



# EXCO'S PROJECT PIPELINE

## Australia Day Mines & Money

London, 29 November 2010

*Presented by Michael Anderson – Managing Director*



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*This presentation 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.*

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*Information in this presentation relating to mineral resources and exploration results is based on data compiled by Exco's Exploration Manager Stephen Konecny who is a member of The Australasian Institute of Mining and Metallurgy. Mr Konecny 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 Competent Persons under the 2004 Edition of the Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Konecny consents to the inclusion of the data in the form and context in which it appears.*



# AGENDA

**EXCO**  
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- Snapshot of Exco
- Achievements in 2009/10
  - White Dam
  - Cloncurry Copper Project
  - Exploration
- What lies ahead in 2010/11
- Summary





# SNAPSHOT OF EXCO (ASX:EXS)

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EXS – Ordinary Shares	346,494,187
- Unlisted Options	9,150,000
Current Share Price (23/11/10)	A\$0.59
- 12-month range	A\$0.175 - A\$0.625
Market Capitalisation (undiluted)	A\$204.4M
(fully diluted)	A\$209.8M
Cash (end Q3/10)	A\$11.5M



## Board of Directors

Barry Sullivan	Chairman
Michael Anderson	Managing Director
Alasdair Cooke	Executive Director
Peter Reeve	Non-Exec Director

## Major Shareholders (as of 21/10/10)

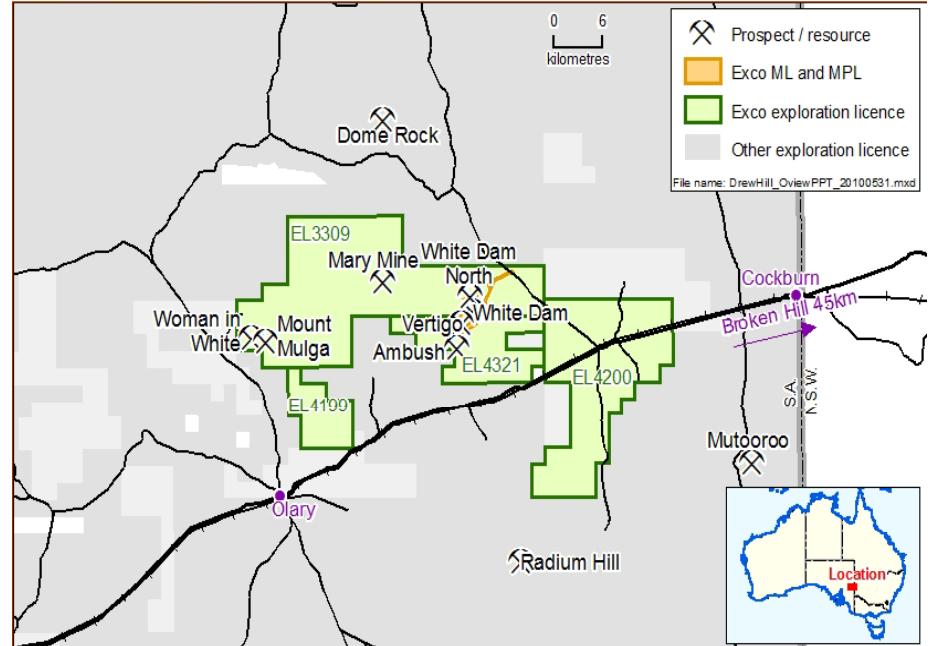
Ivanhoe Australia Ltd	22.9%
JP Morgan Nominees	8.5%
WH Soul Pattinson & Co	7.5%
Alasdair Cooke	4.9%
Sin-Tang (Aus-Ore)	4.7%
<b>TOP 10</b>	<b>&gt; 60%</b>



## WHITE DAM GOLD (EXS – 75%)

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- First gold produced in April 2010 after very successful construction & commissioning
- Cash positive 2 months earlier than expected; a great start!
- Production rate of >65,000oz pa achieved (30% above expectations)
- Barclays debt fully repaid; nine months early
- Ongoing focus on three key areas of upside:
  - **Recovery** - Initial operating performance is very encouraging
  - **Exploration** at Vertigo, White Dam North & Ambush can extend mine life
  - **A\$ gold price** - very attractive margins with costs ~A\$600/oz & a pragmatic approach to hedging.



### White Dam Production (to 23 Nov 2010)

Gold poured (oz)	40,182
Exco's 75% share (oz)	30,136
Barclays Repayment	15,687 (100%)
Average Sale Price – A\$/oz	1,373
Exco revenue – A\$	16,539,532



# WHITE DAM GOLD PROJECT

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## WHITE DAM RESOURCE UPSIDE



- **Total Resources – 9.6 Mt @ 1.05 g/t Au for 325,000 oz**
- **Probable Reserve - 4.94Mt @ 1.07 g/t Au for 170,400 oz (Strip ratio 1:1)**
- **Further potential at Vertigo, White Dam, White Dam North & Ambush**
- **In-fill drilling complete at Vertigo; expect upgrade to reserve shortly**

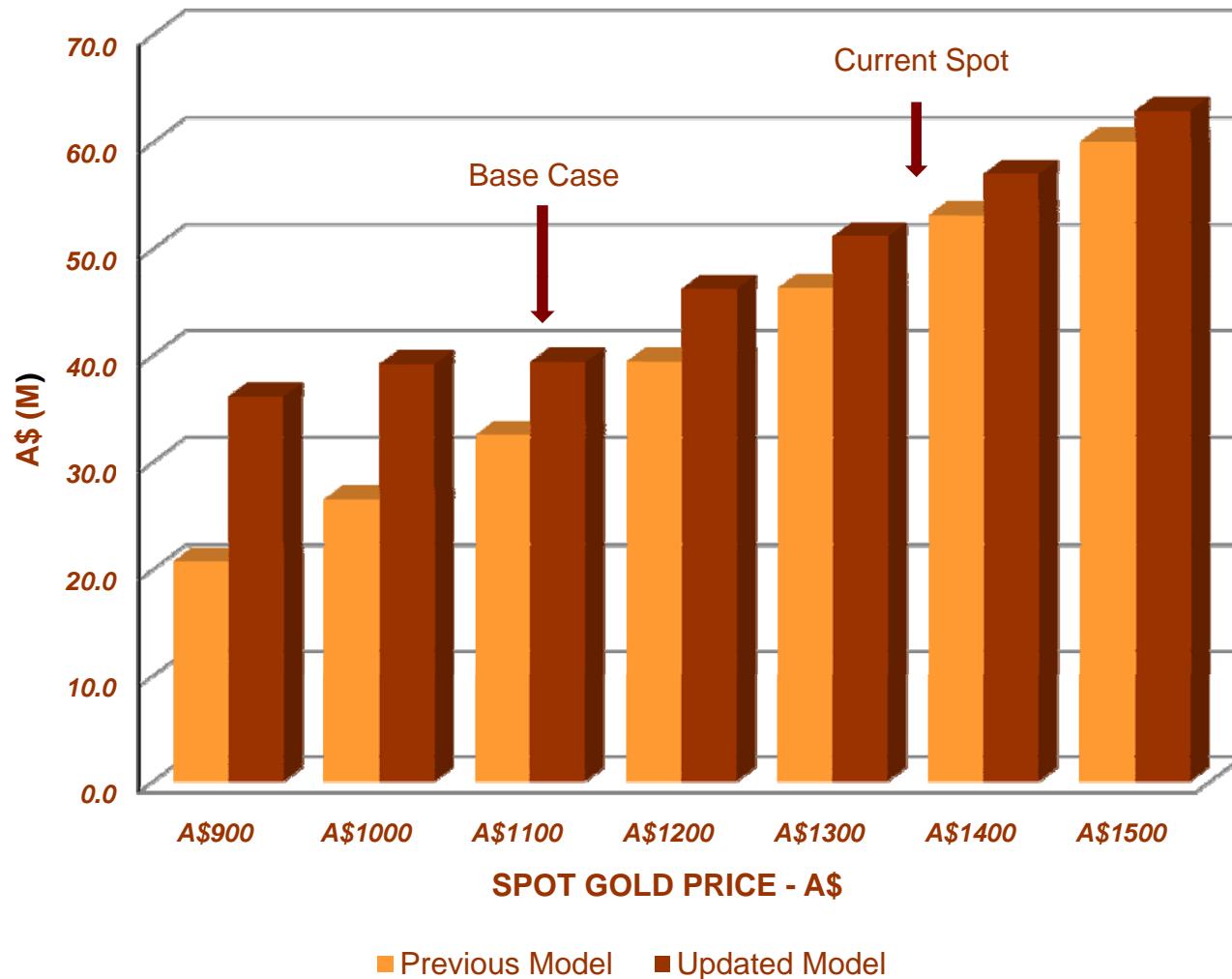
White Dam Gold Project - Mineral Resource Estimate							
[(White Dam resource re-estimated in 2009 using Ordinary Kriging (0.4/t cut-off grade )]							
Deposit	Indicated		Inferred		Total		
	Tonnes	g/t	Tonnes	g/t	Tonnes	g/t	Ounces
White Dam Oxide	5,149,000	1.09			5,149,000	1.09	180,100
White Dam Fresh	603,000	1.08	1,315,000	0.88	1,918,000	0.94	58,000
<b>Sub -Total</b>	<b>5,752, 000</b>	<b>1.07</b>	<b>1,315,000</b>	<b>0.88</b>	<b>7,067,000</b>	<b>1.05</b>	<b>238,100</b>
Vertigo Oxide			1,200,000	1.00	1,200,000	1.00	38,000
Vertigo Fresh			1,330,000	1.14	1,330,000	1.14	49,000
<b>Sub -Total</b>			<b>2,530,000</b>	<b>1.07</b>	<b>2,530,000</b>	<b>1.07</b>	<b>87,000</b>
<b>TOTAL</b>	<b>5,752, 000</b>	<b>1.07</b>	<b>3,845,000</b>	<b>1.00</b>	<b>9,597,000</b>	<b>1.05</b>	<b>325,000</b>



# WHITE DAM – UPDATED MODEL

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## WHITE DAM CASHFLOW - EXCO (75%) \*



### ASSUMPTIONS

- Recovery 70%
- Production 120,000oz
- 30 month project life
- Costs – A\$570/oz
- Actuals on production to date
- Includes new hedging and put options

### HIGHLIGHTS

- Increased cash flow at all levels
- Downside protected
- Exposed to upside from
  - Price
  - Recovery
  - Exploration

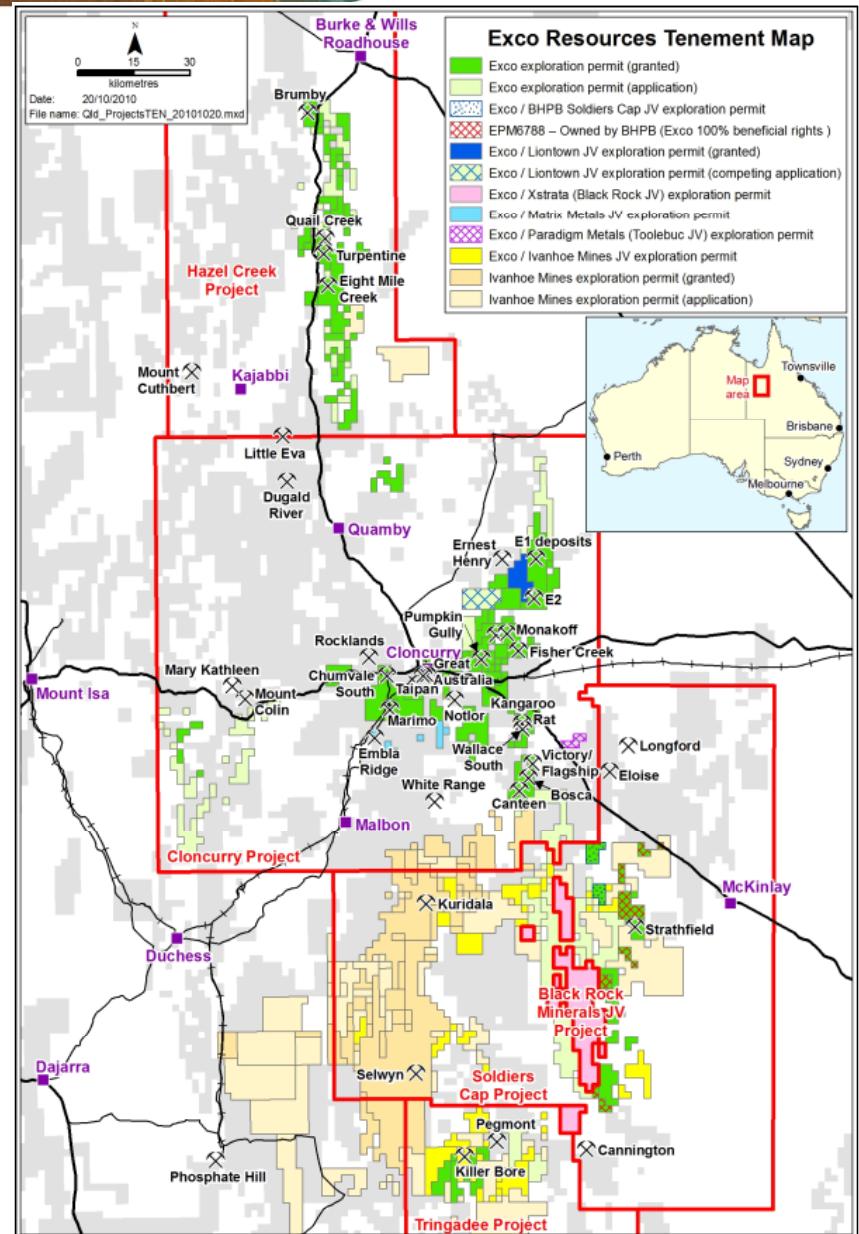
\* After financing, before discounting & tax



# EXCO's COPPER PORTFOLIO

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- Cu-Au-Fe-U Projects in Mt Isa Block, NW Qld
- Region hosts a number of 'world class' deposits
- Established mining culture and infrastructure
- Exco has a sizeable & strategic landholding
- Three key 'centres of gravity'
  1. *Cloncurry Copper Project (Feasibility)*
  2. *Hazel Creek Project (Exploration)*
  3. *Southern Joint Venture Projects*
    - Ivanhoe
    - Xstrata
    - BHP Billiton





# COPPER RESOURCE BASE

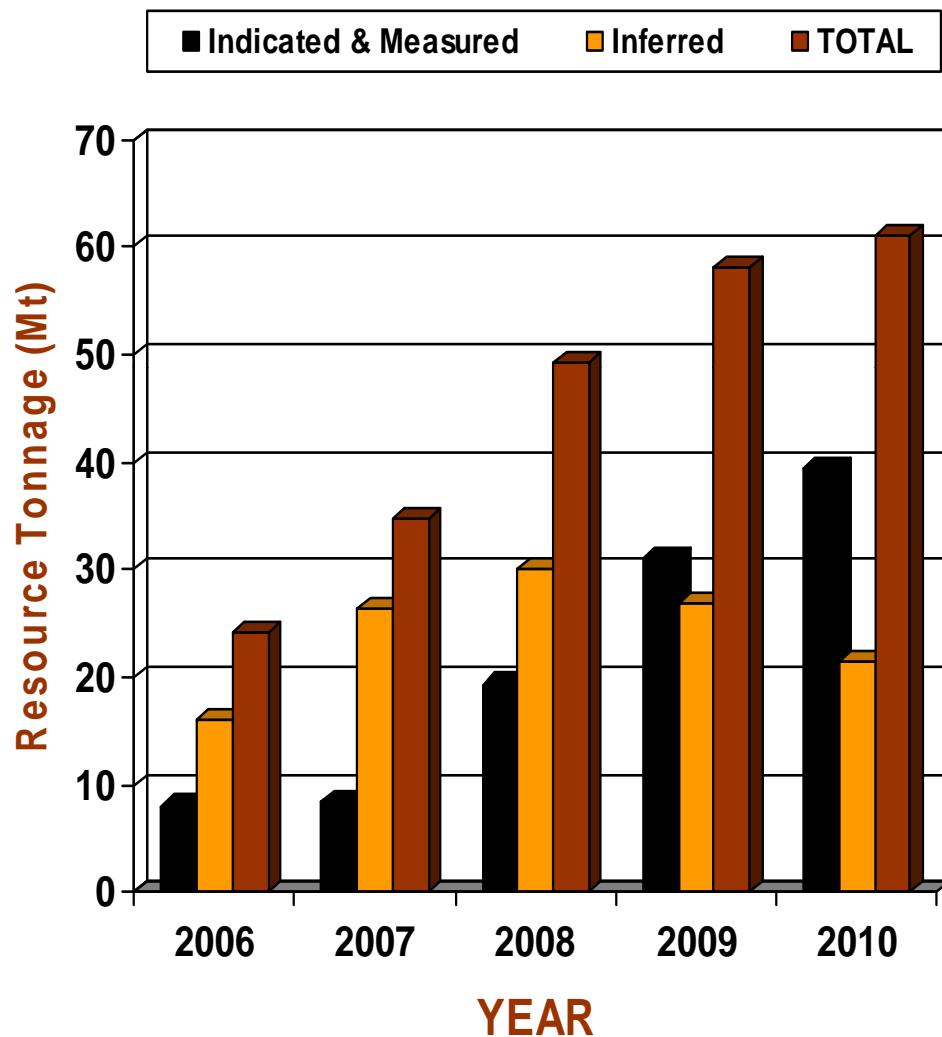
**EXCO**  
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PROJECT	DEPOSIT	CLASS	TONNES	GRADE		METAL	
				Cu %	Au g/t	Cu T	Au Oz
CLONCURRY COPPER PROJECT	E1 Camp	Measured	9,170,000	0.87	0.25	80,000	75000
		Indicated	24,700,000	0.71	0.21	177,000	165,000
		Inferred	14,200,000	0.64	0.2	91,000	90,000
		<i>Sub - total</i>	<i>48,100,000</i>	<i>0.72</i>	<i>0.21</i>	<i>348,000</i>	<i>330,000</i>
	Monakoff * & Monakoff East	Indicated	2,000,000	1.39	0.44	28,000	28,000
		Inferred	2,000,000	1.3	0.4	25,000	26,000
		<i>Sub - total</i>	<i>4,000,000</i>	<i>1.32</i>	<i>0.42</i>	<i>53,000</i>	<i>54,000</i>
	Great Australia *	Indicated	1,400,000	1.53	0.13	21,000	6,000
		Inferred	800,000	1.57	0.14	12,000	3,000
		<i>Sub - total</i>	<i>2,100,000</i>	<i>1.54</i>	<i>0.13</i>	<i>33,000</i>	<i>9,000</i>
	Mt Colin *	Indicated	620,000	3.14		19,500	
		Inferred	870,000	2.00		17,500	
		<i>Sub - total</i>	<i>1,490,000</i>	<i>2.47</i>		<i>37,000</i>	
	SUB - TOTAL	Measured	9.17 Mt	0.87	0.25	80,000	75,000
		Indicated	28.72 Mt	0.86	0.22	246,000	199,000
		Inferred	17.87 Mt	0.82	0.21	146,000	119,000
		<i>Total</i>	<i>55.7 Mt</i>	<i>0.85</i>	<i>0.22</i>	<i>472,000</i>	<i>394,000</i>
OTHER	SUB - TOTAL	ALL	5.4 Mt	0.88	0.62	47,400	107,000
<b>TOTAL</b>			<b>61.0 Mt</b>	<b>0.85</b>	<b>0.25</b>	<b>519,400</b>	<b>500,000</b>



# COPPER RESOURCE GROWTH

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>150% increase in Resource Tonnage over last 4 years

Contained Cu up by 115%.

Total resource base now contains >500,000t of Cu

Contained Au up by 150%

“Critical Mass” of >55Mt now within the Cloncurry Copper Project (CCP)

38Mt of Measured & Indicated Resources within the CCP provides the basis for a 10-year mine life

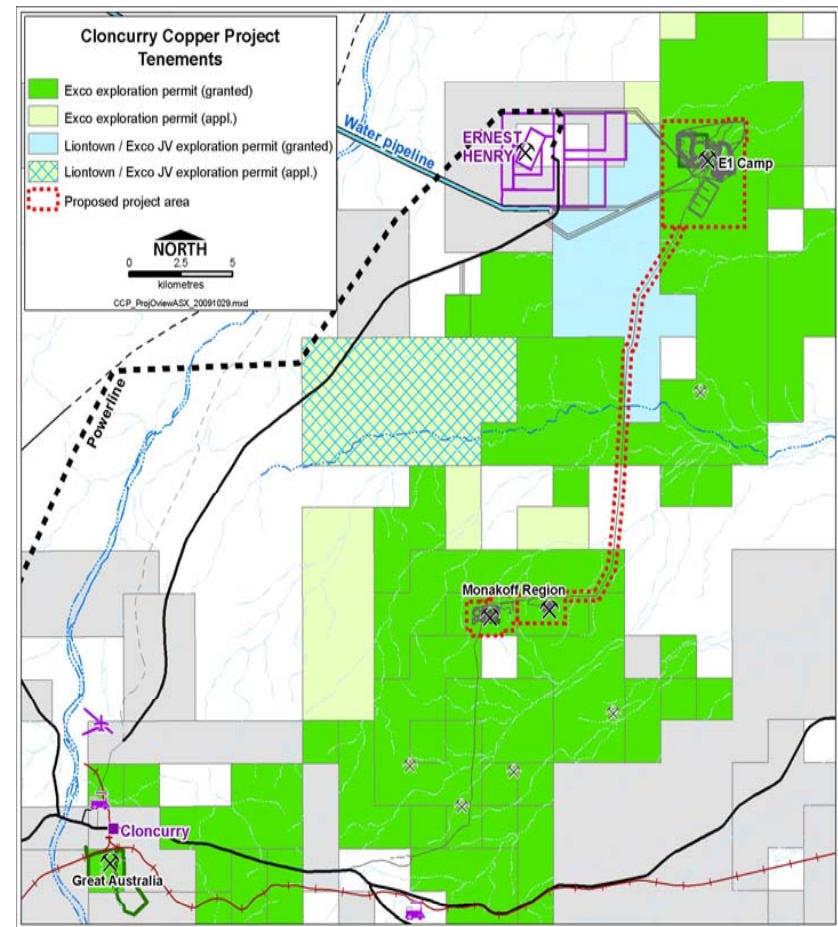
Expect significant further upside from ongoing exploration & resource development activities



## COLONCURRY COPPER PROJECT (CCP)

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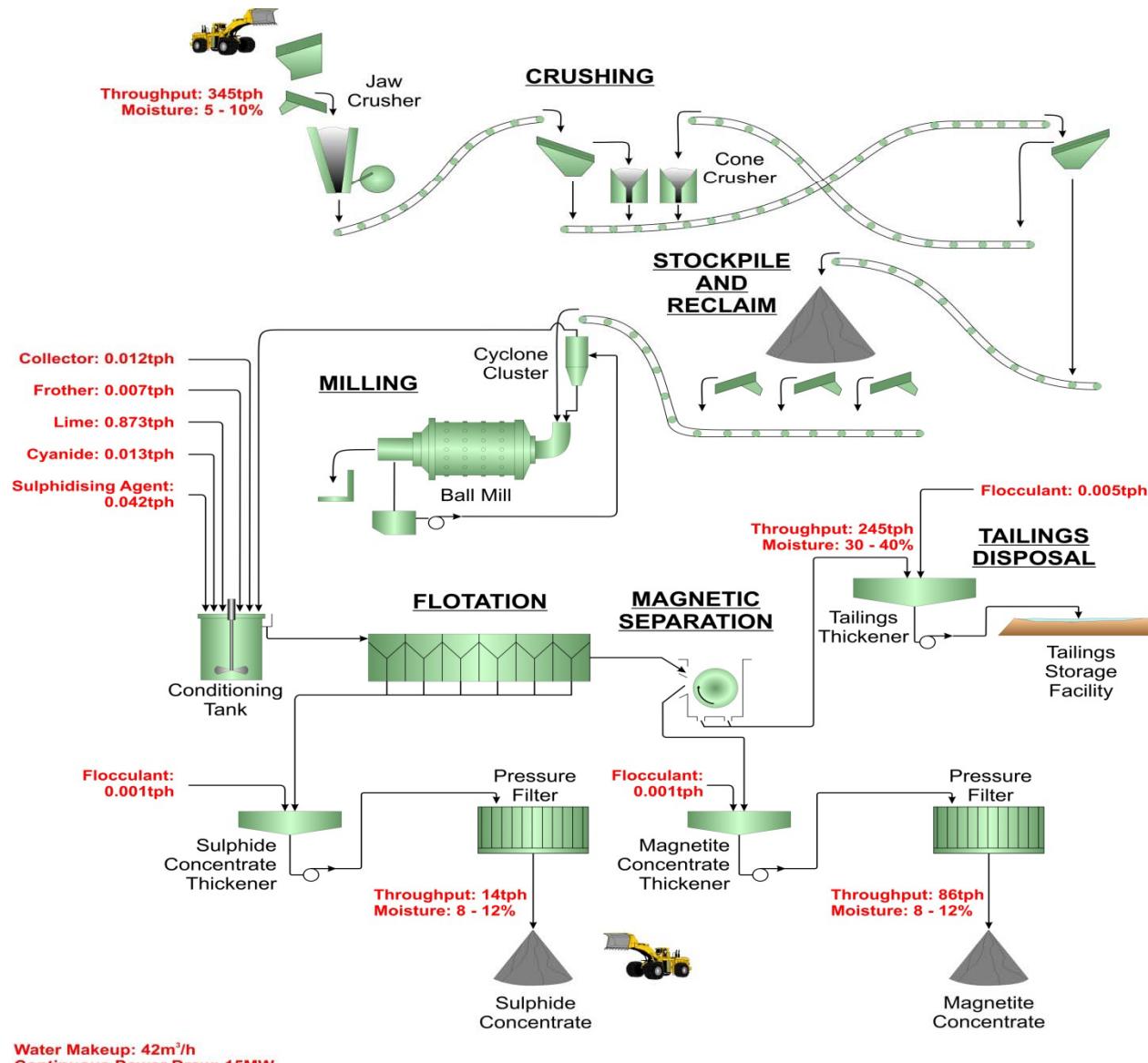
- Good progress on all aspects of the DFS
- Work complete as basis for establishing a ~30Mt reserve to support a 10-year mine life
- Open-pit mine plans in place for all key deposits
- Simple process flowsheet designed. Now in final stages of metallurgical optimisation.
- Evaluating by-product potential [Magnetite (Fe), Co & U]
- EIS submitted in late 2009. Approvals process progressing with preparation of detailed Environmental Management Plan (EMP)
- Ongoing discussions with numerous potential partners with the aim to establish a preferred development strategy in the very near future.





# CCP - FLOWSHEET

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# CCP INDICATIVE FINANCIAL MODEL



Throughput	3Mtpa
Initial Project Life	~10 years
Recovery	Cu = 90-92%; Au = 70%
Annual Production	Cu = 25,000t; Au = 17,000oz
Estimated Capital Cost ( $\pm 25\%$ )	~A\$200M*
Operating Cost (including TC/RC & royalty)	US\$1.75/lb*
Gold credit	(US\$0.25/lb)
Total Cash Cost	US\$1.50/lb
Average Cu Price (US\$/lb) assumed	US\$3.00
Average Au Price (US\$/oz) assumed	US\$1,000
A\$ Exchange	US\$0.85
<b>Base Case NPV @ 8.5% (Cu &amp; Au only)</b>	<b>A\$256M</b>
IRR (Cu & Au only)	36%
Potential By-product NPV (Co & Magnetite)	A\$50-80M
Payback period	2-3 years
<b>Spot NPV @ 8.5% (Cu &amp; Au only) – 25/10/10</b>	<b>A\$375M</b>

\* excludes Mining Fleet; operating cost assumes contract mining



## CCP DEVELOPMENT SCENARIOS



1	<b>STANDALONE CONCENTRATOR DEVELOPMENT</b>	<ul style="list-style-type: none"><li>• Critical mass of Measured &amp; Indicated resource for ~10 year mine life</li><li>• Project economics are robust at current and long-term Cu prices</li><li>• Targeting production by early 2012 (subject to approvals &amp; funding)</li><li>• Discussions underway with potential JV partners (e.g. Sin-Tang)</li><li>• Significant interest in funding, construction and off-take</li></ul>
2	<b>XSTRATA / EHM ORE SUPPLY</b>	<ul style="list-style-type: none"><li>• Closest known sulphide resources to Ernest Henry Mine (EHM)</li><li>• EHM deal potentially offers lower cost base &amp; earlier production</li><li>• Xstrata's commitment to underground project is a major positive</li><li>• Recent announcements suggest availability of spare capacity</li><li>• Exco is flexible on approach to commercial structure</li></ul>

*Exco is proactively evaluating each of these scenarios and is committed to achieving the best long-term value proposition for the Company & its shareholders*



# CCP INDICATIVE TIMELINES





# EXPLORATION HIGHLIGHTS

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## Salebury

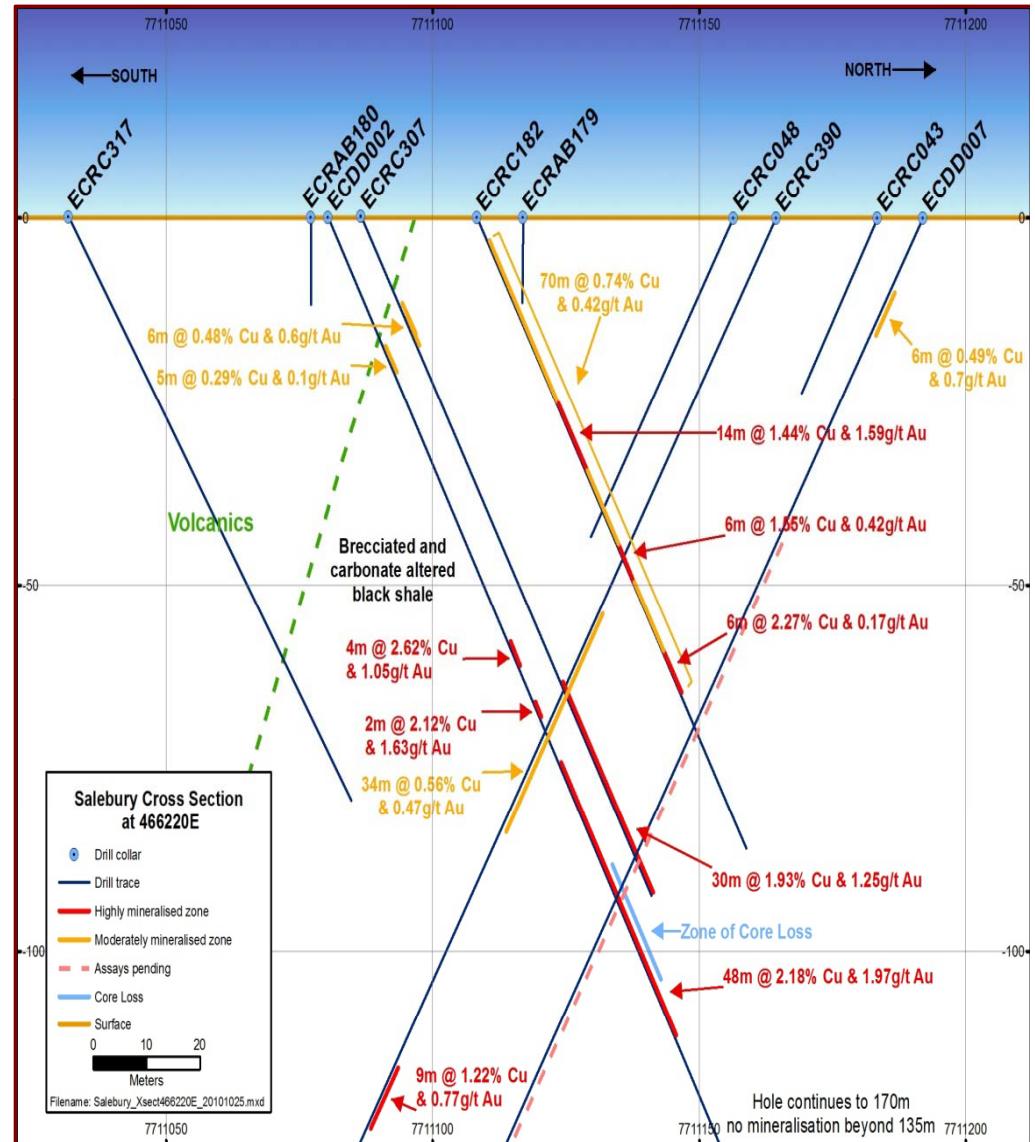
Significant resource potential with numerous high grade intersections including:

- 48m @ 2.18% Cu & 1.97 g/t Au
- 42m @ 1.24% Cu & 0.79 g/t Au
- 30m @ 1.93% Cu & 1.25 g/t Au

## Tanbah

Widespread mineralisation and elevated Co levels; e.g.,

- 23m @ 1.52% Cu, 0.75 g/t Au & 206 ppm Co
- 47m @ 0.59% Cu, 0.25 g/t Au & 160 ppm Co
- 202m @ 0.32% Cu, 0.32 g/t Au & 676 ppm Co

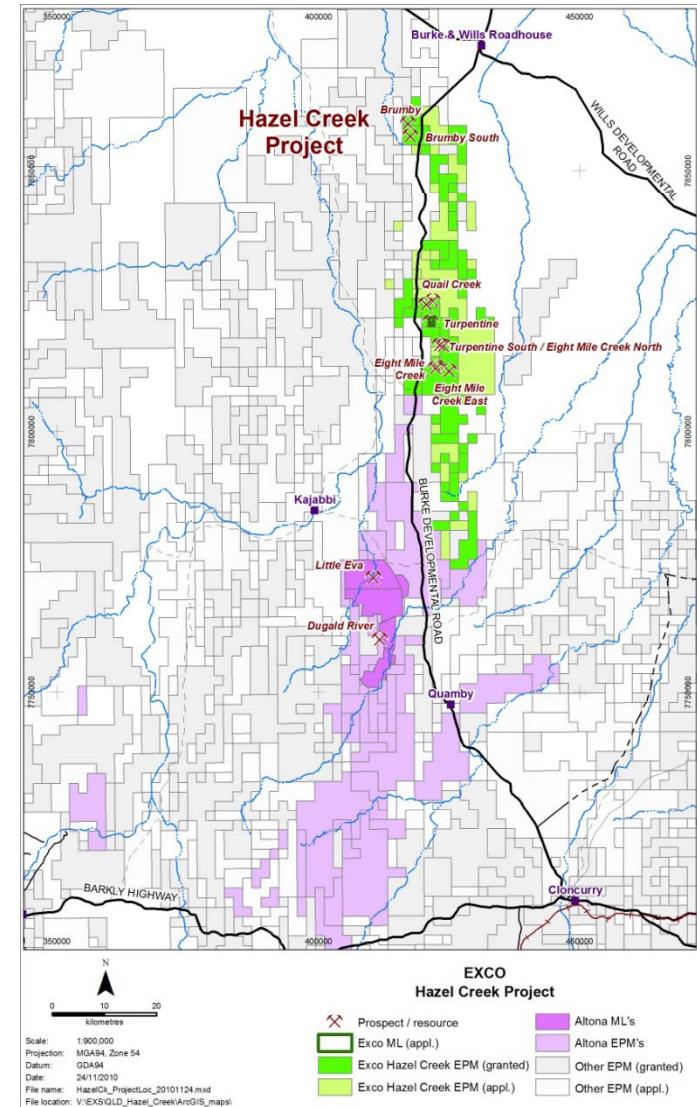




# HAZEL CREEK EXPLORATION

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- Greenfields exploration project with >500km<sup>2</sup> of highly prospective tenements.
- One of few remaining underexplored belts. Majority of targets remain untested. Until now!
- Geophysics has identified targets with numerous ore grade intersections to date.
- Recent drilling has demonstrated further potential
  - **Eight Mile Creek East:**
    - 41m @ 0.72% Cu & 0.17g/t Au, incl 9m @ 1.54% Cu & 0.31 g/t Au
    - 18m @ 0.77% Cu & 0.21g/t Au
    - 48m @ 0.71% Cu & 0.21g/t Au
    - 54m @ 0.51% Cu & 0.09g/t Au, incl 30m @ 0.70% Cu & 0.36 g/t Au
  - **Turpentine Extensions:**
    - 11m @ 2.01% Cu & 0.51g/t Au, incl 3m @ 5.11% Cu & 1.35g/t Au
    - 35m @ 0.44% Cu & 0.09g/t Au, incl 7m @ 1.29% Cu & 0.35g/t Au
  - **Turpentine South:**
    - Visual confirmation of mineralisation; results awaited
- Further results expected shortly





## WHAT TO EXPECT IN 2010/11



### ❖ WHITE DAM

- Ongoing gold production & significant cashflow to EXS
- Exploration & resource development success leading to an extended mine life

### ❖ CLONCURRY

- Exploration & resource development success
- Completion of the Definitive Feasibility Study & Approvals process
- Commitment to a preferred development scenario

### ❖ HAZEL CREEK

- Exploration success & identification of resource potential



## EXS – STRATEGIC OVERVIEW



- ❖ **MANAGEMENT**: A Board & Management Team with the track record & experience to deliver value from Exco's project portfolio.
- ❖ **ASSET QUALITY**: Strategic ground positions in highly prospective belts, a resource base which continues to grow & production!
- ❖ **FUNDING**: White Dam will add significantly to the current robust cash position. Well placed to achieve immediate objectives & drive exploration.
- ❖ **A PIPELINE OF PROJECTS**: Platform in place to grow the business:
  1. *Production at White Dam Gold Project in 75:25 JV with Polymetals*
  2. *Stand-alone, JV and ore-supply options at the Cloncurry Copper Project*
  3. *Exploration potential at Cloncurry & Hazel Creek*
  4. *Joint Venture optionality with 'major' partners including Ivanhoe*
- ❖ **COMMITMENT**: Our goal is to create maximum value for shareholders.



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