ECHO RESOURCES LIMITED

GROWTH THROUGH DISCOVERY

28 January 2015

Strong gold-in-soil anomaly identified near the Julius Gold Discovery, WA

- Strong gold-in-soil anomaly measuring 1,000m identified at Gnaeus Prospect, 900m east of the Julius Gold Discovery.
- The Gnaeus anomaly is significantly stronger than the gold-in-soil response over buried gold mineralization at Julius.
- Follow-up drilling planned to test the anomaly.

Echo Resources Limited (ASX : EAR) advises that it has identified a strong gold-in-soil anomaly at Gnaeus Prospect, adjacent to its 100%-owned Julius Gold Discovery (Fig. 1).

Gnaeus is located 900m east of Julius, which is the most exciting virgin gold find in the Yandal Gold Province since the late-1990's (Figs. 2 and 3).

The Gnaeus gold anomaly is located at the intersection of interpreted north- and northwest-striking faults which may link up with the structures hosting bedrock gold lodes under cover at Julius.

Based on the current sampling pattern, the Gnaeus anomaly measures approximately 1,000m in length. The central portion of the anomaly comprises eight adjacent samples containing more than 50ppb Au, with a peak of 168ppb Au. By comparison, the gold-in-soil response over buried bedrock gold mineralisation at Julius is less than 2ppb Au.

Given Gnaeus' proximity and similar geological setting to Julius, drilling is planned to follow-up this significant new target, which may mark the location of a new gold mineralized system.

Echo is committed to building a profitable gold company in the Yandal Province. The Yandal Province is among Australia's largest goldfields, hosting several multi-million ounce gold deposits, including those at Jundee (Northern Star Resources) and Darlot (Gold Fields).

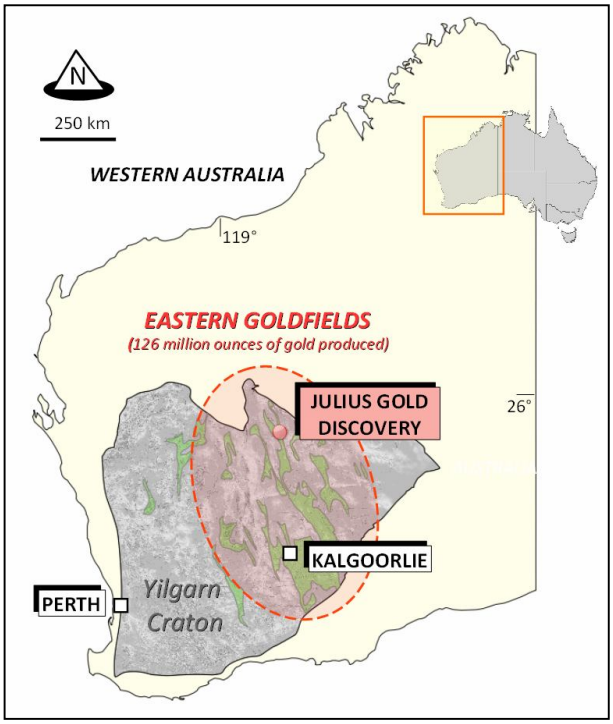
About Echo Resources

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.

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 mineralization 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.

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.

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.



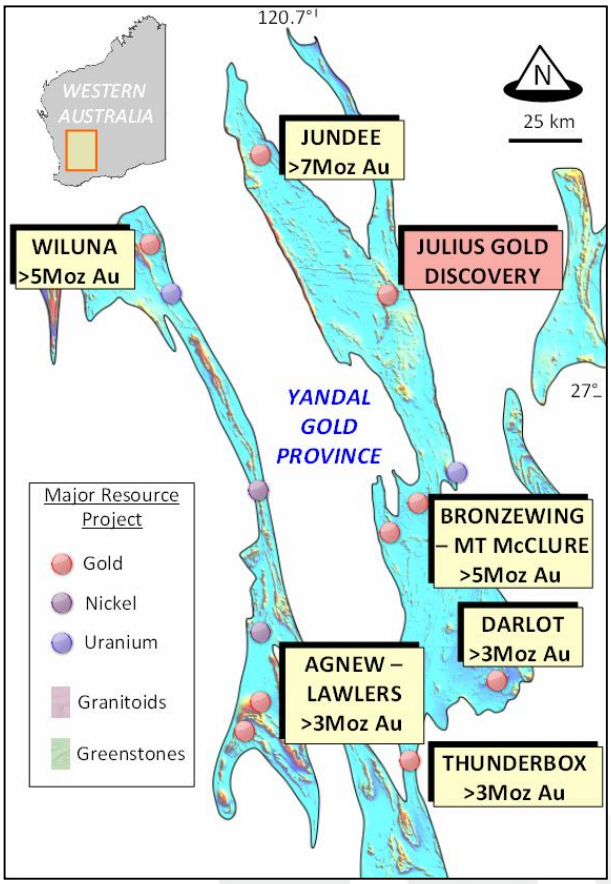


Fig. 1: Location of the Julius Gold Discovery.

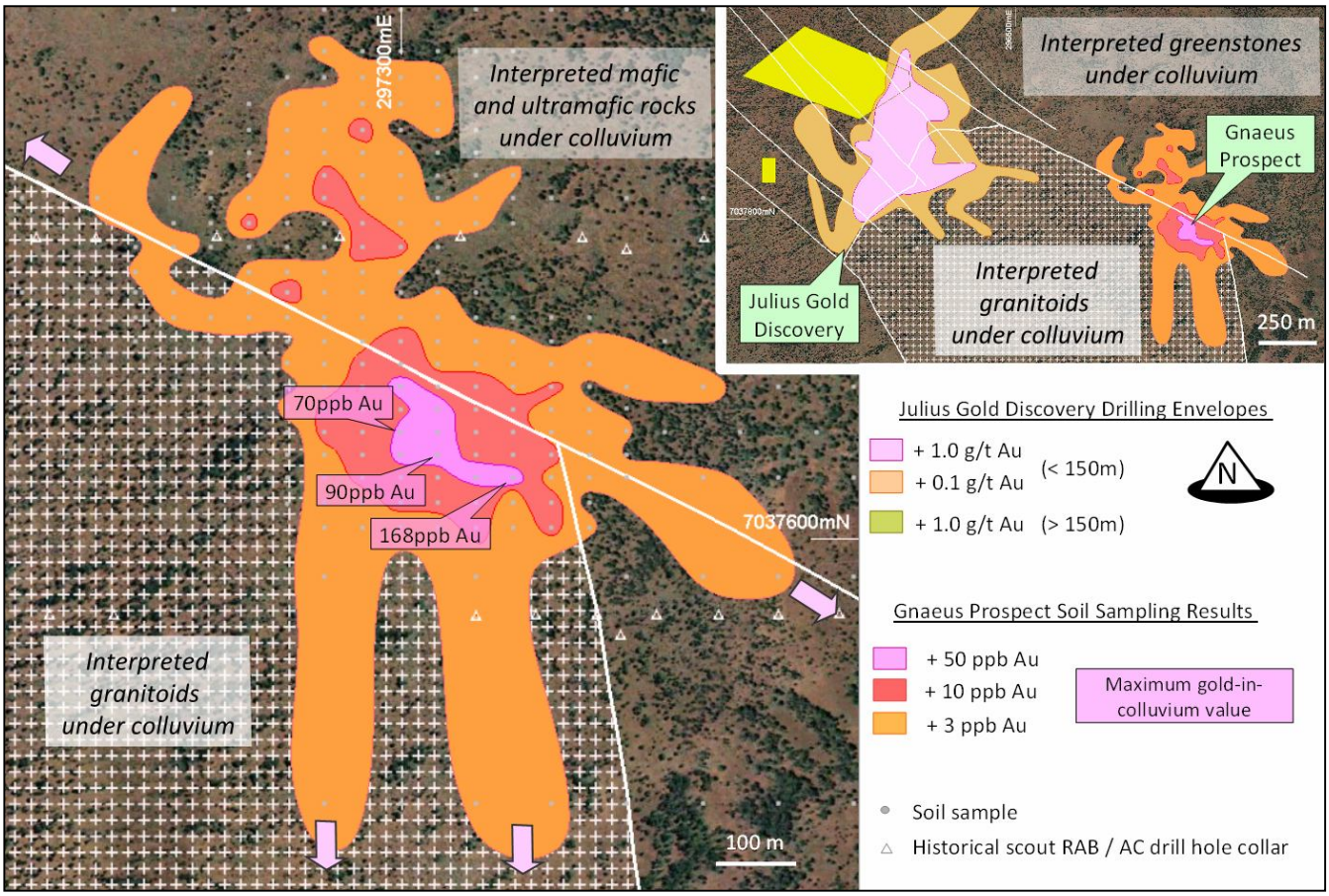


Fig. 2: Map of the Gnaeus Prospect gold-in-soil anomaly.

Fig. 3: Gnaeus Prospect photograph.

APPENDIX: JORC Code, 2012 Edition

Section 1 Sampling Techniques and Data *(Criteria in this section apply to all succeeding sections.)*		
Criteria	**Explanation**	**Comment**
Sampling techniques	• Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. • Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. • Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.	The sampling was carried out with a handheld auger with GPS surveying. Sampling was initially conducted at 100m intervals along scout traverses spaced 250m apart. The central portion of the anomaly was subsequently in-filled on nominal 50m by 30m grid spacing. Samples were dry sieved in the field to obtain a plus 2mm - minus 5mm fraction weighing approximately 250g. At the laboratory, the samples were dried in kilns and then pulverized using disk-style grinding mills with at least 85% of the material less than 75 microns (200 mesh). A 10g charge of the pulverized material was digested with Aqua Regia and the resultant acid extract was analysed by ICPMS for gold (1 ppb Au detection limit) and a range of trace elements. The Aqua Regia solution may not dissolve all of the gold present in a sample, and the analyses may under-report the true gold content. Given the nature of the mineralization being sought, coarse gold may be present in some samples which may result in assay variability.
Drilling techniques	• Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	The sampling was carried out with a vertical handheld auger to collect samples from depths of 20cm to 70cm.
Drill sample recovery	• Method of recording and assessing core and chip sample recoveries and results assessed. • Measures taken to maximise sample recovery and ensure representative nature of the samples. • Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	No recovery studies have been undertaken. Overall sample recovery is considered reasonable to good, and in line with normal expectations for this type of sampling. Insufficient data is available to evaluate any sample bias.
Logging	• Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. • Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. • The total length and percentage of the relevant intersections logged.	The sampling produced samples comprised of colluvium which may or may not contain fragments of the underlying weathered bedrock. The samples have not been geologically logged.
Sub-sampling techniques and sample preparation	• If core, whether cut or sawn and whether quarter, half or all core taken. • If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. • For all sample types, the nature, quality and appropriateness of the sample preparation technique. • Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. • Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. • Whether sample sizes are appropriate to the grain size of the material being sampled.	No core was collected. Samples were sieved in the field to obtain a plus 2mm - minus 5mm fraction weighing approximately 250g. The sample sizes are considered appropriate to the material being sampled. No sample duplicates were collected in the field at this early stage in the exploration process.
Quality of assay data and laboratory tests	• The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. • For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. • Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	The samples were prepared and assayed at the Quantum Analytical Services laboratory in Perth using Aqua Regia digest and ICPMS techniques. Aqua Regia digest is a partial gold extraction technique; the digest solution may not dissolve all of the gold present in a sample, and Aqua Regia techniques may therefore under-report the true gold content. The digest solution was also used determine the concentrations of other trace elements. The gold concentration is expressed in parts per billion (ppb). The analytical scheme includes the inclusion of laboratory standards, blanks and duplicate analyses. The standards and repeat assays were checked by laboratory personnel and the Competent Person, and found to have acceptable levels of accuracy. No geophysical tools were employed during the sampling.
Verification of sampling and	• The verification of significant intersections by either independent or alternative company personnel.	Significant gold results were checked by the Competent Person against values for adjacent samples. No twinned auger

Section 1 Sampling Techniques and Data *(Criteria in this section apply to all succeeding sections.)*		
assaying	• The use of twinned holes. • Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. • Discuss any adjustment to assay data.	samples were collected. Primary data for each sample location was collected using a standardised set of paper-based templates and then entered into Excel spreadsheets and validated prior to being loaded into MicroMine computer databases for further validation. Assay results are received from the laboratory in Excel and PDF computer files which are checked by a geologist prior to being loaded into the MicroMine databases. For samples with repeat assays by the same laboratory, the un-weighted average of all assays has been used for reporting purposes. No adjustments have been made to assay data.
Location of data points	• Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. • Specification of the grid system used. • Quality and adequacy of topographic control.	The grid system used is AMG84 Zone 51. The sample points were located with a handheld GPS with horizontal accuracy expected to be better than 5m. The area drilled is flat to very gently sloping. Sample elevations have been allocated using data extracted from a DTM. The sample RL's vary from 520mRL to 532mRL.
Data spacing and distribution	• Data spacing for reporting of Exploration Results. • Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. • Whether sample compositing has been applied.	Scout sampling was initially conducted at 100m intervals along traverses spaced 250m apart. The central portion of the anomaly was in-filled on nominal 50m by 30m grid spacing. No compositing has been applied. Only one sample was collected at each location.
Orientation of data in relation to geological structure	• Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. • If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	Gold deposits of the type being sought in the Julius area are commonly characterized by marked variations in the orientation, width and grade of mineralized zones. It is not known if there are bedrock lodes under the soil anomalies at Gnaeus Prospect. The samples were collected along 090° traverses which are approximately perpendicular to the interpreted regional 010° - 030° strike of the host rocks and master shear zones at Julius. Aeromagnetic images at Julius and Gnaeus also show a series of 140°-striking features (linears and demagnetized rock zones) of uncertain dip orientation which may represent mineralised or barren cross-cutting faults. There is insufficient geological data to determine if there is a sampling bias.
Sample security	• The measures taken to ensure sample security.	The sieved samples were placed into numbered zip-lock bags and then into cardboard boxes. The samples were transported to Perth under the supervision of a geologist, where they were kept in a locked yard prior to submission to the laboratory.
Audits or reviews	• The results of any audits or reviews of sampling techniques and data.	The sampling and assaying techniques are industry-standard.

Section 2 Reporting of Exploration Results *(Criteria listed in the preceding section also apply to this section.)*		
Criteria	**Explanation**	**Comment**
Mineral tenement and land tenure status	• Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. • The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	The sampling was undertaken on Exploration Licence E53/1042, wholly owned by Echo Resources Limited, located 750km northeast of Perth. The tenement is located in the Wiluna Native Title Claim Group (WC99/24). Newmont Yandal Operations Pty Ltd (Newmont) has the right to buy back a 60% interest in any gold discovery containing aggregate Inferred Mineral Resources of at least 2.0 million ounces of gold. If a buy back occurs, then Echo and Newmont will be in a joint venture under which the interests will be Newmont 60% / Echo 40%. Newmont may elect to increase its interest to 75% and free carry Echo's 25% through to completion of a feasibility study. A net smelter royalty of 1.5% (in addition to a Government Royalty) applies in respect of all minerals produced from the tenement.
Exploration done by other parties	• Acknowledgment and appraisal of exploration by other parties.	The gold anomalies at Julius were first identified during wide-spaced (drill traverses spaced 250m – 550m apart) rotary air blast (RAB) and air core (AC) scout drilling programs undertaken by Newmont.
Geology	• Deposit type, geological setting and style of mineralisation.	The gold mineralization being sought is located in the Archaean Yandal Greenstone Belt, beneath 0.3m – 25m of Quaternary colluvium. Mafic, ultramafic and granodioritic rocks hosting the target gold mineralization have been weathered to depths of 40m – 90m. The contact between the mafic-ultramafic rocks and the granodiorite body at Gnaeus is

Section 2 Reporting of Exploration Results *(Criteria listed in the preceding section also apply to this section.)*		
		interpreted to be marked by shear zones striking north and northwest. The Archaean rock sequence is considered prospective for structurally controlled orogenic gold mineralization, as well as intrusion-related gold mineralization styles.
Drill hole Information	• A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: easting and northing of the drill hole collar; elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar; dip and azimuth of the hole; down hole length and interception depth; hole length. • If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	The interpreted bedrock geology under deposits of Quaternary colluvium at Gnaeus is shown in Figure 2. Samples containing 3ppb Au or more are considered to be significant. The surface of the sampling area is flat to very gently sloping, and the locations samples have elevations of 520mRL – 532mRL.
Data aggregation methods	• In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. • Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. • The assumptions used for any reporting of metal equivalent values should be clearly stated.	No length weighting has been applied. No metal equivalent values have been used. Samples containing 3ppb Au or more are considered to be significant.
Relationship between mineralisation widths and intercept lengths	• These relationships are particularly important in the reporting of Exploration Results. • If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. • If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').	The sampling technique used establishes a near-surface geochemical expression for potential bedrock mineralization. Whether or not bedrock gold lodes are present is uncertain, and therefore the detailed geometry of any mineralized zones is not known at this stage.
Diagrams	• Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	Refer to Figures 2 – 3 in the main body of this announcement.
Balanced reporting	• Where comprehensive reporting of all Exploration results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	All gold assay results have been reported.
Other substantive exploration data	• Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	Previous drilling in the Gnaeus Prospect area has included programs of wide-spaced RAB and AC drilling along 500m-spaced traverses. This drilling did not intersect significant bedrock gold mineralisation. Please refer to Echo's ASX announcements for previous drilling results and other geological information at Julius.
Further work	• The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). • Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	Further infill and extensional auger sampling will be undertaken to test for other near-surface anomalies. Planning for follow-up RAB drilling at Gnaeus is underway. Please refer to Echo's ASX announcements for previous drilling results and other geological information, including targets, at Julius.