

# Exco – Value Creation

Presentation to  
Shareholders at the  
Annual General  
Meeting  
24<sup>th</sup> November 2011



## Disclaimer

**This presentation 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 presentation are to AUD currency, unless otherwise stated.

Information in this presentation relating to mineral resources and exploration results is based on data compiled by Exco's Exploration Manager Stephen Konecny and Exco's Resource Manager Ms Christine Shore who are members of The Australasian Institute of Mining and Metallurgy. Both Mr Konecny and Ms Shore 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 and Ms Shore consent to the inclusion of the data in the form and context in which it appears.

# Corporate Overview

## Capital Structure

Shares on Issue	351,544,187
Options	4,500,000
Current Share Price	0.69
Price Range (52 Wks)	\$0.50-\$0.73
Market Cap (Diluted)	\$245.5M
Cash (30 <sup>th</sup> Sept 2011)	\$234M
Debt	\$0
Enterprise Value	\$11.5M

## Major Shareholders

Ivanhoe Australia	22.55%
WH Soul Pattinson & Co	13.25%
Alasdair Cooke	4.9%
<b>Top 20</b>	<b>&gt;60%</b>

## Board and Management

### Executive Directors

**ALASDAIR COOKE**, Executive Director  
*Geologist, a founder of Exco, 21 years experience*

### Non-Executive Directors

**BARRY SULLIVAN**, Non-Executive Chairman  
*Experienced Mining Engineer, director since 2006*

**PETER REEVE**, Non-Executive Director  
*Metallurgist, CEO & MD of IVA, director since 2008.*

**TOM WHITING**, Non-Executive Director  
*Geophysicist, over 30 years in minerals exploration industry.*

### Management

**GEOFF LAING**, Acting CEO

**EAMON BYRNE**, CFO & Company Secretary

**BRUCE MCLARTY**, General Manager - Commercial

**STEVE KONECNY**, Chief Geologist

**DOUG COOK**, Exploration Manager

# Exco : Return to Shareholders

## Distribution Breakdown

- **Full Distribution of AUD \$135M (38 cents/share)**
  - Capital Return of AUD\$36M (10 cents/share)
  - Dividend (fully franked) of AUD \$99M (28 cents/share)

## Distribution Time Line

- Shareholder Meeting – 24<sup>th</sup> November 2011
  - **RECORD DATE – 2<sup>nd</sup> December 2011**
  - **PAYMENT DATE – 9<sup>th</sup> December 2011**
    - Tax Payment – First Quarter 2012

**Cash Position Post Distribution & Tax - ~AUD\$52M**



# Cloncurry Copper Project



## Key Strengths

- Efficient Resource Development
- Targeted Project Development
- Stakeholder Relationships – DERM, DEEDI, Locals
- Negotiating Strategy with XTA (Deal with Majors)

**Transaction Price - \$175M**

**Profit (Before Tax) - ~\$153M**

**Return on Equity - ~825%**

# White Dam Gold Mine



## Key Strengths

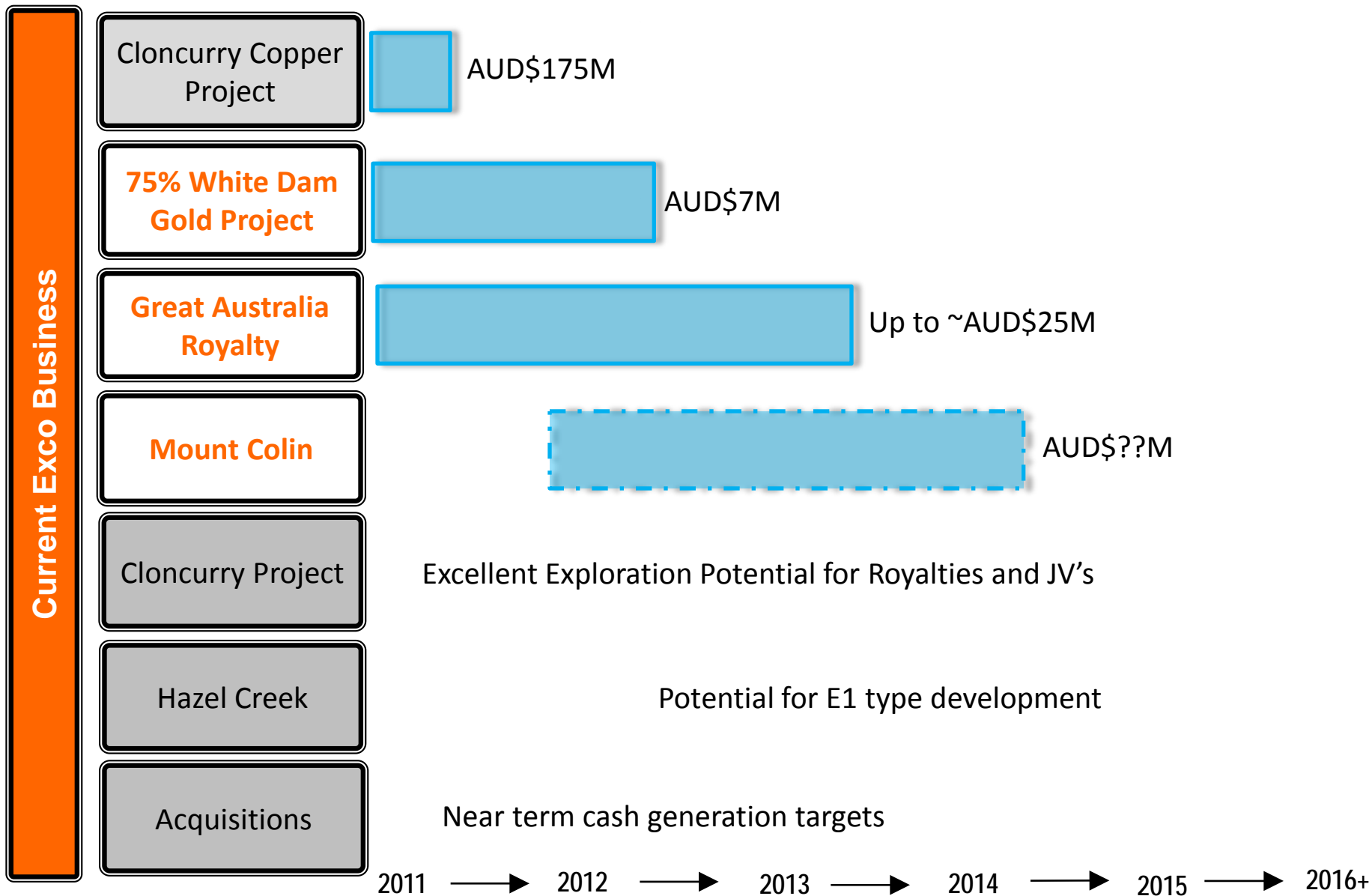
- Purchased at Low Gold Prices
- Developed through tail of GFC
- Partnerships – Polymetals & Barclays



**Profit (Before Tax) - \$68M**

**Return on Equity - ~850%**

# Exco Business & Forward Strategy





## Near Term Targets

### *Great Australia Royalty*

- Exco-CopperChem entered into an alliance agreement in September 2009.
- Under the alliance:
  - Exco entitled to a royalty on 1.7 million tonnes of sulphide ore (~26,000t Cu) within the Great Australia deposit.
  - Expected gross royalty cash flows of up to ~\$25 million based on copper prices of US\$3.50/lb.
  - Operations have commenced.

### *Mount Colin Deposit*

- Granted Mining Lease.
- Recently released updated resource estimate of 1.92Mt @ 2.59% Cu. Representing an overall mineral resource increase of 29%.
- Ores classified as Indicated Mineral Resource increased by 68% to 1.04Mt @ 3.04% Cu.
- A scoping study completed on the project has indicated robust economic potential.





## White Dam Gold Project

*Extracting all Viable Ounces  
& Exploration*



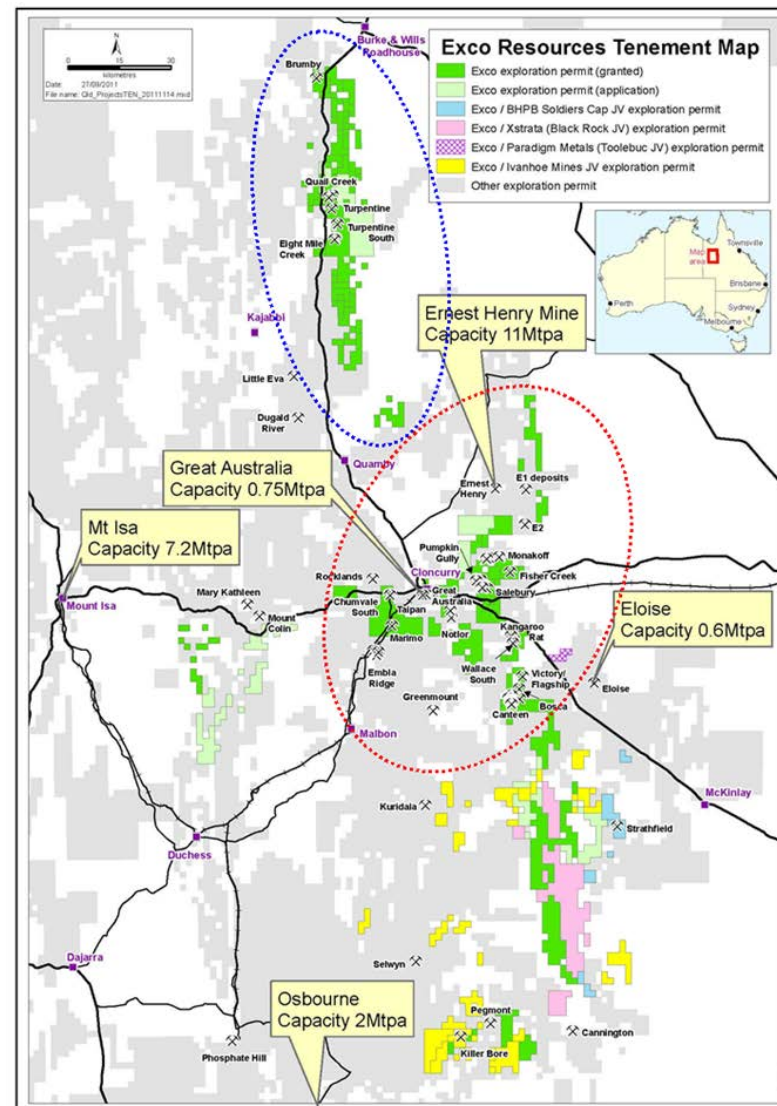
# Queensland Exploration Strategy

## For The Cloncurry Project...

- Develop resources suitable for transactions with third parties within the region (Short to medium term projects)
- Develop larger self sustaining resources (Medium and longer term projects)
- Working with JV partners on Southern Tenements to ensure exploration is in line with Exco strategy.

## For The Hazel Creek Project...

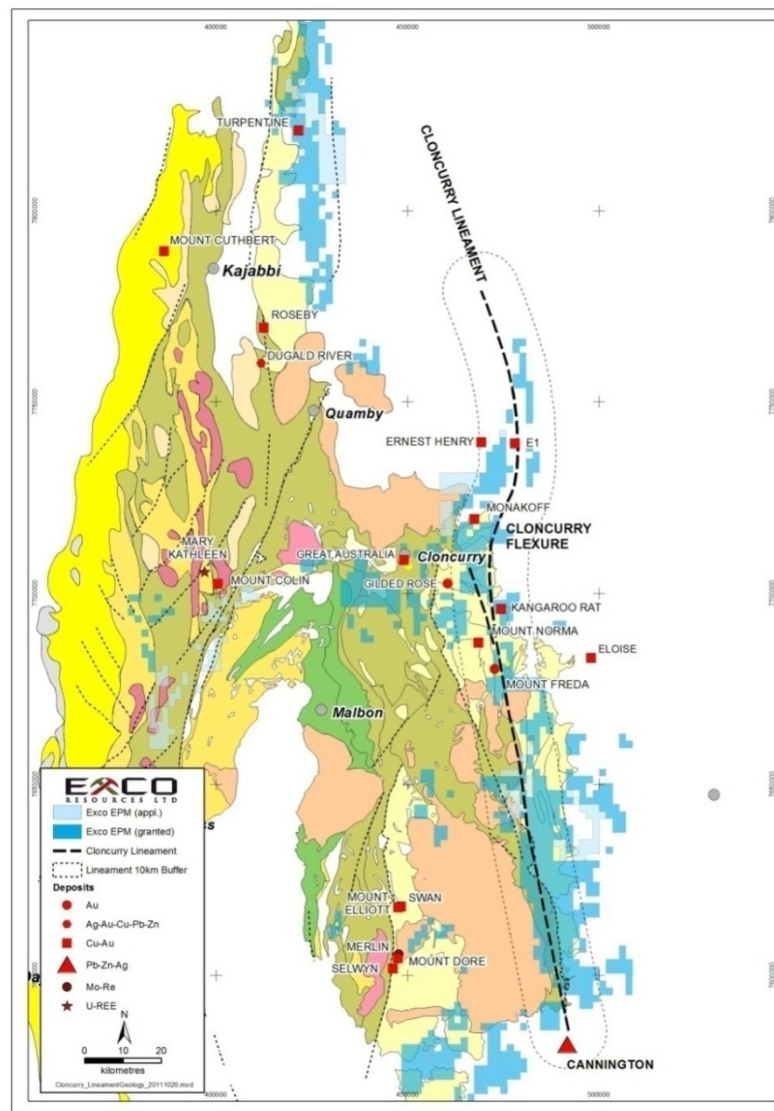
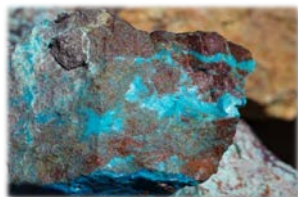
- The focus is on large scale self-sustaining resources. (Longer term projects)





# Cloncurry Project

- Strategic tenure position of >1900km<sup>2</sup> targeting the highly prospective Cloncurry Lineament between the Ernest Henry and Cannington deposits.
- Total Resource containing 111,400t Cu & 130,000oz Au
- To date, 86 holes for 8000m have been completed
- Systematic geological evaluation process including gravity and geochemical surveys and HeliSAM and HeliMAG with advanced targets at;
  - Tanbah
  - Salebury
  - Canteen
  - Kangaroo Rat





## Exco Strategy 2011/12

### White Dam

- Ongoing gold production to recover all viable ounces.
- Exploration and resource development to extend mine life.

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### Great Australia Royalty/Mt Colin

- Cash flow to commence imminently from GA royalty.
- Pursue options to monetise Mt Colin in the short to medium term.

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### Cloncurry Exploration

- Short term – resource delineation for 3<sup>rd</sup> party transactions.
- Medium and long term – identification of large self sustaining resources in Cloncurry and Hazel Creek.

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### New Growth Opportunities

- Evaluation of all opportunities within the Cloncurry Region
- Use balance sheet strength to acquire new assets.

A helicopter is flying in the upper center of the frame against a cloudy sky. A thin cable extends from the helicopter, stretching diagonally across the sky towards the bottom right. The background shows a hazy landscape with hills and trees.

# THANK YOU

Exco Resources Limited  
Annual General Meeting  
2011

**EXCO**  
RESOURCES LTD