

Form 51-102F3
Material Change Report

Item 1. Name and Address of Reporting Issuer

Excelsior Mining Corp. (the “Corporation” or Excelsior”)
Suite 1240, 1140 West Pender Street
Vancouver, B.C., V6C 4G1

Item 2. Date of Material Change

December 1, 2011

Item 3. News Release

A press release announcing the material change referred to in this report was issued through Marketwire on December 1, 2011, and a copy is filed on SEDAR.

Item 4. Summary of Material Change

Excelsior announced the results of the Preliminary Economic Assessment (“PEA”) on the North Star Deposit of the Gunnison Copper Project, located in southern Arizona. The PEA was completed by M3 Engineering & Technology Corporation (“M3”) of Tucson, AZ and is effective as of November 18, 2011. The complete report will be filed on SEDAR and Excelsior’s website within 45 days of this news release.

Item 5.1 Full Description of Material Change

For a full description of the material change, please see the news release attached as Schedule “A” to this Material Change Report.

Item 5.2 Disclosure for Restructuring Transactions

Not Applicable.

Item 6. Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7. Omitted Information

No information has been omitted on the basis that it is confidential information.

Item 8. Executive Officer

The name and business telephone number of an officer who is knowledgeable about the material change and this report is as follows:

Sheila Paine, Corporate Secretary
Phone: (604) 681-8030 ext. 238
Fax: (604) 681-8039

Item 9. Date of Report

December 5, 2011



NEWS RELEASE

Excelsior's Gunnison Project Receives Positive Economic Assessment

December 1, 2011

(TSX-V: MIN) (Frankfurt: 3XS) (OTCQX: EXMGF)

Excelsior Mining Corp. (TSX-V: MIN) (Frankfurt: 3XS) (OTCQX: EXMGF) ("Excelsior") is pleased to announce the results of the Preliminary Economic Assessment ("PEA") on the North Star Deposit of the Gunnison Copper Project, located in southern Arizona. The PEA was completed by M3 Engineering & Technology Corporation ("M3") of Tucson, AZ and is effective as of November 18, 2011. The complete report will be filed on SEDAR and Excelsior's website within 45 days of this news release.

Highlights of the North Star Gunnison Copper Project PEA include:

- After-Tax NPV of **US\$561.7 million** (discounted at 8%, using US\$2.50 copper price)
- After-Tax IRR of 30%
- Payback period of 3.6 years
- Initial capital costs of US\$324.7 million (including SXEW plant, Infrastructure and Acid Plant)
- Total operating costs of US\$0.68 per pound (averaged over life of mine)
- Royalty of US\$0.01 per pound
- Annual production rate of 85.65 million pounds of copper
- Commercial production commencing in 2015, with a mine life of 20 years

"We are extremely pleased with the results from this PEA. These results support what we have been saying from the beginning, that copper extraction at Gunnison via ISR has the potential to generate outstanding financial returns," says Stephen Twyerould, President and CEO of Excelsior. "These results show that our low capital costs and very low per pound operating costs provide the project with significant margins, which can act as a buffer from commodity market volatility."

As highlighted in Table 1 below, the PEA illustrates very strong project economics in both the "Acid Plant" and "Base Case" (no acid plant) scenarios, with the Acid Plant option adding an additional US\$80.7 million to the project NPV. Based on an annual production rate of 85.65 million pounds, the PEA indicates that including an Acid Plant as a component of the project, generates an after-tax Net Present Value ("NPV") of US\$561.7 million, at a cash flow discount rate of 8%. The after-tax internal rate of return ("IRR") for this option is 30%. Initial capital expenditures for this option (including contingency) are estimated at US\$324.7 million.

Without an Acid Plant, the project still has a significant after-tax NPV of US\$480.9 million and an IRR of 34%, at an 8% discount rate. Initial capital expenditures for this "Base Case" option are US\$239.9 million. Details of both financial models are shown in Table 1 below.

Both scenarios used the following parameters over the 20 year life of the project.

- copper selling price of US\$2.50 per pound,
- total copper recovery of approximately 41.8% of the indicated plus inferred oxide resources
- average of 9 pounds of acid consumed for every pound of copper produced
- acid price of US\$100/ton for the Base Case and US\$42.2/ton for the Acid Plant option

- state tax rate of 6.97%, and
- a federal tax rate of 35%.

The North Star Deposit currently contains an indicated oxide copper resource of **3.21 billion pounds** (511 million tons at 0.31% copper) and an additional inferred oxide copper resource of **0.88 billion pounds** (159 million tons at 0.28% copper).

Table 1. Results of the Preliminary Economic Assessment on the North Star Deposit.

Excelsior Financial Model 2011	Unit	Acid Plant	Cost/lb	Base Case	Cost/lb
Copper Cathode sold	MMlb	1,706	-	1,706	-
Copper Price	\$/lb	2.50	-	2.50	-
Gross Revenue	\$000's	4,265,436	-	4,265,436	-
Royalties	\$000's	(19,618)	(0.01)	(19,618)	(0.01)
Operating Costs					
Production (Wellfield)	\$000's	(635,708)	(0.37)	(1,032,833)	(0.61)
SXEW	\$000's	(415,224)	(0.24)	(463,504)	(0.27)
G&A	\$000's	(108,198)	(0.06)	(108,198)	(0.06)
Sub-total Operating Costs	\$000's	(1,159,130)	(0.68)	(1,604,535)	(0.94)
Initial Capital Costs					
Production (Wellfield)	\$000's	(83,999)	(0.05)	(83,999)	(0.05)
SXEW + Infrastructure	\$000's	(146,294)	(0.09)	(146,294)	(0.09)
Owners Costs	\$000's	(9,650)	(0.01)	(9,650)	(0.01)
Acid Plant	\$000's	(84,808)	(0.05)	-	-
Sub-total Initial Capital Costs	\$000's	(324,751)	(0.19)	(239,943)	(0.14)
Sustaining Capital Costs	\$000's	(348,295)	(0.20)	(339,597)	(0.20)
Taxes	\$000's	(762,508)	(0.45)	(615,248)	(0.36)
NPV and IRR					
Discount Rate		8.00%		8.00%	
Pre-Tax Cash Flow	\$000's	2,317,799		1,984,965	
Pre-Tax NPV	\$000's	883,034		732,842	
Pre-Tax IRR		40%		47%	
Payback (years)		2.7		2.1	
Post-Tax Cash Flow	\$000's	1,555,292		1,369,718	
Post-Tax NPV	\$000's	561,659		480,924	
Post-Tax IRR		30%		34%	
Payback (years)		3.6		3.2	

Sustaining capital costs include reclamation and rehabilitation costs of \$23.8 million for the Acid Plant option and \$15.1 million for the "Base Case" (no acid plant option).

The PEA is preliminary in nature and includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that the conclusions reached in the PEA

will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

Project Summary

The Gunnison Copper Project is located approximately 65 miles southeast of Tucson, AZ. The project, which includes both the North Star and South Star deposits, currently has a total NI 43-101 indicated resource of 3.21 billion pounds of oxide copper (511 M tons at 0.31% at the North Star deposit) and an inferred resource of 1.26 billion pounds of oxide copper (221 M tons at 0.29%; 159 M tons at North Star and 62 M tons at South Star). These oxide resources have the potential to be mined using in-situ recovery methods. The Gunnison property also has the added benefit of being situated in a very remote location, near an existing mining operation.

The PEA was prepared under the overall supervision of Conrad Huss, P.E., with M3. Mr. Huss is a Qualified Person as defined by NI 43-101 and Mr. Huss is independent of Excelsior. Mr. Huss has reviewed and approved the technical information contained in this news release, as well as having verified all data disclosed herein.

About Excelsior

Excelsior is an exploration and development company with a copper project located within the copper porphyry belt of Arizona. The Gunnison Copper Project is located close to the required infrastructure and its oxide resource has the potential to be mined using in-situ recovery methods. The Excelsior team consists of experienced professionals with proven track records of advancing projects towards production.

Further details about Excelsior can be found at: <http://www.excelsiormining.com>. Further information about the Gunnison Copper Project can be found in the technical report filed on SEDAR at www.sedar.com entitled: Gunnison Copper Project, Cochise County, Arizona, USA, Mineral Resource of the North Star Deposit dated August 31, 2011, as revised October 25, 2011.

ON BEHALF OF THE EXCELSIOR BOARD

"Stephen Twyerould"
President & CEO

T: 604-681-8030

F: 604-681-8039

E: info@excelsiormining.com

www.excelsiormining.com

[For further information regarding this press release, please contact:](#)

[Excelsior Mining Corp.](#)

[JJ Jennex, Vice President, Corporate Affairs](#)

[T: 604-681-8030 x240](#)

Cautionary Note Regarding Forward-Looking Information

Information set forth in this news release may involve forward-looking statements under applicable securities laws. Forward-looking statements are statements that relate to future, not past, events. In this context, forward-looking statements often address expected future business and financial performance, and often contain words such as "anticipate", "believe", "plan", "estimate", "expect", and "intend", statements that an action or event "may", "might", "could", "should", or "will" be taken or occur, or other similar expressions. All statements, other than statements of historical fact, included herein including, without limitation; statements about the timing and amount of future production, future operating and capital costs, the projected IRR, NPV and payback period for the Gunnison Project, details about

infrastructure requirements, the future exploration on and the development of the Gunnison Project and the ability to mine Gunnison using in-situ recovery mining techniques are forward-looking statements. By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following risks: the need for additional financing; operational risks associated with mineral exploration; fluctuations in commodity prices; title matters; environmental liability claims and insurance; reliance on key personnel; issues in obtaining required permits; the potential for conflicts of interest among certain officers, directors or promoters with certain other projects; the absence of dividends; competition; dilution; the volatility of our common share price and volume and the additional risks identified in the management discussion and analysis section of our interim and most recent annual financial statements or other reports and filings with the TSX Venture Exchange and applicable Canadian securities regulations. Forward-looking statements are made based on management's beliefs, estimates and opinions on the date that statements are made and the company undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change, except as required by applicable securities laws. Investors are cautioned against attributing undue certainty to forward-looking statements.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release, and no securities regulatory authority has either approved or disapproved of the contents of this release.