



ASX Code: EXG

25 July 2018

Quarterly Activities Report Period Ended 30 June 2018

Key Points

- **EXCELSIOR GOLD AND SPITFIRE TO MERGE, CREATING +2Moz CONSOLIDATED JORC RESOURCE.**
- **Resource update - Total KNGP Mineral Resource base is 14.76Mt at 1.7g/t Au for 825,000 contained gold ounces.**
- **Field activities focused on finding the game changer.**
- **Cash balance of \$4.5 million at quarter end with no debt.**
- **The focus for the coming quarter will be on the successful merger of SPI and EXG.**

Excelsior Gold Limited (**ASX: EXG**) ("the Company" or "Excelsior") is pleased to present its Quarterly Activities Report for the period ended 30 June 2018. The Company's focus during the quarter was on finalising the drilling of the Zoroastrian deposit, the geological modelling of both the Zoroastrian and Excelsior projects and the due diligence and drafting of documents associated with the proposed merger with Spitfire Materials Ltd.

Financial

During the June 2018 quarter, expenditure was \$1.2 million, of which \$1M was for exploration (including exploration staff costs), resulting in a cash balance of \$4.5M at quarter end (\$5.7M as at 31 March 2018).

EXG SPI Merger

Excelsior Gold Limited (ASX: EXG) (Excelsior) and Spitfire Materials Limited (ASX: SPI) (Spitfire) have signed a Merger Implementation Agreement (MIA) (*see ASX announcement 25 June 2018 Spitfire and Excelsior Gold to merge, creating +2Moz consolidated JORC resource*) to combine the companies by way of a court-approved Scheme of Arrangement. The merger will create a leading ASX-listed gold company with an attractive diversified portfolio of exploration and development assets and a clear pathway to production in the highly prospective North Kalgoorlie region of Western Australia. The merger will allow the two companies to realise the strong synergies that exist between their neighbouring North Kalgoorlie gold projects, located 35-70km north of Kalgoorlie in Western Australia along the highly prospective Bardoc Tectonic Zone within an almost contiguous land-holding of ~200km².

Excelsior Gold Limited

ABN 38 123 629 863

Address: Unit 2, 124 Stirling Highway, North Fremantle, Western Australia 6159

Postal: PO Box 520, North Fremantle, Western Australia 6159

Telephone: 08 9335 7770 **Facsimile:** 08 9335 6231

The merged entity will have a combined Indicated and Inferred Mineral Resource inventory of over 2.1Moz, providing the critical mass required to accelerate development plans with the aim of becoming a recognised mid-tier gold producer.

The merged entity plans to embark immediately on a Pre-Feasibility Study (PFS) of the combined Kalgoorlie North gold projects and Aphrodite, providing the foundation for a Definitive Feasibility Study (DFS) aimed at fast-tracking the creation of a substantial new WA gold production hub near Kalgoorlie.

Post-merger, the Board of the merged entity will be comprised of three members from each of the current Spitfire and Excelsior Boards. The Non-Executive Chairman of the merged entity's Board will be current Excelsior Chairman Mr David Hatch, Mr John Young will remain as Managing Director, Mr Neil Biddle and Mr Rowan Johnston will be Executive Directors whilst Mr Sam Randazzo will join current Spitfire Chairman Mr Peter Buttigieg as Non-Executive Directors of the merged entity.

Excelsior's Managing Director, Mr Rowan Johnston, said:

"This may be one of the few 'one plus one equals three' scenarios in the WA gold sector, as the synergies between the two companies are exceptional. There is no doubling up of management or Board skills, the two companies will blend seamlessly into one, and the leases adjoin each other – which means no duplication of infrastructure or site personnel. So, essentially this merger will result in one project, one office and one board with over 2.1Moz in resource and the critical mass to potentially generate a meaningful production profile."

"By achieving the critical mass and scale to support production, the merged entity will be in a great position to deliver superior returns to our shareholders, with a clear growth pipeline through exploration success and/or future M&A opportunities. The combined leases provide a clear pathway to near-term production, as well as a significantly enhanced exploration portfolio through an extensive and consolidated land-holding covering the highly prospective Bardoc Tectonic Zone."

"We believe that the upgraded resources at Zoroastrian and Excelsior, when combined with the Aphrodite Project, will form the basis of a new standalone mine plan that will support a long-term gold business in the North Kalgoorlie region. At the same time, we are progressing a concerted exploration campaign to test our highly prospective land-holding for new gold deposits and will continue to do so throughout the merger implementation process."

KNGP Mineral Resource Update

After several months of drilling and geological modelling, the Zoroastrian Gold Deposit open pit Indicated and Inferred Resource now stands at 4.78Mt at 2.0g/t Au for 314,000 contained gold ounces. A total of 77% of the Zoroastrian Gold Deposit open pit Mineral Resource reports to the higher confidence Indicated category. The Zoroastrian deposit remains open at depth and mining studies will more accurately establish the optimal crossover between open pit and underground mining. This work is ongoing, and the Company remains confident that a significant portion of the KNGP Indicated Mineral Resource will convert to Ore Reserves.

After a geological review, the Excelsior Gold Deposit lode system was remodelled and constrained within a A\$2,700 pit shell. The open pit Indicated and Inferred Resource now stands at 6.25Mt at 1.4g/t Au for 273,000 contained gold ounces, with 84% of the Excelsior Gold Deposit open pit Mineral Resource reporting to the higher confidence Indicated category.

The total KNGP Mineral Resource base is 14.76Mt at 1.7g/t Au for 825,000 contained gold ounces (*see ASX announcement 22 May 2018 KNGP Mineral Resource Update*).

The updated open pit Mineral Resource estimates for both the Zoroastrian and Excelsior deposits are reported above a 0.6g/t Au cut-off and are constrained within an A\$2,700/oz optimisation shell (Table 1).

Table 1: KNGP Mineral Resource statement as at May 2018

KALGOORLIE NORTH GOLD RESOURCES		MEASURED			INDICATED			INFERRED			TOTAL RESOURCES			Original ASX
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				5,144	1.39	230	1,103	1.2	43	6,247	1.4	273	22-May-18
Zoroastrian (O/P)	0.6				3,590	2.1	242	1,196	1.9	71	4,786	2.0	314	22-May-18
Zoroastrian (U/G)	2.5				100	4.1	13	251	4.0	32	351	4.0	45	22-May-18
Zoroastrian (Total)					3,690	2.2	255.5	1,447	2.2	103	5,137	2.2	359	
Lochinvar	0.6				448	1.7	25	60	1.7	3	508	1.7	28	19-Feb-14
Nerrin Nerrin	0.6				74	2.4	6	107	2.4	8	181	2.4	14	15-Nov-13
Ophir	0.6							75	1.9	5	75	1.9	5	11-Dec-13
Vettersburg South	0.6							552	1.5	26	552	1.5	26	11-Dec-13
Eldorado	0.6				362	1.6	19	31	1.4	1	393	1.6	20	9-May-13
Talbot North *	0.6							662	1.7	36	662	1.7	36	31-Mar-10
Bulletin South	0.6	38	1.9	2	482	2.3	35	125	2.4	10	645	2.3	47	23-Jan-17
Windanya	0.6							360	1.5	17	360	1.5	17	11-Dec-13
Total Other Resources		38	1.9	2.3	1,366	1.9	85	1,971	1.7	106	3,375	1.8	193	
TOTAL RESOURCES		38	1.9	2	10,200	1.7	570	4,521	1.7	252	14,759	1.7	825	

* This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

-Differences may occur due to rounding.

-The Zoroastrian and Excelsior open pit resources are reported within an A\$2,700 per ounce gold price pit shell. The Bulletin South Open Pit resource is reported within an A\$2,750 per ounce gold price pit shell.

-Other resources are reported above applicable depths below surface. The Company confirms that it is not aware of any new information or data that materially affects the resource estimates and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed.

Open pit and underground mining studies are progressing in advance of the Ore Reserve estimate, this work is expected to be extended past the previously stated end of July. There has been an increase in activity in the industry and access to mining costs from contractors and design reviews coupled with the ongoing work involved in the merger preparation is likely to see the ore reserve update being delayed until post merger.

Exploration

Following the March 2018 Quarter activities, which were focussed on resource infill and conversion, June 2018 Quarter field activities shifted back to drill testing for new discoveries and “game changers”. By the end of the quarter, the first pass Aircore program has been completed, which included some testing of historical anomalies. About 20% of the assays have been received with no significant results to date and in the coming weeks the remaining results are expected along with the processed diamond core from the EIS drilling, (see ASX announcement 7 June 2018 KNGP Field Activities Now Focused on Exploration).

The WA State Government EIS co-funded exploration drilling program over the Longsleeve area (refer ASX release 18 December 2017) was designed to test the parallel dolerite unit to the west of the Zoroastrian dolerite. Based on the geological findings from the previous deep diamond hole at Thompsons prospect (KND170002), Excelsior designed a 5-hole drilling program (750m of RC and 1,600m of diamond) at Longsleeve, of which the State Government through the EIS program will fund 50% of the direct drilling costs. During the quarter the first 3 holes were completed (refer to ASX announcement “KNGP Progress Update” 17 April 2018), with core logging now complete and assaying underway. Once assays have been received for

the most recently completed 3 diamond drill holes, a separate announcement will be made to report on the findings.

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

Rowan Johnston
Managing Director
T: + 61 8 9335 7770
E: admin@excelsiorgold.com.au

Project Background

The Kalgoorlie North Gold Project is located 30 to 55 kilometres north of Kalgoorlie in Western Australia and covers 96 square kilometres of tenements over 22 kilometres of strike of the Bardoc Tectonic Zone greenstone belt. Total KNGP Mineral Resource base is 14.76Mt at 1.7g/t Au for 825,000 contained gold ounces.

Qualifying Statement

This report 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.

Competent Person Statement – Exploration Results:

Information in this announcement that relates to exploration results is based on information compiled by Mr. Bradley Toms who is the Exploration Manager of Excelsior Gold Limited. Mr. Toms 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. Toms consents to the inclusion in the document of the information in the form and context in which it appears.

Competent Person Statements – Mineral Resources:

Information in this announcement that relates to the Zoroastrian Mineral Resource results is based on information compiled by Mr. Ross Whittle-Herbert who is an employee of Excelsior Gold Limited. Mr. Whittle-Herbert 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. Whittle-Herbert consents to the inclusion in the document of the information in the form and context in which it appears.

Information in this announcement that relates to the Bulletin South Mineral Resource results is based on information compiled by Mr. Patrick Adams who is a Director of Cube Consulting Pty Ltd. Mr. Adams is a Fellow of the AusIMM (CP) and 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. Adams consents to the inclusion in the document of the information in the form and context in which it appears.

Information in this announcement that relates to other Mineral Resource results is based on information compiled by Mr Bradley Toms who is a full-time employee of Excelsior Gold Limited. Mr Toms 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 he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" for the Group reporting. Mr Toms consents to the inclusion in this announcement of the matters based on this information in the form and context in which it appears.

TENEMENT SCHEDULE

TENEMENT	REGISTERED HOLDER	BENEFICIAL OWNER
WESTERN AUSTRALIA – KALGOORLIE NORTH GOLD PROJECT		
L24/148	GPM Resources Pty Ltd	GPM (100%)
L24/202	GPM Resources Pty Ltd	GPM (100%)
L24/203	GPM Resources Pty Ltd	GPM (100%)
L24/209	GPM Resources Pty Ltd	GPM (100%)
L24/223	GPM Resources Pty Ltd	GPM (100%)
M24/11	GPM Resources Pty Ltd	GPM (100%)
M24/43	GPM Resources Pty Ltd	GPM (100%)
M24/83	GPM Resources Pty Ltd	GPM (100%)
M24/96	GPM Resources Pty Ltd	GPM (100%)
M24/99	GPM Resources Pty Ltd	GPM (100%)
M24/121	GPM Resources Pty Ltd	GPM (100%)
M24/122	GPM Resources Pty Ltd	GPM (100%)
M24/135	GPM Resources Pty Ltd	GPM (100%)
M24/244	GPM Resources Pty Ltd	GPM (100%)
M24/326	GPM Resources Pty Ltd	GPM (100%)
M24/405	GPM Resources Pty Ltd	GPM (100%)
M24/420	GPM Resources Pty Ltd	GPM (100%)
M24/469	GPM Resources Pty Ltd	GPM (100%)
M24/498	GPM Resources Pty Ltd	GPM (100%)
M24/510	GPM Resources Pty Ltd	GPM (100%)
M24/512	GPM Resources Pty Ltd	GPM (100%)
M24/854	GPM Resources Pty Ltd	GPM (100%)
M24/869	GPM Resources Pty Ltd	GPM (100%)
M24/870	GPM Resources Pty Ltd	GPM (100%)
M24/871	GPM Resources Pty Ltd	GPM (100%)
M24/886	GPM Resources Pty Ltd	GPM (100%)
M24/887	GPM Resources Pty Ltd	GPM (100%)
M24/888	GPM Resources Pty Ltd	GPM (100%)
P24/4587	GPM Resources Pty Ltd	GPM (100%)
M24/364	GPM Resources Pty Ltd	GPM (100%)
M24/487	GPM Resources Pty Ltd	GPM (100%)
M24/133	GPM Resources Pty Ltd	GPM (100%)
M24/134	GPM Resources Pty Ltd	GPM (100%)
M24/348	GPM Resources Pty Ltd	GPM (100%)
M24/471	GPM Resources Pty Ltd	GPM (100%)
M24/491	GPM Resources Pty Ltd	GPM (100%)
M24532	GPM Resources Pty Ltd	GPM (100%)
M24/889	GPM Resources Pty Ltd	GPM (100%)
M24/890	GPM Resources Pty Ltd	GPM (100%)
M24/891	GPM Resources Pty Ltd	GPM (100%)
M24/892	GPM Resources Pty Ltd	GPM (100%)
M 24/951	GPM Resources Pty Ltd	GPM (100%)
M 24/952	GPM Resources Pty Ltd	GPM (100%)
M24/146	GPM Resources Pty Ltd	GPM (100%)
M24/395	GPM Resources Pty Ltd	GPM (100%)
M24/955	GPM Resources Pty Ltd	GPM (100%)
M24/942	GPM Resources Pty Ltd (95%) Denzle Schorer (5%)	GPM (95%), Schorer (5%)
M24/943	GPM Resources Pty Ltd	GPM (100%)
P24/4757	Silvertree Nominees	GPM (80%), Silvertree (20%)
P24/4758	Silvertree Nominees	GPM (80%), Silvertree (20%)

TENEMENT	REGISTERED HOLDER	BENEFICIAL OWNER
M24/956	GPM Resources Pty Ltd	GPM (100%)
M24/400	GPM Resources Pty Ltd	GPM (100%)
M24/429	GPM Resources Pty Ltd	GPM (100%)
P24/4445	GPM Resources Pty Ltd	GPM (100%)
P24/4446	GPM Resources Pty Ltd	GPM (100%)
P24/4447	GPM Resources Pty Ltd	GPM (100%)
P24/4449	GPM Resources Pty Ltd	GPM (100%)
M24/950	GPM Resources Pty Ltd	GPM (100%)
P24/4626	GPM Resources Pty Ltd	GPM (100%)
P24/4627	GPM Resources Pty Ltd	GPM (100%)
P24/4628	GPM Resources Pty Ltd	GPM (100%)
P24/4816	GPM Resources Pty Ltd	GPM (100%)
P24/4821	GPM Resources Pty Ltd	GPM (100%)
P24/4822	GPM Resources Pty Ltd	GPM (100%)
P24/4823	GPM Resources Pty Ltd	GPM (100%)
P24/4824	GPM Resources Pty Ltd	GPM (100%)
P24/4825	GPM Resources Pty Ltd	GPM (100%)
P24/4826	GPM Resources Pty Ltd	GPM (100%)
P24/4832	GPM Resources Pty Ltd	GPM (100%)
P24/4833	GPM Resources Pty Ltd	GPM (100%)
P24/4840	GPM Resources Pty Ltd	GPM (100%)
P24/4857	GPM Resources Pty Ltd	GPM (100%)
P24/4858	GPM Resources Pty Ltd	GPM (100%)
P24/4859	GPM Resources Pty Ltd	GPM (100%)
P24/4860	GPM Resources Pty Ltd	GPM (100%)
P24/4861	GPM Resources Pty Ltd	GPM (100%)
P24/4886	GPM Resources Pty Ltd	GPM (100%)
P24/4887	GPM Resources Pty Ltd	GPM (100%)
P 24/5060	GPM Resources Pty Ltd	GPM (100%)
P 24/5061	GPM Resources Pty Ltd	GPM (100%)
P 24/5109	GPM Resources Pty Ltd	GPM (100%)
P 24/5252	GPM Resources Pty Ltd	GPM (100%)
P 24/5253	GPM Resources Pty Ltd	GPM (100%)
P 24/5254	GPM Resources Pty Ltd	GPM (100%)

LEGEND

Silvertree
GPM

Silvertree Nominees Pty Ltd
GPM Resources Pty Ltd – wholly owned subsidiary of Excelsior Gold Limited (EXG)