



excelsiorgold
LIMITED

21 October 2015

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



ASX Code: EXG

Company Update

Excelsior Gold Limited (“Excelsior”, ASX: EXG) is rapidly transitioning to becoming a gold producer, with first production expected in December 2015. Excelsior is one of the few ASX-listed gold developers with a clear, de-risked path to near term production.

A new investor presentation is attached to this announcement which outlines a compelling investment case and highlights the potential for a significant market re-rating. A summary of Excelsior’s investment highlights and path to production is provided below.

Investment highlights:

- 100% owner of the Kalgoorlie North Gold Project
- Gold production commencing in December 2015 – permits in place and site works commenced
- Transitioning from a developer to a producer – significant potential for re-rating
- Excelsior’s operations are located at the centre of the recent wave of gold M&A
- New ore treatment agreement removes upfront capital requirement for Excelsior
- Attractive base case NPV of A\$46m from 5 defined resource areas
- Significant development and production upside from 22 defined resource areas to date and over 60 additional significant gold occurrences
- Staged development unlocks upside with minimal shareholder dilution
- Tier 1 team assembled with proven success in operating gold mines

Path to production:

- Mine site infrastructure establishment (*October 2015*)
- Mobilisation of fleet (*November 2015*)
- Open pit mining at Bardoc South (*November 2015*)
- Ore processing (*December 2015*)
- Maiden gold production (*December 2015*)
- Ongoing drilling at Zoroastrian (*December 2015*)

Managing Director David Hamlyn said: *“The next two months represent an exciting time for Excelsior as we make the transition to a gold producer. We have substantially reduced funding risk with the recent new ore treatment agreement and the Macquarie funding package. We have also minimised construction delivery risk with a milling partnership agreed with our world class infrastructure partner, Zijin. Excelsior is now in the optimal position to unlock the significant potential of the Kalgoorlie North Gold Project and reward our loyal shareholders.”*

Excelsior Gold Limited ABN 38 123 629 863

Address: Unit 2, 124 Stirling Highway, North Fremantle WA 6159 **Postal:** PO Box 520, North Fremantle WA 6159

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



COMPANY UPDATE

October 2015

ASX: EXG





Investment highlights

THE NEXT WA GOLD PRODUCER

Advanced project

— 100% owner of the emerging **Kalgoorlie North Gold Project**

Near term cash flow

— **Gold production commencing** in 2015

Strategic location

— **Australia's most prolific gold region – Kalgoorlie**

Low capex processing route

— New milling agreement has **minimised funding and construction** delivery risk

Attractive valuation

— Attractive base case NPV, **with significant upside**

Substantial upside

— **Staged development unlocks upside with minimal shareholder dilution**

Team to deliver

— **Tier 1 team assembled** with proven success in operating gold mines



Company overview

A PREMIER NEAR TERM GOLD PRODUCTION OPPORTUNITY ON THE ASX

Project overview

Flagship Kalgoorlie North Gold Project (“KNGP”, **100% EXG**)

First gold production in 4Q 2015

Capital-lite development model with Macquarie funding package

Significant production upside from 22 resource areas (with only 5 used in base case development)

Financial information

Share price (19-Oct-15) **A\$0.073**

Number of shares¹ **490.4m**

Market capitalisation **A\$35.8m**

Cash (19-Oct-15) **A\$1.3m**

Debt (19-Oct-15) **A\$4.0m**

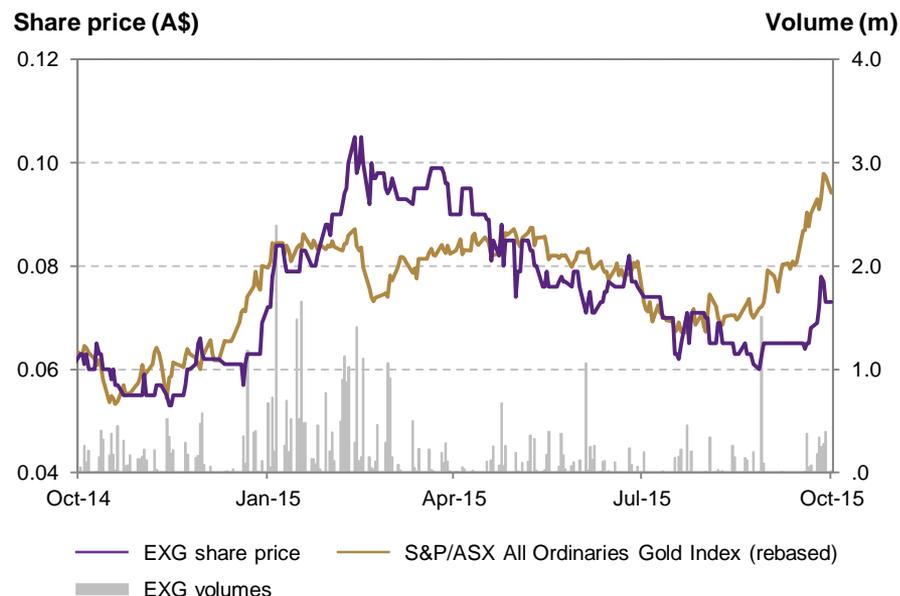
Source: IRESS, company filings

Notes:

¹ Excludes 43.5m unlisted options on issue (exercise price A\$0.092, expiry date Dec-15)

Top shareholders

Private European investors	21.2%
Institutional investors	3.4%
Board and Management	7.3%
<i>Top 20 shareholders</i>	<i>59.1%</i>





Board and management

STRONG TECHNICAL BOARD WITH EXTENSIVE EXPERIENCE WITHIN THE WESTERN AUSTRALIAN GOLDFIELDS



Peter Bird

Non-Executive Chairman

Geologist and Corporate Finance

- 20+ years of operational and corporate experience with strong understanding of company analysis
- Previously a leading broking analyst for the gold sector and held senior executive roles with Newcrest Mining (ASX: NCM) and Normandy Mining
- Also Managing Director of Heemskirk Consolidated (ASX: HSK)



David Hamlyn

Managing Director

Geologist

- Geologist with a broad range of exploration, mine management and corporate experience
- Has held senior exploration and management positions with a number of companies throughout Australia, including the Kalgoorlie region



David Potter

Executive Director

Geologist

- 18 years experience across a broad range of commodities including extensive gold exploration and mine development experience in the Eastern Goldfields
- Recently acted as a resource consultant to a number of mining companies
- Brings a strong background in resource and finance modelling of resource deposits



Nicholas Ong

Executive Director & Company Secretary

Finance and Compliance

- Previously acted as a Principal Adviser at the Australian Stock Exchange in Perth with 10+ years experience in corporate governance and listing rules compliance
- Member of Chartered Secretary Australia and has a MBA from University of Western Australia



Mine management

MINE MANAGEMENT TEAM HAS SIGNIFICANT WESTERN AUSTRALIAN GOLDFIELDS EXPERIENCE

David Hamlyn – *Managing Director*

- 38 years exploration, mine management and corporate experience
- 10 years mine management experience in multi-open pit gold mining and processing projects in Kalgoorlie region

Duncan Coutts – *Consulting Mining Engineer*

- 23 years of operational, technical and managerial resource industry experience
- Former CEO of Kimberly Metals Group and GM development roles at Galaxy Resources and Metals X
- Former COO for Harmony Gold Ltd 2004-2007

Randell Ford – *Mine Manager*

- Significant operational experience across multiple commodities and jurisdictions
- Former mine manager at South Kal Operations, Black Swan and Thunderbox

Hayden Parry – *Mine Geology Superintendent*

- Senior mine geologist roles across the WA goldfields, China and Fiji
- Former Chief Mine Geologist at the Caijiaying Zn-Pb Mine in China



Significant senior operational experience

Jubilee Gold Operations (*General Manager*)

Mt Pleasant Gold Project (*Manager, Mine Geologist, Senior Mining Engineer*)

Lady Bountiful Gold Operations (*Registered Manager*)

South Kal Operations (*Mine Manager, Mine Geology Superintendent*)

Homestead Mine (*Senior Underground Mine Geologist*)

Sunrise Dam (*Mine Geologist*)

Bullant (*Mine Geologist*)

Kanowna Belle (*Mine Geologist*)

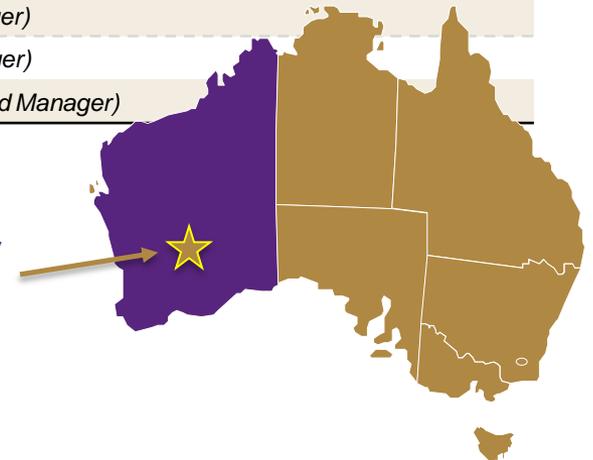
St Ives (*Mine Geologist*)

Nimbus (*Operations Manager*)

Carosue Dam (*Mine Manager*)

Wannaway Ni (*Underground Manager*)

**Exceptional WA
goldfields senior
management
experience**





KNGP overview

KNGP HAS A PRIME ADDRESS IN THE WA GOLDFIELDS AND HAS SIGNIFICANT RESOURCE EXPANSION POTENTIAL

- 134km² of granted mining tenements
- Surrounded by multi-million ounce deposits
- Intersection of major mineralised structures
 - Bardoc Tectonic Zone (“BTZ”)
 - Black Flag Fault (“BFF”)
 - N and NE intersecting shears hosting widespread gold mineralisation
- Over 90 significant gold occurrences
 - 22 defined resource areas to date
 - Base case development exploits only 5 of these resources areas

Project location





Substantial gold endowment

RECENT UNDERGROUND MINE RE-DESIGN HAS UPGRADED ORE RESERVE AND PROJECT ECONOMICS

- Completed open pit and underground mine re-design in September 2015
 - Start-up gold reserves increased to 296koz
 - Mill recovered gold of 273koz
 - Base Case NPV increased to A\$46m
 - Base Case IRR increased to 188%
 - Base Case C3 cost reduced to A\$1,219/oz
- Demonstrated successful low cost resource discovery and capacity for large deposits
 - Major mineralised structural settings and close to infrastructure for low capital cost development

Ore reserve (September 2015)

AREA	TONNES (kt)	GRADE (g/t)	GOLD (koz Au)
Jackorite ¹	76	2.76	6.7
Castlereagh ¹	66	2.23	4.7
Big Blow South ¹	27	3.66	3.2
Zoroastrian Central ¹	1,176	1.88	70.9
Zoroastrian Extension ²	20	4.57	3.3
Zoroastrian South (north pit) ²	60	1.56	2.8
Zoroastrian South (south pit) ²	60	2.09	3.9
Bulletin South ¹	458	2.14	31.6
Total open pits	1,943	2.04	127.1
Zoroastrian underground²	1,435	3.65	169.3
Total ore reserves	3,378	2.72	296.4

Source: Zoroastrian underground ore reserve update (4 September 2015)

Note:

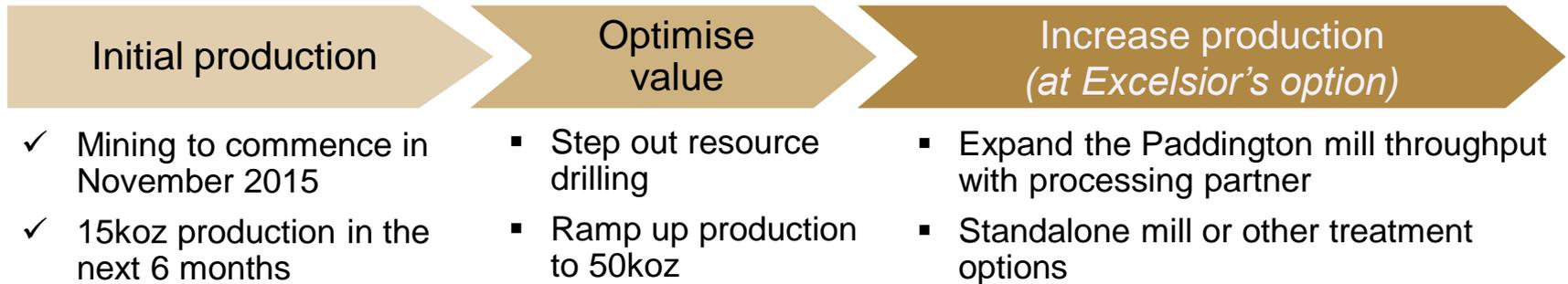
1 Auralia Mining Consulting Pty Ltd

2 Mining Plus Pty Ltd



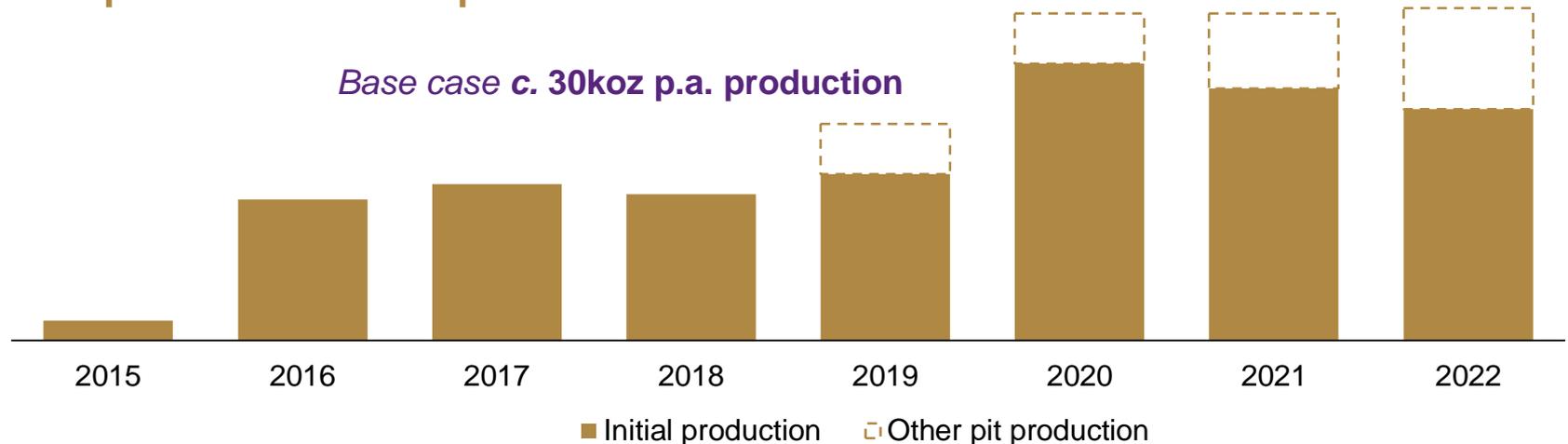
The KNGP blueprint

REALISING THE FULL POTENTIAL OF KNGP WITH MINIMAL SHAREHOLDER DILUTION



KNGP production build-up

Potential upside to 50koz+ p.a. production

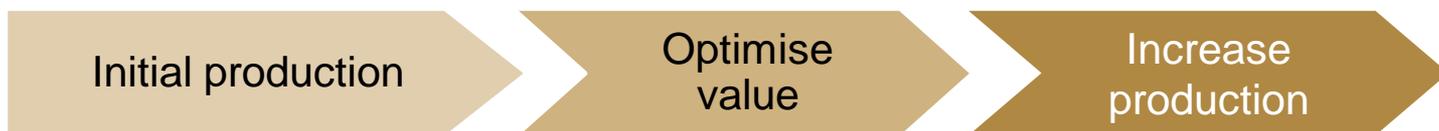


Source: KNGP Feasibility Study



Low capex funding model

FUNDING SIGNIFICANTLY DE-RISKED THROUGH A CAPITAL-LITE DEVELOPMENT MODEL



Funding requirement

A\$6.0m for working capital requirements
A\$4.0m to repay existing loan

Repayment of facility
Satellite exploration

Develop additional deposits
Excelsior open pit restart
Further exploration success

Funding solution

Base case KNGP project funding package

A\$7.5m Macquarie Project Loan, call grant and gold hedge facilities
Equity, subordinated debt and/or existing cash reserves

Project cash flows

Processing arrangements
Project cash flows



Milling Partnership with Zijin

MILLING PARTNERSHIP HAS BEEN STRUCTURED TO ACCELERATE CASH FLOW DELIVERY AND MAXIMISE VOLUMES THROUGH THE PLANT

- **Project partnership rather than tolling agreement (high volumes, lower treatment costs)**
- **Lower capital requirement** and accelerates production
- Utilising larger plants provides scale benefits – **lower treatment costs and operating expertise**
- Excelsior retains 100% project ownership – **maximise exploration upside**

Ore Treatment Agreement

*December 2015+
(for 5.8 years, plus 5
yearly options)*

- Long term milling allocations at Paddington Mill
- 500-650ktpa for initial 2.9mt
- Average life of mine annual production profile of 37koz
- Potential to increase to 50koz+ p.a with underground production (from 2019)



Feasibility Study economics

KNGP FEASIBILITY STUDY DEMONSTRATES HIGHLY ATTRACTIVE BASE CASE ECONOMICS

KNGP Base Case fundamentals

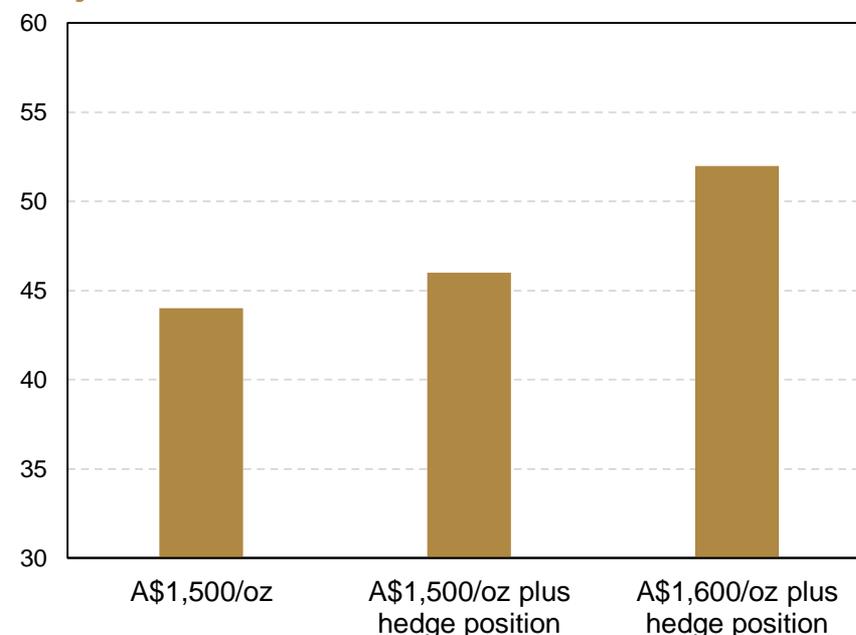
Total ore milled (mt)	3.37
Average grade (g/t)	2.74
Mill recovery (%)	92
Total recovered (koz)	273
Life of Mine average production (koz p.a)	37
Capex and working capital (A\$m)	6.0
Mine life (base case) (years)	7.3
Base case C1 costs (A\$/oz)	985
Base case C3 costs (A\$/oz)	1,219

Potential to reduce current capital and cost estimates:

- Lower underground development capital now likely
- Exposure to lower treatment costs as mill upgrades progress
- Potential to supply up to 0.65mtpa under the current agreement with Paddington

Refer Zoroastrian underground ore reserve update (4 September 2015) for more information

Project NPV¹



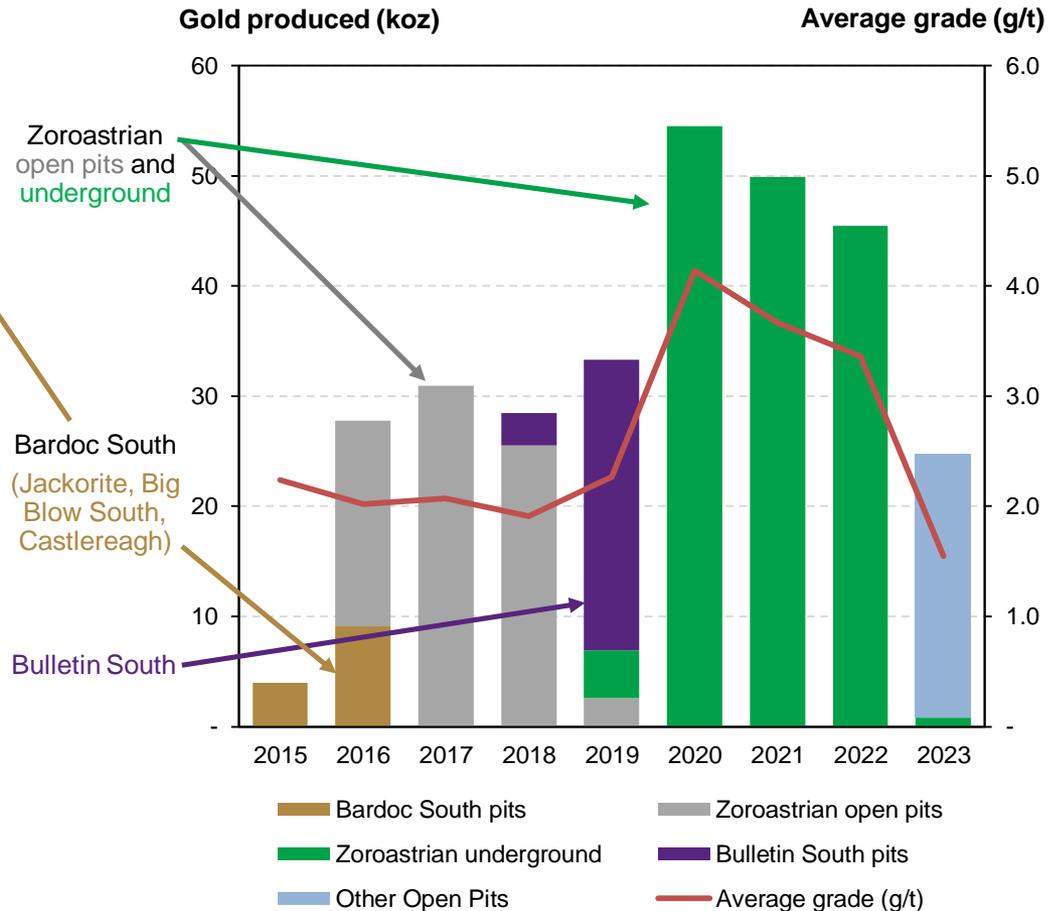
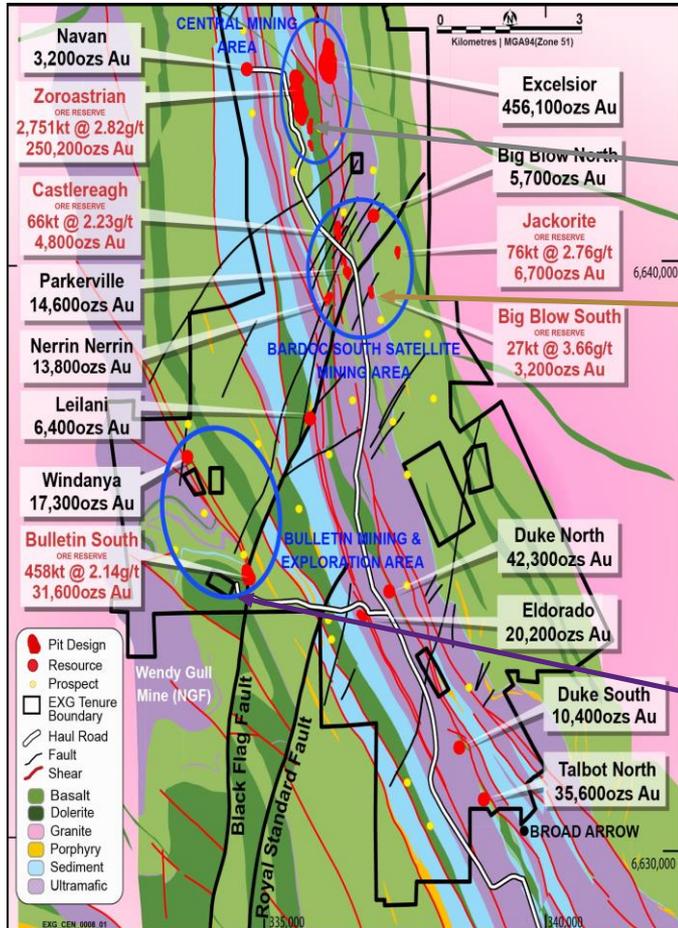
**Unlevered
IRR 188%**

Note:
1 Based on an 8% discount rate



Base case production profile

KNGP DEVELOPMENT FOCUSES ON 3 AREAS HOSTING COMBINED RESOURCES OF 1.2MOZ PLUS SEVERAL HIGH RANKING TARGETS



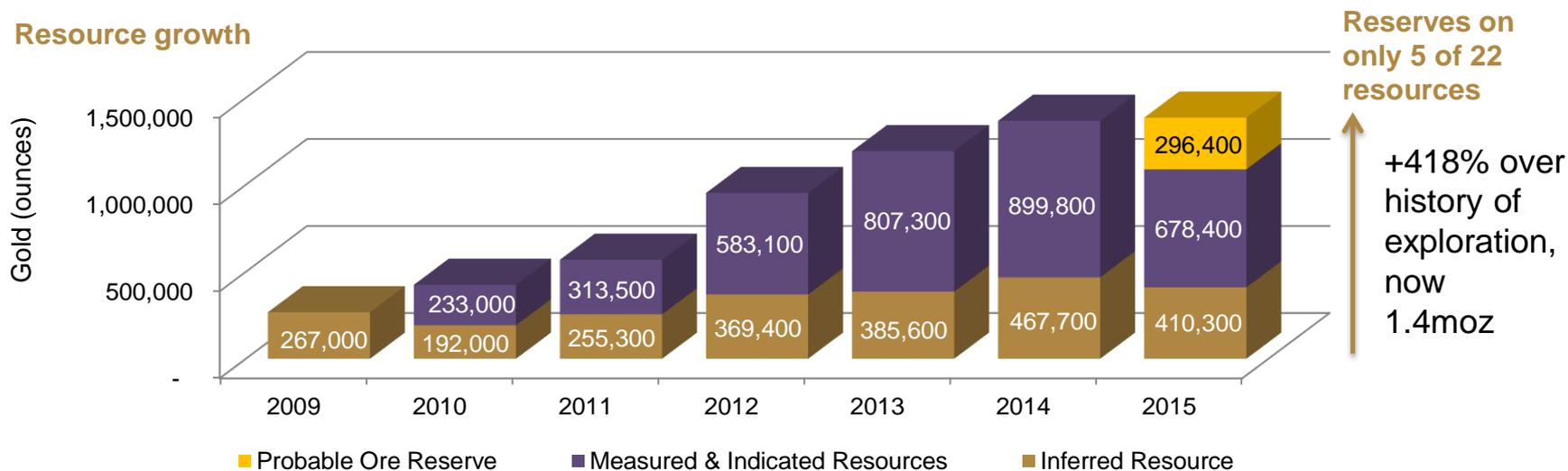


Substantial exploration upside

LONG HISTORY OF ADDING COST EFFECTIVE OUNCES TO RESOURCES AND RESERVES OVER THE PROJECT AREA

- The base case development will produce 273koz – but this is far from the end of the story!
 - Initial mining plan focused on only 5 of 22 current resource areas
 - 90+ drill ready targets expected to add significantly to project resources and reserves
- Excelsior has had a history of small drilling campaigns adding cost effective gold resource ounces
 - Higher grade targets are a priority to supply Paddington with higher margin ounces
 - Current drilling continues to add ounces and upgrade resources
 - Low resource discovery cost c. A\$15/oz

Resource growth



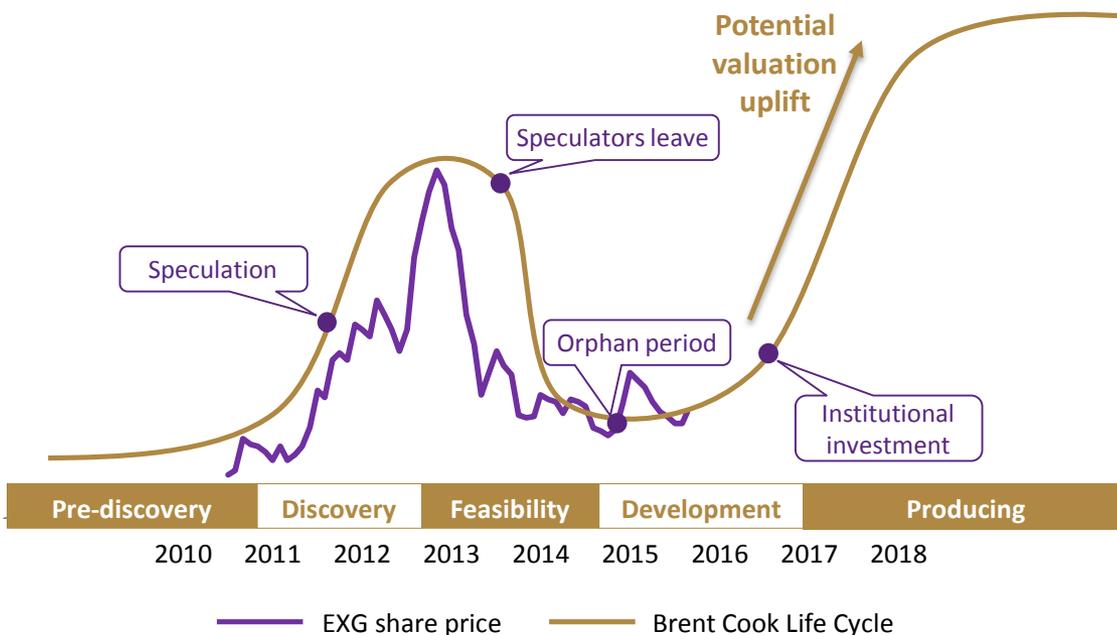


On the verge of production and cash flow

AN OPPORTUNE TIME TO INVEST IN EXCELSIOR – AHEAD OF ANY POTENTIAL PRODUCTION RE-RATING

- Excelsior is one of the few junior ASX-listed gold developers that has secured funding
- All mining approvals and processing agreements in place
- Opportunity exists to invest in Excelsior now at depressed share price levels

Life cycle of a junior explorer *(Brent Cook)*



- ✓ Concluding finance package with Macquarie
- ✓ Small working capital requirement (A\$6m)
- ✓ Construction de-risked with mill in operation
- ✓ Late 2015 production
- ✓ A\$ gold exposure
- ✓ World class region
- ✓ Team with proven mine development success



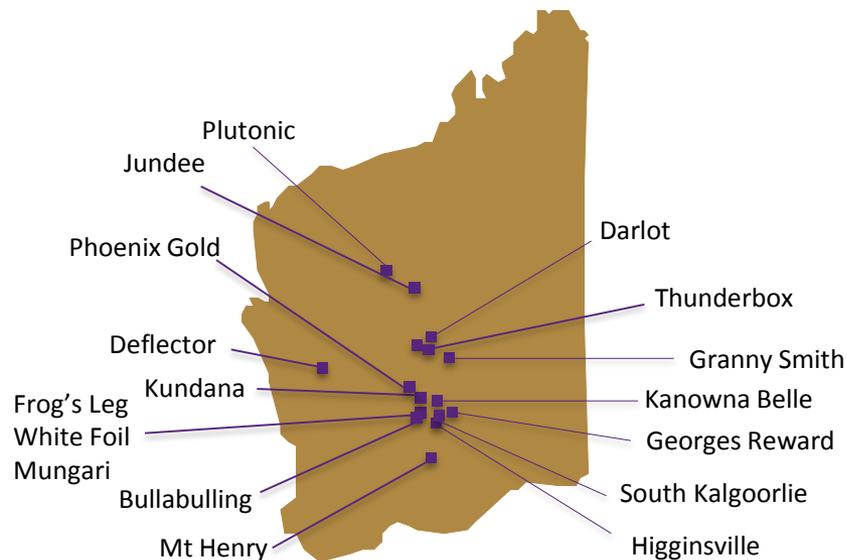
Kalgoorlie gold, a hotbed of corporate activity

A WAVE OF CONSOLIDATION IS UNDERWAY IN THE AUSTRALIAN GOLD SECTOR

- Excelsior's Kalgoorlie tenements are at the centre of this consolidation
- Increased M&A highlights the fundamental valuation disconnect between listed companies and their underlying assets

Examples of recent WA goldfields M&A

Frog's Leg (Evolution)	Georges Reward (Metals X)
White Foil (Evolution)	Mt Henry (Metals X)
Mungari (Evolution)	Grosvenor (Metals X)
Plutonic (Northern Star)	South Kalgoorlie (Metals X)
Jundee (Northern Star)	Higginsville (Metals X)
Kanowna Belle (Northern Star)	Bullabulling (Zijin)
Kundana (Northern Star)	Deflector (Doray Minerals)
Darlot (Gold Fields)	Thunderbox (Saracen)
Granny Smith (Gold Fields)	Phoenix Gold (Evolution/Zijin)

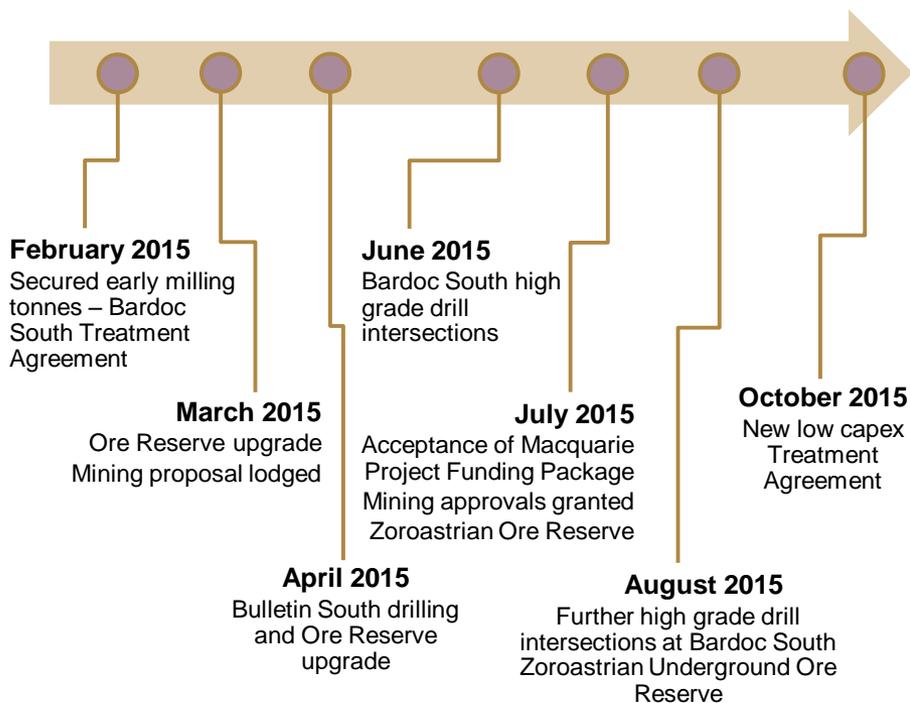




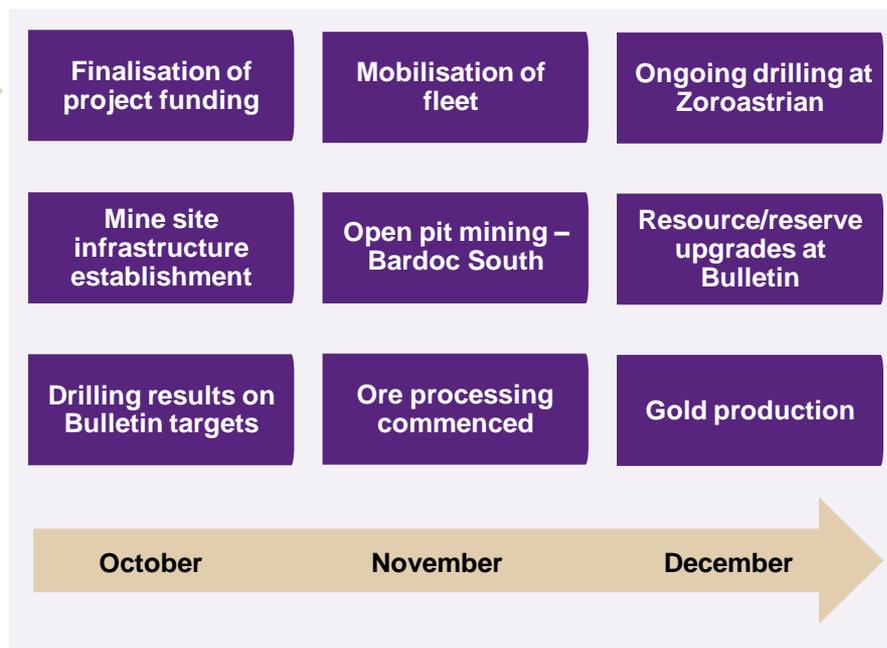
Share price catalysts

EXCELSIOR IS MOVING RAPIDLY TOWARDS FIRST PRODUCTION WITH AN ACTIVE NEXT THREE MONTHS

Year to date milestones



Near term catalysts





Investment summary

THE NEXT WA GOLD PRODUCER

Investment summary

- Production-ready – all permits in place and site works commenced
- New milling agreement has minimised funding and construction delivery risk
- Attractive base case NPV, with significant upside
- Staged development unlocks upside with minimal shareholder dilution
- Tier 1 team assembled with proven capability
- Excelsior's tenements around Kalgoorlie are at the centre of the recent wave of gold M&A
- Moving into a new phase of the development cycle – significant potential for re-rating

Grade control drilling – Big Blow South





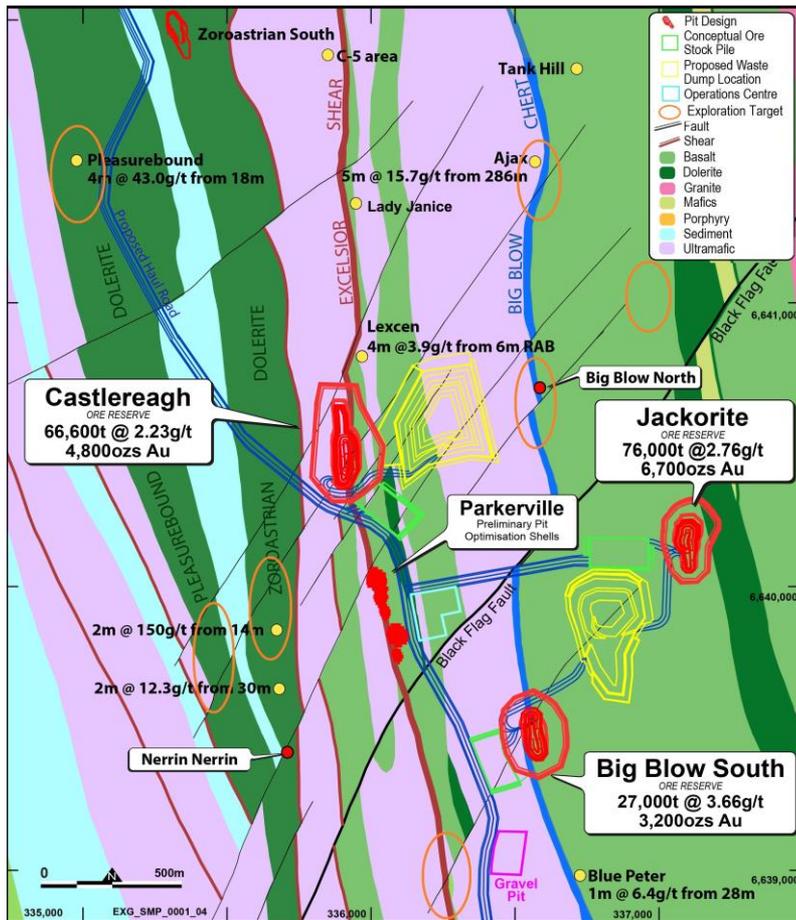
APPENDIX

Additional resource information



Bardoc South Pits

SERIES OF OPEN PITS THAT WILL PROVIDE THE EARLY MILLING TONNES AND ACCELERATE CASH FLOW INTO 2015



- ✓ Series of small resources concentrated by intersection of BFF structures with BTZ shears and lithologies
- ✓ Close spacing of BFF structures results in smaller higher grade resources
- ✓ Initial 3 small open pits scheduled for mining in 2015
- ✓ Additional mineral resources and exploration targets under review

Pit	Ore Reserves		
	Tonnes	Grade	Ounces
Jackorite	76,000	2.76	6,700
Big Blow South	27,000	3.66	3,200
Castlereagh	66,000	2.23	4,800
TOTAL	169,000	2.70	14,700



Central Area – Old Bardoc Mining Centre

HIGH PRIORITY GOLD RESOURCES AND EXPLORATION TARGETS IDENTIFIED

2 major resource targets

ZOROASTRIAN – new, large gold system

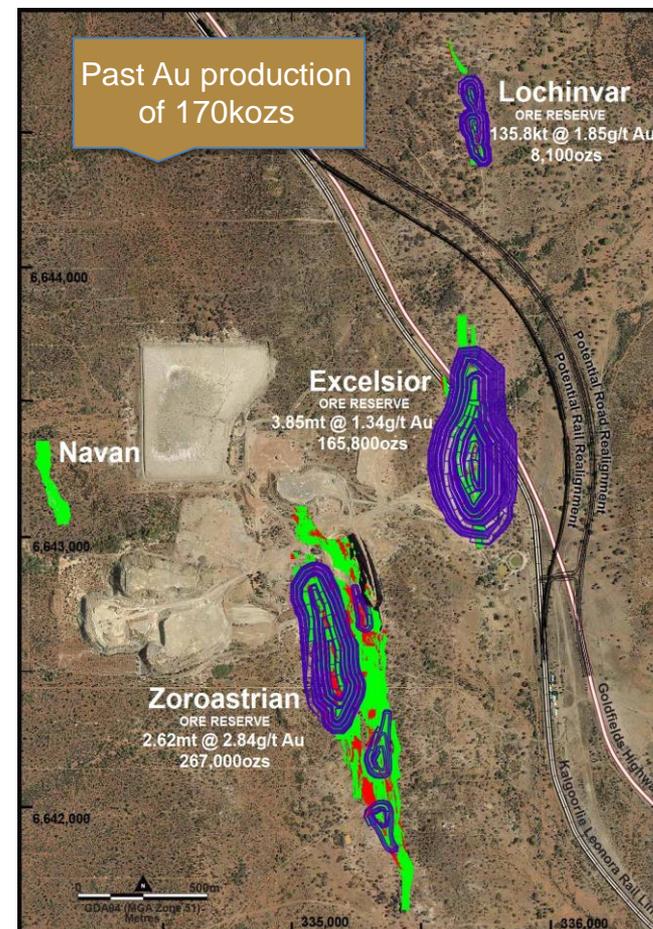
Mineral resource	7.14mt @ 2.53g/t Au (581,000ozs)
Probable ore reserve	<i>Potential for expansion</i>
Open pit	1.32mt @ 1.92g/t Au (80,900ozs)
Underground	1.44mt @ 3.67g/t Au (169,300ozs)

✓ *Multi vein and stockwork gold system in dolerites*

EXCELSIOR

Broad mineralised shear	20 – 50m true width
Mineral Resource	11.06mt @ 1.28g/t Au (456,100ozs)
PFS proven & probable ore reserve	3.85mt @ 1.34g/t Au (165,800ozs)

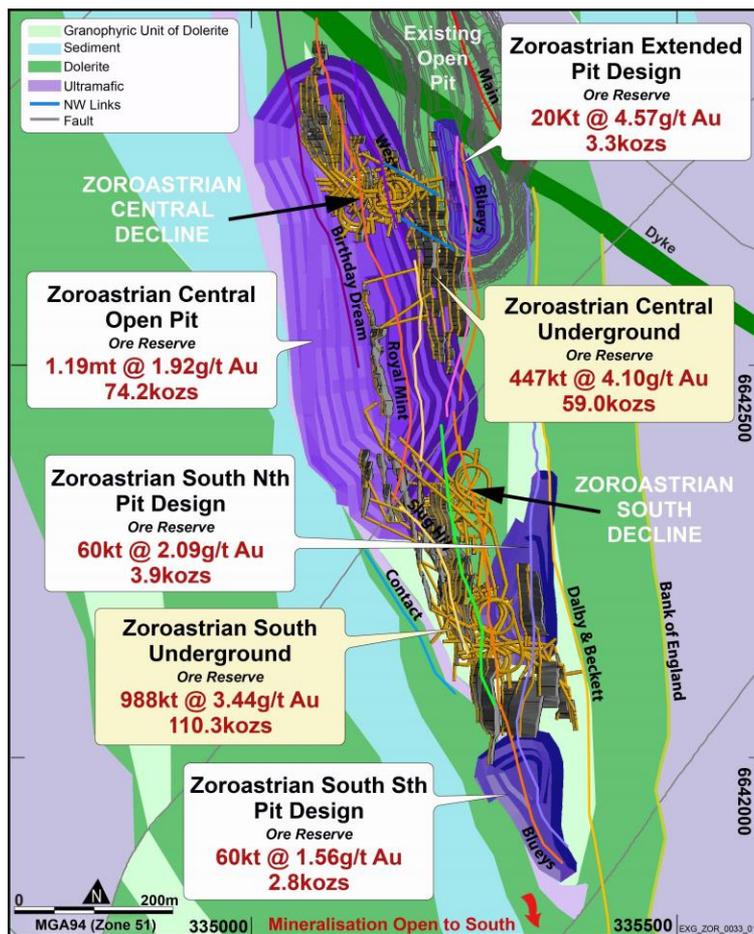
✓ *Low cost bulk open pit mining – base load mill feed*





Zoroastrian

OPEN PIT AND UNDERGROUND TONNES WILL PROVIDE THE MAJORITY OF THE FEED FOR THE BASE CASE DEVELOPMENT



- Previous small open pit mining (1980s)
- Newly discovered granophytic dolerite unit hosts broad zones of stock-work mineralisation - More amenable to open pit mining and mechanised underground stoping
- Large multiple vein gold mineralisation system ~2km long and 400m wide
- Geologically similar to Paddington and Broad Arrow mines – 2.5moz Au system
- Potential for expansion at depth and along strike to south
- Similar parallel dolerite units untested – Pleasurebound 4m @ 43.7g/t Au
- Larger southern pit development possible by diversion of gas pipeline – approval granted, design and costing in progress



Zoroastrian resources and mine plan

MULTI VEIN AND STOCK-WORK GOLD SYSTEM WITHIN DIFFERENTIATED DOLERITES

Indicated mineral resource

Total	5.20mt @ 2.66g/t Au (455,100ozs)
0-150m depth	4.47mt @ 2.30g/t Au (330,600ozs)
> 150m depth	0.47mt @ 4.83g/t Au (114,500ozs)

Inferred mineral resource

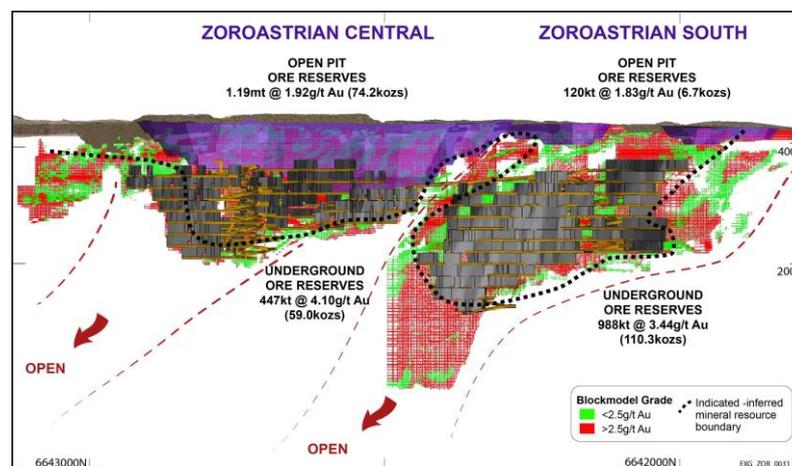
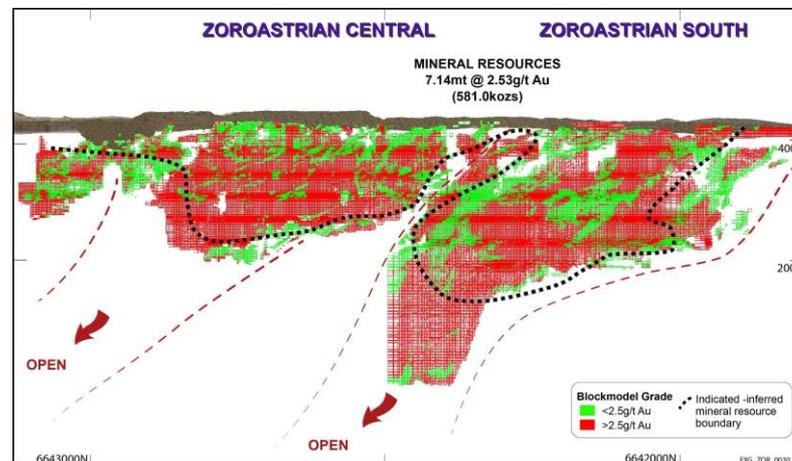
Total	1.94mt @ 2.18g/t Au (135,800ozs)
-------	----------------------------------

Probable ore reserves

Total	2.75mt @ 2.82g/t Au (250,200ozs)
Open pit ¹	1.32mt @ 1.92g/t Au (80,900ozs)
Underground ²	1.44mt @ 3.67g/t Au (169,300ozs)

Notes:

- 1 Scheduled November 2015 – June 2018
- 2 Scheduled mid 2019 – end 2022





Bulletin Development

SATELLITE PIT PROVIDING MILLING FEED OVER 2018 AND 2019 IN THE BASE DEVELOPMENT SCENARIO

Bulletin south open pit

Mineral resource (indicated & inferred)	0.76mt @ 2.02g/t Au (49,500ozs)
Ore reserve (current pit design)	0.46mt @ 2.14g/t Au (31,600ozs)

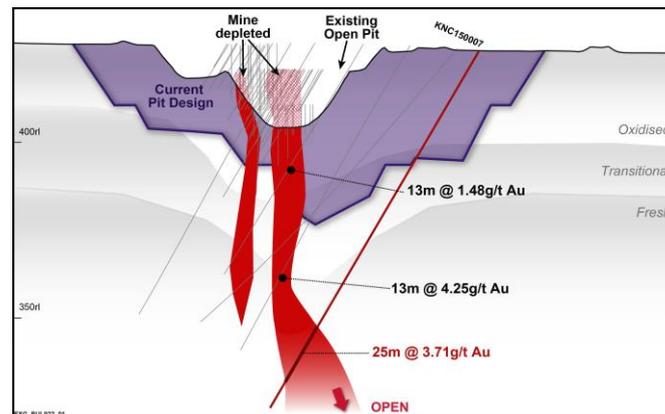
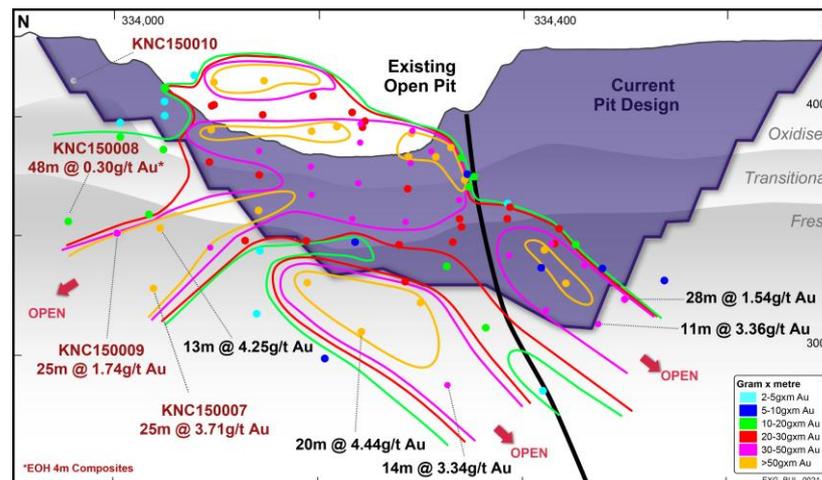
- Gold mineralisation in quartz-sulphide stock-work veining in porphyry

Recent drill results beneath pit design

20m @ 4.44g/t Au

25m @ 3.71g/t Au

- Ore reserve expansion drilling in progress
- Wide robust grade open in all directions – opportunity to significantly expand resource

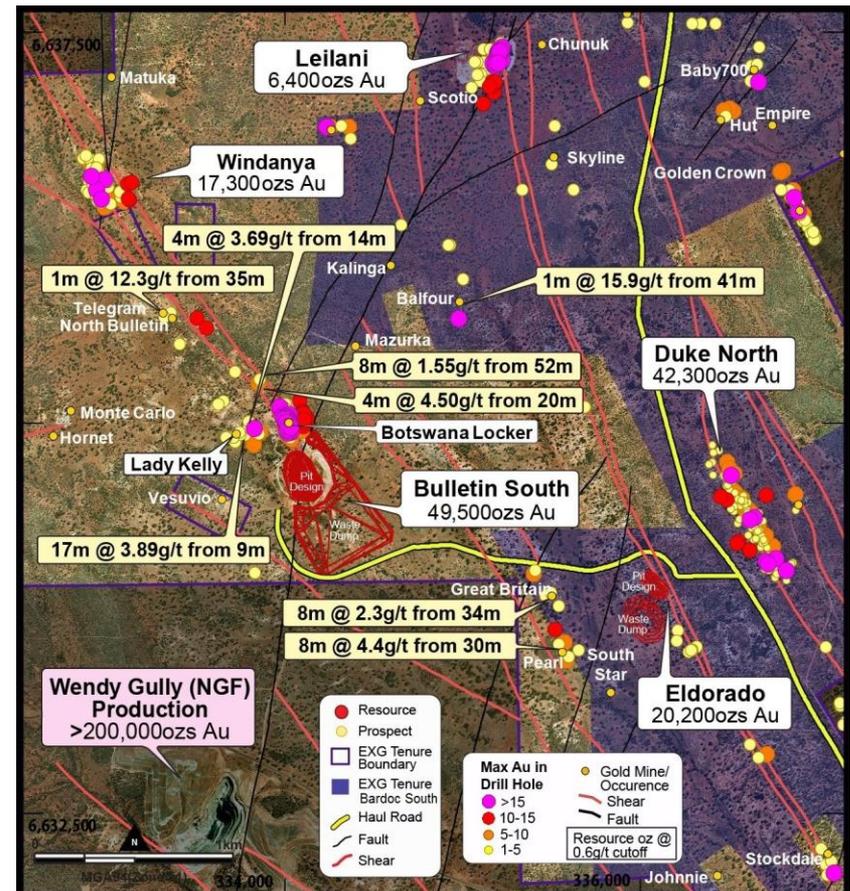




Bulletin Targets

SEVERAL HIGHLY PROSPECTIVE TARGETS EXIST FOR FUTURE PROJECT EXPANSION

- Significant gold in current mineral resources and historical drilling
 - Bulletin South – 49,500oz
 - Windanya – 17,300oz
 - Shallow past exploration drilling
 - 17m @ 3.89g/t Au from 9m
 - 4m @ 3.69g/t Au from 14m
 - 1m @ 12.3g/t Au from 35m
- Bulletin South resource expansion
- Open pit and underground mine potential demonstrated by Wendy Gully (NGF) – past production (>200,000oz)
- Recent consolidation of tenements enhances opportunities
- Developing mining centre with major deposit (>100,000oz Au) and satellite resource potential





Excelsior – a sleeping giant?

A POTENTIALLY GIANT RESOURCE THAT IS NOT IN THE CURRENT BASE CASE DEVELOPMENT PLAN

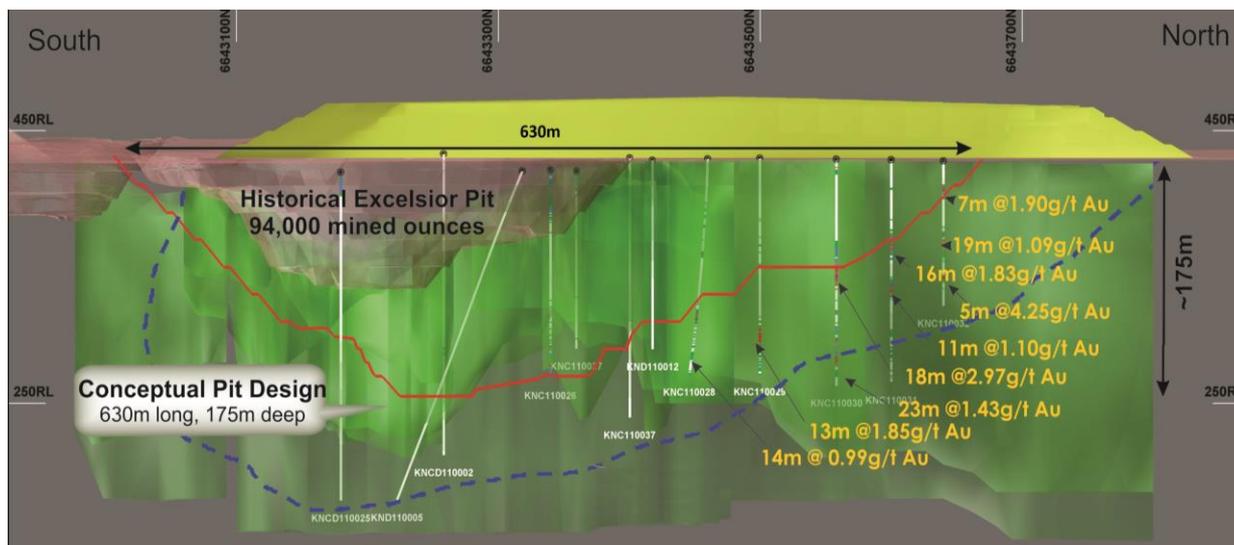
- Significant potential to provide base load feed and underpin a larger mill
- Broad shear, 20-50m true width mineralised zone – low cost bulk open pit mining
- Economics enhanced by bulk deposit style and excellent metallurgy
 - Soft free milling ore
 - High gold recoveries and rapid leach kinetics (95% recovery @ 12 hours leach time)

JORC Mineral Resource

- 11.1mt @ 1.28g/t Au (456koz)

JORC Ore Reserve

- 3.9mt @ 1.34g/t Au (166koz)
- PFS March 2014, pit design based on A\$1,450/oz





Disclaimer and important information

Forward Looking Statements Caution

Certain statements contained in this document constitute forward looking statements. Such forward-looking statements are based on a number of estimates and assumptions made by the Company and its consultants in light of experience, current conditions and expectations of future developments which the Company believes are appropriate in the current circumstances. These estimates and assumptions while considered reasonable by the Company are subject to known and unknown risks, uncertainties and other factors which may cause the actual results, achievements and performance of the Company to be materially different from the future results and achievements expressed or implied by such forward-looking statements. Investors are cautioned that forward looking information is no guarantee of future performance and accordingly, investors are cautioned not to place undue reliance on these forward-looking statements.

Competent Person Statement – Exploration Results and Mineral Resources

Information in this presentation that relates to Mineral Resources 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 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”. Mr Potter consents to the inclusion in the document of the information in the form and context in which it appears.

Competent Persons Statements – Ore Reserves Zoroastrian Central Open Pit

The information in this presentation which relates to the Ore Reserve estimates accurately reflect information prepared by Competent Persons (as defined by the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves). The information in this public statement that relates to the Zoroastrian Central Open Pit Ore Reserve at the

Excelsior Gold Kalgoorlie North Gold Project is based on information resulting from Feasibility works carried out by Auralia Mining Consulting. Mr. Daniel Tuffin completed the Ore Reserve estimate for this Zoroastrian Central Open Pit. Mr Daniel Tuffin is a Member and Chartered Professional (Mining) of the Australasian Institute of Mining and Metallurgy and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify him as a Competent Person as defined in accordance with the 2012 Edition of the Australasian Joint Ore Reserves Committee (JORC). Mr Tuffin consents to the inclusion in the document of the information in the form and context in which it appears.

Competent Persons Statements – Ore Reserves Zoroastrian Extended and Zoroastrian South Open Pits

The information in this presentation which relates to the Ore Reserve estimates accurately reflect information prepared by Competent Persons (as defined by the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves). The information in this public statement that relates to the Zoroastrian Extended and Zoroastrian South Ore Reserves at the Excelsior Gold Kalgoorlie North Gold Project is based on information resulting from Feasibility works carried out by Mining Plus. Mr. David Billington completed the Ore Reserve estimate for these pits. Mr Billington is a Member of the Australasian Institute of Mining and Metallurgy and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify him as a Competent Person as defined in accordance with the 2012 Edition of the Australasian Joint Ore Reserves Committee (JORC). Mr Billington consents to the inclusion in the document of the information in the form and context in which it appears.

Competent Persons Statements – Ore Reserves Zoroastrian Underground

The information in this presentation which relates to the Ore Reserve estimates accurately reflect information prepared by Competent Persons (as defined by the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves). The information in this public statement that relates

to the Zoroastrian Extended and Zoroastrian South Ore Reserves at the Excelsior Gold Kalgoorlie North Gold Project is based on information resulting from Feasibility works carried out by Mining Plus. Mr. Peter Lock completed the Ore Reserve estimate for these pits. Mr Lock is a Member of the Australasian Institute of Mining and Metallurgy and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify him as a Competent Person as defined in accordance with the 2012 Edition of the Australasian Joint Ore Reserves Committee (JORC). Mr Lock consents to the inclusion in the document of the information in the form and context in which it appears.



ASX Code **EXG**

David Hamlyn
Managing Director

T (+61) 8 9335 7770
E dhamlyn@excelsiorgold.com.au