

Exco, Matrix to swap tenements

Monday, 28 August 2006

EXCO Resources has moved to further strengthen its position in the Cloncurry region of Queensland by agreeing to a tenement swap with Matrix Resources that will give the latter more ground surrounding its White Range copper project.

Matrix will pick up three exploration permits covering ground to the north, west and south of White Range in exchange for its Mt Colin mining lease.

Mt Colin contains a resource of 667,195 tonnes grading 3.43% copper for 22,884t of contained copper. About 12.5% of the resource is contained in oxide material with the balance sulphide.

A small-scale mining operation of the oxide resources at Mt Colin is being run by Tennant where Matrix is receiving a royalty payment. This will be transferred to Exco under the terms of the agreement.

Completion of the agreement remains subject to legal due diligence and the satisfaction of conditions precedent relating to third party interests.

The deal follows on from a \$1 million purchase arrangement Exco made with Haddington Resources for a 400 square kilometre package of ground late last week.

The company's strategy is to consolidate all prospective areas in the Cloncurry district and develop them through a central processing facility.

With the addition of the new resources, Exco now holds more than 290,000t of copper and 250,000 ounces of gold in resources in the Cloncurry region.

Shares in Exco were off 1c (3.9%) at 24.5c in morning trade. Matrix was up 0.1c (1.7%) at 5.9c at the same time.



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