



Key Points

- Follow-up reverse circulation drilling was undertaken at the Julius Gold Discovery during December 2015 and January 2016.
- Assay results are expected to be announced during February 2016.
- A general meeting of Echo shareholders is scheduled to take place on 8 February 2016.
- The general meeting has been requisitioned by Kesli Chemicals Pty Ltd, a company controlled by Michael Ruane. Kesli is seeking to replace Echo's Chairman and Managing Director with two of its nominees, including Michael Ruane. Michael Ruane is Managing Director and the largest shareholder of Metaliko Resources Limited which owns the dormant Bronzewing Gold Mine. Bronzewing has had a troublesome mining history.
- It is the view of Echo's Directors that Metaliko does not have sufficient gold resources to recommence mining at Bronzewing. Because of this, Michael Ruane and Metaliko wish to gain access to Echo's Julius gold mineralization.
- Your Directors believe that, in seeking this latest meeting, Kesli and Michael Ruane are proposing to take Board control of Echo and the Julius gold mineralization on behalf on Metaliko **without making a formal takeover offer and paying Echo shareholders a control premium.**
- A Notice of General Meeting and Explanatory Statement have been sent to shareholders with the following recommendation:

THE DIRECTORS CONSIDER THE RESOLUTIONS ARE NOT IN THE BEST INTERESTS OF THE COMPANY OR THE VAST MAJORITY OF SHAREHOLDERS AND RECOMMEND THAT SHAREHOLDERS VOTE **AGAINST** ALL RESOLUTIONS AT THIS GENERAL MEETING

During the reporting period, Echo's exploration activities focused on assessing high-potential targets in the Yandal Gold 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; Fig. 1). Julius is the most exciting virgin gold find in the Yandal Province since the late-1990's.

During December 2015, the Company commenced a follow-up reverse circulation drilling program at Julius. The drilling shut down for the Christmas – New Year holiday break, and recommenced in January 2016, with 10 holes completed for 1,630m.

The drilling tested two main target areas at Julius for (Fig. 2):

- potential extensions to gold mineralized zones northwest of the main drilling area, which have previously yielded intercepts of (*):

5m @ 21.6 g/t Au from 235m, including **3m @ 35.0 g/t Au**

2m @ 13.0 g/t Au from 187m to EOH, including **1m @ 21.6 g/t Au**

7m @ 35.0 g/t Au from 276m, including **4m @ 59.7 g/t Au**

8m @ 2.3 g/t Au from 293m, including **1m @ 5.8 g/t Au**

2m @ 18.0 g/t Au from 192m, including **1m @ 22.6 g/t Au**

- near-surface gold lodes in the central and eastern parts of the mineralized system, which have yielded intercepts of:

23m @ 19.9 g/t Au from 40m, including **11m @ 40.2 g/t Au**

19.1m @ 8.1 g/t Au from 49m, including **5m @ 21.7 g/t Au**

8m @ 8.9 g/t Au from 52m, including **2m @ 29.7 g/t Au**

20m @ 9.9 g/t Au from 38m, including **5m @ 21.6 g/t Au**

10m @ 9.4 g/t Au from 43m, including **2m @ 31.9 g/t Au**

8m @ 5.4 g/t Au from 91m, including **1m @ 34.6 g/t Au**

Composite sample assay results from the drilling are expected to be announced during February 2016. The gold intercepts will be incorporated into an updated computer model in preparation for a Mineral Resource estimate which will be used to investigate potential mining and processing options for Julius.

* The drilling information has been extracted from ASX announcements made by the Company during 2013-2015. Please refer to these announcements and Echo's website (www.echoresources.com.au) for further details of these drilling results.

A general meeting of Echo Shareholders has been scheduled for Monday, 8 February 2016 at the Seasons Hotel Perth. The Meeting is being held as one of the Company's Shareholders, Kesli Chemicals Pty Ltd, a company controlled by Michael Ruane, is seeking to replace two Directors of the Company with two of its nominees, including Michael Ruane.

Michael Ruane is Managing Director and the largest shareholder of Metaliko Resources Limited which owns the dormant Bronzewing Gold Mine. Bronzewing has had a troublesome mining history: the previous two owners of the mine were put into administration as a result of mining problems at Bronzewing.

As outlined in the Notice of General Meeting documents, it is the view of Echo's Directors that Metaliko does not have sufficient gold resources to recommence mining at Bronzewing. Because of this, Michael Ruane and Metaliko wish to gain access to Echo's Julius gold mineralization so that Metaliko might be closer to recommencing mining and ore processing at Bronzewing.

Michael Ruane has been in contact with Echo Board members several times now with deficient joint venture proposals for Julius and Bronzewing. These proposals were unanimously rejected by the Echo Board as they were not in the best interests of the majority of Echo shareholders.

During February 2015, Kesli's first attempt to replace the Echo Board with a Board comprised of three of the five Directors of Metaliko was defeated.

During July 2015 and November 2015, Michael Ruane made offers to purchase Echo shares owned by Ernst Kohler at a significant premium to the prevailing market price so as to enable Michael Ruane to take control of Echo and change the Echo Board. These offers were rejected by Ernst Kohler because Michael Ruane did not appear to have the intention to make a full takeover bid for Echo.

Your Directors believe that, in seeking this latest meeting, Kesli and Michael Ruane are again proposing to take Board control of Echo and Julius on behalf on Metaliko without making a formal takeover offer and paying Echo shareholders a control premium.

A Notice of General Meeting and Explanatory Statement have been posted to shareholders, with the following recommendation:

The Directors consider the resolutions are not in the best interests of the Company or the vast majority of Shareholders and recommend that Shareholders vote against all resolutions at this General Meeting.

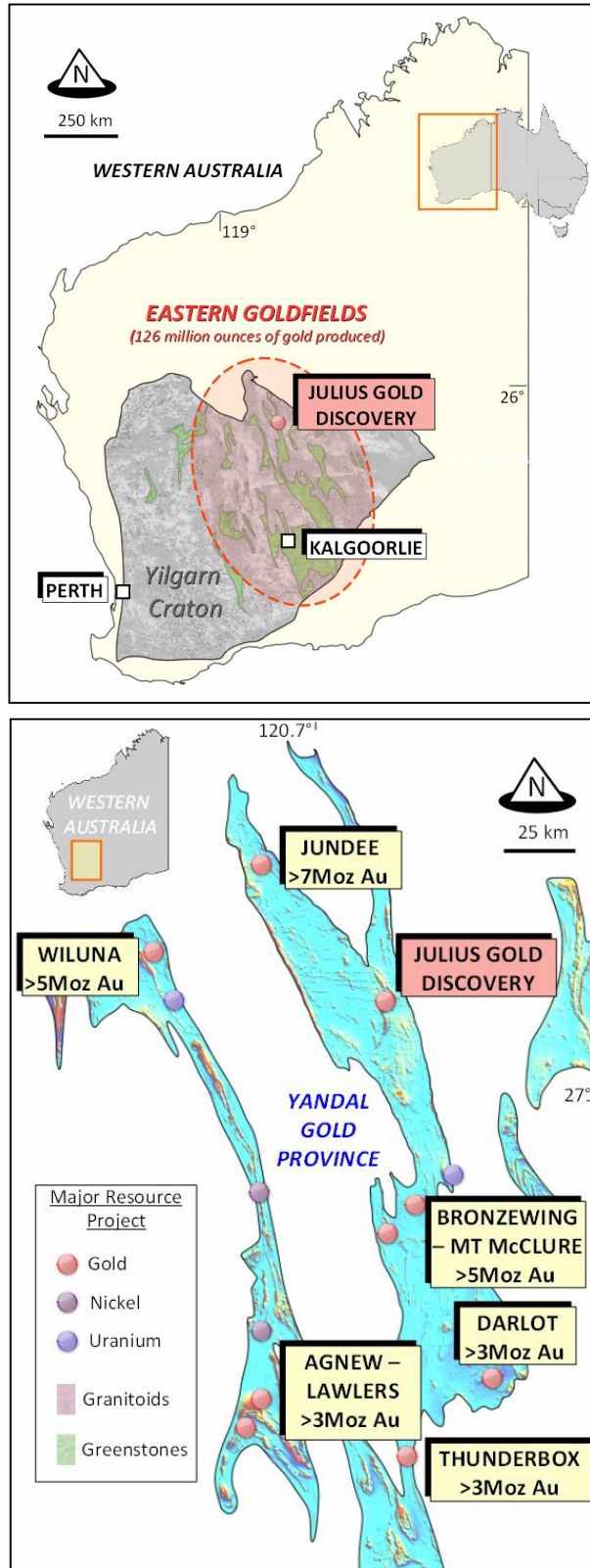


Fig. 1: Location of the Julius Gold Discovery.

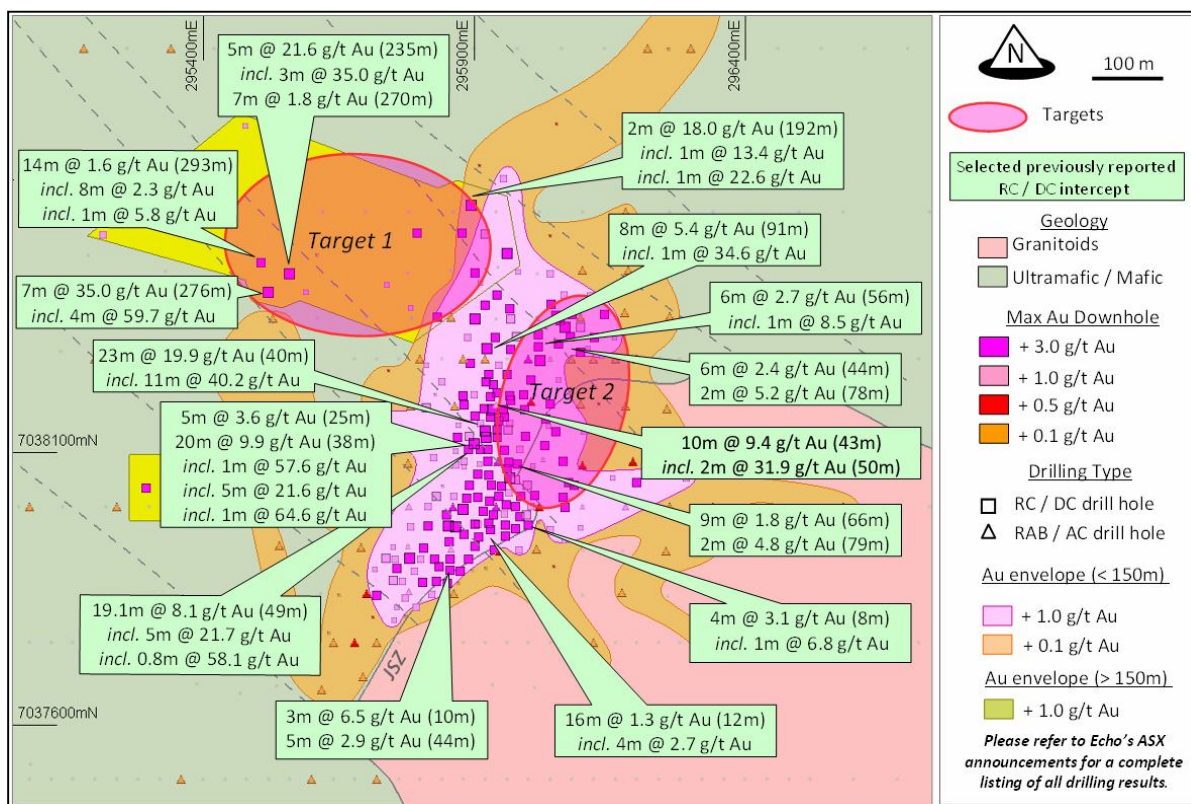


Fig. 2: Geological map showing selected drill intersections and major drilling targets at the Julius Gold Discovery.

Table 1: Tenements

Location	Tenements Held	Ownership
Leinster	E36/667, 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, M53/379, 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	100%
Clermont	EPM15600	100%
Einasleigh	EPM17077	100%
Monto	EPM15002	100%
Chillagoe	EPM15003	100%
Tenement Changes		
Clermont	EPM15568	0%

Note: * denotes tenement application.

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 the Yandal Gold Province in Western Australia. 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.

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: 139.35 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.