

Engineer working with Exco

Wednesday, 20 September 2006

EXCO Resources has made an engineering appointment to assist in completion of a scoping study for development of its Cloncurry copper project in Queensland.

Work by Lycopodium Engineering with Exco in the fourth quarter will precede a planned feasibility study in 2007, and, all going to plan, construction in 2008 and production in 2009.

While parameters were unspecified, Exco has previously flagged the broad possibility of a 15-20,000 tonne per annum copper in concentrate operation.

Earlier this year, Exco said a previous feasibility study at Cloncurry was suspended in January 2005 when the spot price was US85c per pound and the long-term outlook was 90c/lb-\$1/lb.

Exco's main resources are at the E1 "camp", situated 8km to the east of Xstrata's Ernest Henry mine and concentrator, and comprising E1 North (containing 7.93 million tonnes grading 1.11% copper and 0.34 gram per tonne of gold), E1 South (10.3Mt at 0.67% copper and 0.17gpt gold), and E1 East – for which a resource is currently being estimated.

Last month, Exco added to its portfolio in the region via deals with Matrix Metals and Haddington Resources, and raised \$9.4 million via the exercise of options.

Exco shares were off more than 4% at 21.5c in late morning trade.

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Exco's copper drilling in the Mt Isa region

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