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Exco closes in on feasibility study near Cloncurry

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Jesse Riseborough

EXCO Resources managing director Michael Anderson says the imminent resource estimate at the company's E1 East deposit will add significantly to its resource inventory in the Cloncurry region as it looks towards launching a full feasibility study early next year.

Exco has a number of copper deposits in the Cloncurry region and Anderson said initial mining plans would focus on the higher grade deposits to generate early cash flow.

"We currently have around 27 million tonnes at about 1% copper for about 280,000t of copper and that is a pretty good starting point," Anderson said.

Results from the latest drilling program at the E1 East prospect were said to include intersections of wide zones of mineralisation over a strike length of 350m and returned standout hits of 78m at 1.23% copper and 0.38 grams per tonne of gold from 64m as well as 186m at 1.06% copper and 0.33gpt of gold from 56m.



Exco Resources is exploring the Cloncurry region of Queensland for high grade copper deposits

"We are obviously looking to grow that resource base and the E1 East resource will certainly result in a sizeable increase," he said.

The E1 deposit is located within the larger E1 camp in northwest Queensland which has already been proven to host 7.93 million tonnes grading 1.11% copper and 0.34gpt of gold at E1 North, and 10.3Mt at 0.67% copper and 0.17gpt gold at E1 South.

"We are in scoping study mode at the moment – we were in feasibility a couple of years ago when copper wasn't anywhere near what it is now," Anderson added.

Anderson said the company was revising the historical feasibility numbers with engineering firm Lycopodium with results expected before Christmas.

"We fully intend being back in full feasibility early next year targeting a copper concentrate production," he said.

"We are in a very strong position because when we were there last time we did all the permitting and most of our deposits sit on granted mining leases."

Anderson said the feasibility study would be wrapped up within six to 12 months with project financing and construction to be completed in 2008.

"Hopefully we will generate our first production by the end of 2008," he said.

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