

ASX Code: EXS

Shares on Issue  
356,044,187

Performance Rights on issue  
11,200,000

Current Share Price  
A\$15.5 cents

Market Capitalisation  
A\$55.2m (undiluted)

Cash at 30 June 2012  
A\$58m

#### DIRECTORS

Barry Sullivan (Chairman)  
Geoff Laing (Managing)  
Alasdair Cooke  
Tom Whiting  
Mike Spreadborough

COMPANY SECRETARY  
Eamon Byrne

CONTACT DETAILS  
Level 2 / 8 Colin St  
West Perth WA 6005

PO Box 1726  
West Perth WA 6872

Telephone: +61 8 9211 2000  
Facsimile: +61 8 9211 2001

[www.excoresources.com.au](http://www.excoresources.com.au)

ABN 99 080 339 671

## Exco continues exploration and resource development programmes

### Northwest Queensland Projects

#### Exploration

- Drilling on new regional targets (tier one potential) has commenced and three drill rigs are currently in operation on the company's tenements.
- Drilling at Wallace South is in progress. Results from initial phases will be reported separately once finalised.
- Drilling is in progress at the Turpentine Deposit targeting down dip extensions to the current resource.

#### Resource Development

- Exco continues to de-risk and add value to two wholly owned projects, the Mt Colin Underground Project and the Kangaroo Rat Open Pit Project.
- A 3,000m diamond drilling programme at Mount Colin commenced towards the end of the quarter. A resource update will be completed once results from drilling have been received.
- Ten infill diamond drill holes for approximately 700m were completed at Kangaroo Rat during the quarter. A resource update is expected to be completed by September 2012.

### White Dam Gold Project, South Australia

- **Gold production** Joint venture production for the quarter at 4,437 ounces (100%) was down 1,146 ounces from the previous quarter. The expected run down of Hannaford pit production was offset by the start of production from Vertigo ore. Leaching continues with recovery levels continuing to exceed initial predictions.
- **Vertigo development and exploration:** Mining of the Vertigo deposit was completed in early May. Production will continue until the December quarter. The joint venture partners continue to explore for other opportunities in the Drew Hill area.
- **Cash flow:** Exco received \$3.4m in revenues for the three months at an average price of A\$1,588/oz. Unit cash operating costs were slightly lower than the previous quarter as expected with the cessation of mining activities at Vertigo. Operating margins continue to be healthy.

### Corporate

- **Board Changes:** On 3 July 2012 the board announced the resignation as a non-executive director of Ivanhoe Australia's nominated representative, Mr Peter Reeve. Mr Mike Spreadborough, currently COO of Ivanhoe Australia has been nominated to replace Mr Reeve.
- **Great Australia Royalty:** On 19 July 2012 the Company informed the market that CopperChem Ltd was disputing the Company's entitlement to the Great Australia Royalty under the 2009 Alliance Agreement. Exco intends to initiate discussions with CopperChem with a view to resolving the matter as soon as possible.

## QUEENSLAND EXPLORATION AND DRILLING UPDATE

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### Highlights

- Salebury Reverse Circulation drilling results include:
  - **ECRC600 intersected 15m @ 2.45% Cu and 0.55 g/t Au**
  - **ECRC591 intersected 10m @ 2.91% Cu and 1.59 g/t Au**
  - **ECRC586 intersected 17m @ 1.13% Cu and 0.76 g/t Au**
  - **ECRC609 intersected 5m @ 2.26% Cu and 1.00 g/t Au**
- Drilling on new regional targets (tier one potential) has commenced and three drill rigs are currently in operation on the company's tenements.
- Drilling at Kangaroo Rat and Wallace South is in progress. Results from initial phases will be reported separately once finalised.
- Drilling is in progress at Mt Colin targeting down-dip extension to the current resource. The mineralised structure has been intersected in the first two holes.
- Drilling is in progress at the Turpentine Deposit targeting down dip extensions to the current resource. The drilling has intersected chalcopyrite mineralisation at the projected depths and results will be released in due course.

Exco continues to expand exploration activities within the Northwest Queensland package that covers nearly 3,000km<sup>2</sup> of prospective ground. The company is well funded and is focused on resource identification and growth in Queensland (see **Figure 8** for regional location map and **Table 3** for summary of established resources).

### Cloncurry Project

A total of 17 Diamond Drill Holes (**DDH's**) (2,994m), 62 Reverse Circulation (**RC**) (6,143m), 2,425 soil sites, and 3,135 gravity stations have been completed to date this calendar year in the Cloncurry Project area. The bulk of the drilling to date has been at the Salebury Prospect, Wallace South Gold deposit and the Kangaroo Rat Deposit.

Heritage clearances have only recently been completed on new exploration targets, and drilling emphasis will now shift to regional targets detailed in previous releases. These include high priority targets in the Canteen-Weatherly Creek area and at Elder Creek. Drilling is also in progress at Mt Colin where several deeper holes have been planned to test for extensions or close off the resource at depth.

Final results of drilling to date at Wallace South are expected soon, and these will be reported separately.

## Pumpkin Gully Syncline

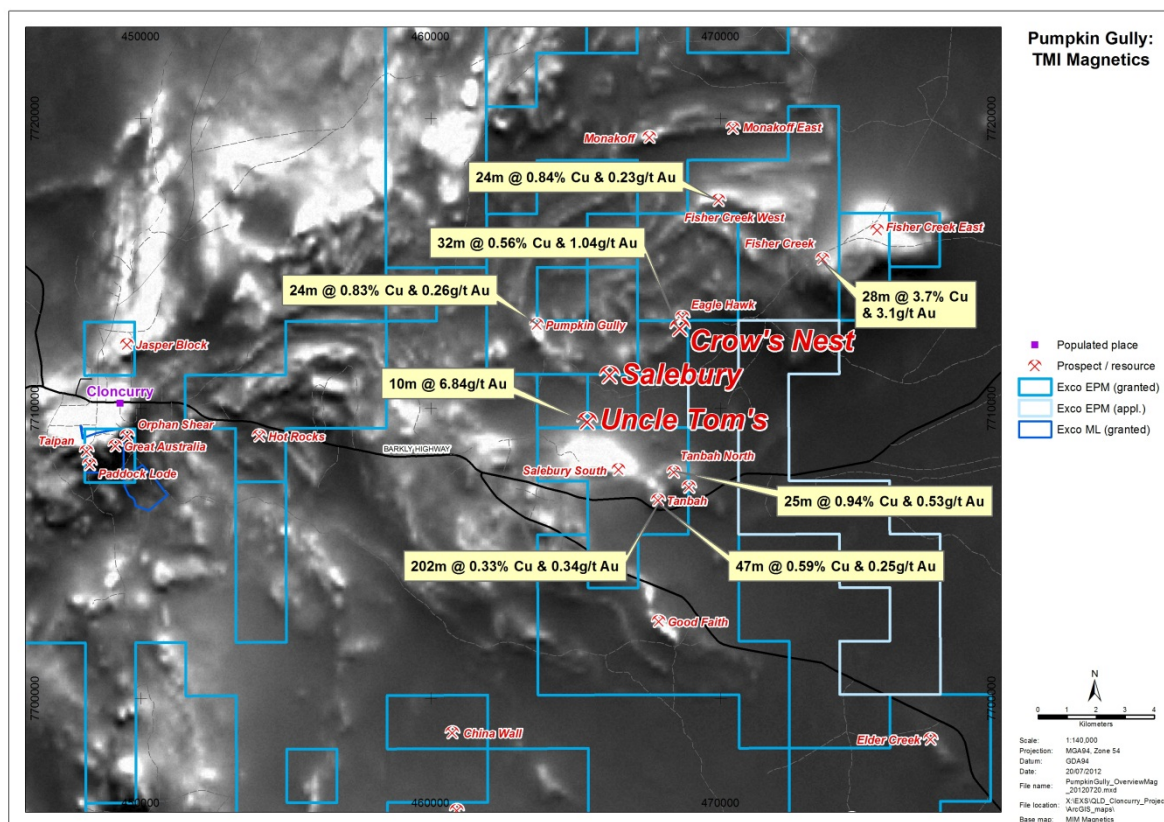
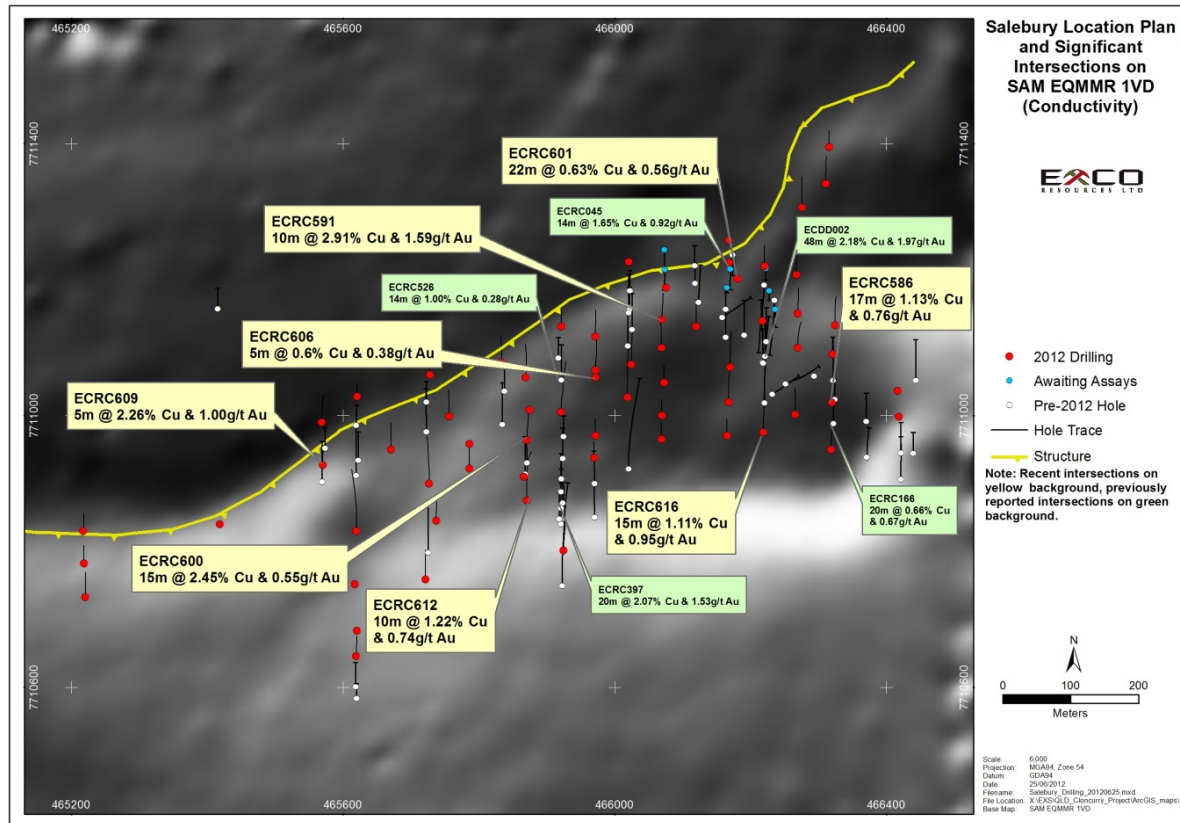


Figure 4: Pumpkin Gully area TMI Magnetics

### Salebury Prospect

The prospect occurs on the southern limb of the Pumpkin Gully syncline (see **Figure 4**) at the contact of black shales and mafic volcanics. Mineralisation occurs in a number of sub-parallel lodes and is associated with Dolerite intrusions and appears to be structurally, rather than stratigraphically controlled. Calc-silicate breccia bodies also occur within the prospect area.

Infill and along strike RC drilling during the quarter has resulted in a 50m drill grid spacing over the main mineralised zones. Final assay results are expected within 2 weeks and 3D geological modelling and resource estimation is in progress. The mineralisation is irregularly distributed and may require limited additional drilling in several key areas to improve the ore shape definition.



**Figure 5: Salebury location plan and significant intersections**

Results reported during the quarter included:

ECRC600 intersected **15m @ 2.45% Cu and 0.55 g/t Au**

ECRC591 intersected **10m @ 2.91% Cu and 1.59 g/t Au**

*(See the ASX announcement issued to the market on 26 June 2012 for further details)*

## Uncle Toms

The Uncle Toms prospect is located to the southwest of the Salebury prospect and has several small historical shafts that were excavated for gold mineralisation (see **Figure 4**).

One diamond drill hole and 5 RC holes were completed during the quarter to test below broad Au geochemical anomalies defined by recent Exco soil sampling. The holes did not hit any major zones of visually obvious mineralisation and results are expected in several weeks. Some quartz and carbonate veining has been noted and assays will reveal whether these zones carry any gold mineralisation.

Limited previous drilling by Exco has intersected up to **10m @ 6.84g/t Au**, and subsequent soil sampling has provided surface trends of gold anomalies that have been targeted in the current drilling. Several other anomalies of similar size and magnitude are yet to be tested in the immediate region.

## Crows Nest

The Crows Nest Prospect occurs 3km to the northeast of Salebury and 20km east of Cloncurry. The prospect area has numerous small historical pits on exposed copper oxides of an area of approximately 600m by 300m. Exco has previously completed several phases of shallow systematic grid drilling, to determine the trend of mineralisation.

One DDH was completed during the quarter to test below encouraging mineralisation reported from RC drilling in 2011 (**32m @ 0.56% Cu & 1.04g/t Au**). The drillhole did not appear to intersect any significant zones of copper mineralisation. Assays are awaited and once received a reinterpretation of the structural controls on mineralisation may reveal alternate or additional drill targets.



## Weatherly Creek

### Wallace South

Drilling has recently been completed at the **Wallace South** gold deposit (**1.0mt @ 1.6 g/t Au**), targeting down dip extensions to the currently outlined gold mineralisation. A total of four diamond drill holes have been completed and these have intersected zones of highly weathered ferruginous rock some of which are expected to contain gold mineralisation. Assay results are expected to be completed soon and these will be released when finalised. Previous metallurgical work has highlighted good leach characteristics and further tests will be undertaken on any gold intersections from this drill core.

### Canteen

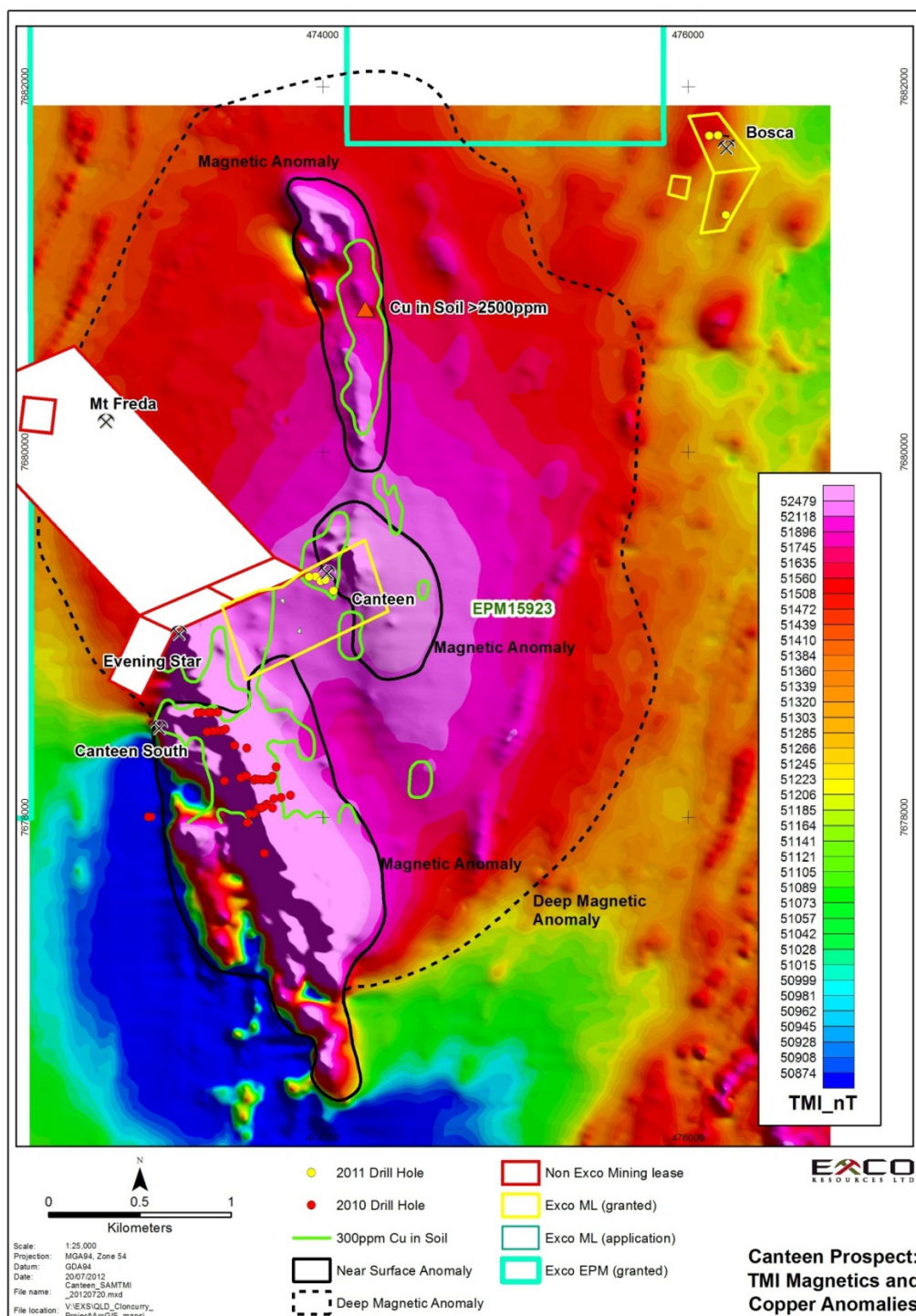


Figure 6: Canteen Prospect TMI Magnetics

The Canteen prospect covers a large area with strong indications of an IOCG (Iron Oxide Copper Gold) mineralised system, and initial RC and diamond drilling by Exco has intersected encouraging copper and gold grades.

Recently acquired Sub Audio Magnetic (SAM) geophysical data highlights a very strong conductive anomaly and a coincident magnetic anomaly corresponding to a 1.8km long zone containing unusual outcrops of massive hematite (Fe), quartz-hematite stockworks and extensive magnetite bearing carbonate matrix breccia in albitised metasediments. The geophysics emphasises a prominent structure, and a recently completed programme of soil geochemistry has highlighted coherent copper and gold in soil, with values exceeding 2,500ppm and 200ppb respectively, coincident with the interpreted structure and the most obvious geophysical responses. A 3,500 sample programme to extend the soil geochemistry in the area is currently underway.

The area is regionally anomalous in Cu and previous drilling by Exco on the Canteen South Cu-Au- $U_3O_8$  prospect has revealed widespread silica-magnetite alteration and highly anomalous Cu-Au-  $U_3O_8$  levels (e.g. ECRC115, 66m @ 0.41% Cu and 0.06ppm Au from surface, and ECRC158, 56m @ 156ppm  $U_3O_8$ ).

Two DDH's were completed during the quarter on existing heritage cleared areas, and preliminary assays from the first hole confirm widespread low level copper and uranium anomalism. Heritage clearances have been completed on the priority targets generated from the recent geophysics and soil surveys and these are expected to be drilled in the September quarter.

### Bosca-Elma

The Bosca Elma target zone occurs within the Weatherly Creek Syncline and is associated with metasediments and metavolcanics of the Toole Creek Formation.

Recent soil geochemistry has highlighted a strongly anomalous copper zone extending from the Bosca area towards the Victory Prospect that has not previously been tested with drilling .Drill sites have been established and are now ready for RC drilling. A drill rig will be mobilised over the next few weeks to test the coherent copper in soil anomaly associated with ferruginous silicified outcrops which have a strike extent of approximately 3km. Limited rock chip sampling and reconnaissance mapping has revealed high copper and gold values with zones of copper oxides present at surface.

### Elder Creek

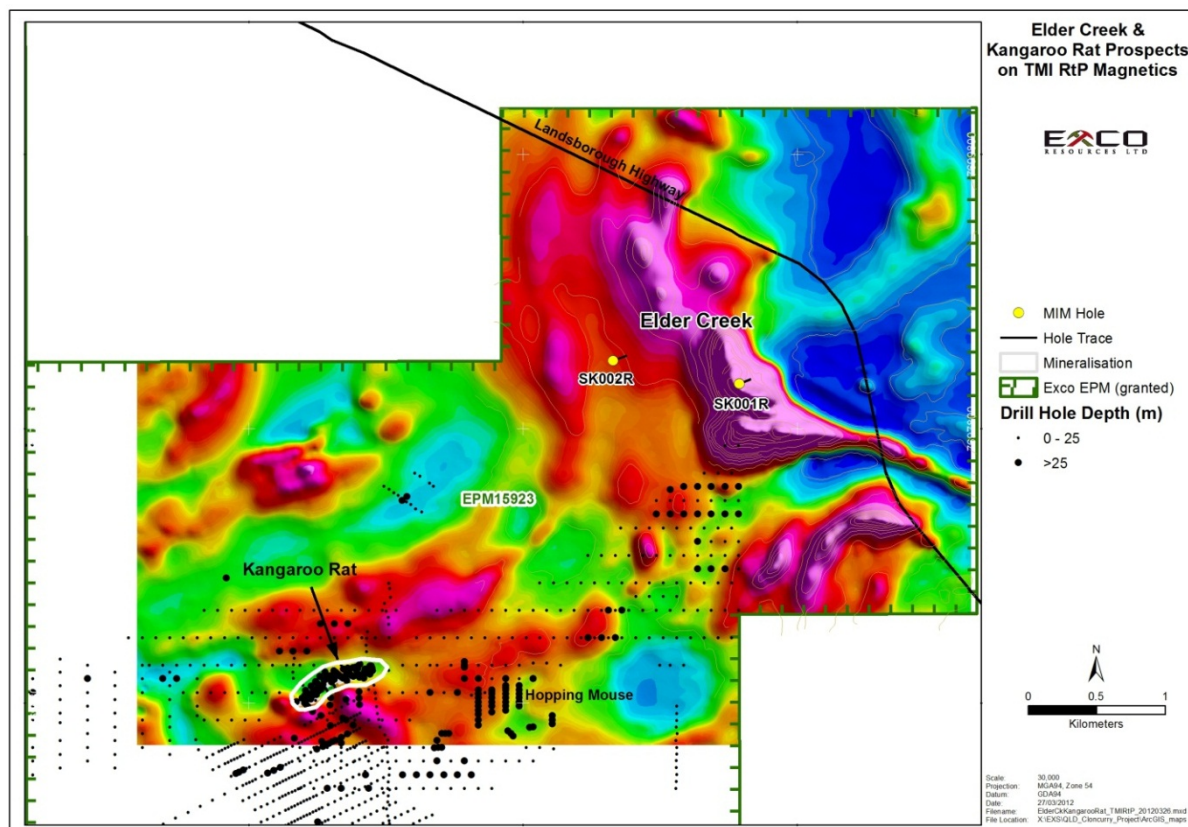


Figure 7: Location of Elder Creek Prospect over image of Total Magnetic Intensity

The Elder Creek Magnetic anomaly remains untested by drilling and heritage clearances have now been completed over parts of the anomaly to allow initial drill testing. The anomaly occurs under thin transported alluvial sediments. **Figure 7** shows the location of the anomaly approximately 3.5 km northeast of the Kangaroo Rat Deposit.

### **Regional Soil Geochemistry**

The regional soil geochemical programme is continuing and anomalies being generated will undergo ground inspection prior to drill testing during the next quarter. To date more than 2,425 sites have been sampled and assayed this calendar year.

### **Hazel Creek Project**

The Hazel Creek Project is centred approximately 90km north of Cloncurry and incorporates a large area (> 1,000km<sup>2</sup>) of prospective terrain that remains relatively unexplored. Exco has confirmed the prospectivity of the area through the discovery of the Turpentine Deposit (**1.84Mt @ 1.03% Cu & 0.2g/t Au**) and several key prospects. (See **Figure 8** location of the Hazel Creek Project area)

The Hazel Creek Project is situated to the east of the Leichardt River on the Boomarra horst, along an interpreted northern continuation of the mid-proterozoic Soldier's Cap Group. A thin veneer of mesozoic and quaternary deposits mask outcrop over parts of the project area.

A total of 3,272 soil samples have now been collected and RC drilling has recently commenced in the Turpentine and Eight Mile Creek Area.

### **Turpentine Cu-Au Deposit**

RC drilling has commenced at the Turpentine Deposit (**1.8mt @ 1.03% Cu & 0.2g/t Au**), targeting resource extensions below the currently drilled mineralisation. An initial 5 holes have been completed and chalcopyrite mineralisation has been intersected where anticipated. Assays are expected in the coming weeks.

Results of the drilling will be incorporated into a revised resource model. The drilling has established the mineralisation continues at depth; however near surface along strike potential is limited immediately adjacent to the resource.

### **Eight Mile Creek –Turpentine South**

RC drilling will be carried out to test the remaining potential of several large strong magnetic zones, where previous drilling had intersected significant magnetite associated copper and gold mineralisation. New geophysical data has also highlighted a range of new targets as well as fine-tuning the interpretation of the known mineralisation in this area.

The RC drilling has just commenced in the region with an aim to quantify resource potential at the main prospects. Further heritage clearances are planned to cover new targets generated by the recent SAM and Gravity surveys completed last year, as well as the on-going soil geochemical programme which is screening large areas of the prospective stratigraphy.

### **Jessievale – Rubicon JV**

Initial targets have been selected based on last year's Helimag data, and compensation agreements and heritage clearances are being prepared. It is anticipated the targets will be drilled during the next quarter.

### **Soil Surveys**

Soil sampling is continuing and generating new anomalies that will require follow up. To date 3,272 samples have been collected and assayed, and these appear to be screening large areas where geophysical targets are less obvious. The survey has already identified several coherent copper, zinc and lead anomalies that will be investigated during the next quarter.

## **QUEENSLAND PROJECT DEVELOPMENT**

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Exco continues to de-risk and add value to two wholly owned projects, the Mt Colin (**1.92 Mt @ 2.59% Cu, 0.42 g/t Au**) Underground Project and the Kangaroo Rat (**1.26 Mt @ 1.29% Cu, 0.6 g/t Au**) Open Pit Project. Exco has initiated full feasibility studies and design work on both projects to facilitate mine development in 2013. It is anticipated that ore from both projects would be trucked to and treated at established processing facilities within the region. Scoping studies on both projects have demonstrated robust economics and development/transaction opportunities continue to be evaluated.

Baseline environmental, waste rock characterisation and hydrological studies for both projects have commenced and will be further advanced during the next quarter.

### **Mt Colin**

Exco commenced a 3,000m diamond drilling programme at the end of the quarter. The programme will initially target down dip extensions, with infill drilling to commence upon completion of extensional drilling. Infill drilling will target areas of the resource currently classified as Inferred and will aim to provide sufficient confidence to enable reclassification to Indicated status. A resource update will be completed once results from drilling have been received.

### **Kangaroo Rat**

Exco completed 10 infill DDHs for approximately 700m at Kangaroo Rat during the quarter. Samples have been submitted to the laboratory and final results are expected by early August. Assay results and bulk densities collected from drill core may enable conversion of a portion of the resource to Indicated status. A resource update is expected to be completed by September 2012.

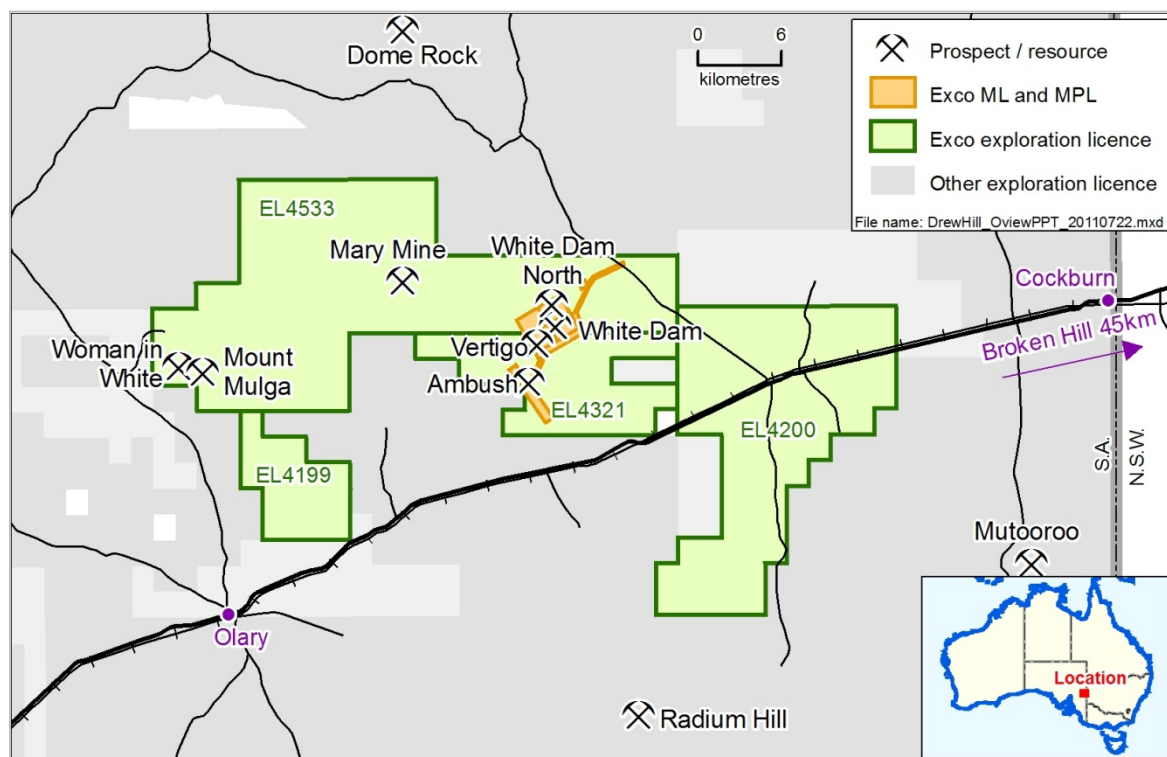
During the past quarter metallurgical samples were collected and floatation test work on Transitional and Fresh material from Kangaroo Rat has commenced. In addition, geotechnical studies were initiated with two dedicated geotechnical drill holes completed. Samples have been dispatched for geotechnical test work under the direction of Exco's geotechnical consultants.

A Mining Lease Application has been submitted for Kangaroo Rat and Exco intends to lodge a draft Environmental Management Plan to the relevant authorities at the end of 2012.



## WHITE DAM GOLD PROJECT (Exco 50% - Polymetals 50%)

The White Dam Gold Project is located in South Australia approximately 80km west of Broken Hill (see **Figure 1**). The project contains a depleted resource inventory of 2.7Mt @ 1.03g/t Au for 90,800oz contained (see **Table 4**).



**Figure 1: White Dam Gold Project Location Map**

### White Dam & Drew Hill Joint Venture

In 2009 Exco and Polymetals Mining Ltd (ASX:PLY) entered into a 75/25 unincorporated joint ventures to develop the White Dam project and explore in the nearby Drew Hill tenements. On 30 June 2012 the parties merged the joint ventures and amended the terms to give Polymetals a 50% interest in the joint ventures on terms outlined below. Polymetals will continue to manage the joint venture projects.

Polymetals specialises in the development of remote small to medium size resource projects. In-house expertise includes metallurgy, mining and project management.

### Operations Report

#### Health, Safety and Environment

No lost-time injuries occurred during the quarter. A single reportable environmental incident (involving a minor chemical spill) was rectified within 24-hours.

#### Production

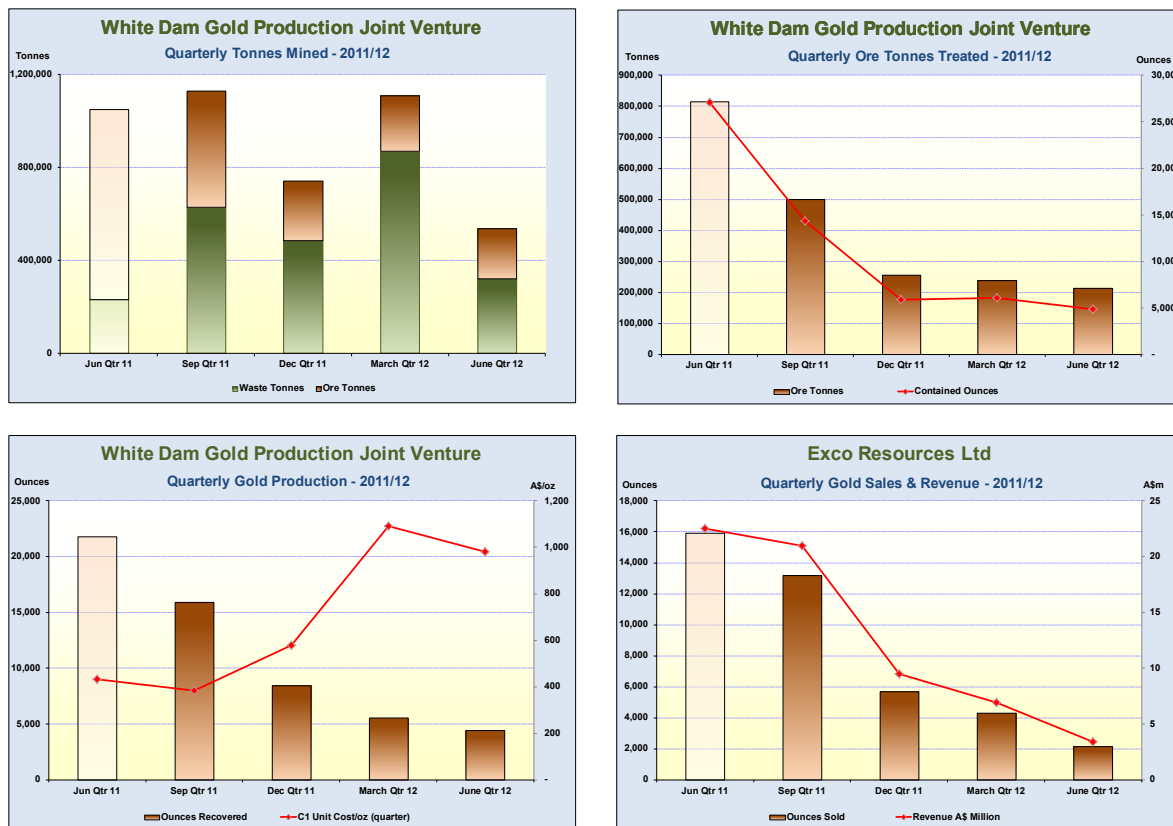
Total project production for the quarter was 4,437 ounces. The lower gold production compared to the March Quarter reflects delays to the crushing and subsequent irrigation of the final Vertigo ore and the expected fall off in production from the Hannaford pit ore. Cumulative production to date is 134,713 ounces which represents a substantial increase on the original life-of-mine production forecast.

During the quarter, 214,000 bank cubic metres were mined from Vertigo comprising 214,000 tonnes of ore at 0.70g/t and 321,000 tonnes of waste, for a strip ratio of 1.5:1. Mining at Vertigo concluded in early May 2012. Approximately 65% of Vertigo ore was crushed to improve recovery rates. All crushing and stacking was completed on the 28 June 2012.

Gold production is expected to continue until the December Quarter 2012.

Production and Financial Statistics

**White Dam Gold Production Joint Venture June 2012**



**Figure 2: White Dam Gold Production Joint Venture - Production and Sales**

		LOM to June 11	Sep Qtr 11	Dec Qtr 11	Mar Qtr 12	Jun Qtr 12	Year 2011/12	Project to Date
Ore Tonnes Mined	(tonnes)	<b>3,525,093</b>	375,226	192,333	170,248	117,109	<b>854,916</b>	<b>4,380,009</b>
Mined Grade	(g/t)	<b>1.00</b>	0.89	0.71	0.79	0.70	<b>0.80</b>	<b>0.96</b>
Mined Ounces	(ounces)	<b>113,622</b>	10,737	4,409	4,324	2,636	<b>22,105</b>	<b>135,728</b>
Waste Tonnes Mined	(tonnes)	<b>3,893,563</b>	470,378	363,452	622,758	175,236	<b>1,631,824</b>	<b>5,525,387</b>
Ore placed on Leach	(tonnes)	<b>3,525,093</b>	375,226	192,333	170,248	117,109	<b>854,916</b>	<b>4,380,009</b>
Head Grade	(g/t)	<b>1.00</b>	0.89	0.71	0.79	0.70	<b>0.81</b>	<b>0.96</b>
Ounces Produced	(ounces)	<b>75,257</b>	11,954	6,315	4,181	2,598	<b>25,048</b>	<b>100,305</b>
Gold Loan Repayments	(ounces)	<b>15,687</b>	-	-	-	-	<b>-</b>	<b>15,687</b>
Ounces Sold	(ounces)	<b>57,302</b>	13,206	5,677	4,319	2,144	<b>25,346</b>	<b>82,648</b>
Mining Direct Costs	(A\$/oz)	<b>235</b>	208	301	652	379	<b>323</b>	<b>277</b>
Other Direct Costs	(A\$/oz)	<b>130</b>	175	277	439	603	<b>289</b>	<b>205</b>
C1 Unit Direct Cost	(A\$/oz)	<b>365</b>	383	578	1,091	982	<b>613</b>	<b>482</b>
Royalties	(A\$/oz)	<b>53</b>	30	42	41	127	<b>43</b>	<b>68</b>
Average Realised Sale Price	(A\$/oz)	<b>1,393</b>	1,587	1,671	1,598	1,588	<b>1,608</b>	<b>1,459</b>
Revenue	(A\$ million)	<b>91.8</b>	21.0	9.5	6.9	3.4	<b>40.7</b>	<b>132.6</b>

**Table 1: Production and Financial Statistics (Exco equity interest)<sup>1</sup>**

<sup>1</sup> **Ounces Produced** is gold poured plus the net change in gold-in-circuit during the period.

**Mining Direct Costs** include all mining costs incurred during the period excluding depreciation, amortisation and effects of stock movement.

**Other Direct Costs** include all direct processing and administration costs incurred during the period.

**C1 Unit Costs** is the accumulation of all direct costs (excluding royalties) incurred during the period divided by Ounces Produced.

## Costs

The Direct Mining unit cost for the quarter was lower at \$379/oz. The Other Direct unit cost was higher at \$603/oz. Overall the C1 unit cost of \$982/oz was lower than previous. The reduction in unit costs reflects the effects of the cessation of mining activity and the commencement of gold production from Vertigo ore. Unit costs should decline substantially in the upcoming months now that mining has concluded.

## Joint Venture Arrangements

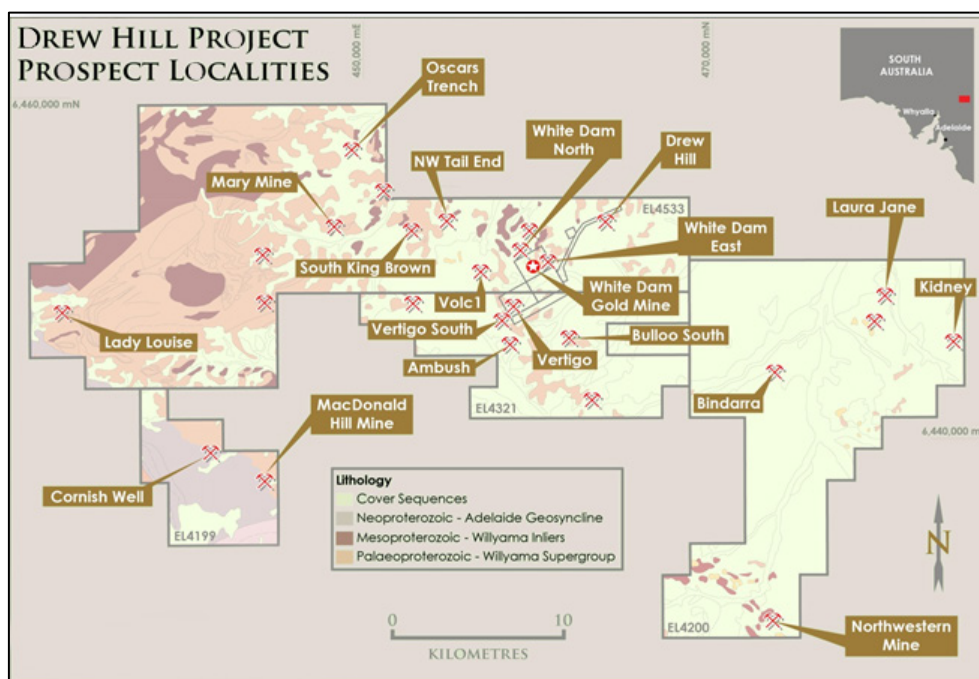
On 10 January 2012 the partners announced that they had agreed in principle to develop the small Vertigo deposit under new joint venture arrangements. Following completion of the legal formalities during the quarter:

- The White Dam Production Joint Venture and the Drew Hill Exploration Joint Venture have been merged into a single unincorporated joint venture, the White Dam & Drew Hill Joint Venture with Exco and Polymetals as equal partners and Polymetals managing operations;
- Remaining production from the Hannaford pit ore will continue to be shared on a 75:25 basis;
- Production from Vertigo ore will be shared on a 50:50 basis;
- Polymetals has increased its interest in the White Dam infrastructure, including plant and camp facilities, from 25% to 50% in return for a cash consideration based on an agreed independent valuation and a commitment to take on an extra 25% of the future closure costs; and,
- Polymetals has earned a further 25% interest in the exploration tenements in the Drew Hill area by spending \$1.3m on exploration prior to 30 June 2012.

## Exploration

During the September 2011 quarter Polymetals took over management of the Drew Hill Exploration Joint Venture from Exco and has worked to increase the understanding of patterns of known mineralised occurrences at White Dam, Vertigo, White Dam North and White Dam East in order to improve drill targeting.

A total of \$0.75M (100%) was expended on near-mine exploration during the Quarter.



**Figure 3: Location map of Drew Hill exploration area**

Forty one reverse circulation drillholes for 3,505m were completed in ten areas located within 10km of White Dam. Results from this programme have highlighted the potential for IOCG-style mineralisation at the Laura Jane, Bindarra and Kidney prospects. An area to the east of White Dam has been shown to be prospective for uranium, rare earth elements and copper, and will be the focus of drilling in the September quarter.

Further drilling is also planned for shallow oxide gold mineralization at Dipolar, Copperhead and Drew Hill in the September quarter. Drilling will be conducted south west of Hannaford pit at White Dam to test for additional high grade sub-horizontal lenses beneath the pit.

## **PROJECTS NOT LISTED**

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Projects that are not mentioned in this report have had no significant results during the present quarter or results are not yet available.



## CORPORATE

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### Board changes

On the 3 July 2012 the Company announced that non-executive director Mr Peter Reeve had tendered his resignation as a director.

Mr Reeve, joined the board in May 2008 serving as the nominated representative of the Company's largest shareholder, Ivanhoe Australia Ltd (ASX:IVA).

The board wishes to express its appreciation of his contribution during his time with the Company and wishes him well in his future endeavours.

In addition on 3 July 2012 the board announced the appointment (upon the nomination of IVA) of Mr Michael Spreadborough as a non-executive director of the Company.

Mr Spreadborough, has extensive mining experience in large, multi-national companies in operational and senior management roles. He was recently appointed Chief Operating Officer of IVA.

The Board looks forward to working with Mr Spreadborough whose broad-ranging experience is expected to add significant value as Exco continues to progress its portfolio of Cu-Au projects in Northwest Queensland.

*(See the ASX announcement issued to the market on 3 July 2012 for further details)*

### Great Australia Royalty

Exco is entitled to a royalty on approximately 1.7million tonnes of sulphide ore contained within the Great Australia resource (see **Figure 8**) pursuant to the terms of the *Exco-CopperChem Alliance Agreement* entered into in September 2009.

CopperChem commenced mining of sulphide ores from the open pit during the six months to 31 December 2011.

The parties to the Agreement agreed a calculated amount of 58,300 tonnes of ore processed for the period to 31 December 2011 and accordingly a royalty receivable of \$925,211 was been agreed as at that date.

An invoice was raised on 23 March 2012 for this amount (plus appropriate GST); the payment terms were varied from the normal 30 days to 90 days. The invoice raised on 23 March has not been paid.

CopperChem has now disputed the Company's entitlement to the royalty under the Alliance Agreement.

Exco intends to initiate discussions with CopperChem with a view to resolving the matter as soon as possible. No formal dispute resolution procedures have commenced. However, if the anticipated discussions do not lead to an outcome that is acceptable to Exco, Exco reserves its rights to trigger the relevant dispute resolution processes under the terms of the Alliance Agreement.

*(See the ASX announcement issued to the market on 19 July 2012 for further details)*

### Non-IFRS Measures

We supplement our financial information reporting determined under International Financial Reporting Standards (IFRS) with certain non-IFRS financial measures, including the Brook Hunt categorisations of Direct Mining costs, Other Direct costs and C1 unit cost. We believe that these measures provide meaningful information to assist management, investors and analysts in understanding our financial results and assessing our prospects for future performance.

## Share Holdings

At 19 July 2012 the top 20 Shareholders of Exco were as follows:

Shareholder	Current Units	Percentage
1 Ivanhoe Australia Limited	79,288,632	22.27
2 Washington H Soul Pattison & Co Ltd	46,587,023	13.08
3 Mr Alasdair Cooke	17,317,878	4.86
4 National Nominees Ltd	12,719,908	3.57
5 Lujeta Pty Ltd	9,200,000	2.58
6 JP Morgan Nominees Australia Ltd	8,279,840	2.33
7 Cogent Nominees Pty Ltd	8,169,042	2.29
8 HSBC Custody Nominees (Australia) Ltd	5,886,255	1.65
9 UBS Wealth Management	4,055,618	1.14
10 National Health Recovery Agents Pty Ltd	3,767,000	1.06
11 Mr Geoffrey Rol	3,739,048	1.05
12 Dale Park Pty Ltd	3,080,000	0.87
13 Burls Holdings Pty Ltd	2,786,215	0.78
14 Mr Leonard Nicita	2,583,400	0.73
15 Citicorp Nominees Pty Ltd	2,439,626	0.69
16 Mr David Cliffe	2,019,200	0.57
17 Mr Bruce McLarty	2,000,000	0.56
18 Kinar Pty Ltd	1,905,500	0.54
19 Mr Andrew Lyell	1,610,000	0.45
20 Bradleys Polaris Pty Ltd	1,558,000	0.44
<b>Top 20 Total</b>	<b>218,992,185</b>	<b>61.51</b>

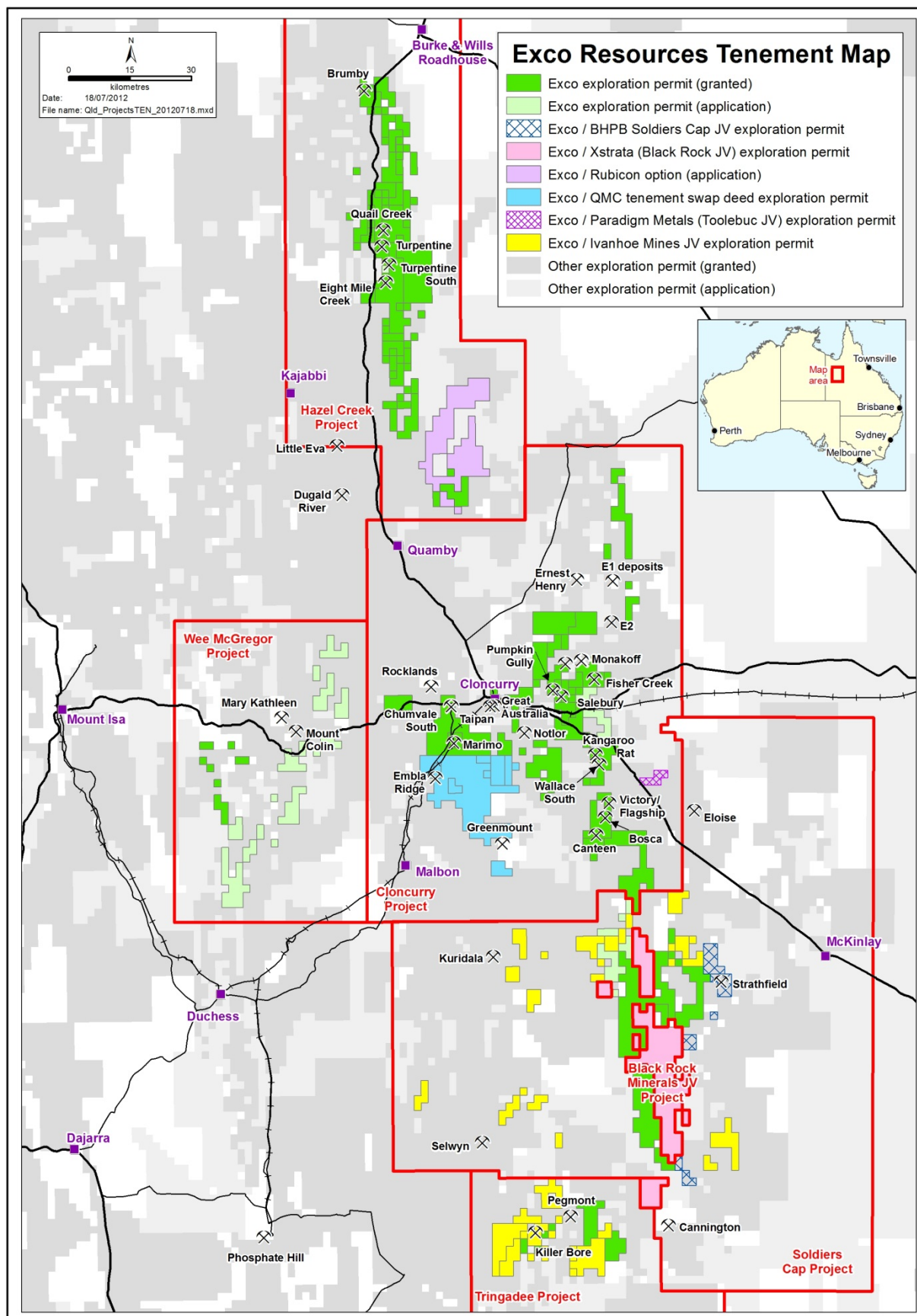
*Table 2 – Top 20 Shareholders*

*On behalf of the Board of  
Exco Resources Ltd*

Geoff Laing  
**Managing Director**

**Media Enquiries:**

James Harris - Professional Public Relations  
Tel: (08) 9388 0944



**Figure 8: NW Queensland Tenement Map highlighting Exco's ground position & the location of key deposits & prospects.**

## RESOURCE TABLES

TABLE 3: EXCO RESOURCES – NORTHWEST QUEENSLAND RESOURCE SUMMARY						
Deposit	Class	Tonnes	Grade		Metal	
			Cu%	Au g/t	Cu T	Au Oz
Cloncurry Project						
Great Australia <sup>(1)</sup>	Indicated	1,400,000	1.53	0.13	21,000	6,000
	Inferred	800,000	1.57	0.14	12,000	3,000
TOTAL		2,200,000	1.54	0.13	33,000	9,000
Mt Colin <sup>(1)</sup>	Indicated*	1,042,000	3.04	0.42	32,000	14,000
	Inferred*	880,000	2.09	0.41	18,000	12,000
TOTAL *		1,922,000	2.59	0.42	50,000	26,000
Taipan	Inferred	1,460,000	0.80	0.1	12,000	5,000
Kangaroo Rat <sup>(1)</sup>	Inferred	1,257,000	1.29	0.6	16,000	25,500
Wallace South	Inferred**	1,000,000	-	1.6	-	53,000
Victory-Flagship	Inferred	196,000	1.20	1.4	2,000	9,000
Sub-Total Cloncurry Project		8,053,000	1.62	0.49	113,000	127,500
Hazel Creek Project						
Turpentine	Indicated	1,627,000	1.04	0.21	17,000	11,000
	Inferred	215,000	0.9	0.16	2,000	1,000
Sub-Total Hazel Creek		1,842,000	1.03	0.2	19,000	12,000
Northwest Queensland Total		9,877,000	1.51	0.43	132,000	139,500

**Notes:** Discrepancies in totals are as result of rounding.  
 Unless otherwise stated the above resources are reported at a 0.5% Cu cut-off.  
<sup>(1)</sup> Granted Mining Lease.  
 \* Mt Colin resource cut-off = 1.25% Cu.  
 \*\* Wallace South resource cut-off = 0.5g/t

TABLE 4: WHITE DAM PROJECT OK RESOURCE ESTIMATE										
Deposit	Material	Indicated			Inferred			Total		
		kts	g/t Au	koz Au	kts	g/t Au	koz Au	kts	g/t Au	koz Au
White Dam	Oxide	600	0.99	19.1	90	0.74	2.1	690	0.96	21.2
	Fresh	327	1.01	10.6	1,954	0.88	55.3	2,281	0.90	65.9
	<b>Sub-Total</b>	<b>927</b>	<b>1.00</b>	<b>29.7</b>	<b>2,044</b>	<b>0.87</b>	<b>57.4</b>	<b>2,971</b>	<b>0.91</b>	<b>87.3</b>
Vertigo	Oxide	1,008	1.10	35.6	703	0.73	16.5	1,711	0.95	52.1
	Fresh	212	1.56	10.6	526	1.15	19.4	738	1.26	30.0
	<b>Sub-Total</b>	<b>1,220</b>	<b>1.18</b>	<b>46.2</b>	<b>1,229</b>	<b>0.91</b>	<b>35.9</b>	<b>2,449</b>	<b>1.04</b>	<b>82.1</b>
<b>Project Total</b>		<b>2,147</b>	<b>1.17</b>	<b>75.9</b>	<b>3,273</b>	<b>0.90</b>	<b>93.3</b>	<b>5,420</b>	<b>1.03</b>	<b>169.4</b>

**Notes:** Discrepancies in totals are as result of rounding.  
 White Dam resource (depleted to end of mining in January 2012) was re-estimated in October 2010 with a cut off grade of 0.3g/t  
 Vertigo was re-estimated in January 2011 with a cut off grade of 0.4g/t.



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

*The information in this report that relates to White Dam Mineral Resources is based on information compiled by Mr Troy Lowien, Polymetals Senior Resource Geologist who is a Member of The Australasian Institute of Mining and Metallurgy and is a fulltime employee of Polymetals Mining Limited. The information in this report that relates to White Dam Exploration Results is based on information compiled by Mr Jess Oram, Polymetals Exploration Manager who is a Member of the Australian Institute of Geoscientists and is a fulltime employee of Polymetals Mining Limited. Messer's Lowien and Oram have sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activities which they undertook to qualify as a Competent Persons as defined in the 2004 Edition of the "Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves" (the JORC Code). Messer's Lowien and Oram consent to the inclusion of matters based on their information in the form and context in which it appears in this report.*

*Other information in this report relating to mineral resources and exploration results is based on data compiled by Exco's Chief Geologist 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.*



# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

**EXCO RESOURCES LTD**

ACN

**080 339 671**

Quarter ended ("current quarter")

**30 June 2012**

### Consolidated statement of cash flows

		Current quarter \$A'000	Year to date \$A'000
<b>Cash flows related to operating activities</b>			
1.1	Receipts from product sales and related debtors	3,898	40,933
1.2	Payments for		
	(a) exploration and evaluation	(2,271)	(12,081)
	(b) development	(92)	(615)
	(c) production	(2,704)	(15,456)
	(d) administration	(794)	(5,332)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	400	7,081
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	(1,114)	(48,461)
1.7	Refunds/(Payments of security deposits)	-	-
<b>Net Operating Cash Flows</b>		<b>(2,677)</b>	<b>(33,931)</b>
<b>Cash flows related to investing activities</b>			
1.8	Payment for purchases of:		
	(e) prospects	-	-
	(f) equity investments	-	(35)
	(g) other fixed assets	(20)	(405)
1.9	Proceeds from sale of:		
	(a)prospects	-	-
	(b)equity investments	-	-
	(c)other fixed assets	768	772
1.10	Loans to other entities	-	-
1.11	Refunds/(Payments) of security deposits	10	(118)
1.12	Other	-	-
<b>Net investing cash flows</b>		<b>758</b>	<b>214</b>
1.13	<b>Total operating and investing cash flows (carried forward)</b>	<b>(1,919)</b>	<b>(33,717)</b>

+ See chapter 19 for defined terms.

1.13	<b>Total operating and investing cash flows (carried forward)</b>	<b>(1,919)</b>	<b>(33,717)</b>
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	2,460
1.15	Fund Raising Costs	-	(12)
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	(35,604)
1.19	Other – Capital Return	-	(99,692)
	<b>Net financing cash flows</b>	<b>-</b>	<b>(132,848)</b>
	<b>Net increase (decrease) in cash held</b>	<b>(1,919)</b>	<b>(166,565)</b>
1.20	Cash at beginning of quarter/year to date	59,878	224,524
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	<b>57,959</b>	<b>57,959</b>

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2 & 1.8	384
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions (all amounts exclusive of GST)

*Payments include consulting fees, directors fees, tenement, GIS management and provision of a fully services office.*

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

*Nil*

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

*Nil*

+ See chapter 19 for defined terms.



### Financing facilities available

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	3,500
4.2 Development	725
4.3 Production *	1,000
4.4 Administration	750
<b>Total</b>	<b>5,975</b>

\* Production cash flow does not include projected sales receipts for next quarter

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	2,102	1,841
5.2 Deposits at call	55,857	58,037
5.3 Bank overdraft	-	-
5.4 Other	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>57,959</b>	<b>59,878</b>

### Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed				
6.2 Interests in mining tenements acquired or increased	EPM 18995	Direct	-	100%
	EPM 18221	Direct	-	100%
	EPM 18310	Direct	-	100%

+ See chapter 19 for defined terms.

## Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (note 3) (cents)	Amount paid up per security (note 3) (cents)
7.1	<b>Preference +securities</b> ( <i>description</i> )				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	<b>+Ordinary securities</b>	356,044,187	356,044,187		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5	<b>+Convertible debt securities</b> ( <i>description</i> )				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	<b>Performance Rights</b> ( <i>description and conversion factor</i> )	11,200,000	-	<b>ExercisePrice</b> 0 cents	<b>Expiry Date</b> 31 July 2016
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	<b>Debentures</b> ( <i>totals only</i> )				
7.12	<b>Unsecured notes</b> ( <i>totals only</i> )				

+ See chapter 19 for defined terms.

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Mr Eamon Byrne  
Company Secretary

Date: 24 July 2012

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.