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ABN 99 080 339 671

24 October 2003

Manager Announcements
Companies Announcements Office
Australian Stock Exchange Limited
10th Floor, 20 Bond Street
SYDNEY NSW 2000



via electronic lodgement

Dear Sir/Madam,

EXCO TO RAISE \$2,300,000

The Company has lodged a Prospectus today to raise \$2,300,000.

The offer is 10,000,000 shares at an issue price of 23 cents each, together with one free attaching option (same terms as existing listed options) for every 4 shares subscribed. The Company reserves the right to accept up to another 5 million shares (and attaching options) as oversubscriptions.

The offer is not underwritten. Taylor Collison Limited is assisting the Company to undertake a book build of select institutional and retail investors. The issue is expected to close by next Friday, 31 October.

The funds raised will primarily be directed towards feasibility and development work on the Company's two most advanced projects, Mt Isa copper and White Dam gold.

A copy of the Prospectus and executed 3B is attached. The document has been posted on Exco's website: www.excoresources.com.au

Regards

Alasdair Cooke

Managing Director



ABN 99 080 339 671

PROSPECTUS

**For the issue of 10 million Shares
at an issue price of 23 cents each,
with 1 free Option for every 4 Shares issued,
to raise \$2,300,000,
and oversubscriptions up to another 5 million Shares
will be accepted on the same terms.**

IMPORTANT NOTICE

This Prospectus is important and requires your immediate attention. It should be read in its entirety. Before deciding whether to apply for the Shares and free attaching Options offered by this Prospectus, you should consult your professional advisers for advice in respect of the contents of this Prospectus.

The Directors consider an investment in the Shares offered by this Prospectus to be speculative in nature.

CORPORATE DIRECTORY

Directors

Roderic (Rick) Holliday-Smith (Chairman)
Alasdair Cooke, Managing Director
Alastair Hood, Non Executive Director
Craig Burton, Executive Director

Secretary

Mark Freeman

Registered and Principal Office

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Facsimile: (08) 9389 6400
Email: exco@excoresources.com.au
Website: www.excoresources.com.au

ASX Code

Ordinary shares	EXS
Options	EXSO

Share Registry

Computershare Registry Services
Pty Limited
Level 2, 45 St Georges Terrace
PERTH WA 6000
GPO Box D182
PERTH WA 6840

Telephone: (08) 9323 2000
Facsimile: (08) 9323 2033

Auditor

KPMG*
152-158 St George's Terrace
Perth Western Australia 6000

Solicitors

Blakiston & Crabb*
1202 Hay Street
West Perth Western Australia 6005

* KPMG and Blakiston & Crabb have not consented to be named in this Prospectus and their names are included for information purposes only. Neither party have made any statements that are included in this Prospectus or statements identified in this Prospectus as being based on any statements made by them.

MANAGING DIRECTOR'S UPDATE

Dear Investor

On behalf of the Board of Directors of Exco Resources NL, I have pleasure in inviting you to participate in this capital raising. The primary purpose of the raising is to fund feasibility studies on the Company's two most advanced projects, White Dam gold and Mt Isa copper. Some funds will be used to undertake work upon the Company's numerous exploration projects, although joint venture partners are funding most ongoing exploration work.

The past year has been active and productive for our Company with significant progress on the development of our main projects and the commencement of important new joint ventures. Highlights of the past year have included:

- The substantial upgrading of the commercial potential for the Company's copper-gold deposits at Mt Isa through the discovery of high-grade ore zones at E1 North and Turpentine.
- The start of feasibility studies including column leach tests on the White Dam gold project following favourable trenching and bulk sampling results.
- A major new joint venture with Noranda to explore for Cannington-style silver-lead-zinc deposits in the highly prospective "lead belt" north of Cannington.
- A new joint venture with Placer Pacific to explore for high-grade mineralisation below the Strathfield copper-gold deposit.

Numerous other project developments have also taken place during the last year and are reviewed in our latest Annual Report.

At our Mt Isa copper-gold projects the discovery of shallow, high-grade ore zones at both the E1 North and Turpentine deposits have considerably advanced the potential for commercial development. The recent drilling program at E1 North has followed up on the significant intervals of high-grade mineralisation over wide widths that were found in last years drill programs. The current program will allow revised resource calculations incorporating the high-grade zones and new pit optimisation studies.

These results, as well as recent improvements in the copper price and concentrate sale terms, will have a significant positive effect on the economics of these projects. The improvement in concentrate terms is being driven by competition from China and India for copper concentrate supplies, which is in turn generating strong interest in securing supply from any new projects. These are all positive factors for the potential to finance and develop Exco's copper projects at Mt Isa. The Company is now proceeding with a full feasibility study and has commenced the process of securing a Mining Lease at E1 North, including necessary environmental and native title consents.

Also at Mt Isa there has been significant progress in the areas of land access and joint venture negotiations. Following the conclusion of the Soldiers Cap Alliance with BHP Billiton all tenements within the Alliance area are being transferred from BHP Billiton to Exco. This allows Exco to deal on these tenements unencumbered and has resulted in the important new joint ventures with Placer Pacific and Noranda Pacific.

The joint venture with Noranda is incorporated as Black Rock Minerals Pty Ltd (Noranda holds 50% with a right to earn to 75%). This JV combines the tenements of Noranda and Exco that cover most of the historic 'lead belt' that runs along strike north from BHP Billiton's Cannington silver-lead zinc mine and is host to numerous significant silver-lead-zinc prospects of similar style as Cannington. Few of the prospects or surrounding areas have had significant exploration work conducted since the discovery of Cannington and the Black Rock joint venture combined land package will for the first time bring this entire belt of mineralisation under one entity. Noranda has contributed \$500,000 to fund the initial work program, now underway, to delineate and test a number of high priority targets associated with the known prospects and mineralisation.

The joint venture with Placer Pacific at Strathfield (Placer manager, earning 80%) will explore for deep, high-grade mineralisation below the Strathfield copper-gold deposit. Strathfield is a large mineralised system and the decision by Placer to commit to the deep drilling program is based on the potential for a large high-grade ore zone to exist below the lower-grade mineralisation identified to date near surface.

In South Australia the Company has made an important step in broadening its exposure to gold and the potential for developing cash flow by entering the Drew Hill joint venture (Exco manager, earning 60%) with Polymetals Australia Pty Ltd. This JV provides Exco with entry into an advanced gold project (White Dam) with potential to generate significant cash flow with relatively low capital cost. The priority of the joint venture is to evaluate and develop the White Dam gold deposit and surrounding prospects.

The recently completed trenching and bulk sampling program at White Dam has confirmed Exco's interpretation of substantial near surface mineralisation at good grades and width. Metallurgical test work on the bulk samples is in progress and other aspects of the project feasibility study are being rapidly advanced so a decision to proceed to the next stage of Trial Mining will be made later this year.

In addition to the gold potential at White Dam, the Drew Hill JV provides Exco with a highly prospective ground position covering a large part of the Olary Block. The geology of this region is directly correlated with the Broken Hill block, a world class silver-lead-zinc province hosting the renowned Broken Hill mines, and similarly but less directly correlated with the Mt Isa Eastern Succession, host of the world class Cannington silver-lead-zinc deposit and numerous major copper-gold deposits as well as being the key focus of Exco's activities over the past four years. The development of new interests in the Olary Province is a change in geography but otherwise an extension of Exco's existing focus on world class base-metal terranes.

Whilst White Dam is primarily a gold project it has many similarities to Exco's other copper-gold projects such as E1, and Exco's experience in exploration for such deposits will provide valuable insights when applied to exploration and evaluation of the numerous copper-gold prospects and targets already identified by previous work on the Drew Hill tenements.

The coming year has many opportunities for Exco, with studies underway on the two leading projects and numerous exploration projects to be tested. We are confident of our strategies and our chances of success in these endeavours and that success will see rewards delivered to shareholders. We welcome your interest to participate in this issue. If you have any queries regarding the details contained in this document please contact your financial adviser or our Company Secretary, Mark Freeman, on (08) 9324 1177.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Alasdair Cooke', with a stylized, cursive script.

Alasdair Cooke
Managing Director

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Important Notes And Statements

This Prospectus is dated 24 October 2003. A copy of this Prospectus was lodged with the ASIC on 24 October 2003. Neither the ASIC nor ASX take any responsibility for the contents of this Prospectus. No Shares or free attaching Options will be allotted or issued on the basis of this Prospectus later than 13 months after the date of issue of this Prospectus. Shares and free attaching Options issued pursuant to this Prospectus will be issued on the terms and conditions set out in this Prospectus.

This Prospectus will be issued as an electronic prospectus. The Prospectus will be available on the Company's website at www.excoresources.com.au. The offer of Shares and Options pursuant to this Prospectus is available to persons receiving an electronic version of this Prospectus within Australia. The Corporations Act prohibits any person from passing to another person the Application Form unless it is attached to or accompanies the complete and unaltered version of this Prospectus. Prior to the Closing Date, any person may obtain a hard copy of this Prospectus by contacting the Company by e-mail at exco@excoresources.com.au.

The Company will apply for the Shares and free attaching Options offered pursuant to this Prospectus to be listed on ASX. An application for Shares and free attaching Options will only be accepted on the Application Form accompanying this Prospectus.

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom it would not be lawful to make such an offer or invitation. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

Summary of Important Dates

Prospectus Lodged at ASIC	24 October 2003
Closing Date for acceptance and receipt of applications under the Issue*	31 October 2003

*These dates are indicative only. The Directors reserve the right to vary key dates without prior notice.

Key Definitions

Throughout this Prospectus, for ease of reading, various words and phrases have been defined rather than used in full on each occasion and are set out in Section 5 of this Prospectus.

SECTION 1 EFFECT OF THE ISSUE ON THE COMPANY

1.1 Capital Structure of the Company

The pro forma capital structure of the Company following the issue of 10 million Shares and 2.5 million Options (ignoring oversubscriptions) is set out below:

Shares

Number	<i>Contributed Equity</i>	\$
80,688,362	Shares on issue prior to Issue	9,233,638
10,000,000	Shares to be issued under this Prospectus	2,300,000
	Less: Estimated costs of the Issue	(150,000)
90,688,362	Total contributed equity	11,383,638

Options

Number	<i>Options on Issue</i>
15,119,316	ASX listed options exercisable at 20 cents each on or before 28 August 2006
20,000,000	unlisted options exercisable at 20 cents each on or before 28 August 2006(i)
1,700,000	unlisted options exercisable at 65 cents expiring on or before 2 December 2005
2,500,000	Options issued under this Prospectus
39,319,316	Total Options following Issue

(i) The Company is seeking shareholder approval at the Annual General Meeting to convert the 20,000,000 unlisted options to listed options.

1.2 Principal Effects

Assuming the Issue is fully subscribed, the Issue will result in up to 10 million Shares and 2.5 million Options being added to the issued capital of the Company. A further 5 million Shares and 1.25 million Options may be issued by way of oversubscriptions.

The effect of the Issue on the capital structure of the Company, assuming it is fully subscribed but ignoring oversubscriptions, is as follows:

- The number of Shares and Options on issue in the Company will increase as shown in the table in Section 1.1.

- Following the issue of the Shares, the cash reserves of the Company will increase by \$2,300,000 (less costs). This will substantially increase the working capital of the Company. The intended use of these funds is set out in Section 2.11.
- If ultimately exercised, the Options being issued under this Prospectus will increase the issued share capital of the Company by a further 2.5 million Shares and raise a further \$500,000.

1.3 Balance Sheet of the Company

The following sets out Exco's balance sheet at 30 June 2003 and the pro forma balance sheet incorporating the issue of 10 million Shares and 2.5 million Options (net of costs), and the entitlements issue completed on 18 September 2003 (net funds raised \$744,901).

This pro forma balance sheet does not reflect expenditure incurred since 30 June 2003 and in particular the recent Mt Isa copper project drilling programs (estimated at \$250,000), as well as ongoing administration and overheads.

	As at 30 June 2003 (audited)	Pro Forma incorporating the Issue
CURRENT ASSETS		
Cash	170,715	3,065,616
Receivables	94,878	94,878
Other	18,636	18,636
Total Current Assets	<u>284,229</u>	<u>3,179,130</u>
NON-CURRENT ASSETS		
Exploration & Evaluation Expenditure	5,033,930	5,033,930
Investments	500,000	500,000
Plant & Equipment	27,509	27,509
Total Non-Current Assets	<u>5,561,438</u>	<u>5,561,438</u>
TOTAL ASSETS	<u>5,845,668</u>	<u>8,740,569</u>
CURRENT LIABILITIES		
Accounts payable	134,359	134,359
Total Current Liabilities	<u>134,359</u>	<u>134,359</u>
Total Liabilities	<u>134,359</u>	<u>134,359</u>
NET ASSETS	<u>5,711,308</u>	<u>8,606,209</u>
EQUITY		
Contributed equity	8,488,737	11,383,638
Accumulated losses	-2,777,429	-2,777,429
TOTAL EQUITY	<u>5,711,308</u>	<u>8,606,209</u>

1.4 Effect of issuing Oversubscriptions

If oversubscriptions are issued this will result in an additional 5 million Shares and 1.25 million Options being issued and an additional \$1,150,000 in cash reserves (less any commissions payables). The oversubscriptions are not reflected in the tables set out in Sections 1.2 and 1.3.

SECTION 2 DETAILS OF THE ISSUE

2.1 Issue

Pursuant to this Prospectus the Company invites investors to subscribe for 10 million Shares at an issue price of 23 cents each, together with 1 free attaching Option for every 4 Shares issued, to raise \$2,300,000. The Options are exercisable at 20 cents each on or before 28 August 2006.

The rights attaching to the Shares and Options are summarised in sections 4.3 and 4.4 of this Prospectus.

2.2 Indicative Timetable

Prospectus lodged with ASIC	24 October 2003
Opening Date	27 October 2003
Closing Date	31 October 2003

The dates set out above are indicative only and may vary. The Company reserves the right to vary the Opening Date and Closing Date of the Issue without prior notice. This may impact on subsequent dates. **Applicants are encouraged to apply as soon as possible after the Opening Date as the Issue may close earlier than the date specified above.** The Company also reserves the right not to proceed with the Issue at any time before the allotment of Shares and Options to successful applicants.

2.3 Applications

An application for Shares (and free attaching Options) can only be made on the Application Form which is attached to or accompanies this Prospectus. Application Forms must not be circulated to prospective investors unless attached to or accompanied by a copy of this Prospectus.

Each applicant must apply for a minimum of at least 10,000 Shares and in multiples of 5,000 Shares thereafter. Cheques should be in Australian currency and made payable to **"Exco Resources NL - Share Issue Account"** and crossed "not negotiable".

Completed Application Forms must be accompanied by the application monies and lodged in person or by post with the Company's Share Registry:

Exco Resources NL - Share Offer
C/- Computershare Investor Services Pty Ltd
GPO Box D182
PERTH WA 6840

Exco Resources NL - Share Offer
C/- Computershare Investor Services Pty Ltd
OR Level 2, Reserve Bank Building
45 St. George's Terrace
PERTH WA 6000

Applications must be received by 5.00 pm Perth time on 31 October 2003 (subject to the right of the Directors to close the Issue earlier or to extend this date without notice).

Should you wish to apply for Shares (and free attaching Options), the instructions on the back of the Application Form will assist you to ensure that the Application Form is completed correctly.

2.4 Shareholder Approval and Allotments

The Company may utilise its capacity under Listing Rule 7.1 to issue up to 8,000,000 Shares and 2,000,000 free attaching Options under this Prospectus without obtaining shareholder approval.

The balance of the Issue is conditional upon the approval of the Company's shareholders in accordance with Listing Rule 7.1 at the Annual General Meeting of the Company.

Accordingly allotment of 8,000,000 Shares and 2,000,000 free attaching Options under this Prospectus may take place progressively upon receipt of completed Application Forms for the minimum subscription. The allotment of the further 2,000,000 Shares and 500,000 Options under this Prospectus and any oversubscriptions will not be made unless and until shareholder approval is obtained. All application monies for those further Shares will be returned (without interest) if shareholder approval is not obtained.

The Company reserves the right to allot Shares (and free attaching Options) in full for any application or to allot any lesser number, or to decline any application received.

Where the number of Shares (and free attaching Options) allotted is less than the number applied for, the surplus application monies will be returned by cheque within 7 business days after the Closing Date. Where no allotment is made, the amount tendered on application with the relevant Application Form will be returned in full by cheque as soon as practicable after the Closing Date. Interest will not be paid on monies refunded.

All application monies shall, before the allotment of Shares and Options pursuant to this Prospectus, be held by the Company in trust in a bank account until allotment or, where applicable, until repaid to the applicants. All interest earned on all application monies (including those which do not result in allotment of Shares and Options) will be retained by the Company.

A completed and lodged Application Form, together with a cheque for the application monies, constitutes a binding and irrevocable application for the number of Shares (and free attaching Options) specified in the Application Form. The Application Form does not need to be signed to be a binding application.

If the Application Form is not completed correctly, or if the accompanying payment of the application monies is for the wrong amount, it may still be treated as a valid application. The Directors' decision whether to treat the application as valid and how to construe, amend or complete the Application Form is final. However, an applicant will not be treated as having applied for more Shares (and free attaching Options) than is indicated by the amount of the cheque for the application monies.

2.5 Minimum Subscription

The minimum subscription is the issue of 5,000,000 Shares (and 1,250,000 free attaching Options) to raise \$1,150,000 (less costs). No Shares or attaching Options will be issued until applications are received for the minimum subscription. Thereafter, further Shares and attaching Options may be issued on a progressive basis, subject to 2.4 above.

2.6 Oversubscriptions

The Company reserves the right to accept oversubscriptions of up to \$1,150,000 through the issue of an additional 5,000,000 Shares at an issue price of 23 cents per Share (and 1.25 million free attaching Options).

The maximum amount that may be raised under this Prospectus is therefore \$3,450,000.

2.7 Brokerage and Commission

The Company may pay a fee of up to 5% of the amount subscribed (and accepted by the Company) to any holder of dealers' licences in respect of Applications Forms bearing the stamp of such dealers.

No brokerage or stamp duty will be payable by investors.

2.8 ASX Listing

The Company will make application to ASX within 7 days following the date of this Prospectus for official quotation of the Shares and free attaching Options.

If approval is not granted by ASX within 3 months after the date of this Prospectus, the Company will not allot or issue any Shares and Options and will repay all application monies (where applicable) as soon as practicable, without interest.

A decision by ASX to grant official quotation of the Shares and free attaching Options is not to be taken in any way as an indication of ASX's view as to the merits of the Company, or the Shares and Options.

2.9 Overseas Investors

This Prospectus does not constitute an offer in any place where, or to any person to whom, it would not be lawful to make such an offer. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

2.10 Purpose of Issue

The purpose of the Issue is to raise funds for the following:

- (a) to fund feasibility studies on the Company's two most advanced projects, White Dam gold and Mt Isa copper;

- (b) to undertake work upon the Company's numerous exploration projects; and
- (c) working capital.

2.11 Use of Funds

Details of the proposed expenditure of the funds raised from the Issue are as follows:

Description	Use of Funds
White Dam Project	\$525,000
Mt Isa Projects	\$600,000
Other Projects	\$275,000
General Working Capital	\$750,000
Estimated Cost of Issue	\$150,000
TOTAL	\$2,300,000

Given the inherent uncertainties that are associated with exploration, the Company's work programs and budgets are subject to change and will be dependent on results from ongoing exploration and evaluation activities.

Any funds raised from oversubscriptions will be applied to:

- further exploration work programs and tenement costs on high priority existing projects including feasibility resource evaluation work on the White Dam and Mt Isa Projects; and
- evaluation and acquisition of new projects.

If the minimum subscription only is raised the budget allocation to General Working Capital will be reduced by \$702,000, Mt Isa Projects by \$200,000, and Other Projects by \$175,000.

SECTION 3 RISK FACTORS

The Shares and free attaching Options offered under this Prospectus are considered speculative. The Directors strongly recommend investors examine the contents of this Prospectus and consult their professional advisers before deciding whether to apply for Shares and free attaching Options pursuant to this Prospectus. In addition, investors should be aware there are risks associated with investment in the Company. There are certain general risks and certain specific risks that relate directly to the Company's business and are largely beyond the control of the Company and its Directors because of the nature of the business of the Company.

The following summary, which is not exhaustive, represents some of the major risk factors that potential investors need to be aware of:

Share Market Conditions

As the Company is a company listed on ASX, its share and option price is subject to numerous influences that may affect both the trend in the share market and the share prices of individual companies.

Economic Conditions

Economic conditions, both domestic and global, may affect the performance of the Company. Factors such as currency fluctuation, inflation, interest rates, supply and demand and industrial disruption have an impact on operating costs, commodity prices, including gold and copper prices, and share market prices. The Company's future possible revenue and share and option price can be affected by these factors all of which are beyond the control of the Company and the Directors. In addition, the Company's ability to raise additional capital, should it be required, may be affected.

Operational Risk

By its nature, the business of exploration, mineral development and production that the Directors intend the Company to undertake, contains risks. Prosperity depends on the successful exploration and/or acquisition of reserves, design and construction of efficient processing facilities, competent operation and management, and efficient financial management. For its part, exploration is a speculative endeavour, while mining operations can be hampered by force majeure circumstances and cost overruns for unforeseen events.

Environmental Risks

Exploration programmes impact on the environment. These impacts are minimised by the Company's application of best practice principles.

Government Policy

Industry profitability can be affected by changes in government policy relating to mineral exploration and production that are beyond the control of the Company.

Native Title

Both the Native Title Act 1993 (Cth), related State native title legislation and aboriginal land rights and aboriginal heritage legislation may affect the Company's ability to gain access to prospective exploration areas or obtain production titles. Compensatory obligations may be necessary in settling native title claims if lodged over any tenements acquired by the Company. The level of impact of these matters will depend, in part, on the location and status of the tenements acquired by the Company. At this stage, it is not possible to quantify the impact (if any) which these developments may have on the operations of the Company.

Commodity Prices

The prices that the Company may obtain for its mineral commodities may fluctuate due to market conditions.

Future Capital Needs and Additional Funding

The future capital requirements of the Company will depend on many factors including the successful development of a suitable metallurgical process route and the results of the proposed feasibility study. The Company believes its available cash and the net proceeds of this offer should be adequate to fund the continued exploration of the Company's projects, the completion of the test work and the feasibility study and the Company's other objectives as stated in this Prospectus. However, the Company faces certain specific risks which may adversely impact on the belief that the Company will have, as a result of this Issue, sufficient funds to meet the projected expenditure.

Should the Company require additional funding there can be no assurance that additional financing will be available on acceptable terms, or at all. Any inability to obtain additional finance, if required, would have a material adverse effect on the Company's business and its financial condition and performance.

Speculative Nature of Investment

The above risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares and Options offered under this Prospectus. Therefore, the Shares offered pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of the Shares.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Shares and Options.

SECTION 4 ADDITIONAL INFORMATION

4.1 ASX Listing, Continuous Disclosure and Documents Available for Inspection

As a “disclosing entity”, the Company has issued this Prospectus in accordance with section 713 of the Corporations Act applicable to prospectuses for an offer of securities which are quoted enhanced disclosure (“ED”) securities and the securities are in a class of securities that were quoted ED securities at all times in the 12 months before the issue of this Prospectus.

As a "disclosing entity" the Company is subject to regular reporting and disclosure obligations which require it to disclose to ASX any information of which it is, or becomes aware concerning the Company and which a reasonable person would expect to have a material effect on the price or value of securities of the Company. Having taken such precautions and having made such enquiries as are reasonable, the Company believes that it has complied with the provisions of the ASX Listing Rules as in force from time to time which apply to disclosing entities, and which requires the Company to notify ASIC of information available to the stock market conducted by ASX, throughout the 12 months before the issue of this Prospectus.

The ASX maintains files containing publicly disclosed information about all listed companies. The Company's file is available for inspection at ASX in Perth during normal working hours. In addition, copies of documents lodged by, or in relation to, the Company with ASIC may be obtained from, or inspected at, any regional office of ASIC.

The Shares to be issued under this Prospectus and the shares underlining the Options are in respect of a class of shares that were quoted on the stock market of ASX at all times in the 12 months before the issue of this Prospectus.

4.2 Information available to Shareholders

The Company will provide a copy of each of the following documents, free of charge, to any investor who so requests during the application period under this Prospectus:

- the Annual Financial Report for Exco for the period ending 30 June 2003; and
- the following documents used to notify ASX of information relating to Exco during the period after lodgement of the financial statements contained in the Annual Financial Report of Exco for the period ending 30 June 2003 and before the issue of this Prospectus:

Date	Subject of Release
22/10/2003	White Dam Metallurgical Testwork Progress Report
13/10/2003	Appendix 3B-Complete Acq/Working Capital
10/10/2003	Good Results from Drilling at Mt Margaret Proj. E1 Deposit
02/10/2003	Drilling Progress Report - Mt Margaret Project
30/09/2003	2003 Annual Report

4.3 Rights Attaching to Shares

The Shares to be issued pursuant to this Prospectus will rank *pari passu* in all respects with the Company's existing Shares.

The rights, privileges and restrictions attaching to Shares are set out in the Constitution of the Company. These rights include (but are not limited to) the following:

Voting Rights: Subject to any rights or restrictions for the time being attached to any class or classes of shares (at present there are none) and provided no amount due and payable in respect of a call is unpaid, at a general meeting of the Company every holder of ordinary shares present in person or by proxy, attorney, or representative has on a show of hands one vote and on a poll one vote per share (provided that partly paid shares confer a fraction of a vote equal to the proportion that the amount paid bears to the total issue price of those shares).

Dividend Rights: Subject to the Constitution and to the rights attaching to shares issued on special conditions (at present there are none), the profits of the Company which the Directors may from time to time determine to distribute by way of dividend are divisible among the holders of ordinary shares in proportion to the number of shares held by them respectively and are paid irrespective of the amount paid or credited as paid on those shares.

Rights on Winding-up: Subject to the Constitution, the Corporations Act and the rights of holders of shares with special rights in a winding-up (at present there are none), on a winding-up of the Company all monies and property that are to be legally distributed among shareholders on a winding-up will be distributed in proportion to the shares held by them respectively, irrespective of the amount paid up or credited as paid up on the shares. However, where a member is in arrears in payment of any call on shares but whose shares (of whatever class) have not been actually forfeited, that member is not entitled to share in that distribution until the owing amount in respect of the call has been fully paid and satisfied.

Transfer of Shares: Except as provided by law, the ASX Listing Rules, the SCH Business Rules and the Constitution, the Company's shares are freely transferable.

Issue of Further Shares: The allotment and issue of any new shares is under the control of the Directors and, subject to any restrictions on the allotment of shares imposed by the Company's Constitution, the ASX Listing Rules or the Corporations Act, the Directors may issue those new shares on such terms and conditions, and with such rights and at such times, as they may determine.

Variation of Rights: At present the Company has only ordinary shares on issue. If shares of another class are issued, the rights and privileges attaching to the ordinary shares can only be altered with the sanction of a special resolution passed at a separate general meeting of the holders of the ordinary shares or, failing that with the written consent of the holders of at least three-quarters in nominal value of the ordinary shares.

General Meetings: Each shareholder is entitled to receive notice of, and to attend and (subject to the Constitution) vote at, general meetings of the Company.

A copy of the Company's Constitution is available for inspection by prospective investors at the Company's registered office.

4.4 Terms and Conditions of Options

The material terms and conditions of the Options are as follows:

- (a) Each Option entitles the holder to subscribe for one fully paid ordinary Share in the capital of Exco at an exercise price of 20 cents.
- (b) The Options are exercisable at any time on or before on 28 August 2006 by completing a notice of exercise and delivering it to Exco's share registry together with the payment for the number of shares in respect of which the Options are exercised.
- (c) Subject to the Corporations Act, the Listing Rules and the Constitution of Exco, the Options are freely transferable.
- (d) Exco will apply to the ASX for official quotation of all Options within seven business days after allotment of the Options.
- (e) All Shares issued pursuant to the exercise of Options will be allotted within 15 Business Days after the receipt of a properly executed notice of exercise and the application monies in respect of the exercise and will rank pari passu in all respects with then existing fully paid ordinary Shares. Subject to the Listing Rules, Exco will apply to ASX for official quotation of all Shares issued upon exercise of the Options within three Business Days after the allotment of the Shares.
- (f) There are no participating rights or entitlements inherent in the Options and the holder will not be entitled to participate in new issues of capital offered to shareholders during the currency of the Options. However, Exco will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 10 Business Days after the issue is announced. Exco will also notify holders of any proposed issue at least seven Business Days before the record date. This will give Option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
- (g) If there is a pro-rata issue of Shares to holders of Shares for which no consideration is payable by them (bonus issue), the number of Shares over which the Option is exercisable must be increased by the number of Shares which the holder of the Option would have received if the Option had been exercised before the record date for the bonus issue.
- (h) In the event of any reconstruction (including a consolidation, sub-division, reduction or return) of the issued capital of Exco, the Options will be reorganised in a manner required by the Listing Rules on a reorganisation of capital at the time of the reorganisation.

- (i) Exco will, at least 20 Business Days before the expiry date of the Options, send notices to the Option holders stating the name of the Option holder, the number of Options held and the number of Shares to be issued on exercise of the Options, the exercise price, the due date for payment and the consequences of non-payment.

4.5 Interest of Directors

Other than as set out below or elsewhere in this Prospectus, no Director has or had within 2 years before the lodgement of this Prospectus with the ASIC, any interest in:

- a) the promotion or formation of the Company;
- b) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Issue of the Shares and free attaching Options under this Prospectus;
- c) the Issue of Shares and free attaching Options under this Prospectus,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any Director

- a) to induce him to become, or to qualify him as, a Director; or
- b) for services rendered by him in connection with the promotion or formation of the Company or the Issue of Shares and free attaching Options under this Prospectus.

Directors' Remuneration

The existing Board of Directors consists of a managing director, an executive director and two non-executive directors. Shareholders have approved the Company paying Directors' fees of up to a maximum of \$200,000 per annum to be divided between Directors as they see fit, until such time as any different amount is approved by shareholders. The current policy is to pay the Chairman \$35,000 per annum and the other non-executive Directors \$20,000 per annum.

In the year to 30 June 2003, Mr Holliday-Smith and a company controlled by Mr Holliday-Smith was paid directors fees totalling \$17,500 and is entitled to receive a further \$17,500. Mr Holliday-Smith is entitled to receive director's fees of \$35,000 for the year ended 30 June 2004.

In the year to 30 June 2003, Mr Hood and a company controlled by Mr Hood was paid directors fees totalling \$12,400 and is entitled to receive a further \$4,125. Mr Hood is entitled to receive director's fees of \$20,000 for the year ended 30 June 2004.

In the year to 30 June 2003, Mr Burton and a company controlled by Mr Burton was paid directors fees totalling \$11,000 and is entitled to receive a further \$1,250. Mr Burton is entitled to receive director's fees of \$20,000 for the year ended 30 June 2004.

The Directors are entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or in connection with the performance of their duties as Directors. Subject to the Corporations Act and ASX Listing Rules, if a Director is called upon to perform extra duties or make special exertions on behalf of the Company, the

Directors may remunerate that Director which may either be in addition to or in substitution for his usual Director's fees.

The Company has paid Sequentes Pty Ltd, a company controlled by Mr Burton, \$40,000 for the executive services of Mr Burton for the period ended 30 June 2003.

Pursuant to the services agreement summarised in section 4.6, in the year to 30 June 2003, Mr Cooke and a company controlled by Mr Cooke, was paid consulting fees of \$120,000 and database access fees of \$30,000. In that year, Mr Cooke was also reimbursed costs incurred in relation to the financial year ended 30 June 2002 totalling \$44,958 and for the year ended 30 June 2003 totalling \$29,565.

Mitchell River Group Pty Ltd, an entity associated with Mr Cooke and Mr Burton provides office space and administrative staff, facilities and services to the Company, which expenses are reimbursed by Exco at cost with no mark up. In the year ended 30 June 2003, these costs totalled \$120,257.

Directors' Interests in Securities

Director	Ordinary Shares	Listed Options (i)	Unlisted Options (i)
Roderic Holliday-Smith(ii)	410,486	76,700	
Alasdair Campbell Cooke	4,422,108	626,056	6,900,000
Craig Burton	5,738,000	906,000	3,900,000
Alastair Roderick Hood(iii)	1,953,402	301,701	

- (i) These Options are exercisable at 20 cents on or before 28 August 2006. Subject to shareholder approval at the Annual General Meeting, the unlisted Options are to be listed.
- (ii) Subject to shareholder approval at the Annual General Meeting, the Company will be issuing Mr Holliday-Smith with a further 1,170,000 Options in lieu of his directors fees for the year ended 2004.
- (iii) Subject to shareholder approval at the Annual General Meeting, the Company will be issuing Mr Hood with a further 667,000 Options in lieu of his directors fees for the year ended 2004.

4.6 Executive Services Agreement - Alasdair Cooke

Pursuant to an executive services agreement between the Company and Hartree dated 15 June 2001, Hartree agreed to provide the services of Alasdair Cooke as Managing Director of Exco and access to certain intellectual property, libraries and databases held by Hartree to the Company for a three year period commencing on 28 August 2001.

The annual consideration is \$120,000 for executive services of Alasdair Cooke and \$30,000 to cover the intellectual property services, in each case plus GST. Exco agrees to reimburse Hartree for all reasonable expenses incurred in the provision of the services of Alasdair Cooke provided Hartree submits proper documentary evidence when claiming reimbursement.

The agreement may be terminated by either party if the other party commits a material breach and fails to remedy that breach within 7 days of notice of the breach. Exco may also terminate the agreement, on reasonable notice if Cooke is ill or unfit to perform the services or, immediately if Hartree or Cooke engages in wilful misconduct or is grossly negligent or incompetent.

Exco has agreed to indemnify Hartree against any claim or liability to any third party arising out of or in connection with Exco's activities or the provision of the services under the agreement, except for liability arising from Hartree's or Cooke's negligence, dishonesty or wilful default.

4.7 Interests of Experts

Other than as set out elsewhere in this Prospectus, no person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus, promoter or stockbroker to the Company or underwriter to the Issue has or had within 2 years before the lodgement of this Prospectus with the ASIC, any interest in:

- a) the formation or promotion of the Company;
- b) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or in connection with the Issue of Shares and free attaching Options under this Prospectus; or
- c) the Issue of Shares and free attaching Options under this Prospectus,

and no amounts have been paid or agreed to be paid and no benefits given or agreed to be given to any of those persons for services rendered by them in connection with the promotion or formation of the Company or the Issue of the Shares and free attaching Options under this Prospectus.

4.8 Share Trading History

The highest and lowest market price of the Company's Shares and Options that are quoted on ASX during the three months immediately preceding the date of this Prospectus and the respective dates of those sales and the last sale market price on the business day immediately preceding the date of this Prospectus, were:

	Shares		Listed Options	
	cents	Date	cents	Date
Highest	26.5	23/10/2003	11.5	13/10/2003
Lowest	4.3	28/07/2003	3.5	24/09/2003
Latest	25.0	24/10/2003	10.0	24/10/2003

4.9 Expenses of the Issue

The approximate expenses of the Issue including advisors' fees, brokerage, ASIC lodgement, ASX listing fees, legal fees, printing and distribution fees and other miscellaneous expenses, is \$150,000 which is payable by the Company.

4.10 Litigation

As at the date of this Prospectus, the Company is not involved in any legal or arbitration proceedings nor, so far as the Directors are aware, are any such proceedings pending or threatened against the Company.

4.11 Consents

Each of the parties referred to in this Section:

- does not make, or purport to make, any statement in this Prospectus or on which a statement made in the Prospectus is based, other than as specified in this Section; and
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

Each of the following has consented to being named in this Prospectus in the capacity as noted below and have not withdrawn such consent prior to the lodgement of this Prospectus with the ASIC:

- Computershare Investor Services Pty Limited as share registrar of the Company.

There are a number of persons referred to elsewhere in this Prospectus who are not experts and who have not made statements included in this Prospectus nor are there any statements made in this Prospectus on the basis of any statements made by those persons. These persons did not consent to being named in the Prospectus and did not authorise or cause the issue of this Prospectus.

4.12 Electronic Prospectus

Pursuant to Class Order 00/44 the ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an Electronic Prospectus on the basis of a paper Prospectus lodged with the ASIC and the issue of Shares and Options in response to an electronic application form, subject to compliance with certain provisions.

The Prospectus will be available as an Electronic Prospectus on the Company's website at www.excoresources.com.au.

If you have received this Prospectus as an Electronic Prospectus please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please e-mail the Company at exco@excoresources.com.au and the Company will send to you, without charge, either a hard copy or a further electronic copy of the Prospectus or both.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered. In such case, the application monies received will be dealt with in accordance with section 722 of the Corporations Act.

4.13 Privacy Disclosure Statement

The Company collects information about each Applicant from an Application Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's security holding in the Company.

By submitting an Application Form, each Applicant agrees that the Company may use the information in the Application Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the share registry, the Company's related bodies corporate, agents, contractors and third party service providers, (including mailing houses), the ASX, ASIC and other regulatory authorities.

If an Applicant becomes a security holder of the Company, the Corporations Act requires the Company to include information about the security holder (name, address and details of the securities held) in its public register. This information must remain in the register even if that person ceases to be a security holder of the Company. Information contained in the Company's registers is also used to facilitate distribution payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its security holders) and compliance by the Company with legal and regulatory requirements.

If you do not provide the information required on the Application Form, the Company may not be able to accept or process your Application.

SECTION 5 DEFINED TERMS

\$	Australian dollars. All amounts in this Prospectus are in Australian currency unless otherwise stated.
Annual General Meeting	The annual general meeting of the Company to be convened on or about 28 November 2003.
ASIC	Australian Securities and Investments Commission.
ASX	Australian Stock Exchange Limited (ACN 006 624 691).
ASX Listing Rules	the official listing rules of ASX.
Board	the board of Directors.
Closing Date	the last date for receipt of completed Application Forms, being 5.00 pm WST 31 October 2003 or such other date as the Directors may determine.
Company or Exco	Exco Resources NL (ACN 086 972 429).
Corporations Act	Corporations Act 2001 (Cth).
Directors	the directors of the Company.
Application Form	the application form accompanying every paper copy of this Prospectus.
Electronic Prospectus	means an electronic version of the Prospectus.
Existing Options	the 35,119,316 options exercisable at 20 cents each on or before 28 August 2006 and the 1,700,000 options exercisable at 65 cents on or before 2 December 2005.
Hartree	Hartree Pty Ltd (ACN 061 219 038).
Issue	means the issue, pursuant to this Prospectus, of up to 10 million Shares and one free attaching Option for every four Shares subscribed for and any oversubscriptions referred to in Section 2.6 of this Prospectus.
Options	means an option to subscribe for Shares on the terms and conditions set out in section 4.4 of this Prospectus.
Opening Date	means the date by which this Issue will open, being 27 October 2003.
Prospectus	this prospectus dated 24 October 2003.
Shares	an ordinary share in the capital of the Company.
WST	Western Standard Time.

SECTION 6 DIRECTORS' RESPONSIBILITY STATEMENT & CONSENT

Each Director has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

Dated this 24 day of October 2003

A handwritten signature in black ink, appearing to read 'Alasdair Cooke', written in a cursive style.

Signed for and on behalf of the
Directors of EXCO RESOURCES NL
by Alasdair Cooke

EXCO RESOURCES NL

ABN 13 086 972 429

APPLICATION FORM

Applicants should read this prospectus in its entirety before completing this form. A person who gives to another person access to this application form must, at the same time and by the same means, give that person access to the prospectus.

No of shares applied for (minimum 10,000):

Licensed Securities Dealer's
Stamp Only

Application monies at 23 cents per share plus one free attaching
Option for every four Shares allotted, or such lesser number of
Shares and free attaching Options as may be allocated by the
Directors:

\$

Given Names/Company Name

Surname/ACN

.....

.....

Joint applicants or account designation

.....

.....

.....

.....

Postal Address

..... City/Town.....

Email Address State Postcode

Contact Name Daytime Contact No.

CHESS HIN.....

Tax File No/Exemption Category

Applicant 2

Applicant 3

.....

.....

.....

Cheque Details

Drawer

Bank

Branch

Amount

.....

.....

.....

\$.....

.....

.....

.....

\$.....

DECLARATION

By lodging this application form and a cheque for the application money the applicant hereby:

- applies for the number of shares (and free attaching options) specified in the application form or such lesser number as may be allocated by the directors;
- agrees to be bound by the Constitution of the Company; and
- authorises the directors to complete or amend this application form where necessary to correct any errors or omissions.

HOW TO COMPLETE THE APPLICATION FORM

Please complete all relevant sections of the Application Form using BLOCK LETTERS

- A) Enter the **NUMBER OF SHARES** you wish to apply for.
Applications must be for the minimum of 10,000 Shares and thereafter in multiples of 5,000 Shares.
- B) Enter the **TOTAL AMOUNT** of application money payable.
To calculate the amount multiply the number of Shares applied for by the amount per share.
- C) Enter the **FULL NAME(S)** and **TITLE(S)** of all legal entities that are to be recorded as the registered holder(s).
Refer to the **Name Standards** below for guidance on valid registration.
- D) Enter the **POSTAL ADDRESS** for all communications from the company. Only one address can be recorded.
- E) Enter telephone numbers and a contact person the registry can speak to if they have any queries regarding this application.
- F) If you are sponsored in CHES by a stockbroker or other CHES participant enter your Holder Identification Number (HIN).
Otherwise, leave the boxes marked 'CHES HIN' blank and on allotment, you will be sponsored by the Company and an SRN will be allocated to you.
- G) Enter the tax file number(s) of the applicants. With a joint holding, only the tax file numbers of two holders are required.
- H) Payment must be made in **Australian Currency** and cheques must be drawn on an **Australian Bank**.
Cheques or bank drafts must be **payable to "EXCO RESOURCES NL - SHARE ISSUE ACCOUNT"** and crossed **Not Negotiable**.
Cheques not properly drawn may be rejected.
Cheques will generally be deposited on the day of receipt. If cheques are dishonoured the application may be rejected.
- I) Before completing the Application Form the applicant(s) read the Prospectus to which this application relates. The applicant(s) agree(s) that this application is for Shares and free attaching Options in Exco upon and subject to the terms of the Prospectus, agree(s) to take any number of Shares and free attaching Options equal to or less than the number of Shares and free attaching Options indicated in Box A that may be allotted to the applicants pursuant to the Prospectus and declare(s) that all details and statements made are complete and accurate. It is not necessary to sign the Application Form.

Forward your completed application together with the application money to:

Exco Resources NL - Share Offer

C/- Computershare Investor Services Pty Ltd

GPO Box D182

PERTH WA 6840

OR

Exco Resources NL - Share Offer

C/- Computershare Investor Services Pty Ltd

Level 2, Reserve Bank Building

45 St. George's Terrace

PERTH WA 6000

Applications must be received by no later than 5:00pm WST on 31 October 2003

Name Standards

- Only legal entities may be registered as the holders of securities.
- The full and correct name of each entity must be shown.
- Salutations such as MR, MRS & MS should be included.
- Securities cannot be registered in the name of a trust and no trust can be implied.
- Securities should not be registered in the name of a minor or a deceased person.
- An account designation can be included. If shown, it must be contained within one line and within the "< >" symbols. The last word of the designation must be ACCOUNT or A/C.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual Use given names in full, not initials	Mr John Alfred Smith	J A Smith
Company Use the company's full title, not abbreviations	ABC Pty Ltd	ABC P/L or ABC Co
Joint Holdings Use full and complete names	Mr Peter Robert Williams & Ms Louise Susan Williams	Peter Robert & Louise S Williams
Trusts Use the trustee(s) personal name(s).	Mrs Susan Jane Smith <Sue Smith Family A/C>	Sue Smith Family Trust
Deceased Estates Use the executor(s) personal name(s).	Ms Jane Mary Smith & Mr Frank William Smith <Est John Smith A/C>	Estate of late John Smith or John Smith Deceased
Minor (a person under the age of 18) Use the name of a responsible adult with an appropriate designation.	Mr John Alfred Smith <Peter Smith A/C>	Master Peter Smith
Partnerships Use the partners personal names.	Mr John Robert Smith & Mr Michael John Smith <John Smith and Son A/C>	John Smith and Son
Long Names. Use full and complete names	Mr John William Alexander Robertson-Smith	Mr John W A Robertson-Smith
Clubs/Unincorporated Bodies/Business Names Use office bearer(s) personal name(s).	Mr Michael Peter Smith <ABC Tennis Association A/C>	ABC Tennis Association
Superannuation Funds Use the name of the trustee of the fund.	Jane Smith Pty Ltd <Super Fund A/C>	Jane Smith Pty Ltd Superannuation Fund

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003.

Name of entity

Exco Resources NL

ABN

99 080 339 671

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|---|
| 1 | +Class of +securities issued or to be issued | A. Ordinary Shares
B. Options |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | A. 15,000,000 Ordinary Shares
B. 3,750,000 Options exercisable at 20 cents on or before 28 August 2006
The issue of 6,783,097 Shares and 1,695,849 Listed Options are subject to shareholder approval |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | A. Ordinary Fully Paid Shares
B. Options exercisable at 20 cents on or before 28 August 2006 |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

4	Do the ⁺ securities rank equally in all respects from the date of allotment with an existing ⁺ class of quoted ⁺ securities? If the additional securities do not rank equally, please state: <ul style="list-style-type: none">the date from which they dothe extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest paymentthe extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	A. Yes B. Yes																	
5	Issue price or consideration	A. \$0.23 each B. free attaching options																	
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	The purpose of the Offer is to raise funds for the following: <ul style="list-style-type: none">to fund feasibility studies on the Company's two most advanced projects, White Dam gold and Mt Isa copper;to undertake work upon the Company's numerous exploration projects; andworking capital.																	
7	Dates of entering ⁺ securities into uncertificated holdings or despatch of certificates	TBA																	
8	Number and ⁺ class of all ⁺ securities quoted on ASX (including the securities in clause 2 if applicable)	<table><tr><td colspan="4">Number</td></tr><tr><td colspan="4">95,688,362 Ordinary Shares</td></tr><tr><td>Number</td><td>Class</td><td>Exercise</td><td>Expiry</td></tr><tr><td>18,669,316</td><td>Options</td><td>\$0.20</td><td>28/8/06</td></tr></table>		Number				95,688,362 Ordinary Shares				Number	Class	Exercise	Expiry	18,669,316	Options	\$0.20	28/8/06
Number																			
95,688,362 Ordinary Shares																			
Number	Class	Exercise	Expiry																
18,669,316	Options	\$0.20	28/8/06																

⁺ See chapter 19 for defined terms.

9	Number and ⁺ class of all ⁺ securities not quoted on ASX (including the securities in clause 2 if applicable)	Number			
		Number	Class	Exercise	Expiry
		20,000,000	Options	\$0.20	28/8/06
		1,700,000	Options	\$0.65	2/12/05

- 10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests) The Company does not have a dividend policy

Part 2 - Bonus issue or pro rata issue

- 11 Is security holder approval required? N/A
- 12 Is the issue renounceable or non-renounceable? N/A
- 13 Ratio in which the ⁺securities will be offered N/A
- 14 ⁺Class of ⁺securities to which the offer relates N/A
- 15 ⁺Record date to determine entitlements N/A
- 16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements? N/A
- 17 Policy for deciding entitlements in relation to fractions N/A
- 18 Names of countries in which the entity has ⁺security holders who will not be sent new issue documents

Note: Security holders must be told how their entitlements are to be dealt with.

Cross reference: rule 7.7. N/A
- 19 Closing date for receipt of acceptances or renunciations N/A

⁺ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of ⁺ security holders	N/A
25	If the issue is contingent on ⁺ security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	N/A
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do ⁺ security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do ⁺ security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A

⁺ See chapter 19 for defined terms.

- | | | |
|----|---|-----|
| 32 | How do ⁺ security holders dispose of their entitlements (except by sale through a broker)? | N/A |
| 33 | ⁺ Despatch date | N/A |

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of securities
 (tick one)
- (a) ☒ Securities described in Part 1
- (b) ☐ All other securities
- Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 ☐ If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders
- 36 ☐ If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories
- 1 - 1,000

1,001 - 5,000

5,001 - 10,000

10,001 - 100,000

100,001 and over
- 37 ☐ A copy of any trust deed for the additional ⁺securities

⁺ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38	Number of securities for which +quotation is sought	N/A		
39	Class of +securities for which quotation is sought	N/A		
40	<p>Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	N/A		
41	<p>Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another security, clearly identify that other security)</p>	N/A		
42	Number and +class of all +securities quoted on ASX (<i>including</i> the securities in clause 38)	<table border="1"> <tr> <th>Number</th> </tr> <tr> <td>N/A</td> </tr> </table>	Number	N/A
Number				
N/A				

+ See chapter 19 for defined terms.

All entities

Fees

43 Payment method (tick one)

☐

Cheque attached

☐

Electronic payment made

Note: Payment may be made electronically if Appendix 3B is given to ASX electronically at the same time.

☒

Periodic payment as agreed with the home branch has been arranged

Note: Arrangements can be made for employee incentive schemes that involve frequent issues of securities.

Quotation agreement

1 ⁺Quotation of our additional ⁺securities is in ASX's absolute discretion. ASX may quote the ⁺securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the ⁺securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those ⁺securities should not be granted ⁺quotation.
- An offer of the ⁺securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any ⁺securities to be quoted and that no-one has any right to return any ⁺securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the ⁺securities be quoted.
- We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the ⁺securities to be quoted, it has been provided at the time that we request that the ⁺securities be quoted.
- If we are a trust, we warrant that no person has the right to return the ⁺securities to be quoted under section 1019B of the Corporations Act at the time that we request that the ⁺securities be quoted.

⁺ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:



Date: 24 October 2003

Print name:

Company Secretary
Mark Freeman

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+ See chapter 19 for defined terms.