

6 June 2017

ASX Market Announcements



ASX Code: EXG

Hedging Closed Out and Market Update

Excelsior Gold Limited (**ASX: EXG**) ("Excelsior Gold") is pleased to advise the completion of its "out of the money" gold forward hedge commitments (delivery at A\$1,556.70/ounce) leaving production now favourably exposed to the higher spot gold price.

Production remains on schedule to complete all debt repayments by the end of July (*ASX announcement 28 April 2017*).

Mining production for May met the scheduled volumes and processing is expected to be on budget, with reconciled mining and milling numbers for May due in a couple of weeks. The remaining mine production from the Zoroastrian Central Open pit is expected to produce 13,000 - 15,000 ounces of gold.



Figure 1: Zoroastrian Central Open Pit looking North mining on the 352Mrl. Mining is planned to the 320mRL

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The mining strip ratio continues to fall as 70,000t of transitional / fresh ore is scheduled to be removed from the pit in June. 65kt are scheduled to be processed between the Lakewood Mill and Paddington Mill. The estimated grade for treatment in June is 2.5g/t. Mining continues on day shift only to ensure the ore is excavated in the most precise manner possible while blast hole drilling is being carried out on both day shift and night shift to ensure continuity of ore supply and the fastest possible maximum cash flow is realised.

The low-cost work programs focusing on exploration target generation external to known resources are due for completion during the June quarter. The field work has been completed with final reporting for the reprocessing/reinterpretation of geophysical datasets, in-pit and drillcore structural mapping, spectral mapping and litho-geochemical analysis to be received this month. Although this work is in its compilation phase, preliminary observations confirm this work is progressing towards a robust model of the Zoroastrian vein system within the mine environment and importantly, the application of this model to the regional framework.

This work is building a solid foundation for exploration target generation, with exploration drilling scheduled to commence in August.

For further information visit www.excelsiorgold.com.au or contact **Excelsior Gold Limited**

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