



SUITE 1 HILLWAY HOUSE, 141
BROADWAY, NEDLANDS WA 6009,
AUSTRALIA
TELEPHONE: +61 8 9389 6300
FACSIMILE: +61 8 9389 6400
ASX CODE: EXS

EMAIL: exco@excoresources.com.au
WEBSITE www.excoresources.com.au
ABN 99 080 339 671

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



via electronic lodgement

Dear Sir/Madam,

UPDATE ON MT ISA AND DREW HILL PROJECTS

- ❖ Mt Margaret Project, Mt Isa
- ❖ Hazel Creek Project, Mt Isa
- ❖ Drew Hill Project, South Australia

MT MARGARET PROJECT, MT ISA.

E1 copper gold deposits.

(Exco 100%)

Drilling has commenced on the E1 copper-gold deposit at Mt Margaret. Drilling will target extensions of the resource based on new interpretations of high-grade copper-gold zones identified during last years drilling program. Additional holes will also be drilled to obtain new metallurgical core samples for processing feasibility test work. A number of new targets in the immediate vicinity of E1 North will also be tested in this program.

HAZEL CREEK PROJECT, MT ISA.

Turpentine copper gold deposit.

(Exco-BHP Billiton Alliance)

Following completion of drilling at E1, work will commence at Hazel Creek where further holes are planned at the Turpentine deposit to test plunge and strike extensions of the high-grade zone discovered last year. This program will also include drilling of metallurgical core samples and testing a number of new targets in the Turpentine area.

Studies are continuing on the feasibility of development options for the Mt Isa copper projects and the Company is in discussions with a number of groups regarding potential development, financing and

concentrate offtake options. This program of drilling and subsequent test work is focussed on providing important additional data on potential resource and metallurgy.

DREW HILL PROJECT, SOUTH AUSTRALIA

White Dam gold deposit.

(Exco - Polymetals JV, Exco earning 60%)

Column leach testwork has commenced on the bulk ore samples collected from White Dam during the recent trenching program. All samples are percolating well and results will be released when testwork is complete. Polymetals are conducting the testwork at their Mt Boppy gold mine near Cobar, NSW.



Alasdair Cooke

Managing Director

For further information please contact:

EXCO RESOURCES NL

Registered Office:

Suite 1 Hillway House, 141 Broadway, Nedlands WA 6009, Australia

Telephone: +61 8 9389 6300 Facsimile: +61 8 9389 6400

www.excoresources.com.au

Email: exco@excoresources.com.au

ASX Code: EXS