



LEVEL 2  
8 COLIN STREET  
WEST PERTH WA 6005

PO Box 1726  
WEST PERTH WA 6872

TELEPHONE: +61 8 9211 2000  
FACSIMILE: +61 8 9211 2001

ASX SHARE CODE: EXS

EMAIL: [info@excoresources.com.au](mailto:info@excoresources.com.au)  
WEBSITE [www.excoresources.com.au](http://www.excoresources.com.au)

ABN 99 080 339 671

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Market Release (*via electronic lodgement*)

## CLONCURRY COPPER PROJECT OF “REGIONAL SIGNIFICANCE”

- The Department of Infrastructure and Planning (DIP) in Queensland has decided that Exco's Cloncurry Copper Project (CCP) is a “project of regional significance” for the purposes of the Water Resource (Great Artesian Basin) Plan 2006 (GAB Plan).
- The DIP's decision represents an important milestone as the Company looks to secure the relevant approvals for the CCP.
- Cloncurry Copper Project resources now total **51.0Mt @ 0.84% Cu & 0.23 g/t Au**.
- Importantly 50% of the contained copper in the CCP is now within Indicated resources, with ongoing resource modelling expected to lead to further increases.
- Work continues on the CCP Definitive Feasibility Study programme with submission of an Environmental Impact Statement expected during the current calendar quarter (Q2/2009).

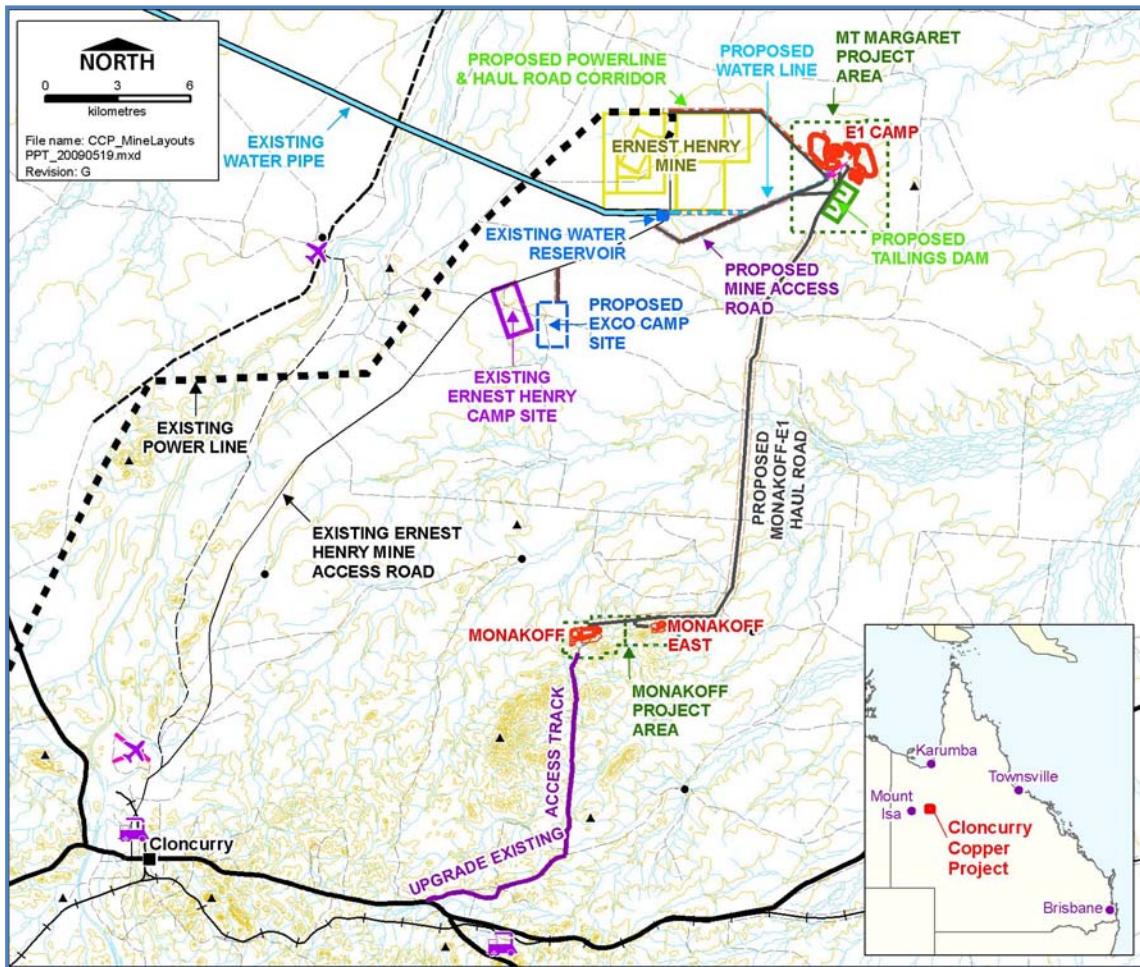
The Cloncurry Copper Project, located approximately 40km north east of the town of Cloncurry (see **Figure 1**), includes both exploration and mining leases, and a resource base of in excess of 51Mt at 0.84% copper and 0.23g/t gold (see **Table 1**). The centre of gravity for the project is the E1 Camp located 8km east of the existing Ernest Henry Mine owned by Xstrata, in a region well serviced by infrastructure.

### REGIONAL SIGNIFICANCE & UPDATE ON APPROVALS PROCESS

The Department of Infrastructure and Planning (DIP) in Queensland has decided that Exco's Cloncurry Copper Project (CCP) is a “project of regional significance” for the purposes of the Water Resource (Great Artesian Basin) Plan 2006 (GAB Plan). This decision will be taken into consideration when assessing Exco's application for an allocation of water from the State reserve.

Exco welcomes the DIP's decision, which represents an important milestone as the Company continues to progress its Environmental Impact Statement (EIS) for the CCP, in pursuit of the relevant approvals for the project.

The Company is focused on expediting the approvals process, which remains on the critical path for the project. Submission of the Environmental Impact Statement is expected during the current calendar quarter (Q2/2009).



**Figure 1:** CCP location map showing key tenements, deposits and proposed infrastructure.

## DEFINITIVE FEASIBILITY STUDY UPDATE

Significant progress has been made in defining and quantifying the metallurgical characteristics of the ore through the completion of a major testwork programme. Engineering details required for the environmental submissions have been completed including pit designs, detailed ground water assessments, tailings designs etc.

The CCP Pre-Feasibility Study (PFS) contemplated the establishment of a  $\geq 2$ Mtpa concentrator facility at the E1 Camp. However, recent increases in resource and contained metal inventories from the E1 Camp fully support the Company's focus on a slightly larger operation treating 2.5 to 3Mtpa over a 10-year project life. At this expanded throughput the project will produce approximately 25,000 tonnes of copper (in concentrate) per annum; 25% more than envisaged by the PFS.

Further results and information will be provided as they become available.

*On behalf of the Board of  
Exco Resources Ltd*

Michael Anderson  
Managing Director

## FORWARD LOOKING STATEMENTS & COMPETENT PERSONS STATEMENT

*This report contains forward looking statements that are subject to risk factors associated with resources businesses. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially, including but not limited to: price fluctuations, actual demand, currency fluctuations, drilling and production results, reserve estimates, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimates.*

*All references to dollars, cents or \$ in this presentation are to AUD\$ currency, unless otherwise stated.*

*Information in this report relating to mineral resources and exploration results is based on data compiled by Mr Mike Dunbar, (who is a full time employee of the Mitchell River Group and a consultant to Exco Resources Ltd). Mr Dunbar is a member of the Australasian Institute of Mining and Metallurgy 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 under the 2004 Edition of the Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Dunbar consents to the inclusion of the data in the form and context in which it appears.*

TABLE 1: EXCO RESOURCES – NW QUEENSLAND Cu-Au RESOURCE SUMMARY

Deposit	Class	Tonnes	Grade		Metal	
			Cu%	Au g/t	Cu T	Au Oz
E1 Camp <sup>(2)</sup>	Indicated*	19,600,000	0.85	0.25	167,000	155,200
	Inferred*	25,300,000	0.7	0.2	175,600	156,800
		<b>TOTAL</b>	<b>44,900,000</b>	<b>0.76</b>	<b>0.22</b>	<b>343,000</b>
Monakoff <sup>(1)</sup> & Monakoff East	Indicated	2,000,000	1.39	0.44	27,600	28,300
	Inferred	2,000,000	1.3	0.4	25,300	25,700
	<b>TOTAL</b>	<b>4,000,000</b>	<b>1.32</b>	<b>0.42</b>	<b>52,900</b>	<b>54,000</b>
Great Australia <sup>(1)</sup>	Indicated	1,400,000	1.53	0.13	21,000	5,700
	Inferred	800,000	1.57	0.14	12,000	3,300
	<b>TOTAL</b>	<b>2,100,000</b>	<b>1.54</b>	<b>0.13</b>	<b>33,000</b>	<b>9,000</b>
Sub-total – CCP	Indicated	<b>23,000,000</b>	<b>0.94</b>	<b>0.26</b>	<b>216,000</b>	<b>189,000</b>
	Inferred	<b>28,100,000</b>	<b>0.76</b>	<b>0.21</b>	<b>214,000</b>	<b>186,000</b>
	<b>ALL</b>	<b>51,000,000</b>	<b>0.84</b>	<b>0.23</b>	<b>430,000</b>	<b>376,000</b>
<i>Other Deposits</i>						
Turpentine	Indicated	1,626,600	1.04	0.21	17,000	10,800
	Inferred	214,600	0.9	0.16	2,000	1,000
	<b>TOTAL</b>	<b>1,841,000</b>	<b>1.03</b>	<b>0.2</b>	<b>19,000</b>	<b>11,800</b>
Taipan	Inferred	1,460,000	0.80	0.1	11,600	5,000
Kangaroo Rat <sup>(1)</sup>	Inferred	875,000	1.65	1.0	14,400	28,000
Wallace South	Inferred***	1,000,000	-	1.6	-	53,000
Victory-Flagship	Inferred	196,000	1.2	1.4	2,300	8,800
Mt Colin <sup>(1)</sup>	Measured**	113,800	3.80	-	4,330	-
	Indicated**	311,000	3.49	-	10,900	-
	Inferred**	242,000	3.16	-	7,650	-
		<b>TOTAL</b>	<b>667,195</b>	<b>3.43</b>	<b>-</b>	<b>22,880</b>
Sub-total - Other		<b>6,039,000</b>	<b>1.16</b>	<b>0.55</b>	<b>70,180</b>	<b>106,600</b>
<b>TOTAL</b>		<b>57.0 Mt</b>	<b>0.88</b>	<b>0.26</b>	<b>500,180</b>	<b>482,000</b>

**Note:** Discrepancies in totals are as result of rounding

(1) Granted Mining Lease

(2) ~30 % of E1 camp resources on a granted Mining Lease

Unless otherwise stated the above resources are reported at a 0.5% Cu cut-off.

\* E1 resources completed at 0.3% Cu cut-off.

\*\* Mt Colin resource cut-off = 2.3% Cu.

\*\*\* Wallace South resource cut-off = 0.5g/t

### **Information on Exco Resources**

Exco is an Australian focused ASX-listed mining company (ASX: EXS). The Company has a dual focus on developing both the White Dam Gold Project in South Australia, and the Cloncurry Copper Project (CCP) in north-west Queensland.

At White Dam Exco has agreed to enter a joint venture with Polymetals Group Pty Ltd for their acquisition of a 25% interest in the White Dam Gold Project. The project, which contains a resource inventory of 330,400 ounces of gold, has now been granted final approvals. Subject to finalising finance arrangements during the current calendar quarter (Q2/2009), the JV partners anticipate that the project will commence construction in mid 2009, with first gold production scheduled by late 2009. The relatively short-life project is expected to produce a total of 120,000 oz of gold at a rate of 50,000oz/annum. Near mine exploration and resource potential is expected to ultimately increase overall production and with estimated operating costs of only ~A\$600/oz, the project has the potential to deliver significant cash flows.

In north-west Queensland Exco holds a large (>4,100km<sup>2</sup>), strategically located and highly prospective land package. The CCP comprises numerous tenements and mining leases, which host the flagship E1 Camp, Monakoff and Great Australia deposits. Resources delineated for the project to date total 51Mt, containing 430,400 tonnes of copper and 376,000 ounces of gold, with further exploration upside and indicated resource development highlighting the potential for economic extraction of a significant portion of the resources.

Exco completed a Pre-Feasibility Study (PFS) on the CCP in June 2008, which demonstrated the technical and commercial credentials of a 2Mtpa project. Encouraged by the positive PFS results, and with ongoing drilling delivering further resource upgrades, the Company commenced a Definitive Feasibility Study (DFS) on a slightly larger operation treating 2.5 to 3Mtpa through a concentrator facility located at the E1 Camp. At this expanded throughput the project will produce ≥25,000 tonnes of copper in concentrate per annum (25% more than envisaged by the PFS) with substantial by-product credits from gold, cobalt, magnetite and potentially uranium. The Company expects to complete an Environmental Impact Statement (EIS) by mid 2009 in support of the approvals process for the CCP.

Exco also has a number of exploration joint ventures in Queensland with major companies including Xstrata, BHP Billiton Limited and Ivanhoe Mines. These JVs are managed by Exco's partners, creating additional development options, and allowing the Company to maintain its primary focus on the CCP.

The Board, backed by the Company's major shareholders including Ivanhoe Mines and the Lion Selection Group, and the management of Exco are committed to unlocking value from this highly prospective portfolio of projects, and looks forward to keeping shareholders informed of developments.

Further information is available at [www.excoresources.com.au](http://www.excoresources.com.au)