



LEVEL 2  
8 COLIN STREET  
WEST PERTH WA 6005

PO BOX 1726  
WEST PERTH WA 6872

TELEPHONE: +61 8 9211 2000  
FACSIMILE: +61 8 9211 2001

ASX SHARE CODE: EXS

EMAIL: [info@excoresources.com.au](mailto:info@excoresources.com.au)  
WEBSITE [www.excoresources.com.au](http://www.excoresources.com.au)

ABN 99 080 339 671

10<sup>th</sup> July 2008

Market Release (*via electronic lodgement*)

## **CLONCURRY COPPER PROJECT – DEFINITIVE FEASIBILITY STUDY**

Exco Resources is pleased to announce the commencement of the Cloncurry Copper Project (CCP) Definitive Feasibility Study (DFS). In line with the Company's aim to be in production by late 2010, this critical phase of work follows seamlessly from the recently completed Pre-Feasibility Study (PFS).

The CCP is made up of numerous tenements and mining leases, which host the E1 Camp, Monakoff and Great Australia deposits (see **Figure 1**). Resources delineated for the project to date total 35.8 Mt of ore, containing 332,500 tonnes of copper and 287,100 ounces of gold (see **Table 1**), with further exploration underway and indicated resource development nearing completion.

Encouraged by the positive PFS results, and the expectation of further resource upgrades in the short term, the DFS will focus 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 ~25,000 tonnes of copper (in concentrate) per annum; 25% more than envisaged by the PFS.

The purpose of the DFS is to develop engineering designs, cost estimates and sensitivity analyses for the project as the basis for detailed engineering and project financing. The DFS will address aspects such as mining, ore beneficiation, metallurgy, infrastructure and ore transport scenarios. Importantly it will also investigate the recovery of magnetite and cobalt as value-adding by-products with the potential to significantly enhance the project economics. It is anticipated that the DFS will be completed in the first quarter of 2009.

Following on from a successful role in the PFS, GRD Minproc (Minproc) has been awarded the study engineering package and appointed study manager for the DFS. Having completed the PFS, Minproc are well placed to efficiently utilise the knowledge and resources from that phase of work to deliver the DFS.

Other engineers and consultants selected for the DFS include:

Australian Mining Consultants (AMC) – Mining

\*Australian Groundwater and Environmental Consultants (AGE) – Hydrogeology/Hydrology

\*Pells Sullivan and Meynink (PSM) – Geotechnical

\*Australian Tailings Consultants (ATC) – Tailings

\*Hill Michael (HM) – Power supply

\*Allan Watson and Associates (AWA) - Hydrology

\* Involved in the PFS

The engineering package will be run in conjunction with an environmental impact study (EIS), which is already underway under the management of AustralAsian Resource Consultants (AARC).

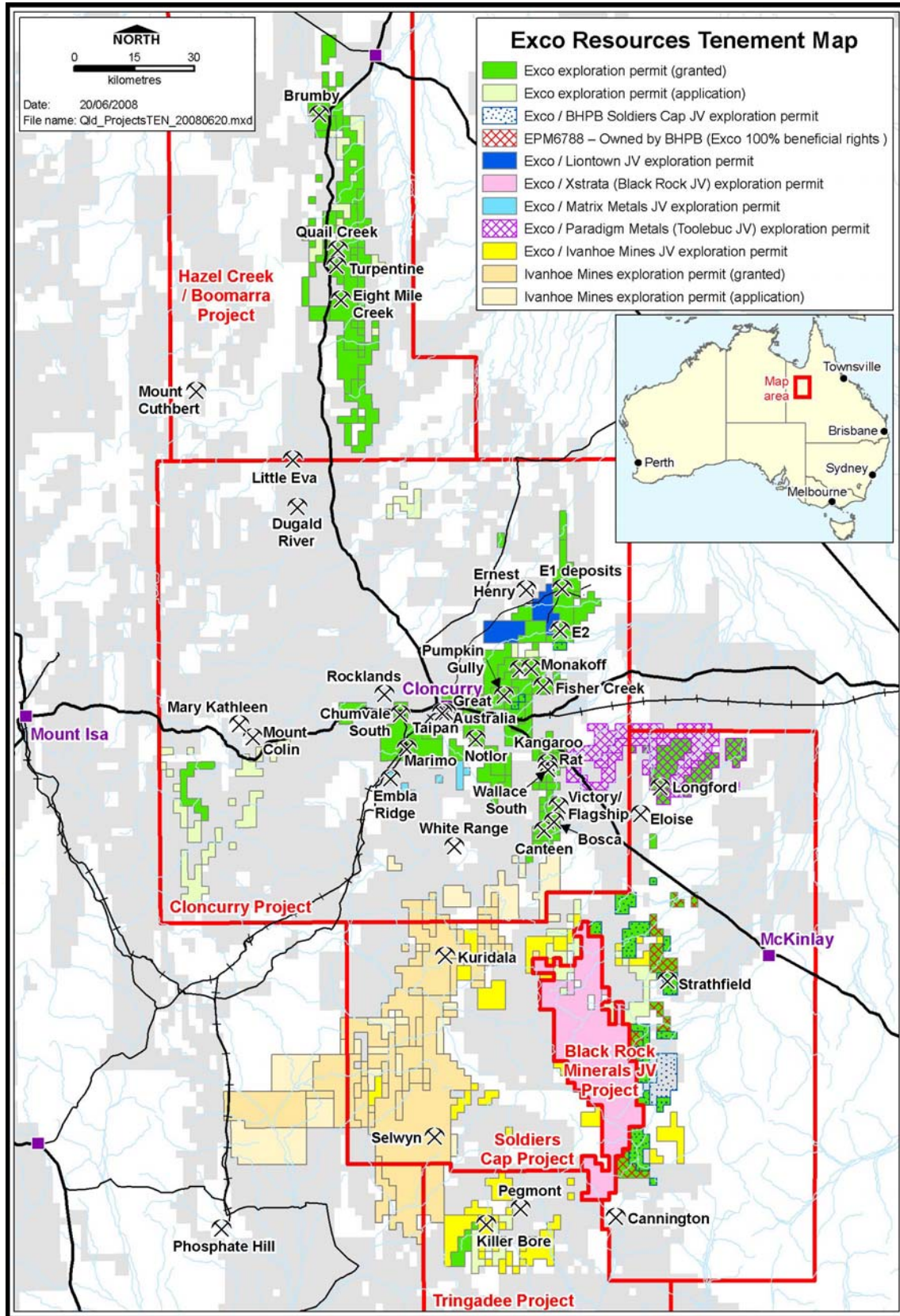
The Company looks forward to keeping shareholders informed of developments.

*On behalf of the Board of  
Exco Resources Ltd*

Michael Anderson  
Managing Director

*Information in this report relating to mineral resources and exploration results is based on data compiled by Exco's Exploration Manager Stephen Konecny, BSc Hons Geo. (MAusIMM), and Mr Mike Dunbar, (who is a full time employee of the Mitchell River Group and a consultant to Exco Resources Ltd), and who is a member of The Australasian Institute of Mining and Metallurgy. Mr Konecny and Mr Dunbar have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons under the 2004 Edition of the Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Konecny & Mr Dunbar consent to the inclusion of the data in the form and context in which it appears*

**Figure 1:** NW Queensland Tenement Map highlighting Exco's ground position and the location of key deposits & prospects.



<b>TABLE 1: EXCO RESOURCES – NW QUEENSLAND Cu-Au RESOURCE SUMMARY</b>						
Deposit	Class	Tonnes	Grade		Metal	
			Cu%	Au g/t	Cu T	Au Oz
E1 North	<i>Indicated</i>	4,162,000	1.22	0.35	51,000	47,400
	<i>Inferred</i>	3,770,000	0.99	0.32	37,000	38,400
	<b>TOTAL</b>	<b>7,932,000</b>	<b>1.11</b>	<b>0.34</b>	<b>88,000</b>	<b>85,800</b>
E1 South	<i>Inferred</i>	<b>15,200,000</b>	<b>0.70</b>	<b>0.18</b>	<b>106,900</b>	<b>89,400</b>
E1 East	<i>Inferred</i>	<b>8,000,000</b>	<b>0.83</b>	<b>0.26</b>	<b>66,000</b>	<b>65,500</b>
<b>Sub-total - E1 Deposits</b>		<b>31,132,000</b>	<b>0.84</b>	<b>0.24</b>	<b>260,900</b>	<b>240,700</b>
Monakoff	<i>Indicated</i>	926,000	1.59	0.47	14,700	14,000
	<i>Inferred</i>	976,000	1.57	0.49	15,300	15,400
	<b>TOTAL</b>	<b>1,902,000</b>	<b>1.58</b>	<b>0.48</b>	<b>30,000</b>	<b>29,400</b>
Monakoff East	<i>Inferred</i>	<b>700,000</b>	<b>1.25</b>	<b>0.36</b>	<b>8,700</b>	<b>8,000</b>
Great Australia	<i>Indicated</i>	1,378,000	1.53	0.13	21,000	5,700
	<i>Inferred</i>	756,000	1.57	0.14	11,900	3,300
	<b>TOTAL</b>	<b>2,134,000</b>	<b>1.54</b>	<b>0.13</b>	<b>32,900</b>	<b>9,000</b>
<b>Sub-total - CCP</b>		<b>35,868,000</b>	<b>0.93</b>	<b>0.25</b>	<b>332,500</b>	<b>287,100</b>
<b>Other Deposits</b>						
Turpentine	<i>Indicated</i>	1,626,600	1.04	0.21	17,000	10,800
	<i>Inferred</i>	214,600	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>11,800</b>
Taipan	<i>Inferred</i>	<b>1,460,000</b>	<b>0.80</b>	<b>0.1</b>	<b>11,600</b>	<b>5,000</b>
Kangaroo Rat	<i>Inferred</i>	<b>875,000</b>	<b>1.65</b>	<b>1.0</b>	<b>14,400</b>	<b>28,000</b>
Wallace South	<i>Inferred</i> ***	<b>1,000,000</b>	-	<b>1.6</b>	-	<b>53,000</b>
Victory-Flagship	<i>Inferred</i>	<b>196,000</b>	<b>1.2</b>	<b>1.4</b>	<b>2,300</b>	<b>8,800</b>
Mt Colin	<i>Measured</i> **	113,800	3.80	-	4,330	-
	<i>Indicated</i> **	311,000	3.49	-	10,900	-
	<i>Inferred</i> **	242,000	3.16	-	7,650	-
	<b>TOTAL</b>	<b>667,195</b>	<b>3.43</b>	-	<b>22,878</b>	-
<b>Sub-total - Other</b>		<b>6,039,000</b>	<b>1.16</b>	<b>0.57</b>	<b>70,178</b>	<b>106,600</b>
<b>TOTAL</b>		<b>41.9 Mt</b>	<b>0.96</b>	<b>0.30</b>	<b>402,600</b>	<b>393,700</b>

**Note:** Unless otherwise stated the above resources are reported at a 0.5% Cu cut-off.  
 \*\*Mt Colin resource cut-off = 2.3% Cu.  
 \*\*\* Wallace South resource cut-off = 0.5g/t