



22 April 2016

ASX Announcement

ENCOURAGING FIRST ROUND DRILLING RESULTS AT ZAPHOD

HIGHLIGHTS

- 2 metres @ 13.92g/t from 49 metres (ZAC013)
- 1 metre @ 11.86g/t from 14 metres (ZAC006)
- 1 metre @ 4.01g/t from 10 metres (ZAC008)
- 4 metres @ 2.42g/t from 23 metres (ZAC003)
- Open along strike and at depth
- Compelling new target to the north

The Zaphod gold prospect is located approximately 80 kilometres due south of Echo's Julius Gold Project and 10 kilometres south of the Bronzewing Gold Plant in the Yandal Gold Belt of WA.

Previous rock chip sampling at the prospect returned a number of high grade gold results from surface rock chips, including 118 g/t Au and 285 g/t Au. The mineralised quartz veins at Zaphod 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.

The anomalous rock chips were located over approximately 100 metres of strike and in April 2016 a first pass aircore drilling program totalling 13 holes for 635 metres was completed to test the prospect to approximately 50 metres below the high grade outcrop zone. The drilling tested approximately 200 metres of strike and extended to the north where an interpreted paleochannel masks the surface geochemical response.

Encouragingly the most northern hole (ZAC001) was mineralised. The gold system remains open to the north and south and importantly down dip. The best result was returned from the deepest hole drilled (ZAC013).



The company is pleased to announce receipt of the assay results from the first pass drilling with a number of significant high grade results returned. In summary:

Hole ID	East	North	From	To	Width	Gold (g/t Au)	Azimuth	Dip	Total Depth
ZAC001	301344	6960586	42	43	1	2.61	230	-55	63
ZAC001	301344	6960586	57	59	2	1.05	230	-55	63
ZAC002	301350	6960561				NSR	230	-55	56
ZAC003	301365	6960548	23	27	4	2.42	230	-55	56
ZAC004	301383	6960531	10	11	1	2.47	230	-60	62
ZAC004	301383	6960531	29	30	1	0.64	230	-60	62
ZAC004	301383	6960531	36	37	1	1.30	230	-60	62
ZAC005	301390	6960520	25	26	1	0.58	230	-60	56
ZAC005	301390	6960520	40	44	4	0.74	230	-60	56
ZAC006	301399	6960510	14	15	1	11.86	230	-60	56
ZAC006	301399	6960510	22	23	1	1.02	230	-60	56
ZAC007	301406	6960500				NSR	230	-60	39
ZAC008	301414	6960493	5	6	1	3.20	230	-60	53
ZAC008	301414	6960493	9	10	1	4.01	230	-60	53
ZAC008	301414	6960493	13	14	1	0.57	230	-60	53
ZAC009	301428	6960478				NSR	230	-60	51
ZAC010	301446	6960464	16	17	1	1.59	230	-60	47
ZAC010	301446	6960464	24	25	1	1.14	230	-60	47
ZAC011	301462	6960450	29	30	1	1.54	230	-60	45
ZAC012	301489	6960422				NSR	230	-60	41
ZAC013	301398	6960528	49	51	2	13.92	230	-60	69

Table 1: Significant Intersections: Zaphod and Drill Hole Details



Figure 1: Zaphod Prospect: Drilling gold rich quartz veins

The drilling completed intersected a quartz rich zone up to 5 metres wide within highly oxidised rocks which appears to be localised along a contact of metasediments to the east and basalt to the west. The dip is variable but predominantly sub vertical.

Review of the magnetics indicates a cross fault located to the north in the vicinity of prominent magnetic anomaly located 300 metres to the north west of the recent drilling and this represents a prime additional gold drill target. Additional drilling at depth beneath the significant intersections is planned. The consistency and high grade nature of the mineralised zone coupled to its structural location at the margin and pressure shadow position of the intrusive tonalite suggests additional potential.

The results are considered highly encouraging confirming the previous high grade rock chips work and provide a compelling target for further drilling.

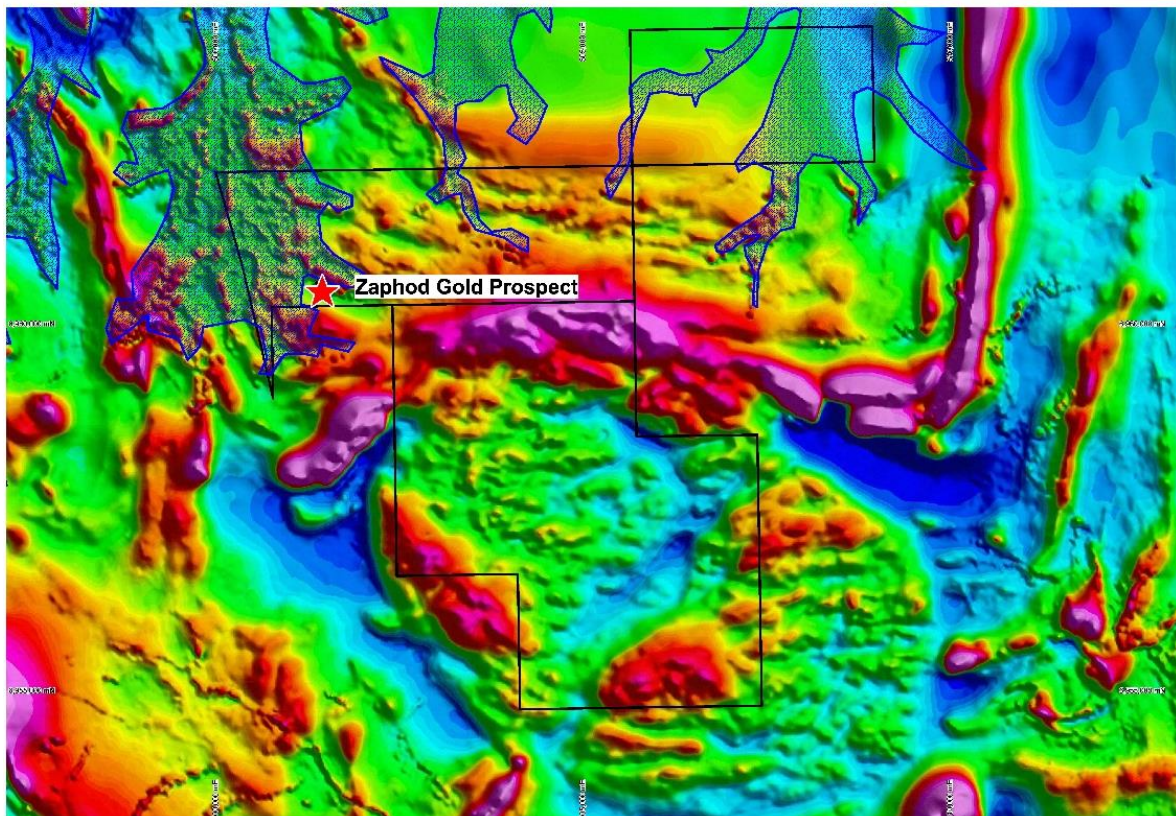


Figure 2: Zaphod Location Plan on Magnetic Image, illustrating palaeochannels

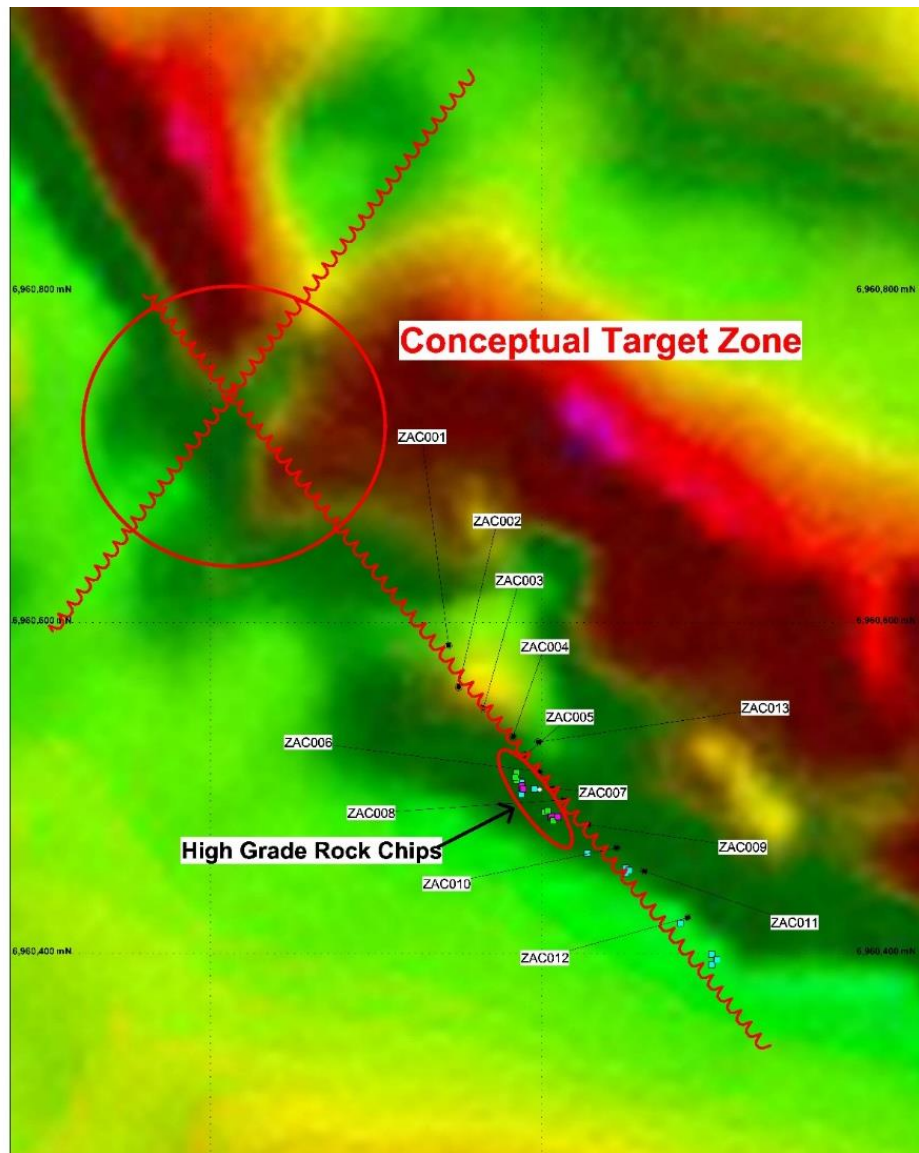


Figure 3: Drill Hole Location Plan on Magnetic Image illustrating conceptual target to the north.

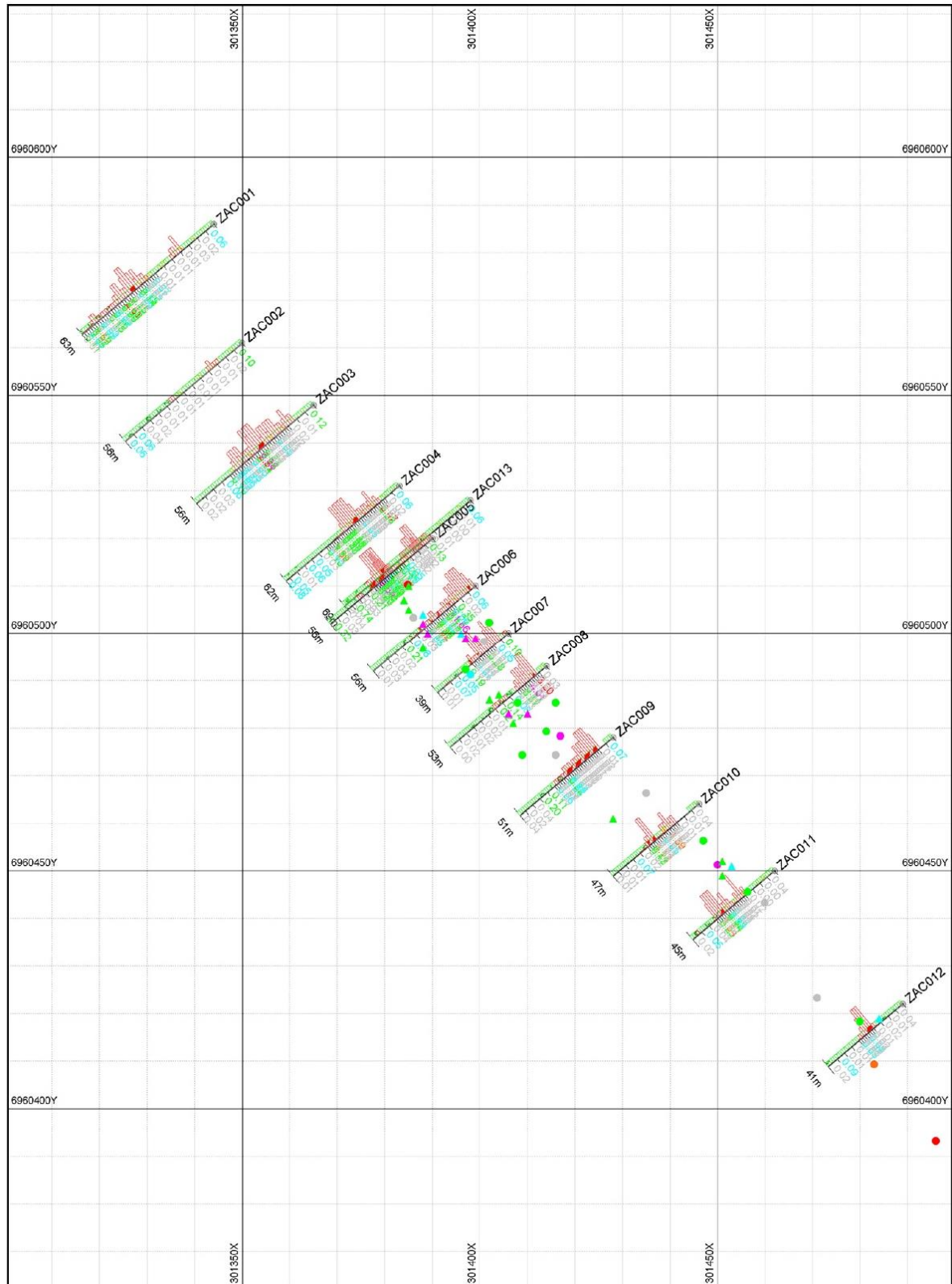


Figure 4: Drill Hole Location Plan, illustrating quartz percentage histograms.

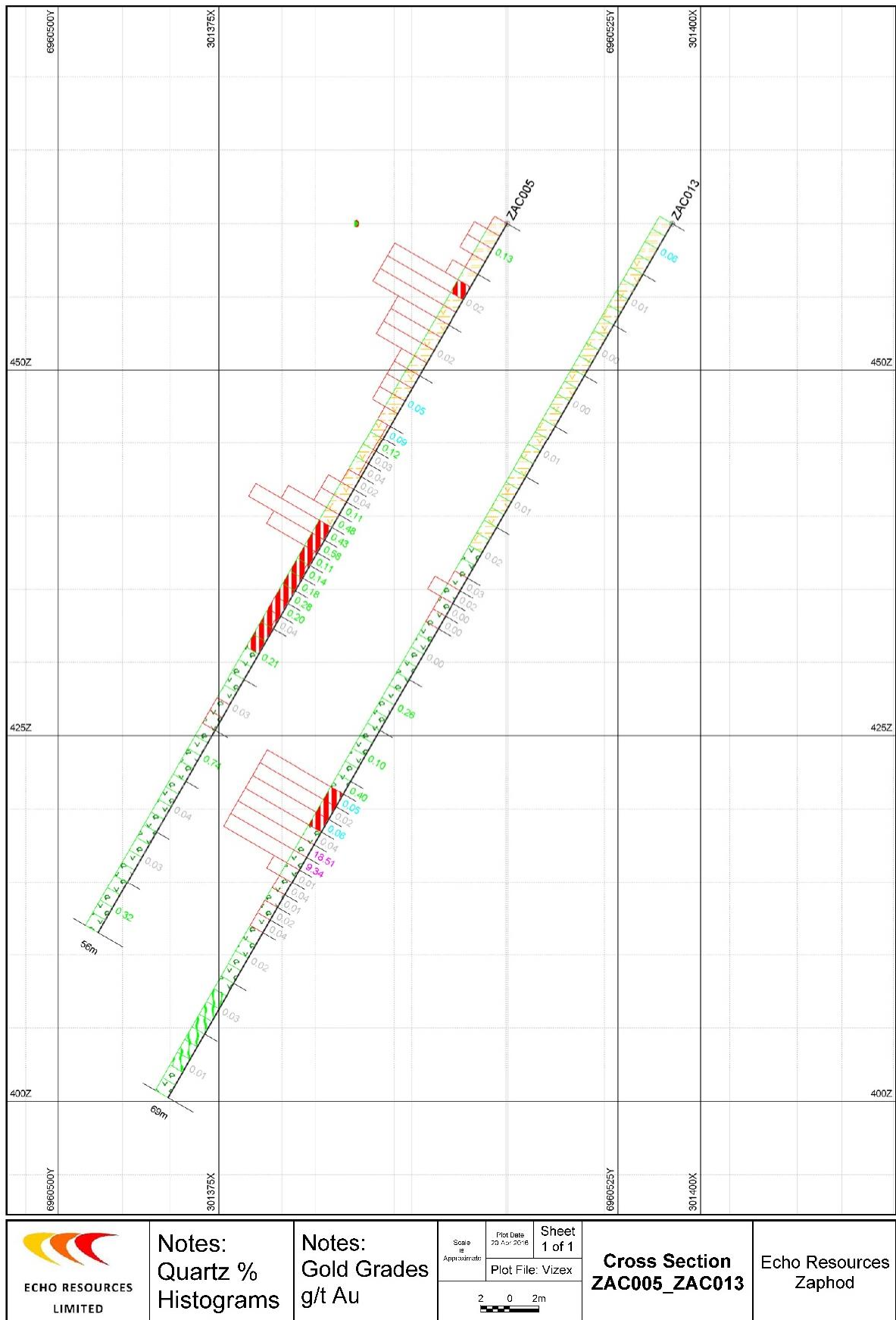


Figure 5: Drill Hole Cross Section: ZAC005 and ZAC013

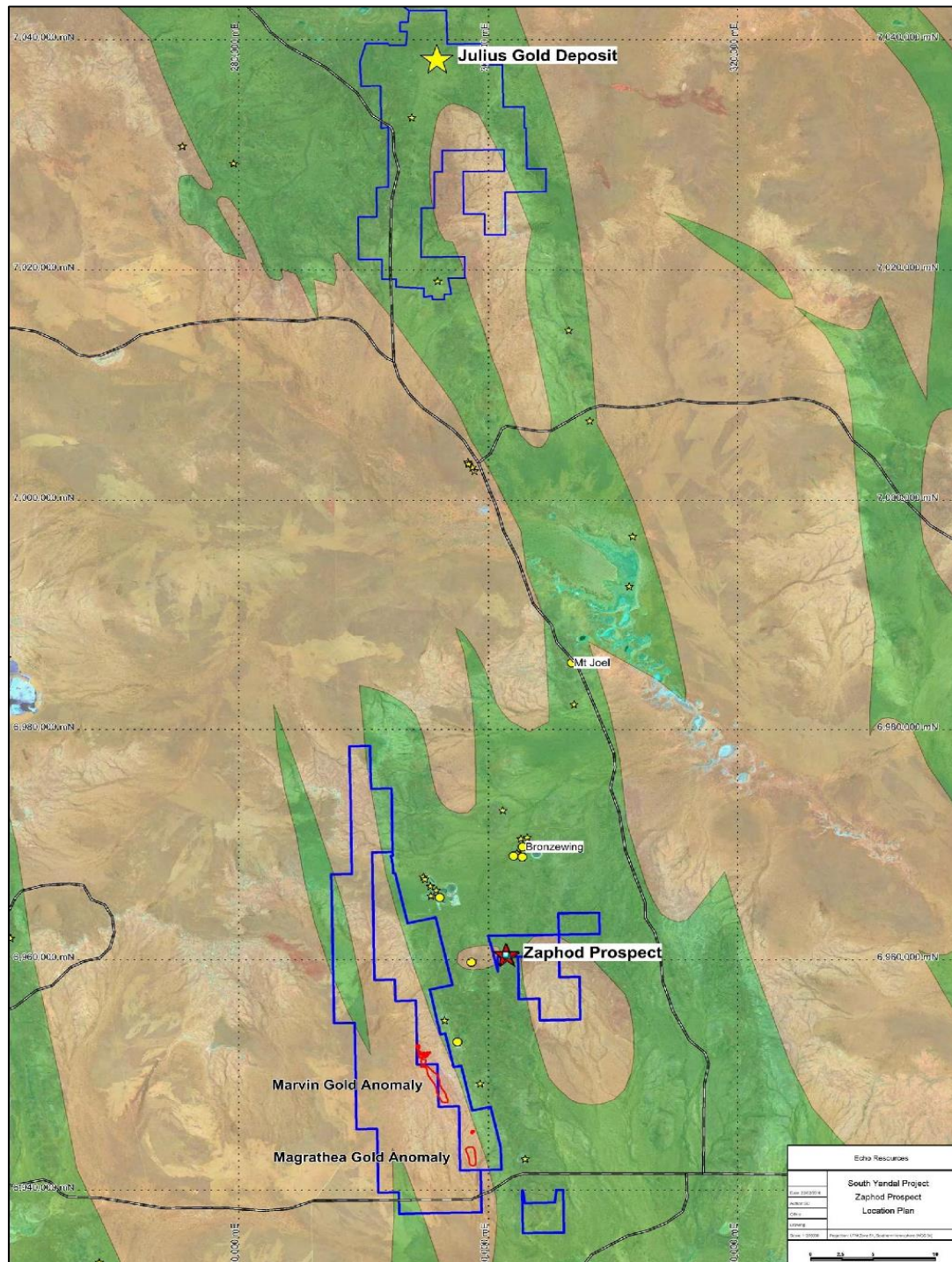


Figure 6: Regional Location Plan-Zaphod and Julius Prospects

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Competent Persons Statement

The information in this report relating to exploration activities and exploration potential 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.



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"> 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. 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 (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. 	<ul style="list-style-type: none"> Recent exploration at the Zaphod prospect has comprised reconnaissance level rock chip sampling at spot locations over sub-outcropping quartz veins and shallow trenches. Aircore drilling comprising 13 holes for 635 metres was completed. Approximately 2kg of sample was collected at from each metre for analysis by careful splitting of the sample interval collected via the rig cyclone. Samples were 2 kilogram samples from the drill spoils collected. Drill hole collar locations were recorded by handheld GPS survey with accuracy +/-2 metres. Analysis was conducted by submitting the 2kg sample whole for preparation by crushing, drying and pulverising at Nagrom Laboratories for gold analysis via Fire Assay/ICP. The tenor of the high grades coupled to the repeat analytical results suggests the presence of coarse gold.
Drilling techniques	<ul style="list-style-type: none"> 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.). 	<ul style="list-style-type: none"> Aircore drilling (4 inch), predominantly blade bit with hammer in the centre of the quartz veins as required.
Drill sample recovery	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> In any particular sample location outcropping rock chips were collected as point samples of the outcrop and recoveries were therefore 100%. Drill sample returns as weighed and recorded were excellent. The samples represent the area of sub-outcrop and were of reconnaissance nature, not representing the full width of any sample site. There is insufficient data available at the present stage to evaluate potential sampling bias.
Logging	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Drill chip logging is a qualitative activity with pertinent relevant features recorded: lithology, mineralogy, mineralisation, structural, weathering, alteration, colour and other features of the samples. Photographs as overview of each sample site were taken and stored on the Company server. All samples were logged.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> No core was sampled-Aircore drilling only. 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. Sample preparation involving oven drying, fine crushing to 95% passing 4mm, followed by rotary splitting and pulverisation to 85% passing 75 microns. QC for sub sampling follows Nagrom procedures. No field duplicates were taken. Sample sizes are considered appropriate to the grain size of the material being sampled.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> The methods are considered appropriate to the style of mineralisation. Extractions are considered near total. No geophysical tools were used to determine any element concentrations at this stage. Laboratory QA/QC involves the use of internal lab standards using certified reference material, blanks, splits and



Criteria	JORC Code explanation	Commentary
	<p><i>times, calibrations factors applied and their derivation, etc.</i></p> <ul style="list-style-type: none"> <i>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</i> 	<p>duplicates as part of the in house procedures. Repeat and duplicate analysis for samples shows that the precision of samples is within acceptable limits.</p>
Verification of sampling and assaying	<ul style="list-style-type: none"> <i>The verification of significant intersections by either independent or alternative company personnel.</i> <i>The use of twinned holes.</i> <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> <i>Discuss any adjustment to assay data.</i> 	<ul style="list-style-type: none"> The Company's Geologist has visually reviewed the samples collected. No twin holes drilled Data and related information is stored in a validated Mapinfo or Micromine database. Data has been visually checked for import errors. No adjustments to assay data have been made.
Location of data points	<ul style="list-style-type: none"> <i>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.</i> <i>Specification of the grid system used.</i> <i>Quality and adequacy of topographic control.</i> 	<ul style="list-style-type: none"> All drillholes have been located by handheld GPS with precision of sample locations considered +/-5m. Location grid of 2016 samples use MGA 94 datum. Topographic data is not relevant for the style and types of samples collected.
Data spacing and distribution	<ul style="list-style-type: none"> <i>Data spacing for reporting of Exploration Results.</i> <i>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.</i> <i>Whether sample compositing has been applied.</i> 	<ul style="list-style-type: none"> The holes are reconnaissance only. 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. No sample compositing has occurred.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> <i>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.</i> 	<ul style="list-style-type: none"> The orientation of sampling is considered adequate and there is not enough data to determine bias if any. Mineralised outcrop strikes north west – south east. Drilling was orthogonal to this apparent strike
Sample security	<ul style="list-style-type: none"> <i>The measures taken to ensure sample security.</i> 	<ul style="list-style-type: none"> 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.
Audits or reviews	<ul style="list-style-type: none"> <i>The results of any audits or reviews of sampling techniques and data.</i> 	<ul style="list-style-type: none"> No review or audit of sampling techniques or data compilation has been undertaken at this stage.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> <i>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.</i> <i>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.</i> 	<ul style="list-style-type: none"> The Zaphod Gold Prospect is located within E36/667 located in the southern Yandal Greenstone Belt and is 100% owned by Echo Resources Ltd. The tenement is in good standing No impediments to operating on the permit are known to exist.
Exploration done by other parties	<ul style="list-style-type: none"> <i>Acknowledgment and appraisal of exploration by other parties.</i> 	<ul style="list-style-type: none"> 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.
Geology	<ul style="list-style-type: none"> <i>Deposit type, geological setting and style of mineralisation.</i> 	<ul style="list-style-type: none"> 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.



Criteria	JORC Code explanation	Commentary
<i>Drill hole Information</i>	<ul style="list-style-type: none"> 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"> 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. 	<ul style="list-style-type: none"> A total of 13 drillholes for 635 metres were drilled on nominal 20 metre centres with 10 metre centres in the immediate vicinity of the outcropping quartz veins. Full drillhole details are provided in this announcement. Appropriate maps and plans also accompany this announcement.
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> 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. 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. 	<ul style="list-style-type: none"> No averaging or aggregation techniques have been applied. No top cuts have been applied to exploration results. No metal equivalent values are used in this report.
<i>Relationship between mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none"> 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 (e.g. 'down hole length, true width not known'). 	<ul style="list-style-type: none"> The orientation or geometry of the mineralised zones strikes in a northwesterly direction and dips in a subvertical manner. Drilling is orthogonal to strike.
<i>Diagrams</i>	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Appropriate maps are included in main body of report with gold results and full details are in the tables reported.
<i>Balanced reporting</i>	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> All results for the target economic mineral being gold have been reported.
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Previous work by Echo has highlighted a low level gold in soil anomaly and high grade rock chips covering the area of the recent aircore drilling.
<i>Further work</i>	<ul style="list-style-type: none"> The nature and scale of planned further work (e.g. 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. 	<ul style="list-style-type: none"> Future geological mapping, rock chipping and drilling is being considered to test the sampled sites. Refer to maps in main body of report for potential target areas.