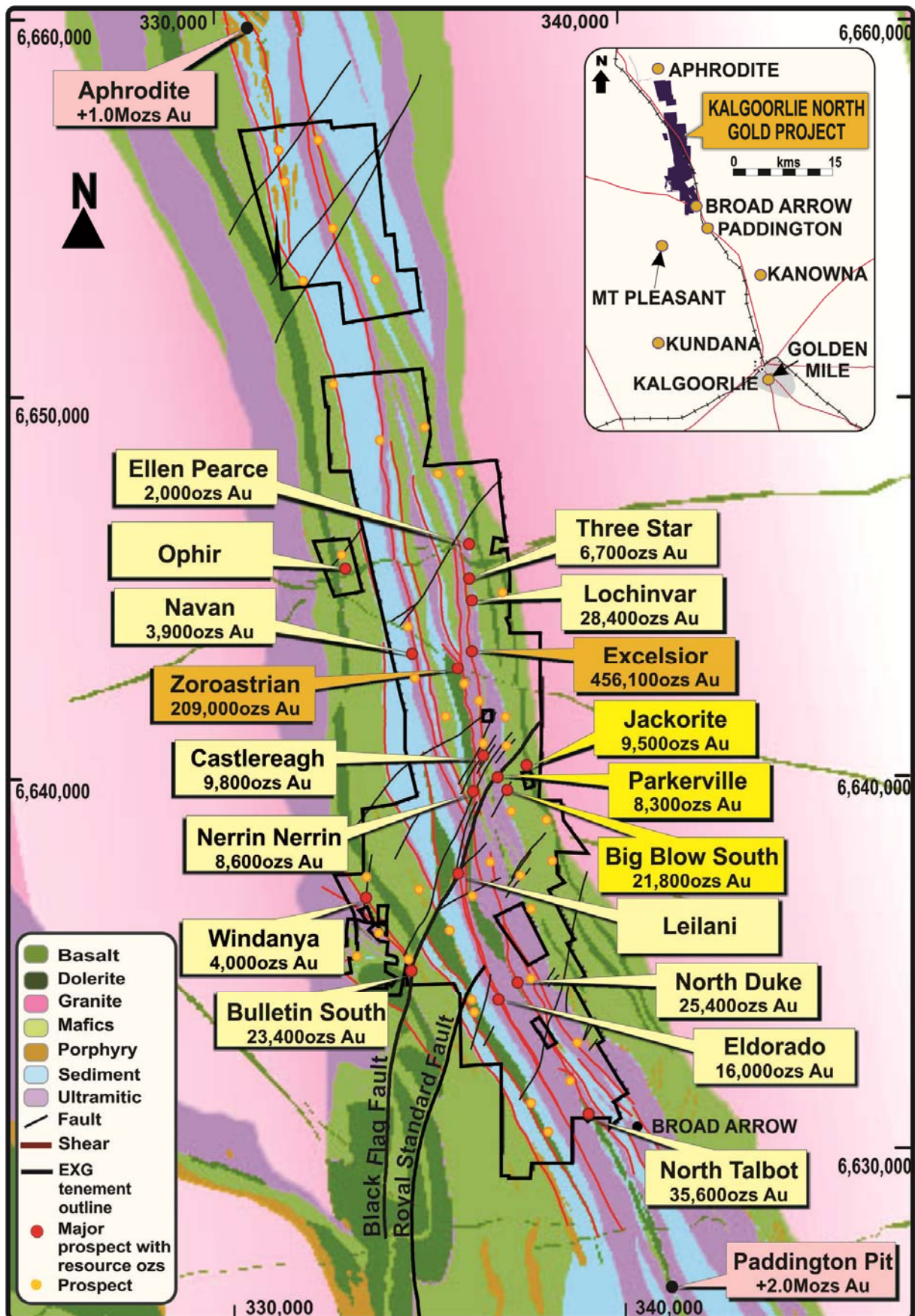**Figure 3. Kalgoorlie North Gold Project Prospect Location Plan**
Tenements, Resource Targets and Neighbouring Significant Gold Deposits
Showing previously announced resource ounces @ 0.6g/t Au lower cut and upgraded resource areas highlighted

KALGOORLIE NORTH GOLD RESOURCES		MEASURED			INDICATED			INFERRED			TOTAL RESOURCES		
Deposit	Cut-Off (g/t Au)	Tonnes (,000t)	Grade (g/t Au)	Ounces (,000oz)	Tonnes (,000t)	Grade (g/t Au)	Ounces (,000oz)	Tonnes (,000t)	Grade (g/t Au)	Ounces (,000oz)	Tonnes (,000t)	Grade (g/t Au)	Ounces (,000oz)
Excelsior	0.6	5,175	1.40	232.2	3,230	1.20	124.9	2,652	1.16	99.0	11,057	1.28	456.1
Zoroastrian (U/G)	3.0				28	8.27	7.4	166	5.08	27.1	194	5.53	34.4
Satellite Resources (within 4km radius of Excelsior)													
Zoroastrian (O/P)	0.6				675	3.08	66.8	1,375	2.44	107.8	2,050	2.65	174.6
Lochinvar	0.6				448	1.74	25.1	60	1.70	3.3	508	1.74	28.4
Three Star	0.6							92	2.26	6.7	92	2.26	6.7
Ellen Pearce	0.6							35	1.75	2.0	35	1.75	2.0
Navan	0.6							76	1.61	3.9	76	1.61	3.9
Jackorite	0.6				89	2.73	7.8	29	1.79	1.7	118	2.50	9.5
Castlereagh	0.6				194	1.48	9.2	13	1.29	0.5	207	1.47	9.8
Nerrin Nerrin	0.6							94	2.85	8.6	94	2.85	8.6
Parkerville	0.6				97	1.90	5.9	52	1.42	2.4	149	1.73	8.3
Big Blow South	3.0				37	5.34	6.3	87	5.54	15.5	124	5.48	21.8
Total Satellite Resources					1,539	2.45	121.1	1,913	2.48	152.4	3,453	2.46	273.5
Other Resources (greater than 4km from Excelsior)													
Eldorado	0.6							252	1.97	16.0	252	1.97	16.0
North Talbot	0.6							662	1.67	35.6	662	1.67	35.6
North Duke	0.6							706	1.12	25.4	706	1.12	25.4
Bulletin South	0.6							363	2.01	23.4	363	2.01	23.4
Windanya	1.0							42	3.00	4.0	42	3.00	4.0
Total Other Resources								2,024	1.60	104.4	2,024	1.60	104.4
TOTAL RESOURCES		5,175	1.40	232.2	4,797	1.64	253.4	6,756	1.76	382.9	16,728	1.61	868.5

Table 5: Kalgoorlie North Project Resource Inventory *(August 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 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 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.

APPENDIX – Zoroastrian 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 52 gold bearing lodes of varying dimensions and orientations within the system have been identified of which 47 were used to calculate resources. These lodes were broken down into those that could possibly be best exploited by underground methods (14) and those that could possibly be best exploited by open pit methods (38).

The open pit (OP) mineralisation wireframes were digitised at a nominal lower cut of 0.6g/t Au with a final composite grade of 2m greater than 1g/t. The total volume of these wireframes was 579,490 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 but low gold grades (<0.1g/t Au). 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 852,307 bank cubic metres.

Within the modelled area, 469 aircore, reverse circulation and diamond drill holes totalling 32,112.6 metres of drilling have been completed within an area of approximately 1,100 metres (north) x 400 metres (east) down to a maximum depth of 230 metres 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 80m.

A total of 1,767 one metre composited gold assay results were used in the estimation. Over gold grades were obtained either using a standard fire assay extraction with an AAS or ICP MS analysis or 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.

Block model extents and panel sizes_UG

Entire Model	Minimum	Maximum	Panel Size	Number of panels	sub-blocking
Easting	334,900	335,500	2	301	4
Northing	6,641,800	6,643,000	5	241	2
Elevation	180	440	5	53	2

Block model extents and panel sizes_OP

Entire Model	Minimum	Maximum	Panel Size	Number of panels	sub-blocking
Easting	334,900	335,500	2	301	2
Northing	6,641,800	6,643,000	5	241	2
Elevation	180	440	5	53	4

Table 6: Empty Block Model Dimensions

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 Zoroastrian pit. The density data assigned was Laterite =1.6t/m³, 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 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*

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 8% of the total 39,793 OP modelled blocks were classified as Measured and reclassified to Indicated, 26% as Indicated (total Indicated 40%) and 52% as Inferred. A further 7% of the modelled blocks was unclassified and are not reported in the JORC resource.

Approximately 3% of the total 89,501 UG modelled blocks were classified as Measured and reclassified to Indicated, 12% as Indicated (total Indicated 12%) and 75% as Inferred. A further 13% of the modelled blocks was unclassified and are not reported in the JORC resource.

After initial optimisation studies 60% of the UG modelled blocks were reclassified as OP blocks and reported at a 0.6g/t Au lower cut due to having potential for open pit extraction.

Other Resources modelling process

The resource modelling for Parkerville, Jackorite and Big Blow South followed a similar procedure as to that used for Zoroastrian.

Final models were all based on Ordinary Krigging with multiple search ellipsoids and run criteria used to reflect the different lode characteristics within each deposit.