

Echo Resources Limited

Interim Financial Report

For the half-year ended 31 December 2014

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These interim financial statements do not include all the notes of the type normally included in the annual financial statements. Accordingly, these financial statements are to be read in conjunction with the Annual Report for the year ended 30 June 2014 and any public announcements made by Echo Resources Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

DIRECTORS' REPORT

Your Directors are pleased to present their report on the consolidated entity consisting of Echo Resources Limited and the entity it controlled at the end of, or during, the half-year ended 31 December 2014.

DIRECTORS

The names of the Directors who held office during or since the end of the half-year, to the date of this report, are:

Mathew Longworth (Non-executive Chairman)

Ernst Kohler (Managing Director)

Anthony McIntosh (Non-executive Director)

William Moncrieff (Alternate Director – *appointed and resigned on 18 February 2015*)

REVIEW OF OPERATIONS

During the half-year ended 31 December 2014, Echo focused on exploration and evaluation activities at the Julius Gold Discovery. Julius is located in the Yandal Gold Province, approximately 750km northeast of Perth, Western Australia (Fig. 1). 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).

Fire assays on 1m cone-split reverse circulation (RC) drill samples confirmed the continuity of gold mineralized zones at Julius (Table 1; Figs. 2 to 6; see ASX release dated 30 January 2015).

Drill hole ERC228, collared in the central parts of the Julius drilling area, returned **2m @ 13.5 g/t Au** from 42m. This intercept forms part of a broader gold bearing zone containing **6m @ 6.6 g/t Au** from 38m. Higher up in the hole, ERC228 also intersected **3m @ 1.6 g/t Au** from 26m.

Drill hole ERC233, collared ~155m south of ERC228, returned multiple intercepts from 10m to 70m below surface, including:

4m @ 3.8 g/t Au from 10m *including 1m @ 5.2 g/t Au* from 10m

2m @ 1.3 g/t Au from 22m

4m @ 6.2 g/t Au from 27m *including 2m @ 9.0 g/t Au* from 28m

1m @ 33.9 g/t Au from 66m

1m @ 8.3 g/t Au from 70m

Step-out drill hole ERC238, located 630m northwest of ERC233, yielded **8m @ 2.3 g/t Au** from 293m, including **1m @ 5.8 g/t Au** from 294m, within a broader zone containing **14m @ 1.6 g/t Au**.

Follow-up RC drilling undertaken in late December 2014 and January 2015 also yielded strong preliminary composite sample gold intercepts (ASX release dated 6 February 2015). Drill hole ERC242 returned multiple intercepts between 44m and 120m (end-of-hole). An upper intercept yielded **12m @ 10.1 g/t Au** from 44m, including **4m @ 27.1 g/t Au** from 48m, while a lower intercept returned **16m @ 1.2 g/t Au** from 64m, including **4m @ 2.2 g/t Au** from 72m.

Other notable composite sample drill intercepts included:

ERC245: **4m @ 2.9 g/t Au** from 8m

ERC243: **8m @ 2.5 g/t Au** from 44m

ERC241: **16m @ 1.3 g/t Au** from 12m *including 4m @ 2.7 g/t Au* from 12m

REVIEW OF OPERATIONS (continued)

Surface geochemical sampling at Gnaeus Prospect has identified a strong gold-in-soil anomaly which may mark the location of a new gold mineralized system 900m east of Julius (Fig. 7; ASX release dated 28 January 2015). 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. Follow-up drilling is planned to explore this significant new target.

The results of gravity separation and cyanide leach gold recovery testwork conducted on a 2.2 g/t Au composite sample of laterite-hosted gold mineralization from Julius showed a very high total gold recovery of 97.5% (ASX release dated 3 February 2015). Only 3.2% of the total gold content was extracted via gravity separation and mercury amalgamation, suggesting that the laterite-hosted gold mineralization contains only small amounts of coarse gold. Gold extraction was very fast with most of the cyanidable gold recovered after only 8 hours of leaching. No evidence of preg-robbing of gold was detected.

In order to accelerate the exploration of the Company's Yandal Province tenements, Echo has decided to divest its Queensland projects to focus on the exploration and assessment of the Julius mineralization. Geological re-logging of drill samples, surveys of the drill holes, and rock density studies have been undertaken in preparation for a Mineral Resource estimate for Julius.

Competent Person Statement

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 mineralization 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.

REVIEW OF OPERATIONS (continued)

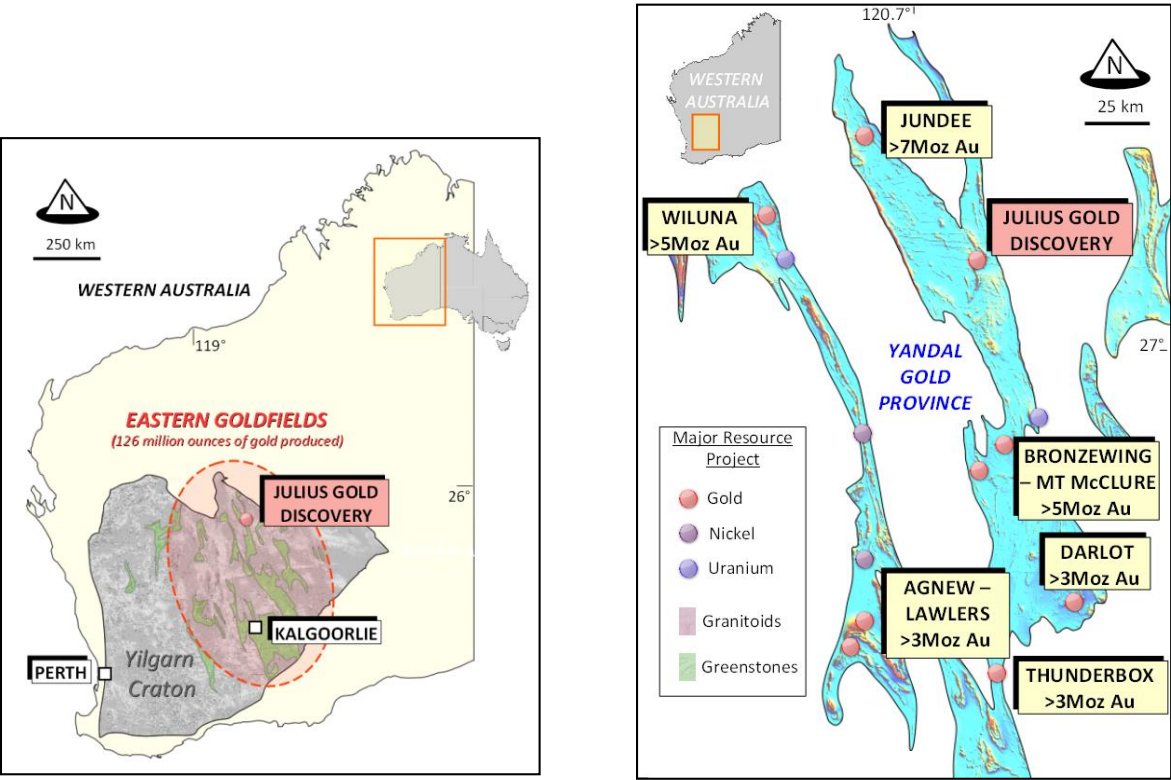


Fig. 1: Location of the Julius Gold Discovery

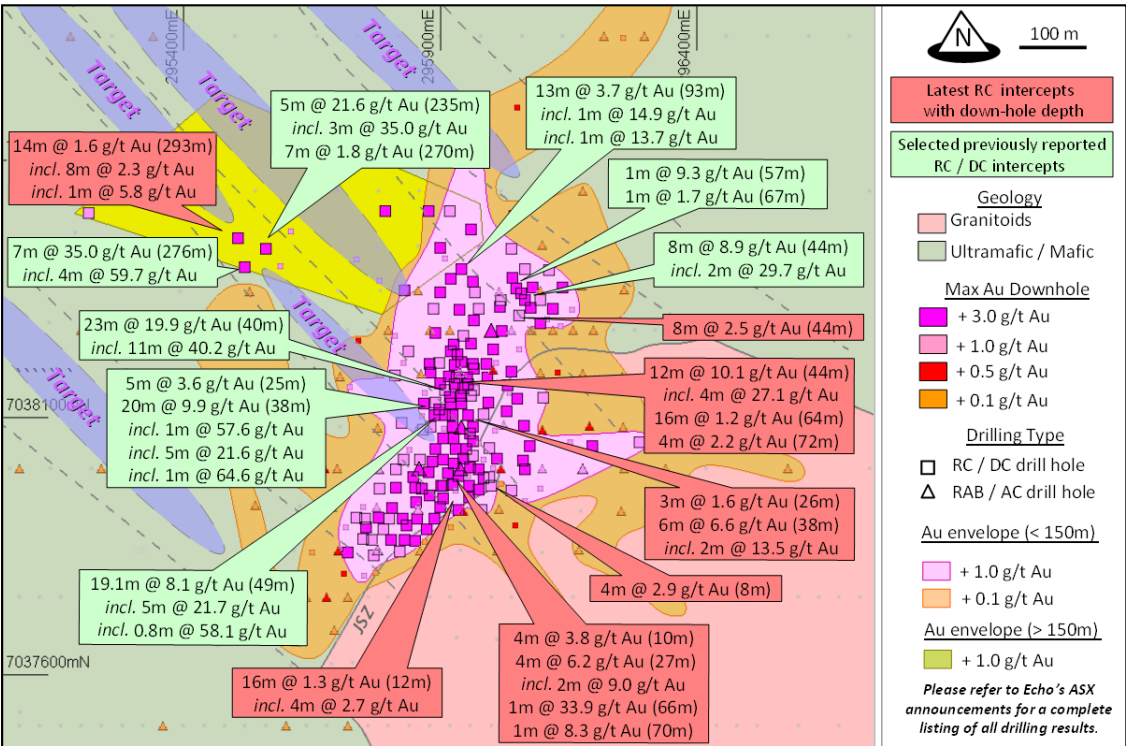


Fig. 2: Summary of drill intersections at the Julius Gold Discovery

REVIEW OF OPERATIONS (continued)

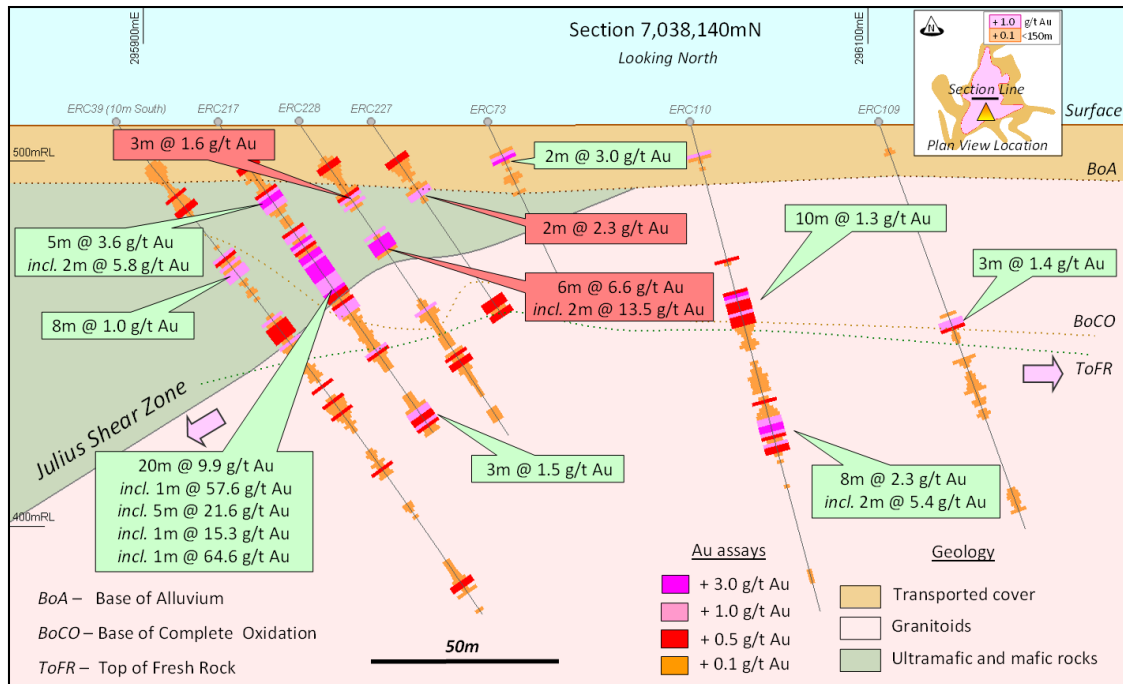


Fig. 3: Drilling results for drill hole ERC228

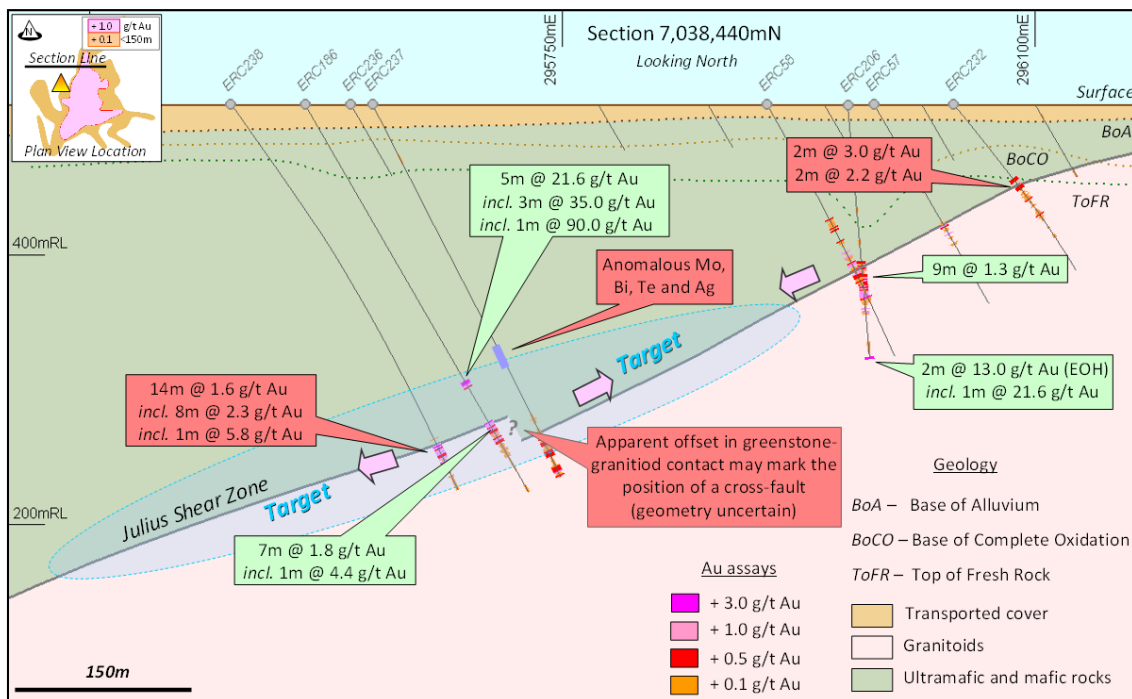


Fig. 4: Drilling results for drill hole ERC233

REVIEW OF OPERATIONS (continued)

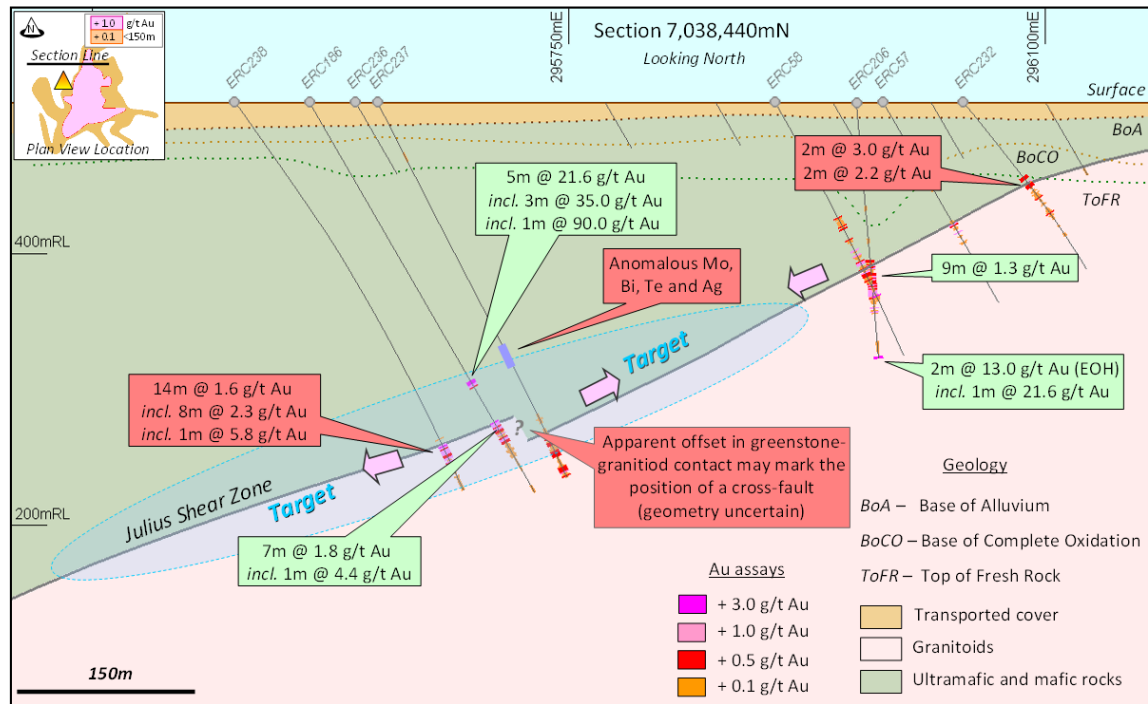


Fig. 5: Drilling results for drill hole ERC238

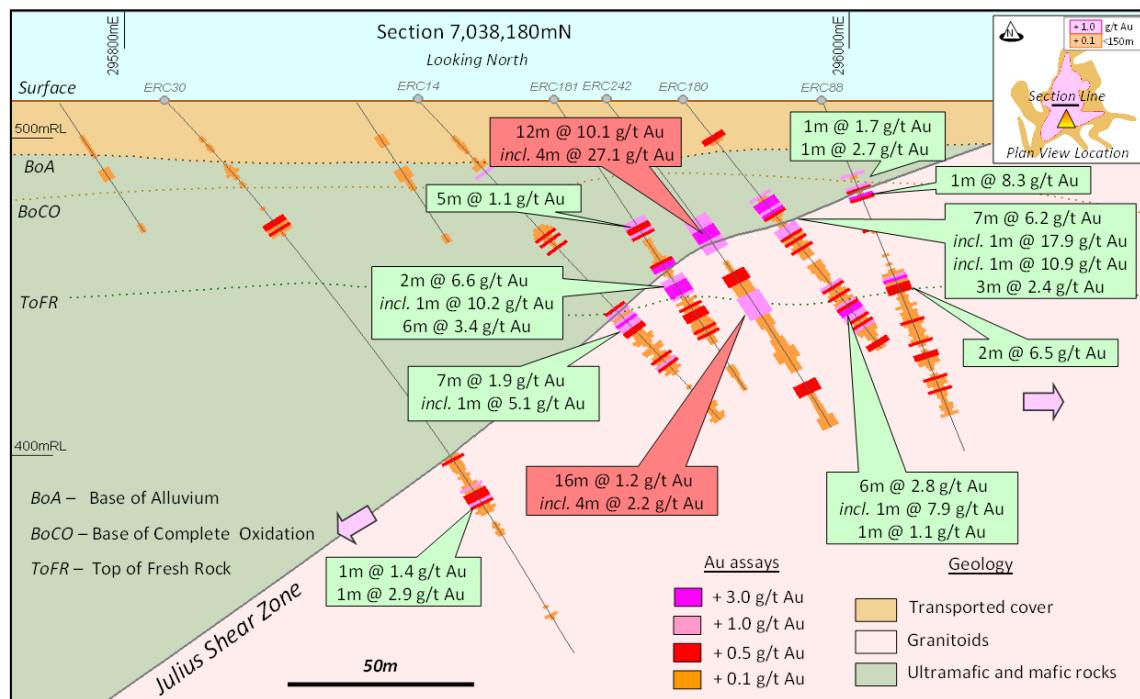


Fig. 6: Drilling results for drill hole ERC242

REVIEW OF OPERATIONS (continued)

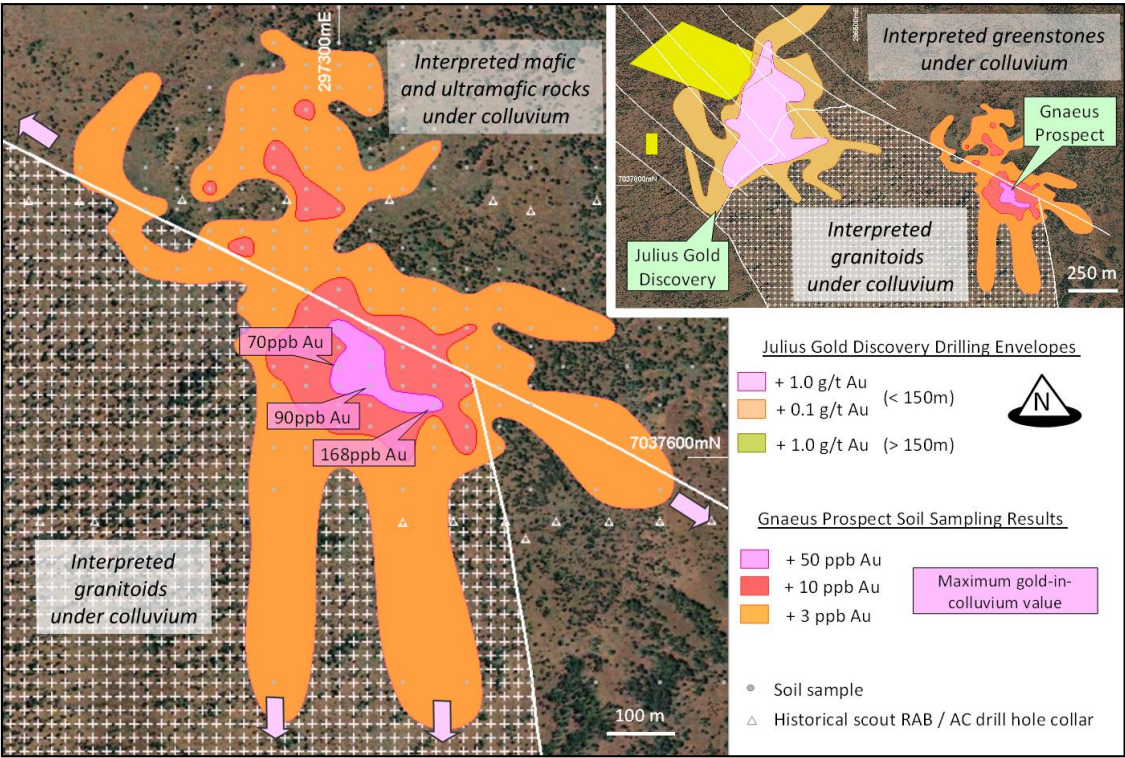


Fig. 7: Map of the Gnaeus Prospect gold-in-soil anomaly

REVIEW OF OPERATIONS (continued)

Table 1: Summary drill intersections

(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)
1m Cone-Split Samples (+1g/t Au)									
ERC228	7,038,141	295,942	-55°	105	26	29	3	1.6	4.8
			090°		38	44	6	6.6	39.7
<i>including</i>					42	44	2	13.5	27.0
					63	64	1	1.4	1.4
ERC233	7,037,985	295,936	-60°	80	10	14	4	3.8	15.0
<i>including</i>			090°		10	11	1	5.2	5.2
					22	24	2	1.3	2.6
					27	31	4	6.2	24.6
<i>including</i>					28	30	2	9.0	18.0
					66	67	1	33.9	33.9
					70	71	1	8.3	8.3
ERC238	7,038,447	295,506	-55°	330	293	307	14	1.6	23.0*
<i>including</i>			090°		293	301	8	2.3	18.3*
<i>including</i>					294	295	1	5.8	5.8
Preliminary 4m Composite Samples (+0.5g/t Au)									
ERC241	7,037,958	295,931	-55°	100	12	28	16	1.3	20.9
<i>including</i>			090°		12	16	4	2.7	10.8
<i>including</i>					24	28	4	1.7	6.8
ERC242	7,038,177	295,933	-55°	120	44	56	12	10.1	121.3
<i>including</i>			090°		48	52	4	27.1	108.2
					64	80	16	1.2	18.8
<i>including</i>					72	76	4	2.2	8.9
					104	108	4	0.7	2.9
ERC243	7,038,297	296,056	-65°	95	44	52	8	2.5	19.9
			090°		76	80	4	0.5	2.0
ERC245	7,037,966	296,000	-70°	25	8	12	4	2.9	11.5
			090°						

The 1m cone-split samples were analysed by Fire Assay (Quantum Analytical Services, Perth). The sample intercepts were calculated using a minimum edge cut-off of 1.0g/t Au and up to 2m wide intervals of internal dilution. The composite samples 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. The intervals and depths are down-hole lengths. No assay top-cut was applied. Assays rounded to nearest 0.1 g/t Au. The RC drilling locally encountered high water flows and further work is needed to confirm that the results are representative (* denotes intercept containing a single damp sample). The intercept lengths may not reflect true mineralisation 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 509mRL – 513mRL. For full details of the drilling results, please refer to Echo's ASX announcements of 27 November 2014 and 30 January 2015.

RESULTS OF OPERATIONS

The Group incurred an after tax operating loss for the half-year ended 31 December 2014 of \$695,274 (2013: \$784,498).

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 9.

EVENTS SUBSEQUENT TO REPORTING DATE

On 19 February 2015, Echo Resources Limited filed a Notice of Appeal in the Planning and Environment Court against the Queensland Department of Environment and Heritage Protection's decision to issue the clean-up notice to Echo Resources Limited.

No other matters or circumstances have arisen since 31 December 2014, which has significantly affected, or may significantly affect the operations of the group, the result of those operations, or the state of affairs of the group in subsequent financial years.

CHANGES IN STATE OF AFFAIRS

During the half-year ended 31 December 2014, Echo Resources Limited placed its wholly owned subsidiary Affinis Pty Ltd into Voluntary Liquidation.

There were no other significant changes in the entity's state of affairs other than that referred to in the half-year financial statements or notes thereto.

This report is made in accordance with a resolution of Directors and signed for and on behalf of the Directors by:



Ernst Kohler
Director

Perth, Western Australia
16 March 2015

DECLARATION OF INDEPENDENCE BY PHILLIP MURDOCH TO THE DIRECTORS OF ECHO
RESOURCES LIMITED

As lead auditor for the review of Echo Resources Limited for the half-year ended 31
December 2014, I declare that to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Echo Resources Limited and the entities it controlled during the period.



Phillip Murdoch

Director

BDO Audit (WA) Pty Ltd

Perth, 16 March 2015

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

		Half-year	
	Note	2014	2013
		\$	\$
REVENUE FROM CONTINUING OPERATIONS	2	12,431	21,355
EXPENDITURE			
Exploration and evaluation expenses		(381,392)	(406,910)
Other expenses	2	(302,250)	(376,597)
Occupancy expenses		(24,063)	(22,346)
LOSS BEFORE INCOME TAX		(695,274)	(784,498)
Income tax benefit expense		-	-
LOSS AFTER INCOME TAX FOR HALF-YEAR		(695,274)	(784,498)
Other comprehensive income for the half-year, net of tax		-	-
TOTAL COMPREHENSIVE LOSS FOR THE HALF-YEAR ATTRIBUTABLE TO THE MEMBERS OF ECHO RESOURCES LIMITED		(695,274)	(784,498)
Loss per share attributable to the ordinary equity holders of the Company			
Basic loss per share (cents)		(0.72)	(0.83)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014**

	31 December 2014 \$	30 June 2014 \$
Note		
CURRENT ASSETS		
Cash and cash equivalents	685,691	638,614
Trade and other receivables	32,008	236,634
TOTAL CURRENT ASSETS	717,699	875,248
NON-CURRENT ASSETS		
Property, plant and equipment	63,185	63,662
Other financial assets	25,000	25,000
TOTAL NON-CURRENT ASSETS	88,185	88,662
TOTAL ASSETS	805,884	963,910
CURRENT LIABILITIES		
Trade and other payables	732,423	855,326
TOTAL CURRENT LIABILITIES	732,423	855,326
TOTAL LIABILITIES	732,423	855,326
NET ASSETS	73,461	108,584
EQUITY		
Contributed equity	4 11,037,497	10,377,346
Options reserves	266,442	266,442
Accumulated losses	(11,230,478)	(10,535,204)
TOTAL EQUITY	73,461	108,584

The above consolidated statement of financial position should be read in
conjunction with the accompanying notes.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2014**

	Contributed Equity	Accumulated Losses	Options Reserve	Total Equity
CONSOLIDATED				
Balance 1 July 2014	10,377,346	(10,535,204)	266,442	108,584
Loss for the half year	-	(695,274)	-	(695,274)
Total comprehensive loss for the half year	-	(695,274)	-	(695,274)
Transactions with owners in their capacity as owners				
Contributions to equity net of transactions costs	660,151	-	-	660,151
Balance 31 December 2014	11,037,497	(11,230,478)	266,442	73,461

	Contributed Equity	Accumulated Losses	Options Reserve	Total Equity
CONSOLIDATED				
Balance 1 July 2013	10,377,346	(9,410,885)	266,442	1,232,903
Loss for the half year	-	(784,498)	-	(784,498)
Total comprehensive loss for the half year	-	(784,498)	-	(784,498)
Transactions with owners in their capacity as owners				
Contributions to equity net of transactions costs	-	-	-	-
Balance 31 December 2013	10,377,346	(10,195,383)	266,442	448,405

The above consolidated statement of changes in equity should be read in
conjunction with the accompanying notes.

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

	Half-year	
	2014	2013
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Research and development tax refund	185,781	179,305
Payments to suppliers and employees	(170,892)	(166,390)
Payments for exploration	(637,958)	(621,876)
Interest received	9,995	16,954
Net cash outflow from operating activities	(613,074)	(592,007)
 CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	700,040	-
Payments for share issue costs	(39,889)	(2,252)
Net cash inflow/(outflow) from financing activities	660,151	(2,252)
 Net increase/(decrease) in cash and cash equivalents	47,077	(594,259)
Cash and cash equivalents at the beginning of the half-year	638,614	1,580,822
 CASH AND CASH EQUIVALENTS AT THE END OF THE HALF-YEAR	685,691	986,563

The above consolidated statement of cash flows should be read in
conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT

Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the annual financial statements for the year ended 30 June 2014 and any public announcements made by Echo Resources Limited during the interim period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Basis of preparation

The condensed consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's 2014 annual financial report for the financial year ended 30 June 2014. These accounting policies are consistent with Australian Accounting Standards and International Financial Reporting Standards.

Significant accounting judgments and key estimates

The preparation of the interim financial reports requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim report, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 30 June 2014 with the exception of contingent liability as documented below.

Contingent liability – Clean-up notice issued (Note 5)

The Queensland Department of Environmental and Heritage Protection has issued Echo Resources Limited a Clean-up Notice; the Company has since lodged a Notice of Appeal. As disclosed in Note 5, the Directors have not recognised a provision in the half-year financial report on the basis that they are of the opinion that they will be successful in their appeal.

Changes in accounting policy

The accounting policies are consistent with those applied in the previous financial year and those of the corresponding interim reporting period.

Adoption of new and revised accounting standards

In the half year ended 31 December 2014, the Group has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2014. It has been determined by the Group that, there is no impact, material or otherwise, of the new and revised standards and interpretations on its business and therefore no change is necessary to the Group's accounting policies.

Going concern

The Directors have prepared the financial statements on the basis of going concern, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business. The Group recognises it incurred a net loss of \$695,274 and a net cash outflow from operating activities of \$613,074 in the period ending 31 December 2014. Given the Group's history of successful capital raising to date, the Directors are confident of the Group's ability to raise additional funds as and when they are required. Mr Kohler has also confirmed that he will not call upon his outstanding salary balance totaling \$447,521 until the Group is in the position to repay the amount. Based on the factors referred to above, the Directors are satisfied that the going concern basis of preparation is appropriate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

	Half-year	
	2014	2013
	\$	\$
NOTE 2: REVENUE AND EXPENSES		
(a) Revenue		
Interest received	12,431	21,355
	12,431	21,355
(b) Other expenses		
Employee benefits expenses	(176,871)	(203,909)
External professional fees	(32,446)	(61,041)
Non-executive Director fees	(37,597)	(38,708)
ASX fees	(27,115)	(24,130)
Other administrative expenses	(28,221)	(48,808)
	(302,250)	(376,597)

NOTE 3: SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. The entity does not have any operating segments with discrete financial information. The Group does not have any customers, and all the Group's assets and liabilities are located within Australia.

The Board of Directors review internal management reports on a monthly basis that is consistent with the information provided in the statement of profit or loss and other comprehensive income, statement of financial position and statement of cash flows. As a result no reconciliation is required because the information as presented is what is used by the Board to make strategic decisions.

NOTE 4: CONTRIBUTED EQUITY

	2014	
Issued Capital	Number	\$
Fully paid ordinary shares	101,345,768	11,037,497
	101,345,768	11,037,497
<i>Movements in share capital</i>		
	Number	\$
Balance 1 July 2014	94,981,768	10,377,346
Issue of 6,364,000 ordinary fully paid shares at 11 cents each	6,364,000	700,040
Less capital raising costs	-	(39,889)
Balance 31 December 2014	101,345,768	11,037,497
Balance 1 July 2013	94,981,768	10,377,346
Balance 31 December 2013	94,981,768	10,377,346

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

NOTE 5: CONTINGENCIES

Echo Resources Limited has filed a Notice of Appeal against the Queensland Department of Environment and Heritage Protection's decision to issue a Clean-up Notice to Echo Resources Limited. The Notice relates to tenements formally held by the Company's subsidiary, Affinis Pty Ltd, and relates to incidents which occurred after Affinis was placed in liquidation.

Whilst the outcome of the appeal remains uncertain at the date of this report, the Directors are of the opinion that they will be successful in their appeal based upon preliminary legal advice received and have therefore not recognised any amounts in relation to this claim within the financial statements.

NOTE 6: DIVIDENDS

There were no dividends paid during the half-year ended 31 December 2014.

NOTE 7: EVENTS AFTER BALANCE DATE

On 19 February 2015, Echo Resources Limited filed a Notice of Appeal in the Planning and Environment Court against the Queensland Department of Environment and Heritage Protection's decision to issue the clean-up notice to Echo Resources Limited.

No other matters or circumstances have arisen since 31 December 2014, which has significantly affected, or may significantly affect the operations of the group, the result of those operations, or the state of affairs of the Group in subsequent financial years.

NOTE 8: FAIR VALUE OF FINANCIAL INSTRUMENTS

The Group does not have any financial instruments that are subject to recurring fair value measurements. Due to their short-term nature, the carrying amounts of the current receivables and current trade and other payables is assumed to approximate their fair value.

DIRECTORS' DECLARATION

In the Directors' opinion:

1. the financial statements and notes set out on pages 10 to 16 are in accordance with the *Corporations Act 2001*, including:
 - (a) complying with the *Corporations Regulations 2001* and Australian Accounting Standard AASB 134 *Interim Financial Reporting* and other mandatory professional requirements; and
 - (b) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
2. there are reasonable grounds to believe that Echo Resources Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors and is signed for and on behalf of the Directors by:



Ernst Kohler
Director

Perth, Western Australia
16 March 2015

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Echo Resources Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Echo Resources Limited, which comprises the consolidated statement of financial position as at 31 December 2014, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Echo Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Echo Resources Limited,



would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Echo Resources Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*

Emphasis of matter

Without modifying our conclusion, we draw attention to Note 1 in the half-year financial report, which indicates that the ability of the consolidated entity to continue as a going concern is dependent upon the future successful raising of necessary funding through equity. This condition, along with other matters as set out in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

Emphasis of matter

We draw attention to Note 5 in the half-year financial report which describes the uncertainty relating to the contingent liability arising from the clean-up notice issued by the Queensland Department of Environment and Heritage Protection, of which the company has lodged an appeal. Our conclusion is not modified in respect of this matter.

BDO Audit (WA) Pty Ltd

BDO

A handwritten signature in black ink, appearing to read 'P. Murdoch', is written over a horizontal line.

Phillip Murdoch

Director

Perth, 16 March 2014