

ASX Code: EXS

Shares on Issue
367,244,187

Current Share Price
A\$ 26cents

Market Capitalisation
A\$95.5m

Cash at 30 September 2012
A\$54.6m

DIRECTORS

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

COMPANY SECRETARY

Eamon Byrne

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29 October 2012

Revised WHSP takeover offer recommended by Exco board

Northwest Queensland Projects

Exploration

- **Turpentine:** An updated JORC compliant resource for the Turpentine copper-gold deposit confirmed a 181% increase in contained copper.
- **Salebury:** Maiden JORC compliant resource completed with a combined Indicated and Inferred resource of 1.34Mt for 12,000t contained copper and 23,500oz gold.
- **Wallace South:** Drilling confirms significant mineralisation with **40m @ 2.93 g/t Au** from 150m, including **17m @ 5.95 g/t Au**.

Resource Development

- **Mount Colin:** New drilling intersected higher grade and thicker zones of copper in the deepest holes. Two extensional and three infill Diamond Drill holes (**DDH's**) intersected primary copper-gold mineralisation (chalcopyrite) in the target zone. The deposit remains open at depth: further down dip drilling is in progress.
- **Kangaroo Rat:** Further positive results were obtained for the Kangaroo Rat Deposit from recently completed infill diamond and extensional reverse circulation drilling programmes.

White Dam Gold Project, South Australia

- **Gold production:** Joint venture production for the quarter at 3,844 ounces (100%) was down 584 ounces from the previous quarter due mainly to the slowing of the leach rate. Recovery of final stacked ounces has now reached 77%.
- **Cash flow:** Exco received \$5M in revenues for the three months at an average price of A\$1,584/oz. Unit cash operating costs were lower than the previous quarter as expected with the cessation of mining and crushing activities at Vertigo in May 2012. With unit cash costs of less than \$400/oz, cash operating margins continue to be healthy.

Corporate

- **Takeover Offer by Washington H Soul Pattinson & Company Ltd:** On 23 August 2012 Washington H Soul Pattinson & Co Ltd (**WHSP**) announced an off-market cash offer of 19 cents per share to acquire all the shares in Exco that it did not already own. On the 28 August 2012 the independent directors of Exco announced that they had concluded that the offer was inadequate and unfair and advised shareholders to take no action in relation to the offer.
On 19 September 2012 the board of Exco announced that, after negotiations with WHSP, a Bid Implementation Agreement had been completed on a recommended conditional increase to the initial offer from 19 cents per Exco share to 26.5 cents per Exco share. The revised offer was conditional on WHSP receiving acceptances which, together with its existing Exco shareholding, would give WHSP an interest in at least 90% of Exco's ordinary shares.
On 28 September 2012 WHSP issued a Replacement Bidder's Statement which was followed on 2 October 2012 by a Target's Statement from the Exco board. Both documents were mailed to shareholders on that day.
- **Annual Financial Statements:** The Company's annual financial statements were lodged with the ASX on 28 September 2012.

QUEENSLAND EXPLORATION AND DRILLING UPDATE

Highlights

Mount Colin

Results for two extensional and three infill diamond drill holes received:

- EMCDD051: **9m @ 1.67% Cu & 0.18 g/t Au from 372m** (5.6m true width)
- EMCDD052: **22m @ 2.27% Cu & 0.25 g/t Au from 366m** (15.5m true width)
- EMCDD053: **8m @ 2.04% Cu & 0.27 g/t Au from 246m** (5.9m true width)
And **6m @ 1.08% Cu & 0.18 g/t Au from 257m** (4.4m true width)
- EMCDD054: **14m @ 2.50% Cu & 0.18 g/t Au from 261m** (9.7m true width)
- EMCDD056: **15m @ 5.78% Cu & 0.53 g/t Au from 308m** (9.0m true width)
Including **6m @ 11.29% Cu & 0.79 g/t Au from 310m** (3.6m true width)

Deposit remains open at depth – further down dip drilling is in progress.

Kangaroo Rat

Infill diamond drilling:

- KRDD002: **15.9m @ 2.45% Cu & 1.98 g/t Au** from 68.1m
- KRDD004: **12.7m @ 3.47% Cu & 1.82 g/t Au** from 37.3m
- KRDD008: **19m @ 2.09% Cu & 0.74 g/t Au** from 29m
- KRDD009: **13m @ 1.20% Cu & 0.49 g/t Au** from 39m

Extensional reverse circulation drilling:

- KRRC063: **3m @ 2.48% Cu & 2.34 g/t Au** from 65m
- KRRC065: **6m @ 0.73% Cu & 0.16 g/t Au** from 11m
- KRRC068: **12m @ 0.69% Cu & 0.17g/t Au** from 66m
- KRRC074: **18m @ 0.50% Cu & 0.06 g/t Au** from 18m
- KRRC075: **18m @ 0.53% Cu & 0.20 g/t Au** from 48m, including **6m @ 1.13% Cu & 0.17 g/t Au** from 48m.

Turpentine

- An increase in the total mineral resource to **5.6Mt @ 0.94% Cu & 0.20 g/t Au** for a total of 53,000t contained copper.
- The Indicated mineral resource has increased by 136% to **3.8Mt @ 0.92% Cu & 0.19g/t Au** and the Inferred by 750% to **1.8Mt @ 0.98% Cu & 0.22 g/t Au**.

Salebury

- Maiden mineral resource for the Salebury Deposit of **1.3Mt @ 0.90% Cu & 0.54 g/t Au** containing 12,000t of copper and 23,500oz of gold.
- Includes an Indicated mineral resource of **1.1Mt @ 0.93% Cu & 0.56 g/t Au**.
- The resource still remains open at depth within the prospective region.

Wallace South

- Diamond Drill hole WSDD002 intersected significant gold mineralisation including:
40m @ 2.93 g/t Au from 150m, including **17m @ 5.95 g/t Au** from 150m and **8m @ 1.68 g/t Au** from 176m.

During the quarter Exco continued to expand its exploration activities within the Northwest Queensland package that covers nearly 3,000km² of prospective ground.

Cloncurry Project

A total of 43 DDH's (8,796m), 125 Reverse Circulation (RC) (10,547m), 8,484 soil sites, 3,135 gravity stations and 266 line km of ground magnetics have been completed to date this calendar year in the Cloncurry Project area.

Pumpkin Gully Syncline

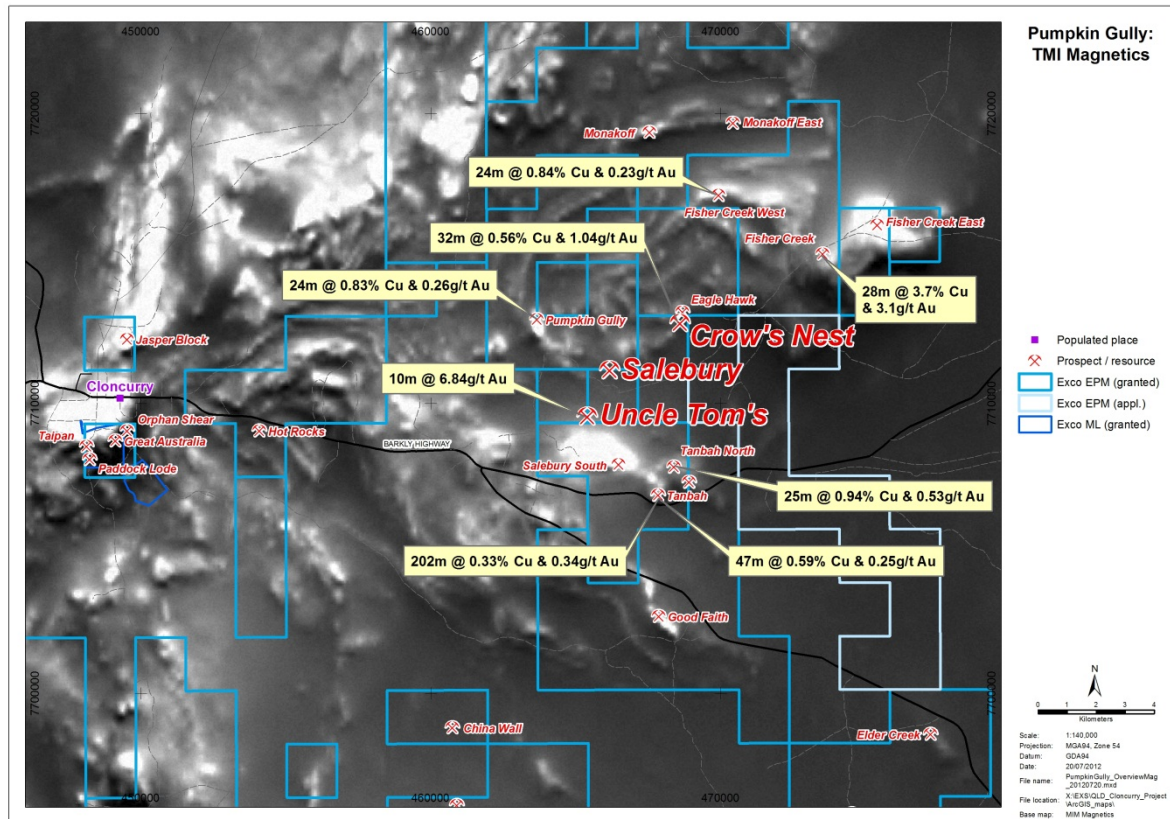


Figure 1: Pumpkin Gully area TMI Magnetics

Salebury deposit

The Salebury deposit is located approximately 15km east of Cloncurry in Northwest Queensland and forms part of the Cloncurry Project (see **Figures 1** and **4** for regional maps showing deposit location).

The completion of a maiden resource during the quarter was based on extensive drilling undertaken on the project since its discovery in 2007. An accelerated drill programme undertaken this year with 69 holes for 5,691 metres allowed for conversion to a JORC compliant (predominantly) Indicated resource. This brings the total amount of drilling in the Salebury Resource to 317 holes for 14,126 metres. The mineralisation is irregularly distributed and therefore the substantial amount of drilling was required to define its extent.

(See the ASX announcement issued to the market on 12 October 2012 for further details)

Weatherly Creek

Wallace South

The Wallace South gold deposit is located on EPM15923, approximately 30km south east of Cloncurry, and just 1.5km south of the Kangaroo Rat Cu-Au deposit. The deposit has a current inferred resource of **1Mt @ 1.6 g/t Au** and is hosted within highly weathered ferruginous metasediments and metavolcanics of the Proterozoic Toole Creek Formation.

Four DDH's were completed during the quarter as a first phase to test for down dip extensions of the near surface mineralisation and to determine along strike zonation. No primary mineralisation (sulphide bearing) was intersected, and these holes will be used to determine mineral zonation in order to target deeper accumulations of supergene copper and primary Cu-Au mineralisation.

WSDD002 intersected **40m @ 2.93g/t Au** from 150m including **17m @ 5.95 g/t Au** and **8m @ 1.68g/t Au** from 176m. The intersection is 80m down dip from previous drilling on this section of the deposit, and overall grades are higher than in the shallower historical hole which intersected **17m @ 1.64 g/t Au**. Mineralisation is extremely oxidised and expected to have good leach characteristics.

(See the ASX announcement issued to the market on 6 August 2012 for further details)

Hazel Creek Project

The Hazel Creek Project is centred approximately 90km north of Cloncurry and incorporates a large area (> 1,000km²) of prospective terrain that remains relatively unexplored. A total of 6 DDH's (779m), 91 RC holes (5,422m), 3,272 soil sites and 184 line km of ground magnetics have been completed to date this calendar year in the Hazel Creek Project area.

Turpentine Cu-Au Deposit

The Turpentine deposit is located approximately 120km north of Cloncurry. Turpentine was identified as an Iron Oxide Copper Gold (IOCG) target by Exco in early 2000, with the deposit being associated with a large linear magnetic anomaly and a coincident electromagnetic conductor.

Due to an extensive drill programme that took place in late 2011 and mid 2012 a significant increase in the Turpentine Resource has been achieved. Since the 2004 resource was completed a further 48 holes for 8,575 metres have been drilled, targeting areas outside the resource which enabled the definition of further mineralisation along strike and down dip up to 140 metres below the lowest intercept.

The updated resource model yielded an increase of 181% in the resource to **5.6Mt @ 0.94% Cu & 0.20 g/t Au** for a total of 53,000t contained copper. The Indicated mineral resource has increased by 136% to **3.8Mt @ 0.92% Cu & 0.19g/t Au** and the Inferred by 750% to **1.8Mt @ 0.98% Cu & 0.22 g/t Au**.

(See the ASX announcements issued to the market on 22 August and 11 September 2012 for further details)

QUEENSLAND PROJECT DEVELOPMENT

Exco continues to de-risk and add value to two wholly owned projects, the Mt Colin Underground Project (**1.92 Mt @ 2.59% Cu & 0.42 g/t Au**) and the Kangaroo Rat Open Pit Project (**1.26 Mt @ 1.29% Cu & 0.6 g/t Au**). Exco has initiated full feasibility studies and design work on both projects to facilitate mine development in 2013/2014. 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

Results from five DDH's completed during the quarter at Mount Colin were received during August. All five holes intersected primary Cu-Au mineralisation (chalcopyrite) in the target zone.

Two holes were planned to target down-dip extensions to the current resource (EMCDD051 and EMCDD052), with a further five holes planned to obtain sufficient drill spacing that may allow for conversion of Inferred Resources to Indicated status. Results for three of the infill holes were received and reported during the quarter. (EMCDD053, EMCDD054 and EMCDD056).

EMCDD056 intersected 6 metres of massive and semi-massive sulphide mineralisation averaging **11.29% Cu & 0.79 g/t Au** within a broader zone of **15m @ 5.78% Cu & 0.53 g/t Au**. The mineralisation is dominated by chalcopyrite (Cu Fe S₂) and assays confirm visual estimates of 50-60% chalcopyrite within the massive zone.

The deepest hole, EMCDD052, returned a thicker than expected intersection of **22m @ 2.27% Cu and 0.25 g/t Au** from 366m including **7m @ 2.94% Cu** from 380m. The true horizontal width of the intersection is estimated to be around 15.5m which is substantially wider than expected.

Since these results were released Exco has completed two infill holes with both holes intersecting Cu-Au mineralisation in the target zone. Samples have been submitted for chemical analysis and results will be released when they become available.

Exco initiated further down dip extensional drilling (below EMCDD052 and EMCDD051) late in the quarter. Two holes have been completed with a third hole currently in progress.

In addition Exco is currently completing two geotechnical drill holes that will enable completion of geotechnical studies. Two shallow metallurgical drill holes will commence upon completion of the geotechnical drilling.

(See the ASX announcement issued to the market on 7 September 2012 for further details)

Kangaroo Rat

The Kangaroo Rat deposit is located on **EPM15923**, approximately 30km south east of Cloncurry and approximately 1.5km north of the Wallace South Gold deposit. The deposit has a current inferred resource of **1.26Mt @ 1.29% Cu & 0.63 g/t Au**.

Exco believes that high grade ore from the Kangaroo Rat deposit may be economically extracted by conventional open pit mining techniques and transported to nearby processing facilities for toll treatment, or a mine gate sale arrangement.

The Company commenced a 10 hole infill diamond drilling (DD) programme in April 2012. The infill programme was aimed at increasing the drilling density and confidence of potentially open pitable portions of the Kangaroo Rat deposit. Assay results and bulk densities collected from drill core will be incorporated into an updated resource estimate.

Results from the 10 DDH's were reported on 20 August 2012 (see highlights above). Intervals were reported using a 0.3% Cu cut-off, a minimum downhole width of 3m and maximum internal waste of 3m. In addition to the DDH's results from 13 RC holes (see highlights above) aimed at identifying resource extensions at Kangaroo Rat, revealed broad intervals of anomalism with the deposit remaining open to the west.

In addition, three drill holes targeting down-dip extensions were completed late in the quarter. Assay results for these holes are expected to be released shortly.

An updated resource estimate is currently being completed and will incorporate all drilling completed at Kangaroo Rat during the current year.

Exco submitted a Mining Lease application covering the Kangaroo Rat deposit in July and has commenced collection of baseline environmental data to be used in the preparation of an Environmental Management Plan. Exco has engaged AustralAsian Resource Consultants (AARC) to provide advice and assist in the preparation of all required government and environmental approvals for both the Kangaroo Rat and the Mount Colin Projects.

Two geotechnical drill holes have been completed at Kangaroo Rat and samples collected from these holes are currently the subject of geotechnical laboratory testing. Results from pre-feasibility level geotechnical investigations have been received and will be incorporated into pit optimisations and financial evaluation.

Metallurgical testwork commenced in July on material from the Kangaroo Rat deposit. Two fresh composites and one altered/transitional composite were prepared from drill core samples for testing. While only at the initial concentration stage, preliminary results have been encouraging. Copper recoveries were reported in excess of 94% for the primary material and greater than 91% for the transitional material. In addition, gold recoveries were reported in excess of 92% for the primary material and 88% for the transitional material. Further work is currently being undertaken to clean the concentrate with the target grade of greater than 25% copper.

(See the ASX announcement issued to the market on 20 August 2012 for further details)

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 2**). The project contains a depleted resource inventory of **2.7Mt @ 1.03g/t Au** for **90,800** contained ounces (see **Table 4**).

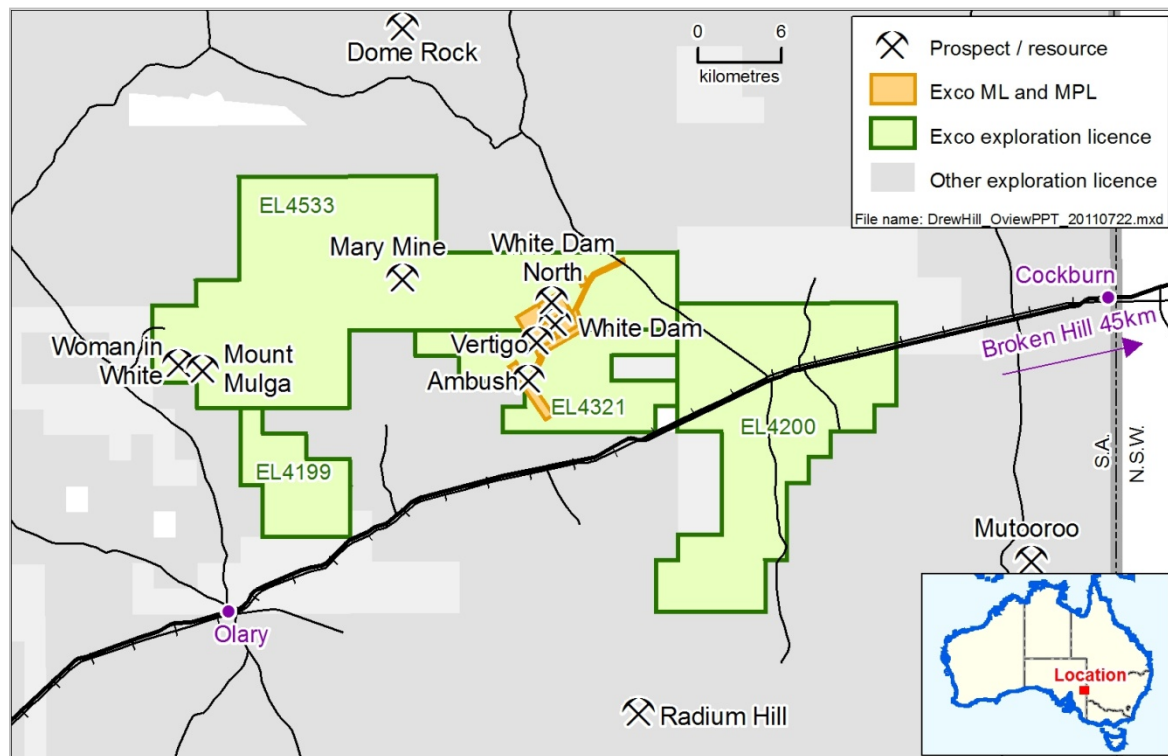


Figure 2: White Dam Gold Project Location Map

White Dam & Drew Hill Joint Venture

In 2009 Exco and Polymetals Mining Ltd (ASX:PLY) entered into two 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 venture. Polymetals continue to manage all 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. Rehabilitation of the White Dam and Vertigo waste dumps was undertaken in the Quarter. Other rehabilitation activities are on-going.

Production

Total project production for the quarter was 3,844 ounces (Exco share 2,104 ounces). Gold production was less than the previous Quarter due to the (predicted) reduction in leach rate, and a delay in the delivery of reagents to site. Reagents were received in the first week of October and production rates have returned to planned levels. Cumulative production to date is 138,557 ounces equating to a gold recovery of 77 per cent of final stacked ounces.

Production and Financial Statistics

White Dam Gold Joint Venture September 2012

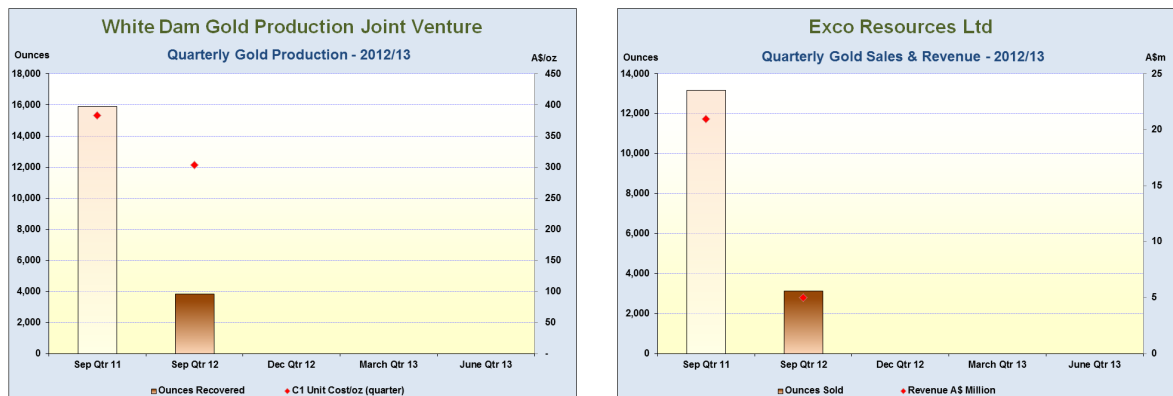


Figure 3: White Dam Gold Production Joint Venture - Production and Sales

		LOM to June 12	Sep Qtr 12	Dec Qtr 12	Mar Qtr 13	Jun Qtr 13	Year 2012/13	Project to Date
Ore Tonnes Mined	(tonnes)	4,380,009	-	-	-	-	-	4,380,009
Mined Grade	(g/t)	0.96	-	-	-	-	-	0.96
Mined Ounces	(ounces)	135,728	-	-	-	-	-	135,728
Waste Tonnes Mined	(tonnes)	5,525,387	-	-	-	-	-	5,525,387
Ore placed on Leach	(tonnes)	4,380,009	-	-	-	-	-	4,380,009
Head Grade	(g/t)	0.96	-	-	-	-	-	0.96
Ounces Produced	(ounces)	100,305	2,104	-	-	-	2,104	102,409
Gold Loan Repayments	(ounces)	15,687	-	-	-	-	-	15,687
Ounces Sold	(ounces)	82,648	3,156	-	-	-	3,156	85,804
Mining Direct Costs	(A\$/oz)	277	11	-	-	-	11	270
Other Direct Costs	(A\$/oz)	205	292	-	-	-	292	209
C1 Unit Direct Cost	(A\$/oz)	482	304	-	-	-	304	479
Royalties	(A\$/oz)	68	24	-	-	-	24	49
Average Realised Sale Price	(A\$/oz)	1,459	1,584	-	-	-	1,584	1,461
Revenue	(A\$ million)	132.3	5.0	-	-	-	5.0	137.3

Table 1: Production and Financial Statistics (Exco equity interest)¹

Costs

The C1 unit cost of \$304/oz for the quarter was lower than the previous quarter due to the completion of mining and crushing activity. This was in line with expectations.

The cost of rehabilitation work on the Hannaford and Vertigo pits and waste dump during the quarter amounted to \$0.3M.

Exploration

The Drew Hill Joint Venture (Polymetals 50% / Exco 50%) expended a total of \$0.9M on near-mine exploration drilling during the Quarter, comprising:

- a total of thirty-three reverse circulation (RC) and core holes (HQ diameter) for 3,628m were completed in eight prospect areas targeting shallow oxide-style Au mineralization of the White Dam type and larger tonnage copper gold IOCG style mineralisation, respectively;
- assay results from the core drilling are pending; and
- assay results from RC drillholes at Vertigo South, White Dam West, Copperhead and Sandy Creek indicate narrow widths of elevated Au (assay range from 0.2 to 0.5 g/t); these Au intercepts may represent a halo to potentially economic levels of oxide gold and require further investigation.

Exploration work the December will involve a comprehensive review of all drilling, geophysical and historic exploration data to delineate future drilling targets.

¹ **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.

IVANHOE JOINT VENTURE (Exco 20%, Ivanhoe Australia Ltd 80%)

Exploration undertaken by Ivanhoe during the September quarter included:

- A regional air core drilling programme on a 500 x 500m and 250 x 250m grid over parts of EPM 13709, EPM 13741 and EPM 14223. In the quarter 105 holes were drilled with a total depth of 5,860m.
- Air core drilling has identified two significant anomalies, an 8km by 1km semi-continuous copper anomaly and a 2km by 1km silver anomaly.
- Seven reverse circulation pre-collared diamond drill holes were drilled at the Garnet Creek prospect in EPM 11169 into three geochemical, geological and geophysical targets. Significant visual copper was intersected in two holes. Results are pending.

PROJECTS NOT LISTED

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

CORPORATE

Takeover Bid by Washington H Soul Pattinson & Company Ltd

On 23 August 2012 Washington H Soul Pattinson & Company Ltd (WHSP) announced an off-market all cash offer of 19 cents per share to acquire all the shares in Exco that it did not already own. In addition WHSP announced that it had acquired 24,265,770 shares from Exco's major shareholder, Ivanhoe Australia Ltd (IVA) and that IVA had advised WHSP that it intended to accept the offer in the absence of an alternative proposal for Exco that was superior for Ivanhoe Australia. The Offer was subject only to one condition, being no Prescribed Occurrences occurring in relation to Exco. The Board of Exco advised shareholders to take no action in relation to the WHSP offer until it had an opportunity to consider the offer and inform shareholders in relation to it.

On 27 August 2012 WHSP lodged a Bidder's Statement in relation to the proposed offer with ASIC and the ASX.

On 28 August 2012 the board of Exco wrote to shareholders advising them that the independent directors had unanimously concluded that the WHSP offer was inadequate and unfair and that shareholders should take no action in relation to their Exco shares pending the release of a Target's Statement.

On 19 September 2012, following negotiations between WHSP and Exco it was announced that a Bid Implementation Agreement had been signed by the parties. Under the agreement the board of Exco recommended a revised offer of 26.5 cents per share conditional on WHSP receiving acceptances which together with its existing Exco shareholding, would give WHSP an interest in at least 90% of Exco's ordinary shares. The main provisions of the agreement were:

- WHSP to increase its offer from 19 cents per share to 26.5 cents per share provided WHSP receives acceptances which, together with its existing Exco shareholding, give WHSP an interest in at least 90% of Exco's ordinary shares.
- WHSP to establish an Acceptance Facility to enable Exco shareholders to support WHSP's higher offer.
- Exco directors to unanimously recommend WHSP's revised offer to Exco shareholders, in the absence of a superior proposal, and would accept into the Acceptance Facility in relation to shares they control.

A Replacement Bidder's Statement and a Target's Statement were mailed to all shareholders on 2 October 2012. The offer closes at 7:00pm (Sydney time) on 2 November 2012.

At 26 October 2012, the aggregate of Facility Acceptances and Offer Acceptances, together with shares already held by WHSP in Exco, represented 59.16% of all Exco shares.

(See ASX announcements issued to the market on 23 & 28 August, 19 September and 2 October 2012 for further details)

Vesting and exercise of performance rights

On 20 September 2012 the Company advised that pursuant to the terms of the *Exco Resources Ltd - Long Term Incentive Awards - 2012 Plan*, the Board had exercised its discretion to accelerate the vesting of 11,200,000 employee and contractor performance rights following receipt of the unsolicited takeover offer from WHSP, so that all of the performance rights vested and became exercisable from 31 August 2012.

Furthermore the board announced that all performance rights issued under the Plan had been exercised and pursuant to the terms of the Plan the board had resolved to issue 11,200,000 ordinary shares in the Company to the Eligible Participants and Eligible Nominees at a nil exercise price. Following exercise of these performance rights the Company has no further performance rights on issue.

(See the ASX announcement issued to the market on 20 September 2012 for further details)

Annual Report and AGM

The Company's annual financial statements were lodged with the ASX and placed on the Company's website on 28 September 2012. The shareholders annual report is now available on the Company's website. The Annual General Meeting of the Company will be held on Friday, 30 November 2012 at the Company's offices in West Perth. The notice of meeting and proxy form will be mailed to all shareholders on 31 October 2012, together with a copy of the annual report if a shareholder has requested a hard copy.

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 26 October 2012 the top 20 Shareholders of Exco were as follows:

	Shareholder	Current Units	Percentage
1	Washington H Soul Pattison & Co Ltd	74,141,238	20.19
2	Ivanhoe Australia Limited	55,022,862	14.98
3	Bainpro Nominees Pty Ltd	19,385,189	5.28
4	JP Morgan Nominees Australia Ltd	17,684,850	4.82
5	HSBC Custody Nominees (Australia) Ltd	17,670,561	4.81
6	Mr Alasdair Cooke	17,317,878	4.72
7	Pan Australian Nominees Pty Ltd	16,311,500	4.44
8	Klip Pty Ltd	10,537,359	2.87
9	Lujeta Pty Ltd	9,200,000	2.51
10	Morgan Stanley Australia	6,201,208	1.69
11	ABN AMRO Nominees Pty Ltd	4,747,669	1.29
12	National Health Recovery Agents Pty Ltd	4,000,000	1.09
13	Mr Geoffrey Rol	3,739,048	1.02
14	Mr Bruce McLarty	3,500,000	0.95
15	National Nominees Ltd	3,164,523	0.86
16	Dale Park Pty Ltd	3,080,000	0.84
17	Burls Holdings Pty Ltd	2,786,215	0.76
18	Mr Stephen Konecny	1,960,082	0.53
19	Kinar Pty Ltd	1,905,500	0.52
20	Silvameer Pty Ltd	1,815,207	0.49
	Top 20 Total	274,170,889	74.66

Table 2 – Top 20 Shareholders

*On behalf of the Board of
Exco Resources Ltd*

Geoff Laing
Managing Director

Media Enquiries:

Warrick Hazeldine / Karen Oswald
Cannings Purple
Phone: +61 8 6314 6300

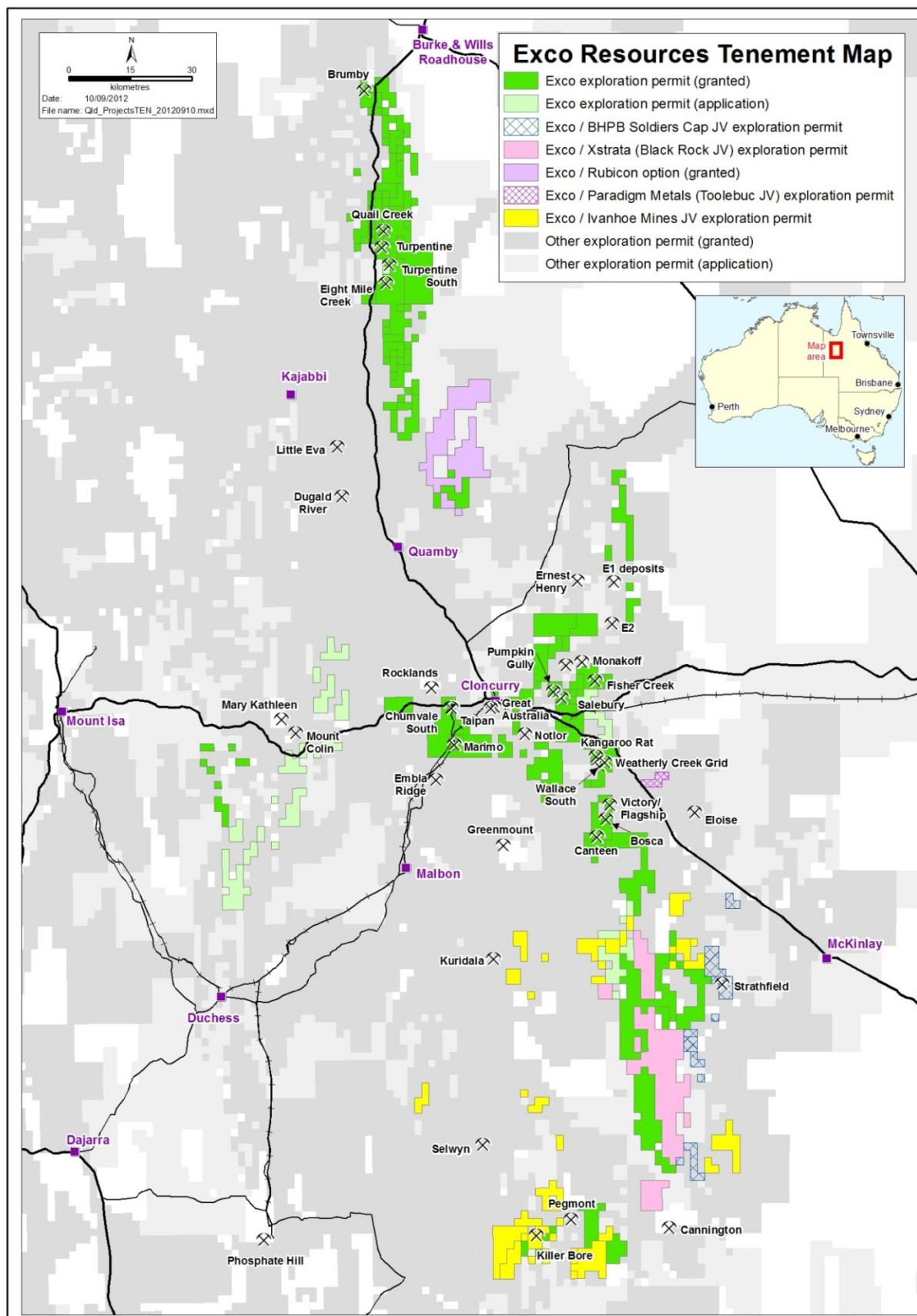


Figure 4: NW Queensland Tenement Map highlighting Exco's ground position & the location of key deposits & prospects.

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 ⁽¹⁾	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 ⁽²⁾	Indicated	1,042,200	3.04	0.42	31,600	14,200
	Inferred	879,800	2.09	0.41	18,300	11,600
TOTAL		1,922,000	2.59	0.42	49,900	25,800
Salebury	Indicated	1,122,100	0.93	0.56	10,400	20,300
	Inferred	219,300	0.75	0.46	1,600	3,200
TOTAL		1,341,400	0.90	0.54	12,000	23,500
Kangaroo Rat	Inferred	1,257,100	1.29	0.63	16,200	25,700
Taipan	Inferred	1,460,000	0.80	0.10	12,000	5,000
Wallace South ⁽³⁾	Inferred	1,000,000	-	1.60	-	53,000
Victory-Flagship	Inferred	196,000	1.20	1.40	2,000	9,000
Sub-Total Cloncurry Project		9,376,500	1.50	0.49	125,100	151,000
Hazel Creek Project						
Turpentine ⁽⁴⁾	Indicated	3,830,600	0.92	0.19	35,300	23,500
	Inferred	1,818,600	0.98	0.22	17,800	12,900
Sub-Total Hazel Creek		5,649,200	0.94	0.20	53,100	36,400
North West Queensland Total		15,025,700	1.29	0.38	178,200	187,400

Notes: Discrepancies in totals are as result of rounding.
 Unless otherwise stated the above resources are reported at a 0.5% Cu cut-off.
⁽¹⁾ Undepleted Resource - currently being mined by CopperChem Ltd and subject to a royalty arrangement with Exco
⁽²⁾ Mt Colin resource cut-off = 1.25% Cu.
⁽³⁾ Wallace South resource cut-off = 0.5g/t Au
⁽⁴⁾ Turpentine resource cut-off = 0.3% Cu

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	2.10	690	0.96	21.2
	Fresh	327	1.01	10.6	1,954	0.88	55.3	2,281	0.90	65.9
	Sub-Total	927	1.00	29.7	2,044	0.87	57.4	2,971	0.91	87.3
Vertigo	Oxide	776	1.11	27.6	685	0.74	16.2	1,461	0.93	43.8
	Fresh	212	1.56	10.6	526	1.15	19.4	738	1.26	30.0
	Sub-Total	988	1.20	38.2	1,211	0.92	35.6	2,200	1.04	73.9
Project Total		1,915	1.10	68	3,255	0.89	93	5,171	0.97	161

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

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 September 2012

Consolidated statement of cash flows

		Current quarter \$A'000	Year to date \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	5,013	5,013
1.2	Payments for		
	(a) exploration and evaluation	(4,323)	(4,323)
	(b) development	-	-
	(c) production	(2,114)	(2,114)
	(d) administration	(855)	(855)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	1,246	1,246
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	(550)	(550)
1.7	Refunds/(Payments of security deposits)	-	-
Net Operating Cash Flows		(1,583)	(1,583)
Cash flows related to investing activities			
1.8	Payment for purchases of:		
	(e) prospects	-	-
	(f) equity investments	-	-
	(g) other fixed assets	(146)	(146)
1.9	Proceeds from sale of:		
	(a)prospects	-	-
	(b)equity investments	-	-
	(c)other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Refunds/(Payments) of security deposits	(310)	(310)
1.12	Other	-	-
Net investing cash flows		(456)	(456)
1.13	Total operating and investing cash flows (carried forward)	(2,039)	(2,039)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (carried forward)	(2,039)	(2,039)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Fund Raising Costs	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other – Capital Return	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(2,039)	(2,039)
1.20	Cash at beginning of quarter/year to date	56,649	56,649
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	54,610	54,610

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	325
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

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	-
4.3 Production *	635
4.4 Administration	780
Total	4,915

* 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	1,340	793
5.2 Deposits at call	53,270	55,856
5.3 Bank overdraft	-	-
5.4 Other	-	-
Total: cash at end of quarter (item 1.22)	54,610	56,649

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	ML90236	Direct	0%	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	Preference *securities (<i>description</i>)				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	*Ordinary securities	367,244,187	367,244,187		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	11,200,000	11,200,000	Nil	Nil
7.5	*Convertible debt securities (<i>description</i>)				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Performance Rights (<i>description and conversion factor</i>)			ExercisePrice	Expiry Date
7.8	Issued during quarter				
7.9	Exercised during quarter	11,200,000	-	0 cents	31 July 2016
7.10	Expired during quarter				
7.11	Debentures (<i>totals only</i>)				
7.12	Unsecured notes (<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: 29 October 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.