

Key Points

- Reverse circulation drilling at the Julius Gold Discovery continued to return shallow high-grade intercepts including:

4m @ 11.7 g/t Au within 24m @ 2.7 g/t Au from 8m

4m @ 10.9 g/t Au within 8m @ 5.8 g/t Au from 64m

- Combined gravity separation and cyanide leach testing on a composite sample of the Julius mineralisation returned a very high total gold recovery of 98.6%.
- Gold extraction rates were very fast, with 95.4% of the gold recovered by pre-leach gravity separation (which captured 33% of the gold) followed by only 2 hours of cyanide leaching.
- Gold-bearing material at Julius may be amenable to processing by conventional carbon-in-leach or carbon-in-pulp processing methods incorporating a gravity separation circuit.
- A share placement raised approximately \$0.7 million before costs.

Echo's exploration activities are focused on the Julius Discovery, which is located in the Yandal Gold Province, approximately 750km northeast of Perth, Western Australia (Fig. 1). The Yandal Province is one of Australia's premier gold mining districts, and has an endowment (past production and resources) in excess of 13 million ounces of gold.

Julius is situated 55km south of the Jundee Gold Mine recently purchased by Northern Star Resources, and 130km north of the Darlot Gold Mine acquired by Gold Fields during 2013. Both Darlot and Jundee are currently in production.

Julius is a virgin gold discovery with no surface expression or historical mining activity. The lack of previous mining means the high-grade cores of the mineralised structures are intact. This is a significant benefit to the potential exploitation of this discovery.

The Julius gold lodes are located under transported cover within weathered and fresh, mafic and ultramafic rocks adjacent to a mineralised granodiorite body (Fig. 2). The granodiorite-ultramafic contact has been subjected to intense hydrothermal alteration, and is marked by the west-northwest-dipping Julius Shear Zone (JSZ). In plan view, the envelope of gold mineralised and hydrothermally altered rocks at Julius extends at least 1.5km along strike and 1km across strike. The gold mineralised and hydrothermally altered rocks at Julius may extend beneath large-scale bismuth pathfinder geochemical anomalies that cover an area of at least 4km by 2km to the west and south of the main Julius drilling area (Fig. 3). This area lacks systematic reverse circulation and diamond core drilling coverage designed to test for blind gold lodes along the JSZ (Fig. 4).

Drilling at Julius during 2013 and 2014 has continued to locate new mineralised structures, and extensions to known gold lodes, hosted by weathered and fresh rocks within and adjacent to the JSZ. Recent drilling has shown that the high-grade gold mineralisation may extend down-plunge to the northwest of the main Julius drilling area, with notable step-out intercepts of **5m @ 21.6 g/t Au** (from 235m in ERC186) and **7m @ 35.0 g/t Au** (from 276m in ERC222) located 300m down-dip from the main drilling area (Figs. 2 and 4; ASX releases 29 November 2013 and 28 April 2014). Additional gold mineralised zones hosted by granodiorite have been intersected by drilling more than 150m east of the JSZ. The presence of these granodiorite-hosted lodes is considered encouraging and highlights potential for the discovery and delineation of additional near-surface gold mineralisation to the east of Julius.

During the quarter, Echo received composite sample assays for five reverse circulation holes completed at Julius. Drill hole ERC233 returned two high-grade gold intercepts (Table 1; Figs. 5 and 6). An upper drill intercept of **24m @ 2.7 g/t Au** from 8m included **4m @ 11.7 g/t Au** from 28m hosted by weathered ultramafic rocks above the JSZ. A lower intercept, hosted by strongly weathered granodiorite 30m below the JSZ, returned **8m @ 5.8 g/t Au** from 64m, including **4m @ 10.9 g/t Au** from 64m. ERC232, collared 60m east of ERC233, returned **8m @ 2.8 g/t Au** from 8m (Figs. 4).

Other significant drill intercepts included (1 g/t Au lower cut-off):

ERC231: **4m @ 2.3 g/t Au** from 8m

ERC229: **4m @ 1.3 g/t Au** from 88m

ERC230: **4m @ 1.2 g/t Au** from 12m

Additional drilling assay results are expected to be released during November 2014. Planning for follow-up drilling at Julius is in progress.

Cyanide-gold bottle roll leach testing on 44 drill samples of weathered and fresh rock-hosted gold mineralisation at Julius has shown that the cyanide solutions extracted 91.0% to 97.2% (average 93.0%) of the gold present in the samples (ASX release 17 July 2014). Follow-up combined gravity separation and cyanide leach testing on a 24.8kg composite sample made up of 29 weathered rock drill samples returned a very high total gold recovery of 98.6%, with 33% of the total gold content extracted via pre-leach gravity separation and mercury amalgamation (ASX release 5 September 2014). Gravity separation is commonly used in gold treatment plants to increase overall recovery and reduce reagent and leach times where coarse gold grains may be present. Gold extraction rates were very fast, with 95.4% of the gold in the Julius sample recovered by gravity separation followed by only 2 hours of cyanide leaching. Multi-element analyses on the composite sample also showed that:

- The concentrations of elements such as arsenic, mercury, cadmium, antimony, lead and organic carbon are below levels that might be expected to cause problems.
- Bismuth and tellurium contents are elevated, as previously noted by Echo's multi-element geochemical studies at Julius.
- Elevated concentrations of nickel, cobalt and chromium reflect the presence of ultramafic host-rocks.

The results from the latest metallurgical testwork suggest that the Julius mineralisation may be amenable to processing by conventional carbon-in-leach or carbon-in-pulp processing methods incorporating a gravity separation circuit.

During September 2014, Echo undertook a placement which raised \$700,040 before expenses.



Ernst Kohler
Managing Director

About Echo Resources

Echo Resources ("Echo") (**ASX code EAR**) is a mineral exploration company committed to the growth of shareholder value through discoveries and project acquisitions. Echo's key projects are located in Western Australia and Queensland. Echo's corporate goal is the discovery and development of world-class gold, copper and nickel deposits in established, high-potential mineral provinces. Echo has a strong management team capable of rapidly transforming the Company from an explorer to producer.

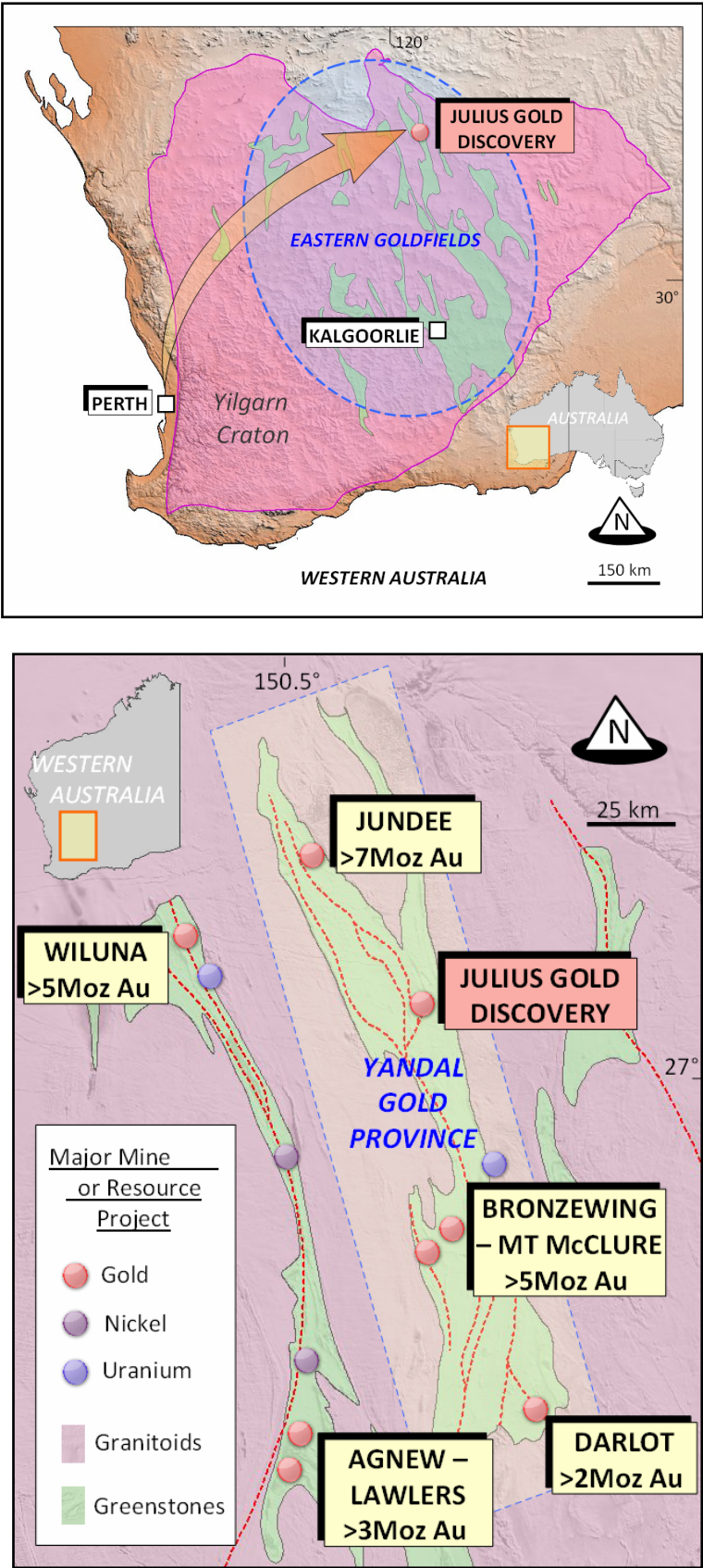


Fig. 1: Location of the Julius Gold Discovery.

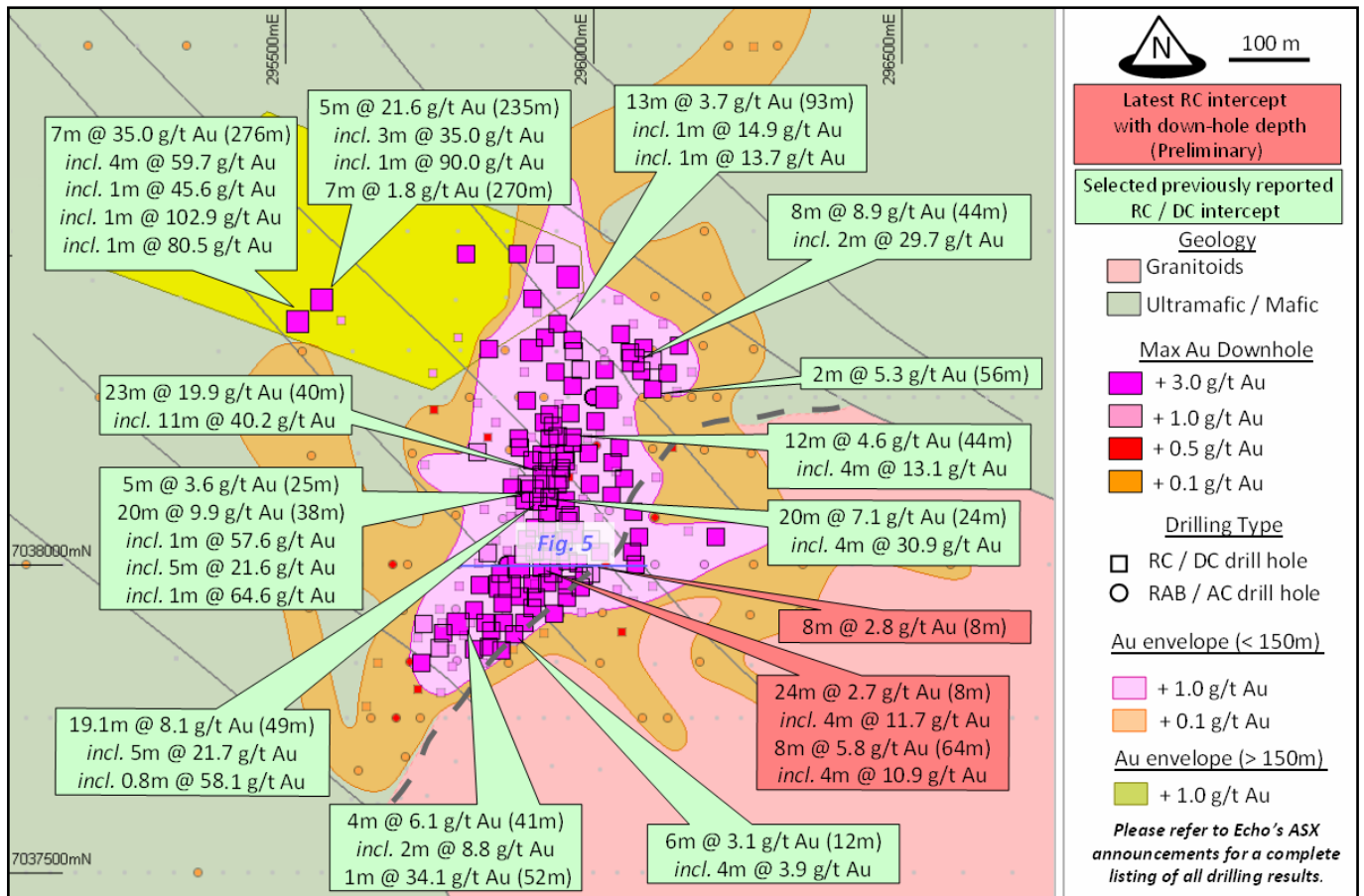


Fig. 2: Summary of drill intersections at the Julius Gold Discovery.

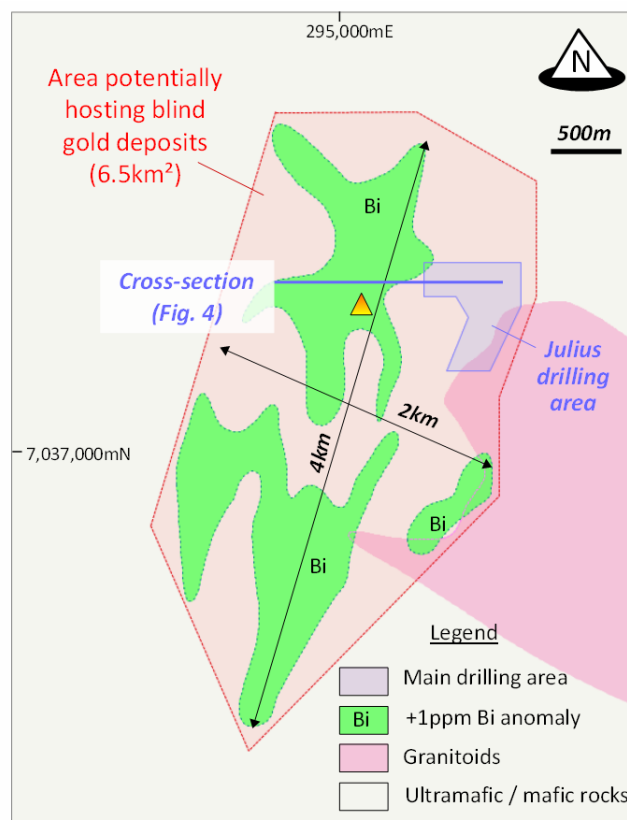


Fig. 3: Map showing the location of bismuth pathfinder anomalies west and south of Julius.

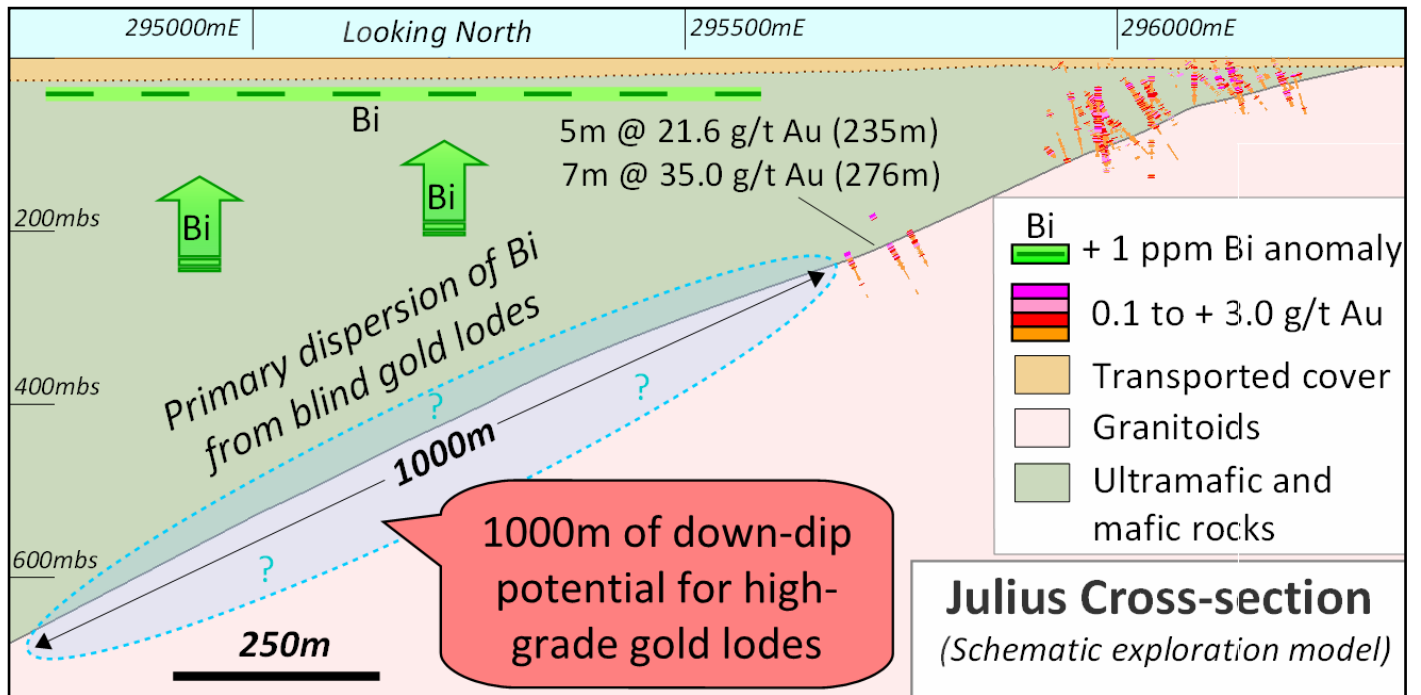


Fig. 4: Schematic exploration model.

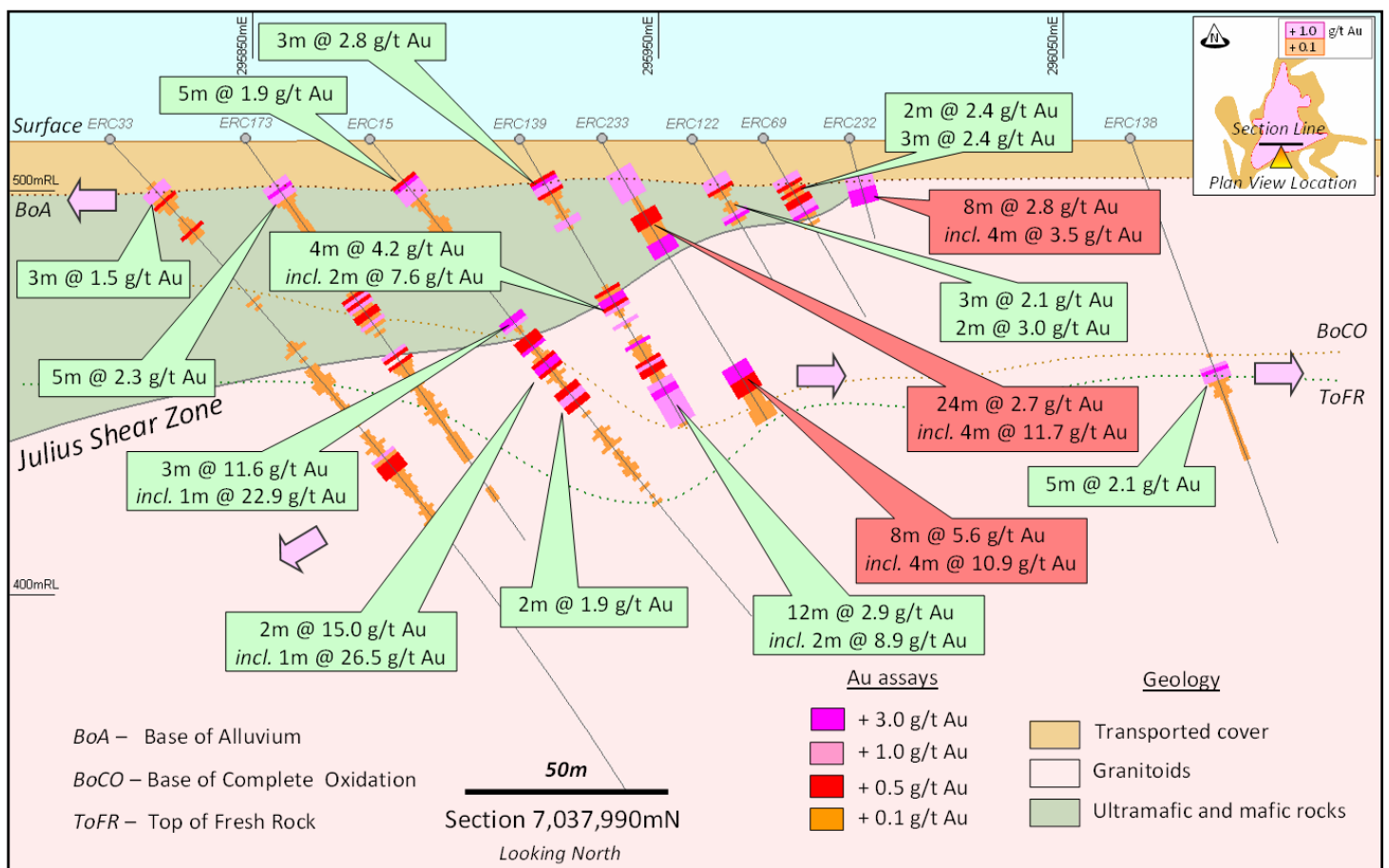


Fig. 5: Drilling results for drill holes ERC232 and ERC233.

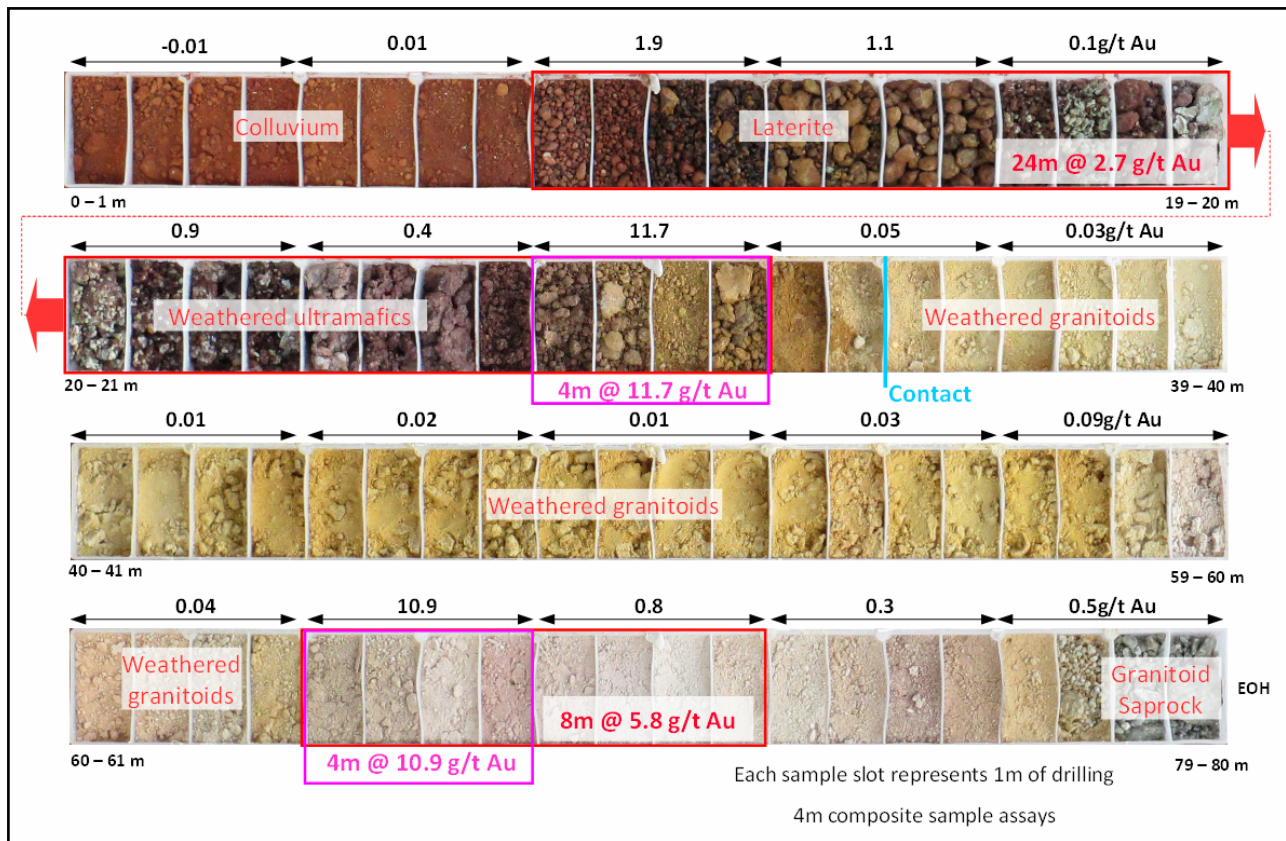


Fig. 6: Chip trays for ERC233 showing gold grades.

Table 1: Summary drill intersections (+0.5g/t Au)

(Results greater than 10m x g/t Au shown in bold)

Hole No.	Northing (mN)	Easting (mE)	Hole Dip & Azi	EOH Depth (m)	From (m)	To (m)	Interval (m)	Grade (g/t Au)	Intercept width x grade (m x g/t Au)
ERC229	7,038,148	295,871	-60° 090°	144	88 100	92 108	4 8	1.3 0.8	5.2 6.7
ERC230 including	7,038,102	295,866	-65° 090°	144	12 48 100	16 52 108	4 4 8	1.2 0.6 0.9	4.8* 2.4 7.4
ERC231	7,038,025	295,964	-70° 090°	35	8	12	4	2.3	9.3
ERC232	7,037,984	295,997	-75° 090°	25	8	16	8	2.8	22.0
ERC233 including including	7,037,985	295,936	-60° 090°	80	8 28 64 64	32 32 72 68	24 4 8 4	2.7 11.7 5.8 10.9	64.6 47.0 46.4 43.4

Composite sample assay results (down-hole lengths and depths; ASX release 11 August 2014). The samples reported in this table varied from 4m – 6m in length and were analysed by Aqua Regia with ICPMS finish (Quantum Analytical Services, Perth). The intercepts were calculated using a minimum edge cut-off of 0.5g/t Au and up to 4m wide intervals of internal dilution. No assay top-cut was applied. Assays rounded to nearest 0.1 g/t Au. The drilling locally encountered high water flows and further work is needed to confirm that the results are representative (* denotes intercept containing wet or damp samples). The intercept lengths may not reflect true mineralization widths. Minor discrepancies in the calculated m x g/t Au values are due to rounding of the interval assays. Drill hole collar elevations are 511m RL.

Table 2: Tenements

Location	Tenements Held	Ownership
Leinster	E36/667, E36/708, E36/715, E36/810, E36/826, E36/799*, E53/1042, E53/1324, E53/1405, E53/1430, E53/1472, E53/1546, E53/1586, L53/57, L53/59, E53/1736, M53/160, M53/434, M53/555, M53/1080, M53/144, M53/145, M53/149, M53/170, M53/183, M53/186, M53/631, M53/721, M53/725*, M53/726*, M53/727*, M53/728*, M53/916*, P53/1411, P53/1515	100%
Rockhampton	EPM14909, EPM16517*, EPM19518*, M5789, M6606, M5771, MDL147	100%
Clermont	EPM15188, EPM15600, EPM15603, EPM15568, EPM16518, EPM16520	100%
Einasleigh	EPM17077, EPM17757*	100%
Monto	EPM15002	100%
Chillagoe	EPM15003, EPM15546	100%
	Tenement Changes	
	NIL	

Note: * denotes tenement application.

CORPORATE DIRECTORY

Board of Directors

Mathew Longworth
Non-Executive Chairman

Ernst Kohler
Managing Director

Anthony McIntosh
Non-Executive Director

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Dr Ernst Kohler who is a Member of The Australasian Institute of Mining and Metallurgy. Dr Kohler is Managing Director and a shareholder of Echo Resources Limited. Dr Kohler 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 a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr Kohler consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Capital Structure

ASX Code: EAR

Total quoted shares: 101.35 million

It is common practice for a company to comment on and discuss its exploration in terms of target size and type. The information in this announcement relating to exploration targets should not be misunderstood or misconstrued as an estimate of Mineral Resources or Ore Reserves. Hence the terms Resource(s) or Reserve(s) have not been used in this context. Any potential quantity and grade is conceptual in nature, since there has been insufficient work completed to define them beyond exploration targets and that it is uncertain if further exploration will result in the determination of a Mineral Resource.

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This report may contain forward-looking statements concerning the potential of Echo's exploration projects and proposed exploration programs. No assurance can be given that Echo's proposed plans for the exploration of its project areas will proceed as planned, or that they will result in the discovery or delineation of additional or new mineral deposits, or that any mineralisation discovered will be amenable to economic extraction, or that the tenement applications will proceed to grant. Exploration programs may not proceed as planned due to delays beyond the control of the Company, including adverse weather and ground conditions, and contractor and government approval delays. Nothing in this announcement should be construed as either an offer to sell or a solicitation of an offer to buy or sell securities.

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

ECHO RESOURCES LIMITED

ABN

34 108 513 113

Quarter ended ("current quarter")

30 September 2014

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (3 months) \$A'000
1.1	R&D refund received	186	186
1.2	Payments for (a) exploration and evaluation	(258)	(258)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(72)	(72)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	3	3
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (GST paid to be recouped)	7	7
Net operating cash flows		(134)	(134)
Cash flows related to investing activities			
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
Net investing cash flows		-	-
1.13	Total operating and investing cash flows (carried forward)	(134)	(134)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(134)	(134)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	700	700
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other – capital raising costs	(36)	(36)
Net financing cash flows		664	664
Net increase (decrease) in cash held		530	530
1.20	Cash at beginning of quarter/year to date	639	639
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	1,169	1,169

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	15
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 payments to Directors and associates are on normal commercial terms.

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	N/A	N/A
3.2 Credit standby arrangements	N/A	N/A

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	200
4.2 Development	-
4.3 Production	-
4.4 Administration	60
Total	260

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	803	96
5.2 Deposits at call	366	543
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	1,169	639

Changes in interests in mining tenements

	Tenement reference and location	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	NIL			
6.2 Interests in mining tenements acquired or increased	NIL			

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

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 (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference +securities (description)				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	+Ordinary securities	101,345,768	101,345,768		Fully Paid
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	6,364,000	6,364,000	\$0.11	Fully Paid
7.5	+Convertible debt securities (description)				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options (description and conversion factor)				
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Relinquished during quarter				
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

+ 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.



Sign here:
Company Secretary

Date: 31 October 2014

Print name: KRYSTEL KIROU

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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