

Echo Resources Ltd  
+61 (8) 9386 9534  
+61 (8) 9386 9473  
admin@echoresources.com.au  
159 Stirling Highway  
Nedlands WA 6009  
34 108 513 113

**T  
F  
E  
A**  
  
**ABN**

23<sup>rd</sup> February 2016

## ZAPHOD PROSPECT UPDATE

### Confirmatory high grade rock chip assays up to 285 g/t Au returned from Zaphod.

#### Introduction

The Zaphod prospect is located approximately 80 kilometres due south of Echos Julius Gold Project and 10 kilometres south of the Bronzewing Gold Plant.

Recently the company completed follow up sampling in the area to confirm the previous high grade gold results. A number of very high gold grades have been returned from surface rock chips (up to 118 g/t Au) and narrow trench samples (up to 285 g/t Au) and are highlighted in Table 1 below.

*Table 1: February 2015 Rock Chip Results*

Sample ID	Easting	Northing	Comments	Au ppm	Au2 ppm
ZR160101	301385	6960510	Quartz reef spot rock chip sample	0.59	
ZR160102	301388	6960504	Quartz reef spot rock chip sample	0.08	
ZR160103	301402	6960486	Quartz reef spot rock chip sample	1.14	1.208
ZR160104	301406	6960483	Quartz reef spot rock chip sample	22.57	22.088
ZR160105	301428	6960461	Quartz reef spot rock chip sample	0.28	
ZR160106	301451	6960452	Quartz reef spot rock chip sample	0.31	
ZR160107	301503	6960400	Quartz reef spot rock chip sample	0.08	
ZR160108	301484	6960419	Quartz reef spot rock chip sample	0.06	
ZR160109	301388	6960502	Quartz reef spot rock chip sample	34.89	29.853
ZR160110	301397	6960499	Quartz reef spot rock chip sample	107.30	118.246
ZTS160101	301385	6960505	Zaphod trench sample (0.5-->1 metre true width)	0.67	
ZTS160102	301384	6960507	Zaphod trench sample (0.5-->1 metre true width)	0.64	0.342
ZTS160103	301388	6960497	Zaphod trench sample (0.5-->1 metre true width)	0.47	
ZTS160104	301389	6960500	Zaphod trench sample (0.5-->1 metre true width)	5.31	7.185
ZTS160105	301402	6960486	Zaphod trench sample (0.5-->1 metre true width)	0.62	
ZTS160106	301404	6960487	Zaphod trench sample (0.5-->1 metre true width)	0.90	
ZTS160107	301407	6960481	Zaphod trench sample (0.5-->1 metre true width)	0.74	
ZTS160108	301410	6960483	Zaphod trench sample (0.5-->1 metre true width)	8.78	5.107
ZTS160109	301451	6960449	Zaphod trench sample (0.5-->1 metre true width)	0.14	
ZTS160110	301453	6960451	Zaphod trench sample (0.5-->1 metre true width)	0.07	0.033
ZTS160111	301503	6960394	Zaphod trench sample (0.5-->1 metre true width)	0.19	
ZTS160112	301506	6960397	Zaphod trench sample (0.5-->1 metre true width)	0.04	
ZTS160113	301396	6960500	Zaphod trench sample (0.5-->1 metre true width)	0.09	
ZTS160114	301399	6960499	Zaphod trench sample (0.5-->1 metre true width)	107.52	285.531
Notes:	Au ppm	Au2 ppm			
Method	ICP008	FA50			
Units	ppm	ppm			
LLD	0.01	0.001			

Very limited exploration has been completed at Zaphod in recent times, with shallow RAB holes recorded on wide spaced lines to the north by other explorers. At this stage results from this drilling are unknown. In 2015 Echo Resources completed initial soil sampling over the project area which defined a low level gold anomaly at a plus 10 ppb level which extended over approximately 600 metres in strike length, orientated in a north westerly direction. See ASX release 17<sup>th</sup> December 2015, "Exploration Update". Follow up rock chip and trenching returned highly encouraging values including

- 2.3 m @ 12.3 g/t Au
- 2.0 m @ 7.9 g/t Au
- 3.8 m @ 21.0 g/t Au
- 2.4 m @ 9.1 g/t Au

The mineralised quartz veins occur within a package of sheared and carbonated mafic rocks which outcrop through a window of the surrounding ferruginous laterite. Up to three individual quartz veins of 0.25-1.0 metre of thickness have been observed generally striking in a north west trend and dipping to the east-north east. Both milky quartz veins and iron rich quartz veins are present, see below.

The sampling completed covered approximately 160 metres of strike length with the anomalous and high grade results extending over 45 metres of strike.



*Figure 1: Zaphod Prospect: Outcropping gold rich quartz veins.*





Figure 2: Rock Chip Samples

The results are considered highly encouraging confirming the previous work and providing an exciting drill target for ongoing exploration. A Programme of Work (POW) lodged with the Department of Minerals and Petroleum has been approved and drilling can proceed shortly. The company will advise shareholders of the timing of the proposed drilling when a start date is finalised.

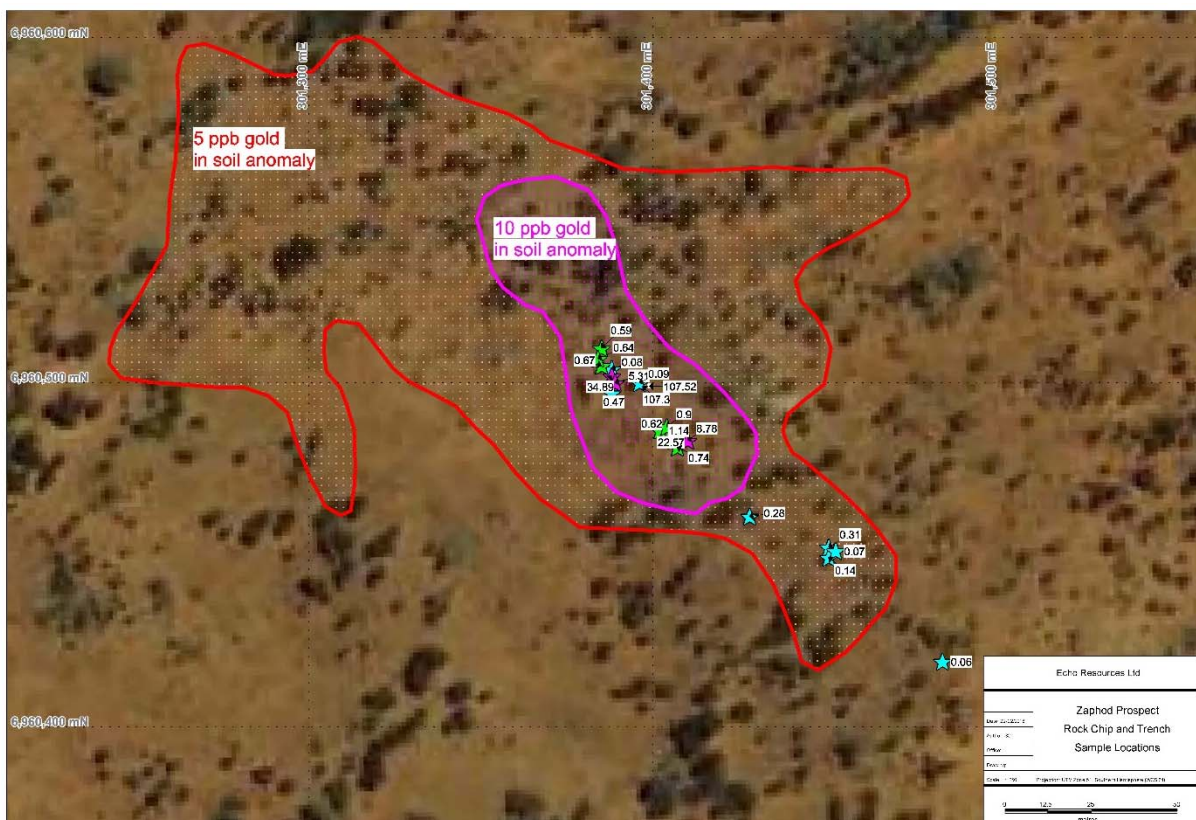


Figure 3: February 2016 Rock Chip Sample Location

## Zaphod Prospect Summary Geology

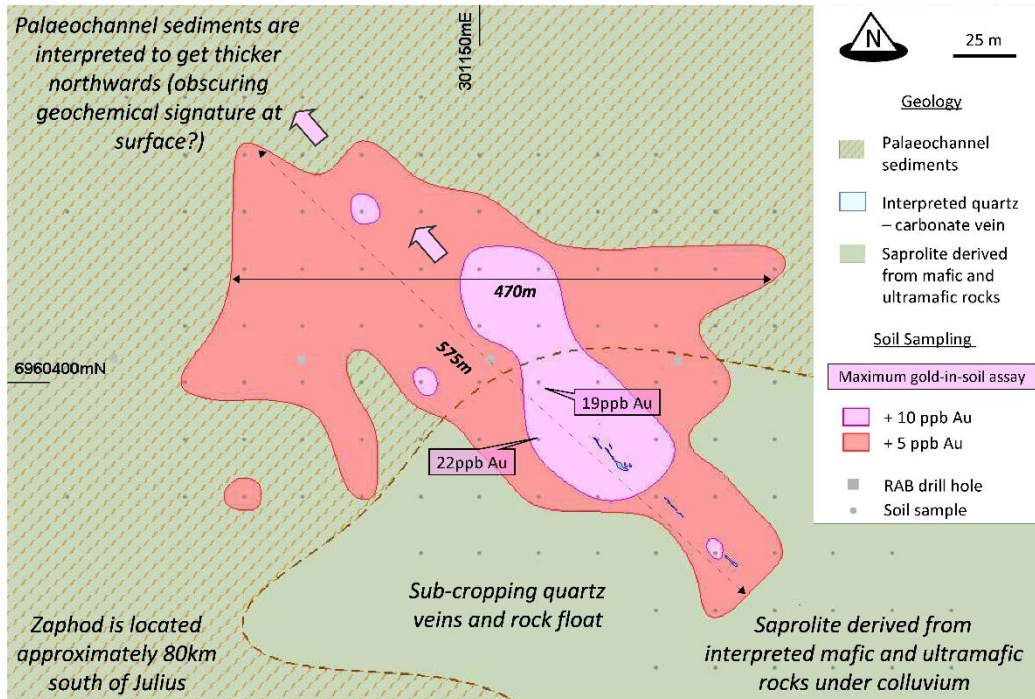


Figure 4: Previous Echo Rock chips, refer ASX announcement 17 December 2015

## Zaphod Prospect Rock Chip and Channel Sampling Results

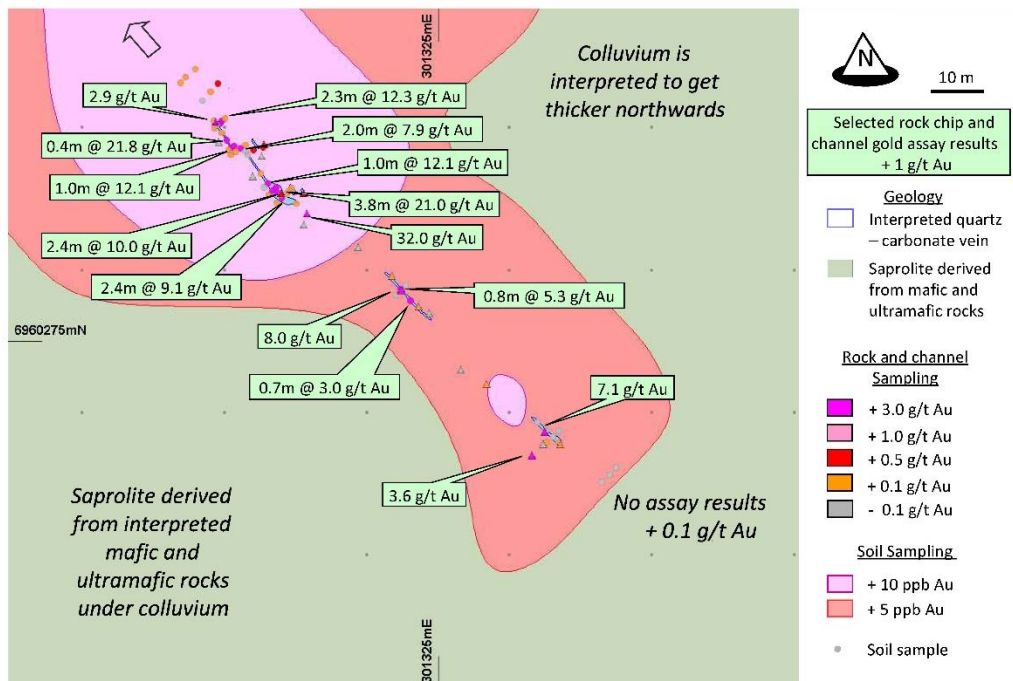


Figure 5: Detail: Previous Echo Rock chips, refer ASX announcement 17 December 2015



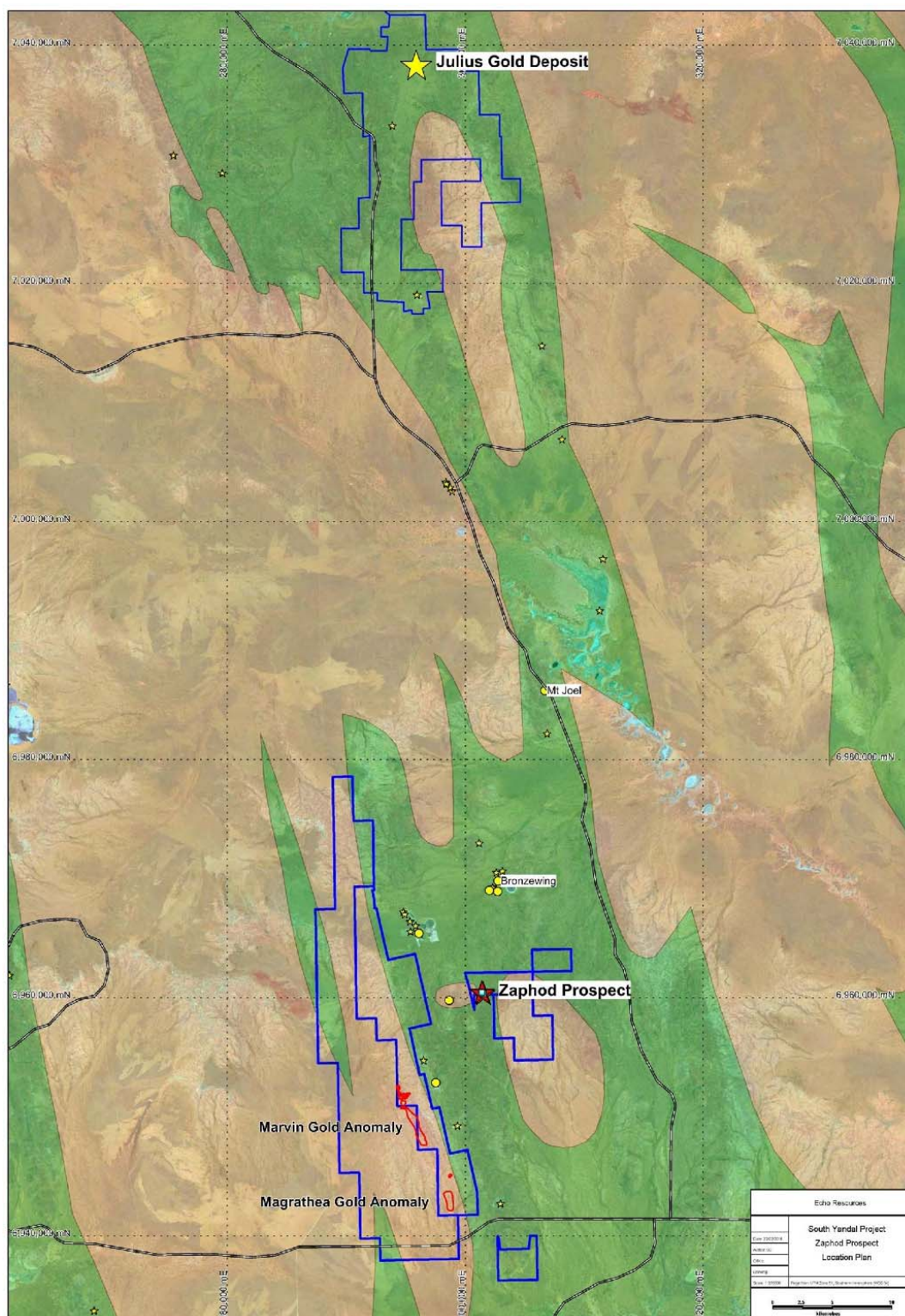


Figure 6: Zaphod Prospect: Regional Location and Tenement Plan

#### Competent Person's Statement

The information in this report that relates to Exploration Results is based on information compiled by Mr Simon Coxhell who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Coxhell is a Director of Echo Resources Limited. Mr Coxhell 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'. Mr Coxhell consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

## JORC Code 2012 Edition

### Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> <li>Nature and quality of sampling (e.g. 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.</li> <li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>Aspects of the determination of mineralisation that are Material to the Public Report.</li> <li>In cases where 'industry standard' work has been done this would be relatively simple (e.g. '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 (e.g. submarine nodules) may warrant disclosure of detailed information.</li> </ul>	<ul style="list-style-type: none"> <li>Recent exploration at the Zaphod prospect has comprised reconnaissance level rock chip sampling at spot locations over sub-outcropping quartz veins and shallow trenches. A total of 24 samples were collected in February 2016. Approximately 2 kg of sample was collected at from each outcropping site for analysis.</li> <li>Samples were grabs of outcropping material and the sample locations were recorded by handheld GPS survey with accuracy +/-5 metres.</li> <li>Samples were logged for lithology, alteration, weathering and mineralisation.</li> <li>Analysis was conducted by submitting the 2 kg sample whole for preparation by crushing, drying and pulverising at Nagrom Labs for gold analysis via ICP and Fire Assay.</li> <li>The calibre of the high grades coupled to the repeat analytical results suggests the presence of coarse gold.</li> </ul>
Drilling techniques	<ul style="list-style-type: none"> <li>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. 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.).</li> </ul>	<ul style="list-style-type: none"> <li>NA</li> </ul>
Drill sample recovery	<ul style="list-style-type: none"> <li>Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>In any particular sample location outcropping rock chips were collected as point samples of the outcrop and recoveries were therefore 100%.</li> <li>The samples represent the area of sub-outcrop and were of reconnaissance nature, not representing the full width of any sample site.</li> <li>There is insufficient data available at the present stage to evaluate potential sampling bias.</li> </ul>
Logging	<ul style="list-style-type: none"> <li>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.</li> <li>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.</li> <li>The total length and percentage of the relevant intersections logged.</li> </ul>	<ul style="list-style-type: none"> <li>Rock chip logging is a qualitative activity with pertinent relevant features recorded: lithology, mineralogy, mineralisation, structural, weathering, alteration, colour and other features of the samples.</li> <li>Photographs as overview of each sample site was taken and stored on the Company server.</li> <li>All samples were logged.</li> </ul>
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> <li>If core, whether cut or sawn and whether quarter, half or all core taken.</li> <li>If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.</li> <li>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</li> <li>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</li> <li>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.</li> <li>Whether sample sizes are appropriate to the grain size of the material being sampled.</li> </ul>	<ul style="list-style-type: none"> <li>No core was sampled.</li> <li>The rock sample preparation for all samples follows industry best practice and was undertaken by Nagrom Laboratories in Perth where they were crushed, dried and pulverised to produce a sub sample for analysis.</li> <li>Sample preparation involving oven drying, fine crushing to 95% passing 4mm, followed by rotary splitting and pulverisation to 85% passing 75 microns.</li> <li>QC for sub sampling follows Nagrom procedures.</li> <li>No field duplicates were taken.</li> <li>Sample sizes are considered appropriate to the grain size of the material being sampled.</li> </ul>
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> <li>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</li> <li>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.</li> <li>Nature of quality control procedures adopted (e.g.</li> </ul>	<ul style="list-style-type: none"> <li>The methods are considered appropriate to the style of mineralisation. The techniques are considered total.</li> <li>No geophysical tools were used to determine any element concentrations at this stage.</li> <li>Laboratory QA/QC involves the use of internal lab standards using certified reference material, blanks, splits and duplicates as part of the in house procedures. Repeat or duplicate analysis for samples shows that the precision of samples is within</li> </ul>



Criteria	JORC Code explanation	Commentary
	<i>standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</i>	acceptable limits.
Verification of sampling and assaying	<ul style="list-style-type: none"> <li>The verification of significant intersections by either independent or alternative company personnel.</li> <li>The use of twinned holes.</li> <li>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</li> <li>Discuss any adjustment to assay data.</li> </ul>	<ul style="list-style-type: none"> <li>The Company's Geologist has visually reviewed the samples collected.</li> <li>No drill holes are reported.</li> <li>Data and related information is stored in a validated Mapinfo or Micromine database. Data has been visually checked for import errors.</li> <li>No adjustments to assay data have been made.</li> </ul>
Location of data points	<ul style="list-style-type: none"> <li>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.</li> <li>Specification of the grid system used.</li> <li>Quality and adequacy of topographic control.</li> </ul>	<ul style="list-style-type: none"> <li>All samples have been located by handheld GPS with precision of sample locations considered +/-5m.</li> <li>Location grid of 2016 samples use MGA 94 datum.</li> <li>Topographic data is not relevant for the style and types of samples collected.</li> </ul>
Data spacing and distribution	<ul style="list-style-type: none"> <li>Data spacing for reporting of Exploration Results.</li> <li>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.</li> <li>Whether sample compositing has been applied.</li> </ul>	<ul style="list-style-type: none"> <li>The samples are reconnaissance type and irregularly spaced.</li> <li>The work completed is early stage exploration however results show good agreement of grade tenor and geochemical signature compared to previous work conducted by Echo Resources Ltd.</li> <li>No sample compositing has occurred.</li> </ul>
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> <li>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>At this early stage of exploration the orientation of sampling is considered adequate and there is not enough data to determine bias if any.</li> <li>No drill holes are reported.</li> </ul>
Sample security	<ul style="list-style-type: none"> <li>The measures taken to ensure sample security.</li> </ul>	<ul style="list-style-type: none"> <li>Chain of custody is managed by the Company and samples are transported to the laboratory via Company staff with samples safely consigned to Nagrom for preparation and analysis. Whilst in storage, they are kept in a locked yard. Tracking sheets are used track the progress of batches of samples</li> </ul>
Audits or reviews	<ul style="list-style-type: none"> <li>The results of any audits or reviews of sampling techniques and data.</li> </ul>	<ul style="list-style-type: none"> <li>No review or audit of sampling techniques or data compilation has been undertaken.</li> </ul>

## Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>The Zaphod Gold Prospect is located within E36/667 located in the southern Yandal Greenstone Belt and is 100% owned by Echo Resources Ltd.</li> <li>The tenement is in good standing</li> <li>No impediments to operating on the permit are known to exist.</li> </ul>
Exploration done by other parties	<ul style="list-style-type: none"> <li>Acknowledgment and appraisal of exploration by other parties.</li> </ul>	<ul style="list-style-type: none"> <li>The area has been intermittently explored for gold over the last 20 years, on a regional basis and by prospectors and metal detectors. To the north a line of RAB holes have been located, but no results are known from these drill holes.</li> </ul>
Geology	<ul style="list-style-type: none"> <li>Deposit type, geological setting and style of mineralisation.</li> </ul>	<ul style="list-style-type: none"> <li>The Zaphod prospect is largely covered by laterite with narrow windows of sub outcrop occasionally occurring. Milky and ferruginous quartz veins are observed within a sheared sequence of interpreted mafic rocks with carbonate alteration accompanying the gold mineralisation, and minor silicified sub crop of basement rocks.</li> </ul>
Drill hole Information	<ul style="list-style-type: none"> <li>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: <ul style="list-style-type: none"> <li>easting and northing of the drill hole collar</li> <li>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Rock chip samples that form the basis of this announcement are tabulated in the text of the announcement and incorporate Sample No, Easting, Northing, and Assay data for all samples collected. Appropriate maps and plans also accompany this announcement.</li> </ul>

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <li>collar</li> <li>dip and azimuth of the hole</li> <li>down hole length and interception depth</li> <li>hole length.</li> <li>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.</li> </ul>	
Data aggregation methods	<ul style="list-style-type: none"> <li>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.</li> <li>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.</li> <li>The assumptions used for any reporting of metal equivalent values should be clearly stated.</li> </ul>	<ul style="list-style-type: none"> <li>No averaging or aggregation techniques have been applied.</li> <li>No top cuts have been applied to exploration results.</li> <li>No metal equivalent values are used in this report.</li> </ul>
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> <li>These relationships are particularly important in the reporting of Exploration Results.</li> <li>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</li> <li>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').</li> </ul>	<ul style="list-style-type: none"> <li>The orientation or geometry of the mineralised zones has not yet been established with these surface samples at this stage of exploration. The quartz veins appear to strike in a north westerly direction and dip to the east-north east.</li> </ul>
Diagrams	<ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Appropriate maps are included in main body of report with gold results and full details are in the tables reported.</li> </ul>
Balanced reporting	<ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>All results for the target economic mineral being gold have been reported.</li> </ul>
Other substantive exploration data	<ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Previous work by Echo has highlighted a low level gold in soil anomaly and high grade rock chips covering the area of the recent rock chip sampling.</li> </ul>
Further work	<ul style="list-style-type: none"> <li>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</li> <li>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</li> </ul>	<ul style="list-style-type: none"> <li>Future geological mapping, rock chipping and drilling is being considered to test the sampled sites.</li> <li>Refer to maps in main body of report for potential target areas.</li> </ul>