



**excelsiorgold**  
LIMITED

7 January 2016

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



**ASX Code: EXG**

## Third Open Pit Brought Online

Excelsior Gold Limited (“Excelsior Gold” or the “Company”) is pleased to advise that mining has commenced in the Big Blow South (“BBS”) open pit and ore is now being generated from three open pits at the Kalgoorlie North Gold Project to increase ore supply to the Paddington Mill.

Ore from the Kalgoorlie North Gold Project is being processed at the Paddington Mill under the long term Ore Treatment Agreement with Norton Gold Fields Limited (“Norton”) and a second mining fleet is now in operation to accelerate ore production in response to a request from Norton for additional ore feed for their mill.

Mining in the BBS open pit commenced on 1 January and the pit is scheduled to produce approximately 40,000 tonnes of ore grading 2.70g/t Au over the next two months. It is anticipated that first BBS ore, approximately 11,000 tonnes grading 2.80g/t Au, will be delivered to the Paddington Mill in the week commencing 25 January.

The BBS ore will supplement the existing ore supplies from the Castlereagh and Jackorite open pits. During January approximately 25,000 tonnes grading 1.85g/t Au and 18,000 tonnes @ 2.60g/t Au are scheduled to be mined from the Castlereagh and Jackorite pits respectively and delivered to the Paddington Mill for processing.

Under modified agreement terms to facilitate the accelerated delivery of ore during the March 2016 quarter, Norton has agreed to pay Excelsior Gold 50% of the value of the recoverable gold in each ore parcel, based on mined grade, within 5 business days of the completion of haulage of the ore. Treatment charges and final payment for gold will be deferred for up to five weeks until the final recoverable gold content of each ore batch is determined from the detailed sampling and gold recovery procedure which forms an integral part of the Ore Treatment Agreement.

Processing of Excelsior Gold’s ore commenced in mid-December and to date two ore parcels from the Castlereagh Pit totalling approximately 24,320 tonnes of soft, oxide ore at an average mined grade of 1.63g/t Au have been processed. Excelsior Gold has received initial 50% payment of \$385,100 for the first batch and a second payment of \$507,600 is due this week.

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The ore delivered in December 2015 achieved a gold price of A\$1,472 per ounce however gold produced from January onward will attract higher prices as Excelsior Gold's gold hedge comes into effect. The Company has 40,636 ounces of gold forward sold at A\$1,570 per ounce for quarterly delivery from March 2016 to December 2017.

For further information visit [www.excelsiorgold.com.au](http://www.excelsiorgold.com.au) or contact

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**Figure 1: Start of mining at Big Blow South open pit.**  
(5 January 2016)

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**Figure 2: Jackorite open pit ready for drill and blast ahead of ore mark-up  
(5 January 2016)**