



Echo Resources Limited

ACN 108 513 113

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ASX Announcement
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FOCUSSED EXPLORATION PROGRAM TARGETS YANDAL REVIVAL

HIGHLIGHTS

- Completion of Echo-Metaliko merger has opened the door for an aggressive regional exploration program
- Dominant landholding in the highly prospective Yandal greenstone belt provides a platform to grow the global Resource and Reserve base to underpin a long-life gold mining operation at the Yandal Gold Project
- Positive Julius Gold Deposit (Stage 1) Bankable Feasibility Study ('BFS') (refer ASX announcement 18 January 2017) provides the linchpin for low-cost development of the Bronzewing Processing Facility
- Several key brownfields targets have been identified following a full review of Metaliko's database and the 2017 field program has been finalised and approved.

Echo Resources Limited ('Echo' or 'the Company') is pleased to release details of an aggressive exploration push to grow its global Resource and Reserve base, capitalising on the Company's 2Mtpa Bronzewing Processing Facility and dominant landholding (1,600km²) in the highly-prospective Yandal greenstone belt of Western Australia.

The 2017 field program will focus on a series of ready-to-drill targets, encompassing brownfield and greenfield prospects that have been developed as a result of a detailed review of the Metaliko Resources Limited ('Metaliko') database following the successful merger with Echo (refer to ASX announcement dated 13 January 2017).

Launch of the exploration program comes on the back of the positive Julius Bankable Feasibility Study ('Julius BFS') (refer ASX announcement 18 January 2017) that demonstrates Echo's Bronzewing Processing Facility can be refurbished in less than 6 months at a low capital cost, with the Julius Gold Deposit underpinning the restart.

Echo's Chief Executive Officer, Simon Coxhell, said the completion of the Metaliko merger had allowed Echo to accelerate its strategy of developing a long-life mining operation in the Yandal Belt.

"The Julius BFS shows we have a highly profitable, low-cost and low-risk start-up mining operation that can be kick-started at any time we choose. In addition we have identified a number of clear, advanced opportunities to quickly grow the global resources and reserve base to extend the life of operations. In the short term we believe this is the best way to enhance shareholder value".

"With our dominant landholding and existing processing facility we see an opportunity to generate significant shareholder wealth through reinvigorating existing gold assets in WA."



2017 Exploration and Development Program

The 2017 exploration and development program is focussed on targetted exploration to substantially increase existing reserves in parallel with readying the Bronzewing Processing Facility for production.

The program focusses on a range of targets including the advanced Orelia Gold Deposit (currently host to an existing Indicated and Inferred Mineral Resource Estimate of 5.6Mt @ 1.9 g/t for 349,000 ounces¹ and located only 8 kilometres from the Bronzewing Processing Facility) as well as a number of greenfield prospects with numerous existing anomalous intersections requiring follow-up exploration.

There are multiple phases to the program, which are summarised in the table and detailed below.

Activity	2017			
	Q1	Q2	Q3	Q4
Orelia Resource Definition	RC Phase 1	RC Phase 2		
Julius Resource Extension		AC Phase 1	AC Phase 2	
Zaphod Follow Up		RC		
Empire Prospects		Aircore Verification & Expansion		
Regional Targets	First Pass Auger		AC/RC Reconnaissance & Follow-up	

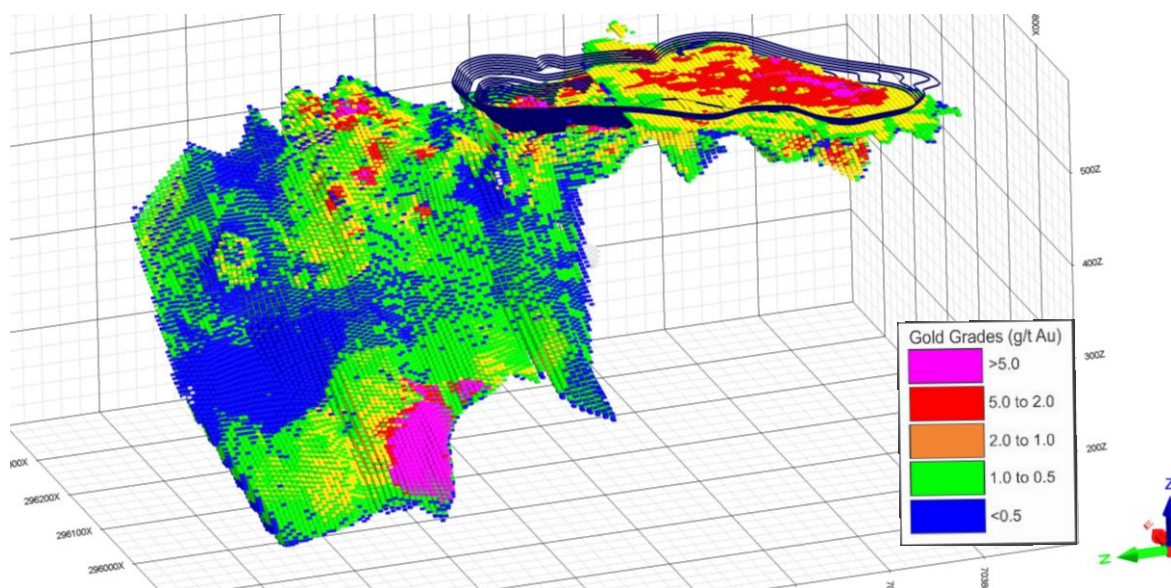
Planned 2017 Exploration Timetable

Julius Gold Deposit - Resource Expansion

The Stage 1 Julius open pit, as documented within the BFS, has been based on the highest grade, lowest risk and most cost effective start-up mining opportunity. Results of the pit optimisation and sensitivity analysis completed as a part of the BFS highlighted the potential to develop a series of staged pit designs building on the knowledge gained during the initial mining stage.

Close review of the drill data and block model has shown that additional infill and resource development drilling, targeting along strike and in the high grade areas of the resource down dip, may lead to an expansion of the contemplated mining operation at Julius as documented in the BFS.

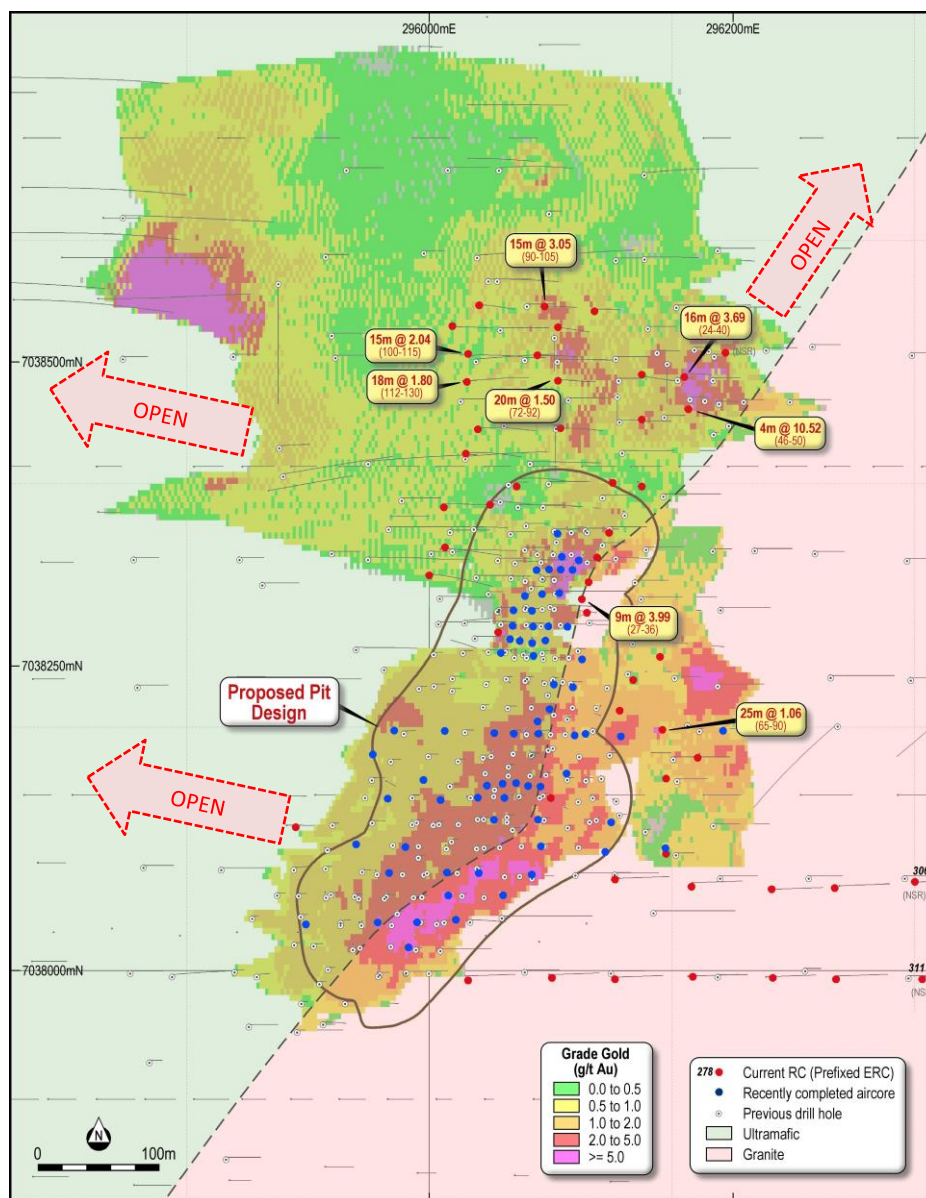
In addition other areas to the north and on the margins of the Julius granite have potential for new gold discoveries and resource development opportunities. A drilling program to investigate all of these options has been planned and will commence in Q1-17.



Julius November 2016 Julius Resource Model² and BFS Pit Design (looking east)

¹ Refer to Appendix 1: Global Resource Estimates and the ASX:MKO announcement dated 1 September 2016

² As announced to the ASX on 23 November 2016, see also Competent Persons Statements



Plan Display – November 2016 Julius Resource Model³

The Orelia Gold Deposit

The Orelia Gold Deposit includes three mineralised systems; Orelia, Calista and Cumberland and is located eight kilometres southwest of the Bronzewing Processing Facility. Mineralisation is controlled by north-north west striking sub-vertical fault zones and low angle splay structures to the south-west. The Orelia gold mineralisation is focussed within and on the margins of a large dolerite unit which trends through the western side of the deposit.

The Orelia system has been previously mined, most recently by Navigator Resources, and has produced approximately 276,000 ounces⁴ of gold. The current pit floor is around 100 metres below the natural surface with substantial cut-back works completed by Navigator in preparation to mine to 240 metres depth, before operations ceased in 2013 at which time gold prices were approximately A\$1,300 per ounce.

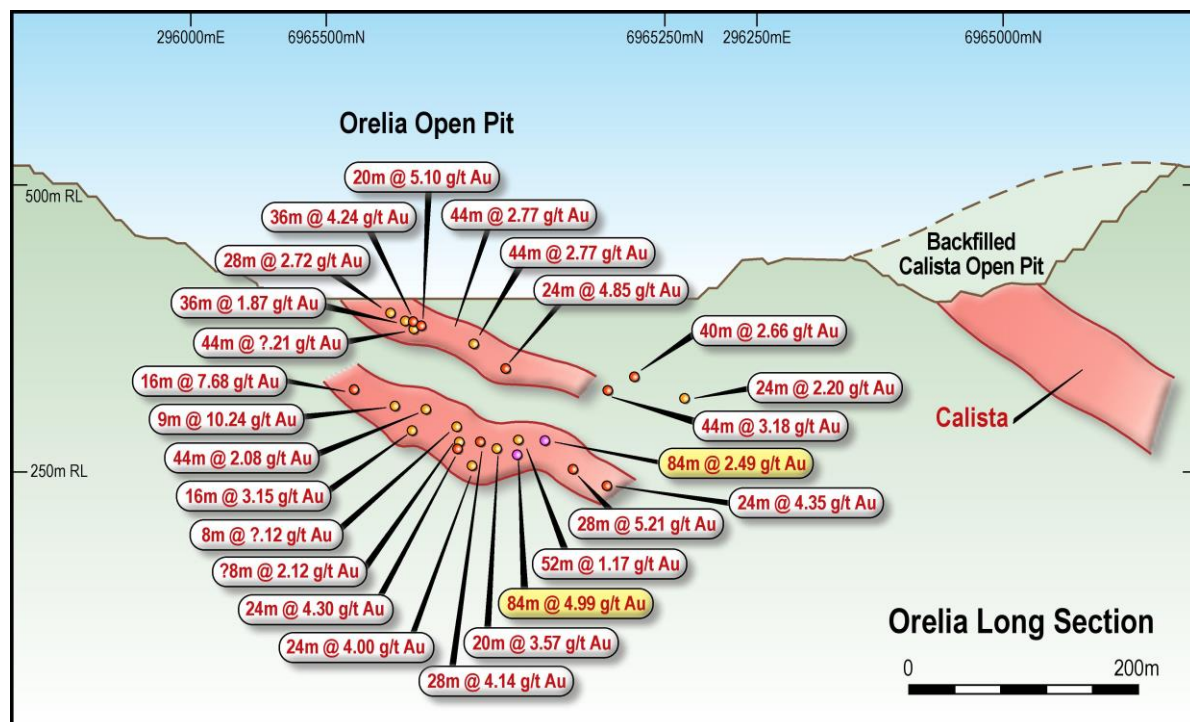
³ As announced to the ASX on 23 November 2016, see also Competent Persons Statements

⁴ Refer to ASX:MKO announcement dated 1 September 2016, see also Competent Persons Statements

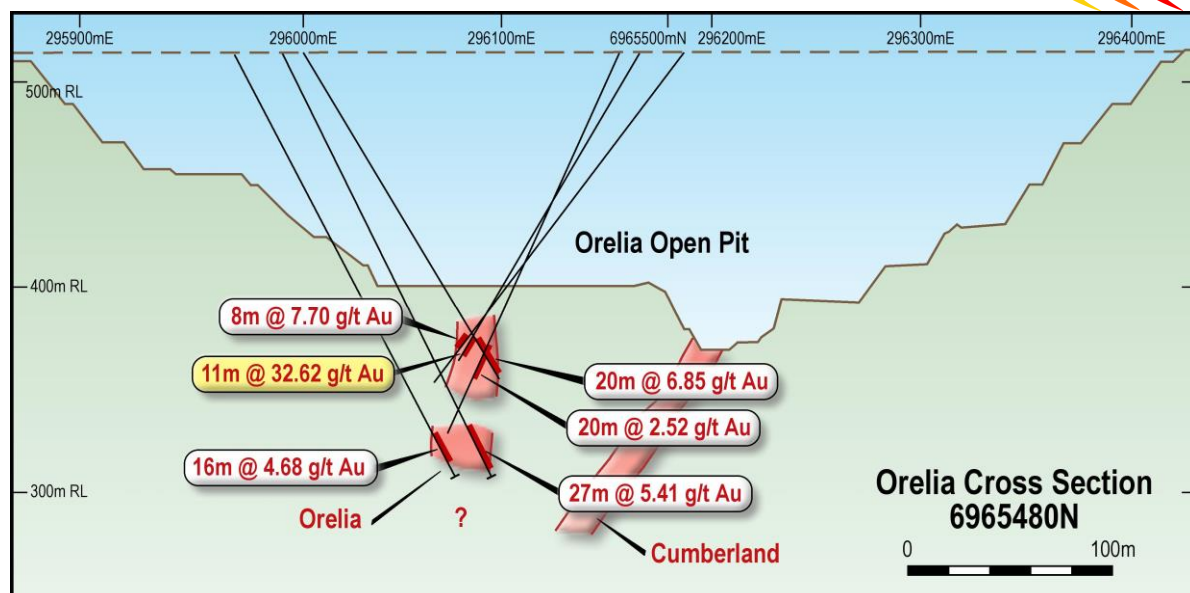


Orelia Pit Aerial Image

Historical drilling has identified a large mineralised gold system with significant potential to grow the existing resources and reserves. A low-cost resource development program is planned to commence in early February to corroborate existing data and support reserve development at the prospect.

Orelia Gold Deposit – Long Section: Historical Intercepts⁵ Below Current Pit Floor

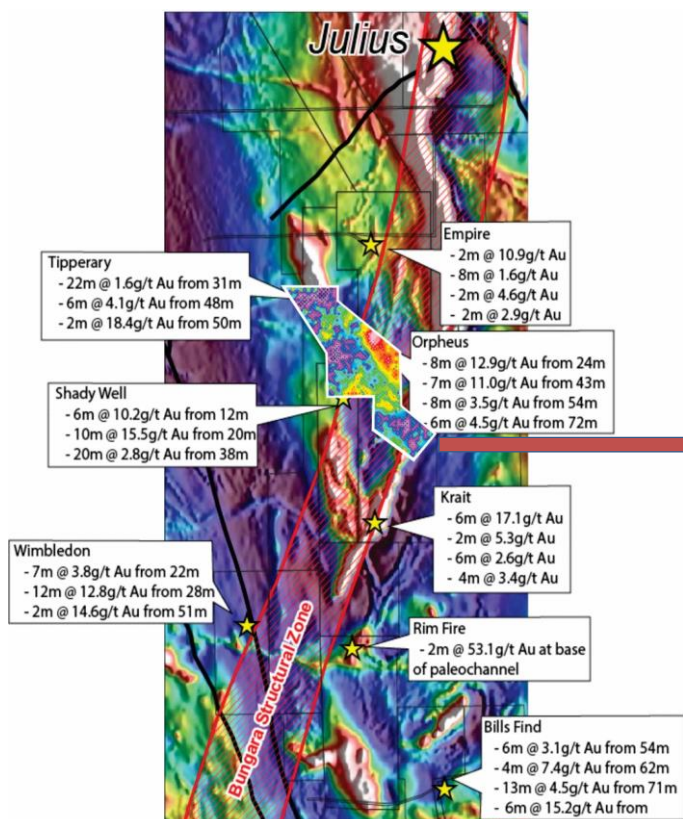
⁵ Refer to ASX:MKO announcement dated 1 September 2016 for full details of historical exploration results and Competent Persons Statements in Appendix 2.



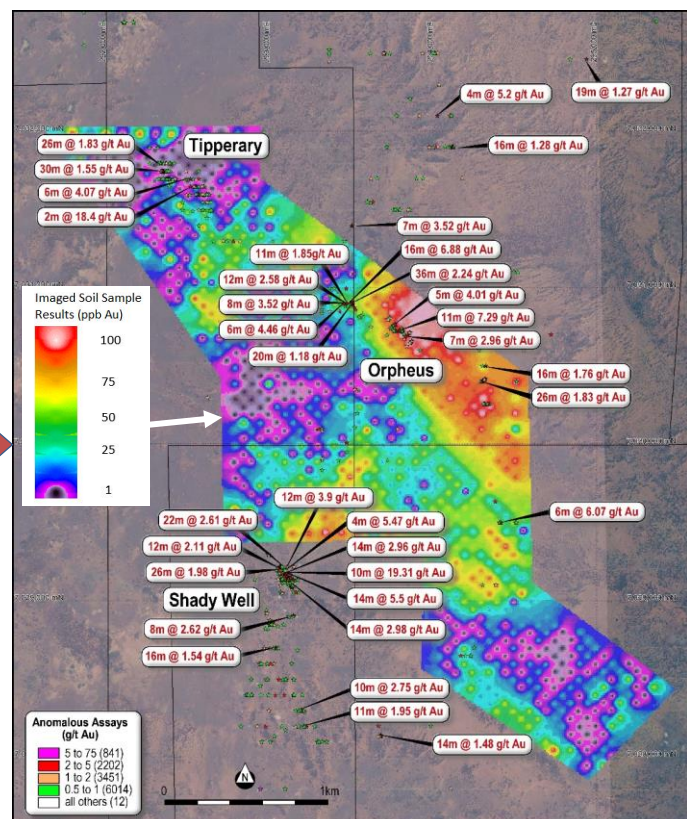
Orelia Gold Deposit – Cross Section: Historical Intercepts⁵ Below Current Pit Floor

Regional Prospects – Julius District

Located within 30 kilometres south of Julius there are a number of existing gold deposits (defined by Newmont before 2004) hosting high grade gold intersections that require follow up drilling to better assess likely economics and the extent of the deposits as well as understand the prospect for expansion. These known deposits have had very little or no work completed over the last 10 years and represent excellent potential to expand the Company's Resource and Reserve base.



TP Magnetics Image with Soil Sample Area inset with historic drill results overlain⁶



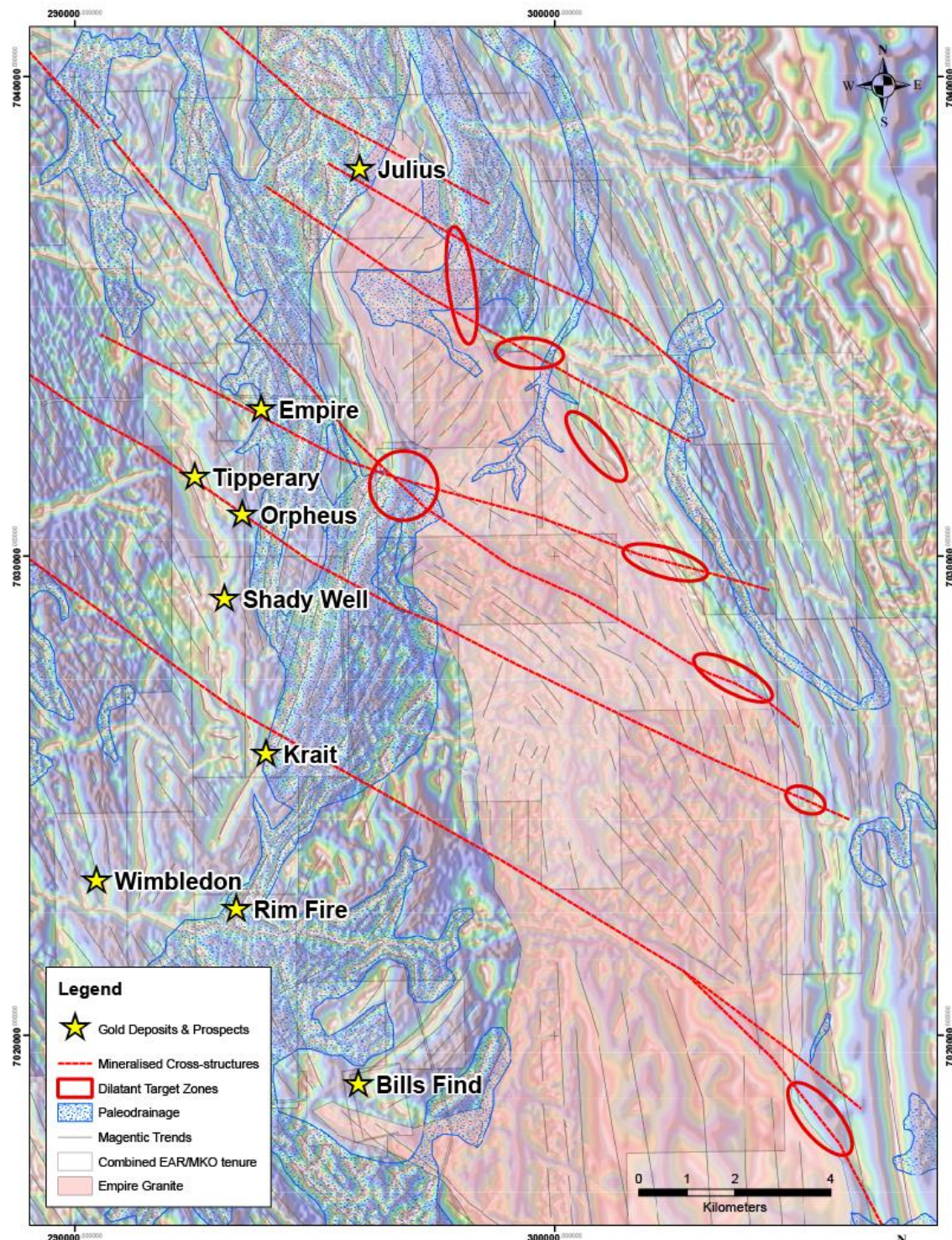
Soil Sample Results with Historical Drill Results at Regional Prospects⁶

⁶ Refer to ASX Announcement dated 10 April 2006 and 29 November 2016 for full results and Competent Persons Statements in Appendix 2.



The majority of these prospects and deposits occur adjacent to a large scale structural anomaly, previously termed the Bungara Structure. This can be seen in both the magnetics and gravity datasets the Company has been interpreting and appears to play a large role in the distribution of the known gold occurrences.

An extensive aircore program comprising of approximately 10,000m is planned to follow up and scope the extent of these large additional gold mineralised systems located 10km south of Julius. Key target areas have been identified and prioritised following a detailed soil sampling program completed in November 2016 (refer to ASX Announcement dated 29 November 2016).



Empire Historical Deposits and Exploration Targets



Other Regional Targets

The Company has planned a number of drill-ready anomalous targets which have been identified through detailed review of all available datasets. Echo, in conjunction with Southern Geoscience Consultants, have integrated all available geophysical, remote sensing, geochemical and geological datasets, to develop a coherent framework to known mineralisation. This framework increases our understanding of the broader gold mineralising systems, while guiding grassroots exploration over Echo's large tenement holding of highly prospective greenstone belt. With this integrated approach, we are confident in our future exploration endeavours.

For further information please contact:

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Appendix 1: Echo Global Resource Estimates

Echo Mineral Resource Estimates⁷

Echo Mineral Resources	Measured			Indicated			Inferred			Total			Ownership	Cut-off
	Tonnes (Mt)	Au g/t	Au oz	Tonnes (Mt)	Au g/t	Au oz	Tonnes (Mt)	Au g/t	Au oz	Tonnes (Mt)	Au g/t	Au oz		
Julius ⁴	1.8	2.1	124,227	1.6	1.3	67,789	1.8	2.5	142,991	5.2	2.0	335,008	100%	0.8
Regional ⁵							2.1	1.5	99,925	2.1	1.5	99,925	100%	0.5
Corboys ³				1.7	1.8	96,992	0.5	1.9	28,739	2.1	1.8	125,455	100%	1.0
Orelia (MKO) ²				2.3	2.4	175,306	3.3	1.6	173,493	5.6	1.9	348,880	100%	0.9
Woorana North (MKO) ²				0.3	1.7	13,811				0.3	1.7	13,811	100%	0.5
Woorana South (MKO) ²				0.1	2.6	3,129				0.1	2.6	3,129	100%	0.5
Fat Lady (MKO) ^{1,2}				0.7	0.9	19,669				0.7	0.9	19,669	70%	0.5
Mt Joel 4800N (MKO) ^{1,2}				0.2	1.7	10,643				0.2	1.7	10,643	70%	0.5
Total Mineral Resources	1.8	2.1	124,227	6.7	1.8	387,339	7.7	1.5	445,47	16.2	1.8	956,520		

Echo Mineral Reserve Estimates

Echo Mineral Reserves	Proved			Probable			Total			Ownership	Cut-off
	Tonnes (Mt)	Au g/t	Au oz	Tonnes (Mt)	Au g/t	Au oz	Tonnes (Mt)	Au g/t	Au oz		
Julius ⁶	0.78	2.5	62,500	0.08	2.0	5,600	0.87	2.4	68,100	100%	0.8
Total Mineral Resources	0.78	2.5	62,500	0.08	2.0	5,600	0.87	2.4	68,100		

Notes:

1. Resources are adjusted for Metaliko 70% ownership interest

2. Resources estimated by Coxrocks (refer to Competent Persons Statements) in accordance with JORC Code 2012. For full Mineral Resource estimate details refer to the Metaliko Resources Limited announcement to ASX on 1 September 2016. Metaliko is not aware of any new information or data that materially affects the information included the previous announcement, and all material assumptions and technical parameters underpinning mineral resource estimates in the previous announcement continue to apply and have not materially changed.

3. Resources estimated by HGS (refer to Competent Persons Statements) in accordance with JORC Code 2012, for full details of the Mineral Resource estimate refer to the Metaliko Resources Limited announcement to ASX on 23 August 2016. Metaliko is not aware of any new information or data that materially affects the information included the previous announcement, and all material assumptions and technical parameters underpinning mineral resource estimates in the previous announcement continue to apply and have not materially changed.

4. Resources estimated by Mr Lynn Widenbar (refer to Competent Persons Statements) in accordance with JORC Code 2012, for full details of the Mineral Resource estimate refer to the Echo Resources Limited announcement to ASX on 23 November 2016. Echo Resources Limited is not aware of any new information or data that materially affects the information included the previous announcement, and all material assumptions and technical parameters underpinning mineral resource estimates in the previous announcement continue to apply and have not materially changed.

5. Resource estimates include Bills Find, Shady Well, Orpheus, Empire & Tipperary Well and were estimated by Golders (refer to Competent Persons Statements) in accordance with JORC Code 2004, for full details of the Mineral Resource estimates refer to the Echo Resources Limited prospectus released to ASX on 10 April 2006.

6. Reserve estimated by Mr Gary McRae (refer to Competent Persons Statements) in accordance with JORC Code 2012.

7. Mineral Resources are inclusive of Ore Reserves.

Appendix 2: Cautionary and Competent Persons Statements



Forward Looking Statements and Disclaimers

This announcement is for information purposes only and does not constitute a prospectus or prospectus equivalent document. It is not intended to and does not constitute, or form part of, an offer, invitation or the solicitation of an offer to purchase or otherwise acquire, subscribe for, sell or otherwise dispose of any securities, or the solicitation of any vote or approval in any jurisdiction, nor shall there be any offer, sale, issuance or transfer of securities in any jurisdiction in contravention of any applicable law.

This announcement contains forward looking statements. Forward looking statements are often, but not always, identified by the use of words such as "seek", "target", "anticipate", "forecast", "believe", "plan", "estimate", "expect" and "intend" and statements that an event or result "may", "will", "should", "could" or "might" occur or be achieved and other similar expressions.

The forward looking statements in this announcement are based on current expectations, estimates, forecasts and projections about Echo and Metaliko and the industry in which they operate. They do, however, relate to future matters and are subject to various inherent risks and uncertainties. Actual events or results may differ materially from the events or results expressed or implied by any forward looking statements. The past performance of Echo or Metaliko is no guarantee of future performance.

None of Echo, Metaliko or any of their directors, officers, employees, agents or contractors makes any representation or warranty (either express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statement, except to the extent required by law.

You are cautioned not to place undue reliance on any forward looking statement. The forward looking statements in this announcement reflect views held only as at the date of this announcement.

No New Information or Data

This report contains references to Mineral Resource estimates, which have been cross referenced to previous market announcements made by Echo and Metaliko. Echo and Metaliko confirm they are not aware of any new information or data that materially affects the information included in the relevant market announcements and, in the case of estimates of Mineral Resources that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

Competent Persons Statements

The information in this report that relates to Exploration Targets and Exploration Results relating to Orelia (Cockburn) are based on information compiled by Mr David O'Farrell, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Mr O'Farrell is a consultant to Metaliko Resources Limited. Mr O'Farrell has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken 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'. Mr O'Farrell consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report relating to Julius Resource Estimation is based on information compiled by Mr Lynn Widenbar, a consultant of Echo Resources Limited, who is a member of the Australasian Institute of Mining and Metallurgy. The information in this announcement that relates to Exploration Results and metallurgical considerations at Julius is based on information compiled by Simon Coxhell, a Director of Echo Resources and a member of the Australasian Institute of Mining and Metallurgy. Both have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that they are 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". Mr Widenbar and Mr Coxhell consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

The information in this report relating to Echo's exploration activities and exploration potential at Julius and Metaliko's Cockburn, Woorana North, Woorana South, Fat Lady and Mt Joel Mineral Resource estimates is based on information compiled by Mr Simon Coxhell, a Director of Echo Resources Limited, who is a member of the Australasian Institute of Mining and Metallurgy. He has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that 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'. Mr Coxhell consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

The information in this report relating to Echo's Regional Mineral Resource estimates is based on information compiled by Stephen Godfrey, a full-time employee of the independent geological consulting group Golder Associates Pty Ltd. He has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Godfrey consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.



The information in this report relating to Metaliko's Corboys Deposit Mineral Resource estimate is based on information compiled by Andrew James Hawker, a Competent Person who is a Member or Fellow of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mr Hawker is the Principle Geologist employed by HGS Australia. He has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that 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'. Mr Godfrey consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

The information in this report that relates to Ore Reserves for the Julius Gold Deposit is based on information compiled by Mr Gary McRae of Minecomp Pty Ltd, a member of the Australasian Institute of Mining and Metallurgy and is a consultant to Echo Resources Limited. The information was prepared under the JORC Code 2012. Mr McRae has sufficient experience that is relevant to the style of mineralisation, type of deposit under consideration and to the activity that 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". Mr McRae consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

The information in this announcement that relates to Exploration Results and previous historic drilling results is based on information compiled by Simon Coxhell, a Director of Echo Resources and a member of the Australasian Institute of Mining and Metallurgy. He has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that they are 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". Mr Coxhell consents to the inclusion in the report of the matters based on the information in the form and context in which it appears