

4<sup>th</sup> March 2010

Market Release (via electronic lodgement)

## HIGH GRADE MT COLIN RESOURCE ADDS TO CLONCURRY COPPER PROJECT

- Mt Colin Resource grows to **1.49Mt @ 2.47% Cu**, an increase of 123%
- A mining study is well advanced on the deposit with full results expected shortly.
- Mt Colin has been incorporated into the larger Cloncurry Copper Project (CCP) with the expectation that it could add significant high grade ore to the early mining schedule.
- CCP resources now total **52.4Mt @ 0.88% Cu & 0.22 g/t Au**.
- Contained copper in the CCP increased to 461,000t with 372,000 oz of Gold
- Importantly 55% of the contained copper in the CCP is now within Indicated resources, with ongoing resource modelling expected to lead to further increases.

The high grade Mt Colin Deposit is located approximately half way between Mt Isa and Cloncurry (see **Figures 1 & 2**). Although relatively modest in size, it is expected that the deposit could add significant high grade ore to the early years of the mining schedule at the Cloncurry Copper Project (CCP). As a result the Mt Colin Deposit has been incorporated into the scope of the CCP.

The known deposit is approximately 450m long and dips steeply to the north east extending approximately 300m down dip. Further drilling is planned to test for mineable extensions to the mineralisation.

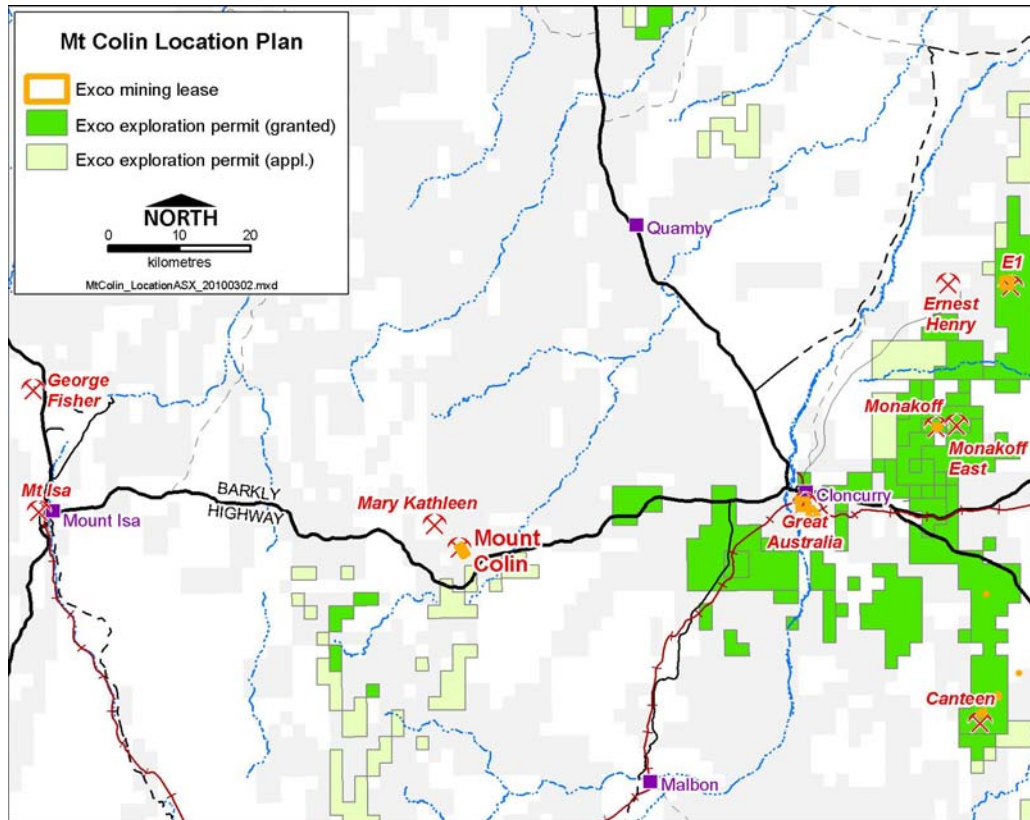
Importantly the deposit is located on a granted mining licence. In fact, historical mining from both underground and open pit has highlighted the consistent and high grade nature of the deposit.

An updated resource model has led to an increase in overall tonnage with the deposit now estimated to contain **1.49Mt @ 2.47% Cu** (at a 1.25% Cu cut-off). An Indicated resource (**0.62Mt @ 3.14% Cu**) has been drilled on an approximately 40 x 40 m grid, with wider spaced drilling, at depth and along strike, being classified as Inferred.

Mt Colin Deposit Resource Estimate 1.25% Cu cut-off				
Class	Type	Tonnes	Grade	Metal
			Cu%	Cu T
	Indicated	620,000	3.14	19,500
	Inferred	870,000	2.0	17,500
<b>Total</b>	<b>All</b>	1,490,000	2.47	37,000

A conceptual mine design has been completed, which suggests that material above ~1.2% Cu could be extracted through a relatively simple underground mine using up hole benching mining methods from the top down.

As soon as the mining study is completed for the Mt Colin Deposit, a revised financial model for the expanded CCP will be developed.



**Figure 1:** Mt Colin location map showing key CCP tenements.

## FORWARD PROGRAMME

Completion of the mining study for Mt Colin is considered a priority as it has the potential to add significant value to the expanded CCP.

In anticipation of a positive outcome to the study, additional drilling, geotechnical studies, hydro-geological studies and environmental studies have been planned at Mt Colin. This will include drilling of ~2500m of RC and ~ 2500m of Diamond core. This drilling will commence as soon the weather permits.

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

*On behalf of the Board of  
Exco Resources Ltd*

Michael Anderson  
Managing Director

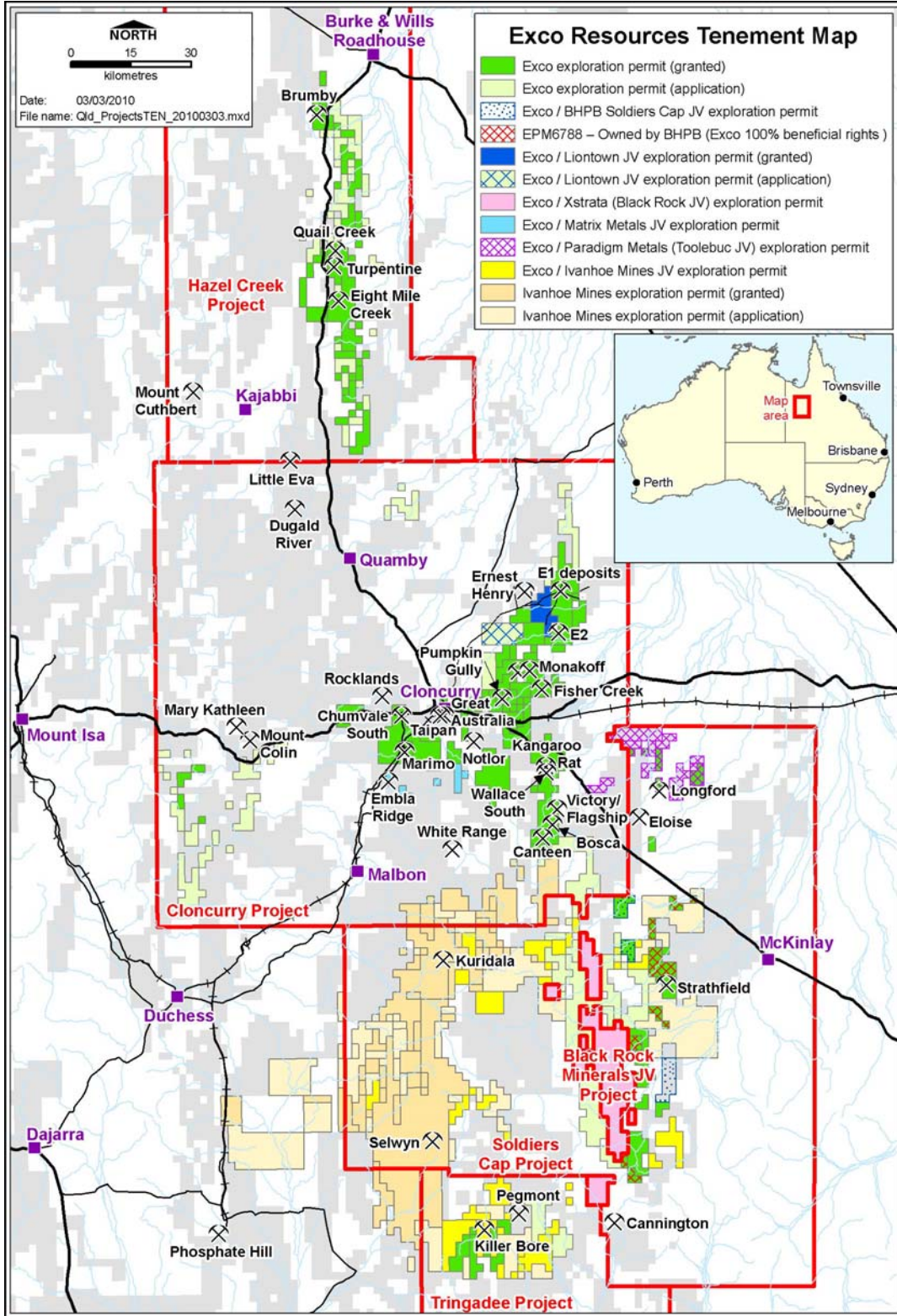
## **FORWARD LOOKING STATEMENTS & COMPETENT PERSONS STATEMENT**

*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.*

**Figure 2:** NW Queensland Tenement Map highlighting Exco's ground position and the location of key deposits & prospects.



<b>TABLE 2: EXCO RESOURCES – NW QUEENSLAND Cu-Au RESOURCE SUMMARY</b>						
Deposit	Class	Tonnes	Grade		Metal	
			Cu%	Au g/t	Cu T	Au Oz
E1 Camp <sup>(2)</sup>	<i>Indicated*</i>	24,600,000	0.83	0.24	205,000	194,000
	<i>Inferred*</i>	20,200,000	0.7	0.2	133,000	115,000
	<b>TOTAL</b>	<b>44,800,000</b>	<b>0.75</b>	<b>0.21</b>	<b>338,000</b>	<b>309,000</b>
Monakoff <sup>(1)</sup> & Monakoff East	<i>Indicated</i>	2,000,000	1.39	0.44	28,000	28,000
	<i>Inferred</i>	2,000,000	1.3	0.4	25,000	26,000
	<b>TOTAL</b>	<b>4,000,000</b>	<b>1.32</b>	<b>0.42</b>	<b>53,000</b>	<b>54,000</b>
Great Australia <sup>(1)</sup>	<i>Indicated</i>	1,400,000	1.53	0.13	21,000	6,000
	<i>Inferred</i>	800,000	1.57	0.14	12,000	3,000
	<b>TOTAL</b>	<b>2,100,000</b>	<b>1.54</b>	<b>0.13</b>	<b>33,000</b>	<b>9,000</b>
Mt Colin <sup>(1)</sup>	<i>Indicated**</i>	620,000	3.14	-	19,500	-
	<i>Inferred**</i>	870,000	2.0	-	17,500	-
	<b>TOTAL**</b>	<b>1,490,000</b>	<b>2.47</b>	<b>-</b>	<b>37,000</b>	<b>-</b>
Sub-total – CCP	<b>Indicated</b>	<b>28,600,000</b>	<b>0.95</b>	<b>0.25</b>	<b>273,000</b>	<b>228,000</b>
	<b>Inferred</b>	<b>23,800,000</b>	<b>0.74</b>	<b>0.19</b>	<b>188,000</b>	<b>144,000</b>
	<b>ALL</b>	<b>52,400,000</b>	<b>0.88</b>	<b>0.22</b>	<b>461,000</b>	<b>372,000</b>
<b>Other Deposits</b>						
Turpentine	<i>Indicated</i>	1,627,000	1.04	0.21	17,000	11,000
	<i>Inferred</i>	215,000	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>12,000</b>
Taipan	<i>Inferred</i>	1,460,000	0.80	0.1	12,000	5,000
Kangaroo Rat <sup>(1)</sup>	<i>Inferred</i>	875,000	1.65	1.0	14,000	28,000
Wallace South	<i>Inferred***</i>	1,000,000	-	1.6	-	53,000
Victory-Flagship	<i>Inferred</i>	196,000	1.2	1.4	2,000	9,000
Sub-total - Other		5,400,000	0.88	0.62	47,400	107,000
<b>TOTAL</b>		<b>58.0 Mt</b>	<b>0.88</b>	<b>0.26</b>	<b>508,400</b>	<b>480,000</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 = 1.25% Cu.

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



## **Information on Exco Resources**

Exco is an Australian focused ASX-listed mining company (ASX: EXS) with a dual focus on developing both the White Dam Gold Project in South Australia, and the Cloncurry Copper Project (CCP) in north-west Queensland. In addition, the Company has renewed its exploration efforts at the highly prospective Hazel Creek Project, also in north-west Queensland.

At White Dam Exco has entered a 75:25 joint venture with Polymetals Group Pty Ltd, who is managing the implementation and operation of the project. Construction of the project is now well advanced. Mining and stacking of the ore has commenced with first gold production expected by early April 2010. The relatively short-life project is expected to produce a total of 120,000 oz of gold at a rate of 50,000oz/annum from an initial reserve of 170,400 oz. Estimated operating costs are only ~A\$600/oz, and the project has the potential to deliver significant cash flows. The project currently contains a resource inventory of 325,000 ounces of gold, and near mine exploration and resource potential is expected to ultimately extend the mine life and increase overall production.

In north-west Queensland Exco holds a large, 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 52.4Mt, containing 461,000 tonnes of copper and 372,000 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  $\geq 25,000$  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 has now submitted its Environmental Impact Statement (EIS) in pursuit of the relevant approvals 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 and management of Exco, backed by the Company's major shareholders including Ivanhoe Mines, the Lion Selection Group and JP Morgan Nominees, are committed to unlocking value from this highly prospective portfolio of projects, and we look forward to keeping shareholders informed of developments.

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