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Manager Announcements
Companies Announcements Office
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via electronic lodgement

Dear Sir/Madam,

GOOD RESULTS FROM DRILLING AT MT MARGARET PROJECT, E1 DEPOSIT

- High-grade zone larger and more continuous than expected
- 29m at 3.64% copper and 1.28 g/t gold
- Good widths from main ore zone
- 104m at 1.15% copper and 0.34 g/t gold
- 130m at 1.08% copper and 0.34 g/t gold
- Further high-grade zones intersected in diamond core – results pending

MT MARGARET PROJECT, MT ISA. E1 copper gold deposits. (Exco 100%)

The first assays have been received for the current program of RC drilling at the E1 deposit. Assays for diamond core have been submitted and results are expected in 2-3 weeks.

Higher than expected copper and gold grades have been encountered over wide intervals from holes planned to test the plunge extension of the high-grade zone encountered in the previous program.

EMDT202 was drilled in an area previously designated as low grade ore and intersected mineralised breccias and ironstones from 62m to 109m, from which assays received for 62m to 91m averaged 3.64% copper and 1.28 g/t gold. Similar results are expected for the remainder of the interval, with assays pending.

EMMD004 tested the extension north from EMDT202 and intersected 56m of mineralisation over 2 zones, with similar high-grade style of mineralisation from 80m to 109m where the hole was terminated in mineralisation due to broken ground. Further work is being planned to test the continuation of this zone.

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Several holes tested the down-dip extensions from the high-grade zone and encountered wider than expected intervals of mineralisation at expected grades between 1-2% copper.

Whilst these results are still being assessed it is clear that the high grade zone is larger and more continuous than previously expected, and widths of typical ore below the high-grade zone are greater than expected. Most of the high-grade zone encountered to date is at shallow depths and should be amenable to low cost open pit mining. The greater widths of the main ore zone should also have a positive impact on the economic modelling of the open pit.

Additional holes are being considered to further delineate the high-grade zone this field season.

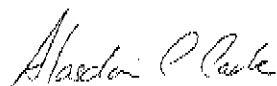
Hole ID	From	To	Interval m	Copper %	Gold g/t	Silver g/t
EMDT202	62	91*	29*	3.64	1.28	13.2
EMDT202	136	146	10	DDH results pending		
EMDT203	60	80	20	0.93	0.25	2.7
EMDT203	120	186	68	DDH results pending		
EMRC204	24	128	104	1.15	0.34	7.0
including	24	74	50	1.56	0.46	9.4
EMRC205	38	58	20	0.59	0.16	1.2
EMRC206	24	154	130	1.08	0.34	4.0
including	28	40	12	2.19	0.77	11.7
and	62	80	18	1.55	0.39	5.2
and	98	138	40	1.42	0.43	5.0
EMRC207	90	124	34	1.25	0.44	1.6
including	108	124	16	1.73	0.61	2.0
EMMD004	43	68	27	DDH results pending		
EMMD004	80	109**	29**	DDH results pending		

DDH = diamond drill core

* interval continues to 109m as core - DDH results pending

** similar style of mineralisation to EMDT202 - hole terminated in mineralisation due to broken ground

The drill rig has left E1 and is now drilling at Exco's Hazel Creek Project.



Alasdair Cooke
Managing Director

The geological information in this release is compiled by Mr Alasdair Cooke, BSc Hons Geology who has 15 years experience and Mr Stephen Konecny BSc Hons who has 16 years experience in base metal exploration.

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