

Investors support Exco

Wednesday, 30 August 2006

EXCO Resources shareholders have overwhelmingly backed the emerging gold miner and potential copper developer by exercising \$7.8 million of options over the past few months.

The 93.5% conversion rate comes as Exco moves toward developing the White Dam heap leach gold project in South Australia, with an additional \$1.6 million is being raised from a consortium of underwriters that agreed to cover any options not exercised by shareholders.

White Dam could cost around \$10-12 million to develop, with the project potentially generating at least \$30-40 million over its two-and-a-half year life – modelled on a gold price of \$US525 per ounce and 70% recoveries.

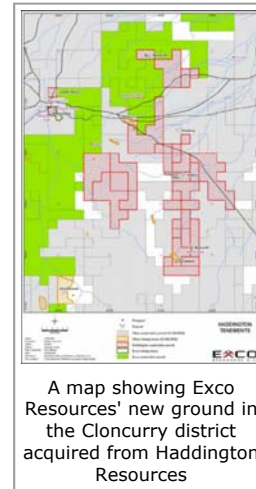
Located adjacent to the Barrier Highway, approximately 80km west of Broken Hill, the project has a resource of 7.3 million tonnes at 1.09 grams per tonne for 257,400 ounces of gold. The intention is to process an optimised in-pit oxide resource of 4.3Mt at a grade of 1.28gpt to produce a total of 125,000oz at a rate of 50,000oz per annum.

Production is targeted for the first quarter of 2007.

Exco intends using the cash to advance its mainstay Cloncurry copper project in Queensland, with recent ground deals in that region aimed at bolstering development potential.

The company's backers include Lion Selection, Macquarie Bank, Stripe Capital, Taylor Collison and RMB Resources.

Shares in the company were unchanged in morning trade at 24c, capitalising the company at around \$42 million (post the exercising of the options).



A map showing Exco Resources' new ground in the Cloncurry district acquired from Haddington Resources

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