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23 November 2010

Market Release (*via electronic lodgement*)

EXCO COMPLETES REPAYMENT OF WHITE DAM JV FINANCING

PRE-PAY GOLD LOAN REPAID NINE MONTHS AHEAD OF SCHEDULE

Exco Resources Ltd (**ASX Code: EXS**) is pleased to announce that it has today made the last repayment in respect of the gold loan which was provided by Barclays Capital PLC to finance Exco's share of the development cost of the White Dam Gold Production Joint Venture in South Australia.

Repayment has been completed thirteen months after project commencement and only seven months after first production. A combination of better than expected production rates and higher gold prices has allowed the loan to be paid off two months before the first of three scheduled part-delivery dates.

Exco can now look forward to unencumbered cash flows from White Dam for the rest of the project life.

The JV partners are currently completing an exploration and resource development programme for the nearby Vertigo deposit and White Dam North, White Dam South and Ambush prospects (see **Figure 1**) with the objective of extending the life of the mine and increasing life of mine production. In addition to these resources, extensions to the current pit are also being investigated.

WHITE DAM GOLD PROJECT (Exco 75% - Polymetals 25%)

The White Dam Gold Project is located in South Australia approximately 80km west of Broken Hill (see **Figure 1**). The project contains a resource inventory of **9.6Mt @ 1.05 g/t Au for 325,000oz** contained (see **Table 1**).

The project is subject to a JV agreement whereby Polymetals Group Pty Ltd ("Polymetals") acquired a 25% interest in the project. Exco and Polymetals entered into a management agreement, appointing Polymetals as project manager.

Polymetals is a privately owned company specialising in the development of remote small to medium size resource projects. In-house expertise includes metallurgy, mining and project management. Polymetals resource project successes have been due to its ability to develop and operate very cost effectively, often implementing novel processing options as is evident from their track record with projects such as the Hellyer Zinc Concentrate Project in Tasmania.

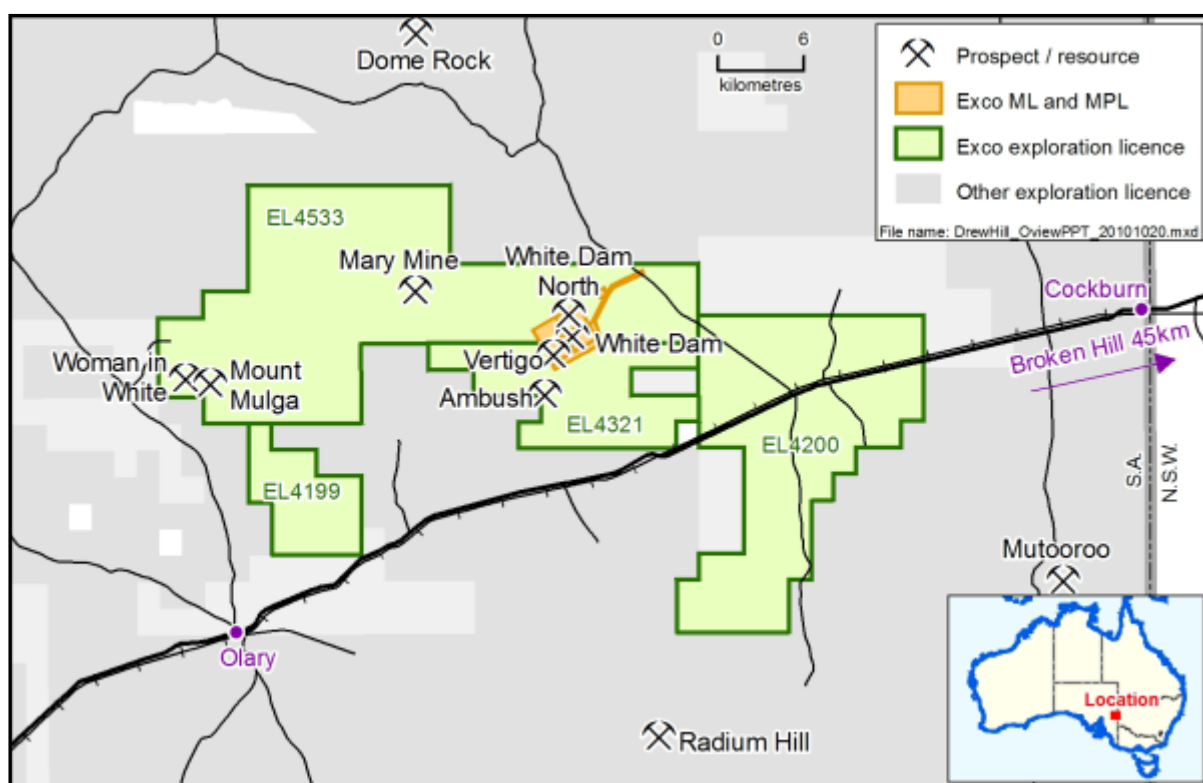


Figure 1: White Dam Gold Project Location Map

On the 11 September 2009 Exco announced that with its joint venture partner, Polymetals, it had completed the financing arrangements in respect of the White Dam Gold Project. A \$16 million gold-linked pre-payment facility had been secured which, together with equity funding from the JV partners of \$7.5 million, provided the full funding required to implement the project.

TABLE 1: WHITE DAM PROJECT OK RESOURCE ESTIMATE (0.4g/t CUT-OFF GRADE)										
Deposit	Indicated				Inferred			Total		
	Material	kts	g/t Au	koz Au	kts	g/t Au	koz Au	ks	g/t Au	koz Au
White Dam	Oxide	5,149	1.09	180.1				5,149	1.09	180.1
	Fresh	603	1.08	20.9	1,315	0.88	37.1	1,918	0.94	58
Sub-Total		5,752	1.07	201.0	1,315	0.88	37.1	7,067	1.05	238.1
Vertigo	Oxide				1,200	1.00	38	1,200	1.00	38
	Fresh				1,330	1.14	49	1,330	1.14	49
Sub-Total					2,530	1.07	87	2,530	1.07	87
PROJECT TOTAL		5,752	1.07	201	3,845	1.00	124	9,597	1.05	325

Notes

- White Dam resource was re-estimated in September 2009, Vertigo was estimated in 2007
- Discrepancies in totals are as result of rounding.

The project commenced construction in early October 2009 with first ore placed on the leaching pad in February 2010. Project commissioning was completed successfully during the June quarter 2010 with first gold production achieved on 16 April 2010. 38,900 ounces of gold (Exco's share 29,175 ounces) have been produced to date.

The project was officially opened by the South Australian Minister for Resources Development, the Hon Paul Holloway MLC on 10th June 2010.

On behalf of the Board of Exco Resources Ltd

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FORWARD LOOKING STATEMENTS & COMPETENT PERSONS STATEMENT

This report contains forward looking statements that are subject to risk factors associated with resources businesses. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially, including but not limited to: price fluctuations, actual demand, currency fluctuations, drilling and production results, reserve estimates, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimates.

All references to dollars, cents or \$ in this report are to AUD currency, unless otherwise stated.

Information in this report relating to mineral resources and exploration results is based on data compiled by Exco's Exploration Manager Stephen Konecny who is a member of The Australasian Institute of Mining and Metallurgy. Mr Konecny has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is 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 consents to the inclusion of the data in the form and context in which it appears.

Information on Exco Resources Ltd

Exco is an Australian-focused, ASX-listed mining and exploration company (**ASX: EXS**). The Company has a dual focus on developing both the White Dam Gold Project in South Australia, and the Cloncurry Copper Project (CCP) in north-west Queensland.

At White Dam, Exco has entered into a 75:25 operating joint venture with Polymetals Group Pty Ltd. The project, which contains a resource inventory of 325,000 ounces of gold, achieved first gold production in April 2010 following a very successful construction and commissioning period. The project was officially opened at a ceremony on the 10th of June 2010 and initial production rates have exceeded expectations by ~30%. With costs of ~A\$600/oz the project is already delivering significant revenues. The relatively short-life project is currently expected to produce a total of 120,000oz (Exco's share 90,000oz). Near mine exploration and resource development is underway and is expected to increase overall production and extend the life of the mine.

In north-west Queensland Exco holds a large, strategically located and highly prospective land package. The Cloncurry Copper Project (CCP) comprises numerous tenements and mining leases, which host the flagship E1 Camp, Monakoff, Mt Colin and Great Australia deposits. Resources delineated for the project to date total 55.7Mt, containing 472,000 tonnes of copper and 394,000 ounces of gold, with further exploration upside and indicated resource development highlighting the potential for economic extraction of a significant portion of the resources.

Exco completed a Pre-Feasibility Study (PFS) on the CCP in June 2008, which demonstrated the technical and commercial credentials of a 2Mtpa project. Encouraged by the positive PFS results, and with ongoing drilling delivering further resource upgrades, the Company commenced a Definitive Feasibility Study (DFS) on a slightly larger operation treating 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) with substantial by-product credits from gold, cobalt, magnetite and potentially uranium. The Company has now submitted its Environmental Impact Statement (EIS) in pursuit of the relevant approvals for the project, and is reviewing its development strategy with a view to selecting a definitive option in the coming months.

Exco also has a number of exploration joint ventures in Queensland with major companies including Xstrata, BHP Billiton Limited and Ivanhoe Mines Australia. These JVs are managed by Exco's partners, creating additional development options, and allowing the Company to maintain its primary focus on the CCP.

The Board and management of Exco, backed by the Company's major shareholders including Ivanhoe Mines Australia, are committed to unlocking value from this highly prospective portfolio of projects, and we look forward to keeping shareholders informed of developments.

Further information is available at www.excoresources.com.au