

28 June 2017

ASX Market Announcements



ASX Code: EXG

Debt Reduction and Market Update

Excelsior Gold Limited (ASX: EXG) (“Excelsior Gold”) is pleased to advise production remains on target to repay all debt by the end of July 2017 (ASX announcement 6 June 2017).

- **GWR facility fully repaid,**
- **MBL fully repaid, and**
- **Out of the money hedging closed out.**

At the end of June 2017, all “out of the money” hedging has been closed out (ASX announcement 6 June 2017). Macquarie Bank (MBL) has been repaid and all caveats associated with the various agreements have been lifted. GWR Group Limited (ASX:GWR) has been fully repaid the \$2.25M loan and convertible note provided in June 2016, pursuant to the terms of the agreement.

Zoroastrian Central Open Pit continues on target with mining in this pit due for completion in early August and processing of the ore concluding in September 2017. The pit is performing well, with both tonnes and grade meeting or exceeding expectations since the west wall cut back was completed in March of this year (ASX announcement 28 April 2017 Quarterly Activities Report). The strip ratio has now reduced to 2.5:1 tonnes of waste per tonne of ore and the head grade remains at around 2.5g/t.



Figure 1: Zoroastrian Central Open Pit looking South (mining on the 345 to 342.5mRL). Mining is planned to the 320mRL.

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The final round of grade control drilling in Zoroastrian Central pit completed earlier this month has provided very encouraging results at the base of the pit. Based on these results and recent structural mapping by CSIRO, remodelling of the greater Zoroastrian area has commenced and follow up drilling will occur in the December quarter.

The objective of the December 2017 quarter follow up drilling is to determine whether a larger, deeper open pit centred around the Zoroastrian mineralisation could be economic as well as determine whether the mineralisation lends itself more instead to underground mining methods.

Work is progressing on the development of a robust geological model for the Zoroastrian Vein System. Drill hole planning to identify the downplunge extensions of the Zoroastrian dolerite north of the Zoroastrian Central open pit has been finalised, with drilling planned to commence in early August.

A work program involving the structural re-logging of drill core and the use of portable XRF on drillcore and drill sample material has also commenced. This program is one outcome from the in-pit and drillcore structural mapping work completed by the CSIRO in May-June and will advance both the structural interpretation and the definition of lithological variations within the dolerite, particularly granophyric or more differentiated zones which are conducive to hosting significant gold mineralisation at Zoroastrian and elsewhere in the Eastern Goldfields.

Target generation for both Resource Definition within the mine environment and Regional Exploration are progressively being developed, with work scheduled to commence once the Company has accumulated sufficient cash from mining and processing of the Zoroastrian Central open pit ore.

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

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