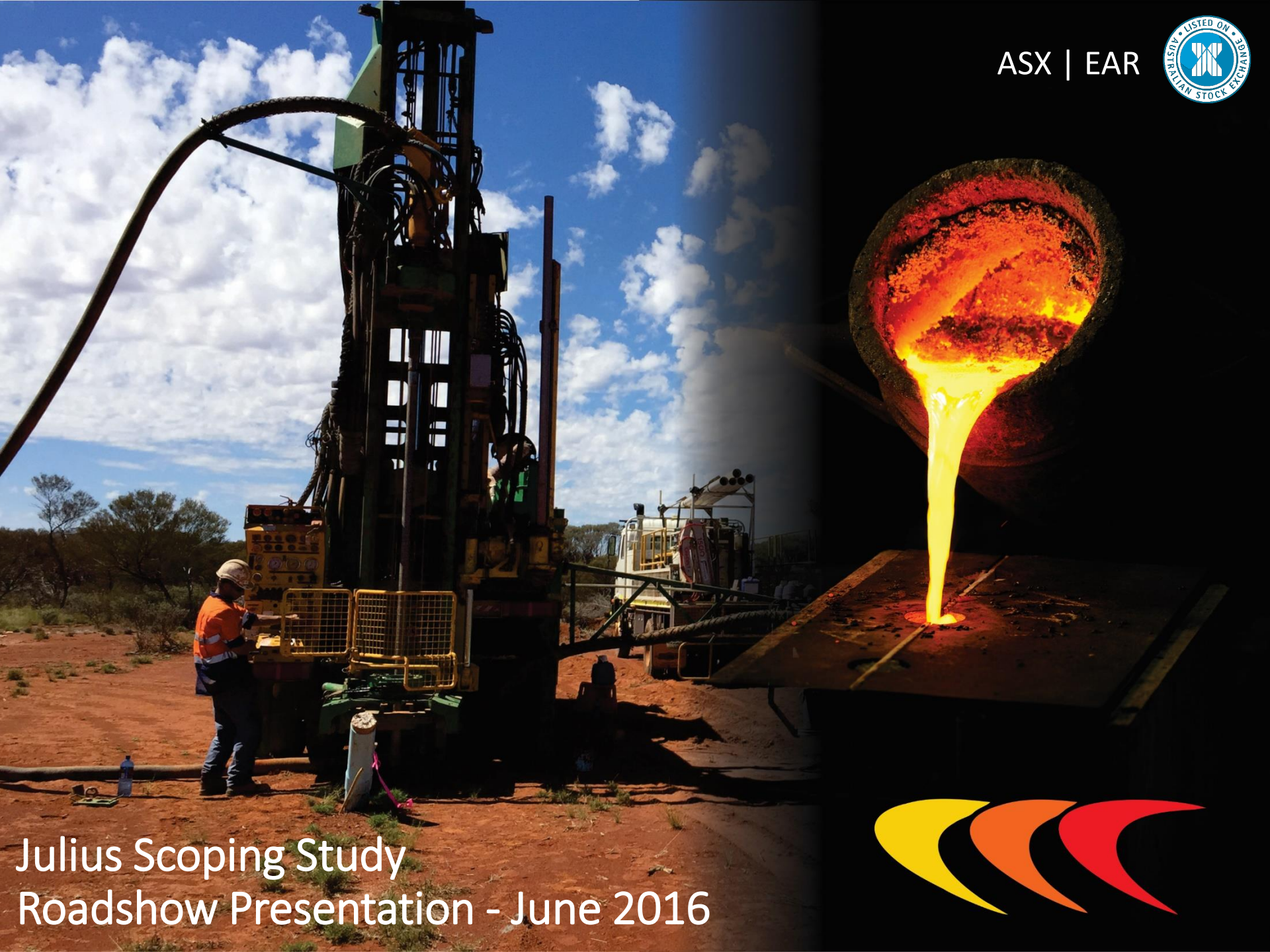


ASX | EAR



Julius Scoping Study  
Roadshow Presentation - June 2016



# Forward Looking Statements & Disclaimers



## **Cautionary Statements**

This presentation includes information extracted from Echo Resources Limited (“Echo”) ASX announcement dated 21 June 2016 entitled “Echo Delivers Compelling Scoping Study for Julius”. The Scoping Study is based on low-level technical and economic assessments, and is insufficient to support the estimation of Ore Reserves or to provide assurance of an economic development case at this stage, or to provide certainty that the conclusions of the Scoping Study will be realised.

There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the production target itself will be realised.

## **No New Information or Data**

This presentation contains references to Mineral Resource estimates, all of which have been cross referenced to previous market announcements made by the Company. The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements and, in the case of estimates of Mineral Resources that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

## **Forward Looking Statements**

This presentation may contain certain “forward-looking statements” which may not have been based solely on historical facts, but rather may be based on the Company’s current expectations about future events and results. Where the Company expresses or implies an expectation of belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, forward looking statements are subject to risks, uncertainties, assumptions and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. Such risks include, but are not limited to Resource risk, metals price volatility, currency fluctuations, increased production costs and variances in ore grade or recovery rates from those assumed in mining plans, as well as political and operational risks in the Countries and States in which we operate or sell product to, and governmental regulation and judicial outcomes. For a more detailed discussion of such risks and other factors, see the Company’s Annual Reports, as well as the Company’s other filings. Readers should not place undue reliance on forward looking information. The Company does not undertake any obligation to release publically any revisions to any “forward looking statement” to reflect events or circumstances after the date of this announcement, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.

# Our Vision



- ▶ To create a new gold production Company
- ▶ Focussed on near term cashflow from the Julius Gold Deposit located in the Yandal gold belt, Scoping Study estimates **\$47M EBITDA** (A\$1,600/oz) from Stages 1&2 alone<sup>1</sup>
- ▶ A back-to-basics approach:
  - High quality orebody
  - Scaled start-up
  - Minimal outlay
- ▶ Ongoing exploration on highly prospective targets within 700km<sup>2</sup> of prime exploration acreage

<sup>1</sup>Refer to Pages 2&21 – Disclaimers and Cautionary Statements

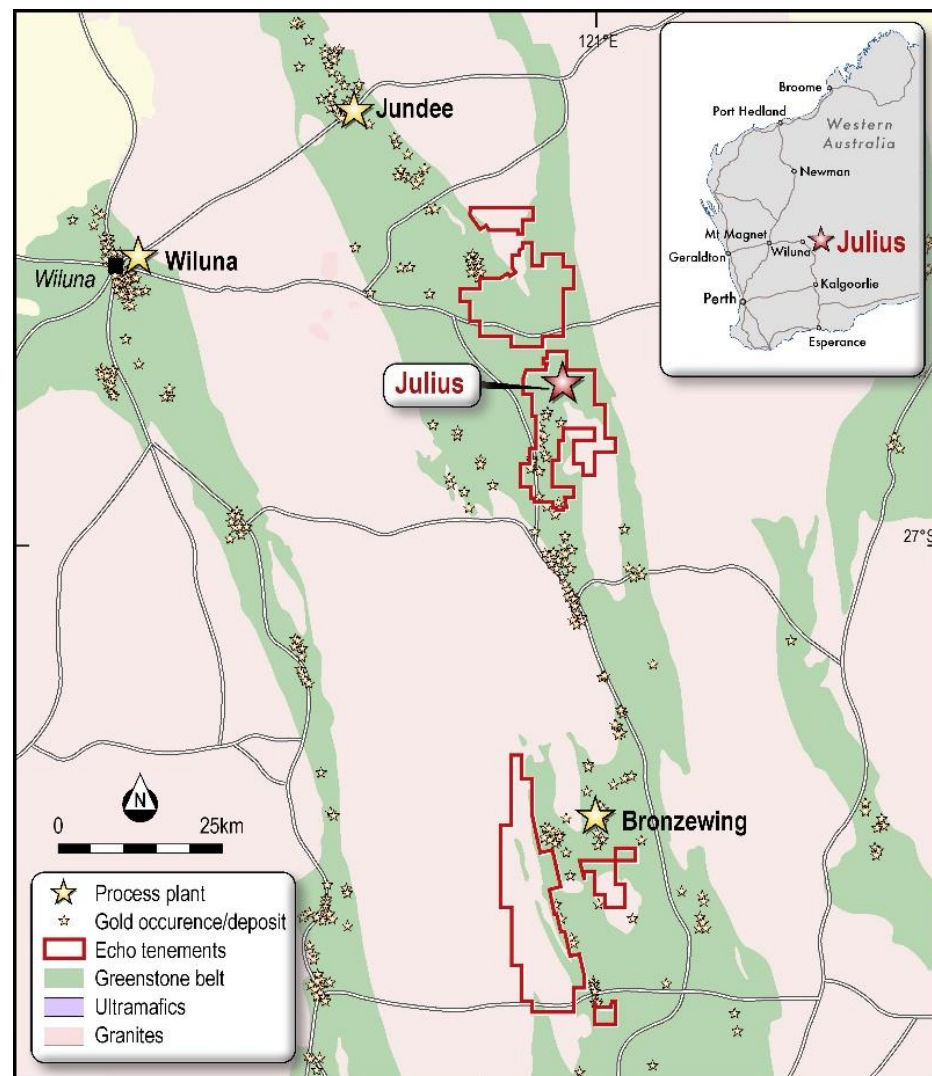




# About Echo



- ▶ Echo listed on the ASX in 2006 with a package of highly prospective gold tenements acquired from Newmont
- ▶ Flagship Julius Gold Project is located in Yandal Greenstone Belt which has been host to resources in excess of 12Moz of gold<sup>1</sup>
- ▶ Proximate to a number of ongoing gold operations
- ▶ New Management team has a proven track record of focussed timely development of the 100% owned Julius Gold Deposit:
  - Board changes – February 2016
  - Resource & Drilling – April 2016
  - Scoping Study – June 2016



*Julius Gold Project Location Map*

<sup>1</sup>Phillips, Vearncombe & Eshuys: Yandal greenstone belt, Western Australia: 12 million ounces of gold in the 1990s. In *Mineralium Deposita* (1998) 22: 310-316.

# Our Company



## Capital Structure 22 June 2016

**ASX:EAR**

Ordinary Shares on Issue	172.6m
Share Price	\$0.18
Undiluted Market Capitalisation	\$31.1m
Cash on Hand <sup>1</sup>	~A\$3m

1. Approximate Cash based on Mar'16 Qtly Report + May'16 capital raising
2. No options on issue

## Board of Directors

### Barry Bolitho – Chairman

- 40+ years experience in executive management of exploration through to mining operations in Western Australia and internationally.

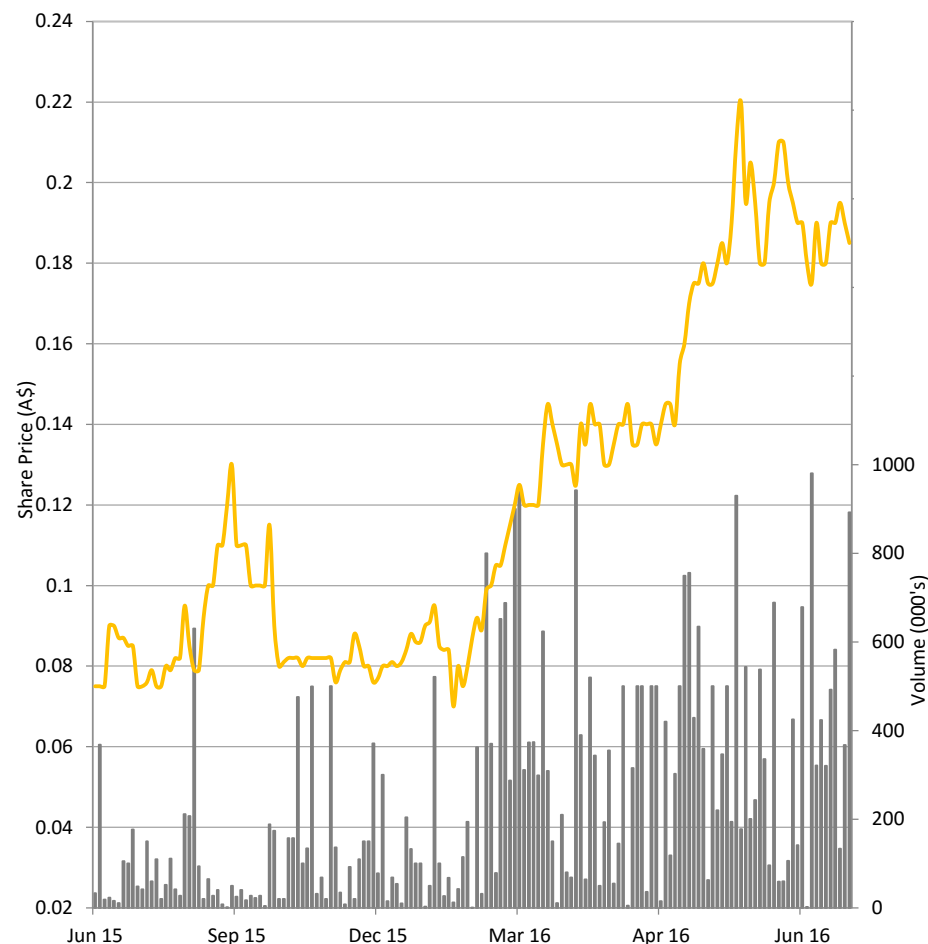
### Simon Coxhell – Executive Director

- Geologist with 30+ years of diverse experience encompassing all aspects of the resource sector including exploration, resource development, metallurgy and mining.

### Anthony McIntosh – Director

- Commercial manager of portfolio investments including listed and unlisted companies with significant marketing, investor relations and strategic planning skillsets.

## Price History (1 Year)



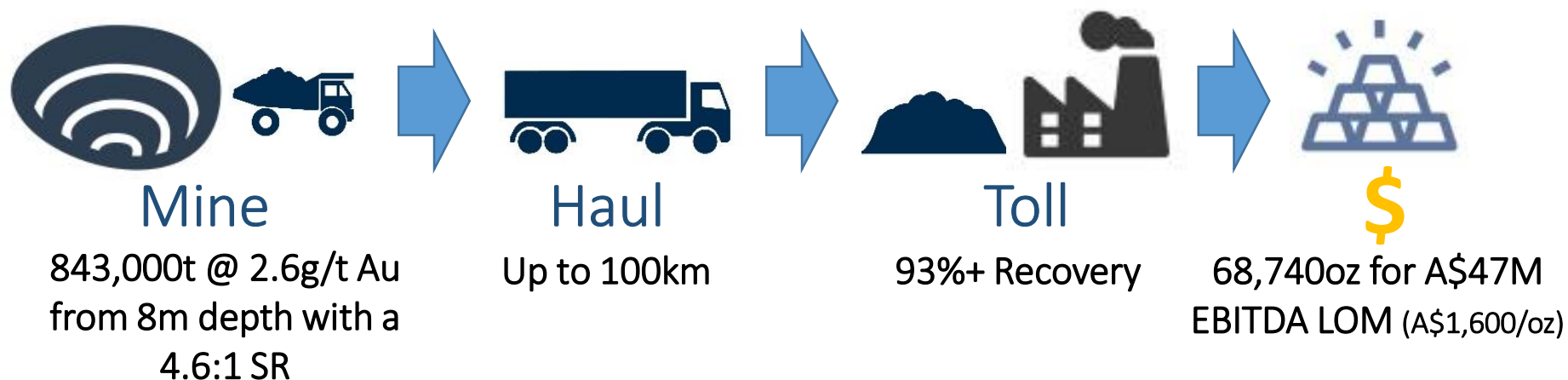
# Julius Gold Project Overview



- ▶ Julius is a Near Surface, Free Milling Gold Deposit

3Mt @ 2.1g/t for 200koz Au<sup>1</sup>

- ▶ Scoping Study<sup>2</sup> Delivered Compelling Economics based on



- ▶ Simple, focused, staged, fast path to production

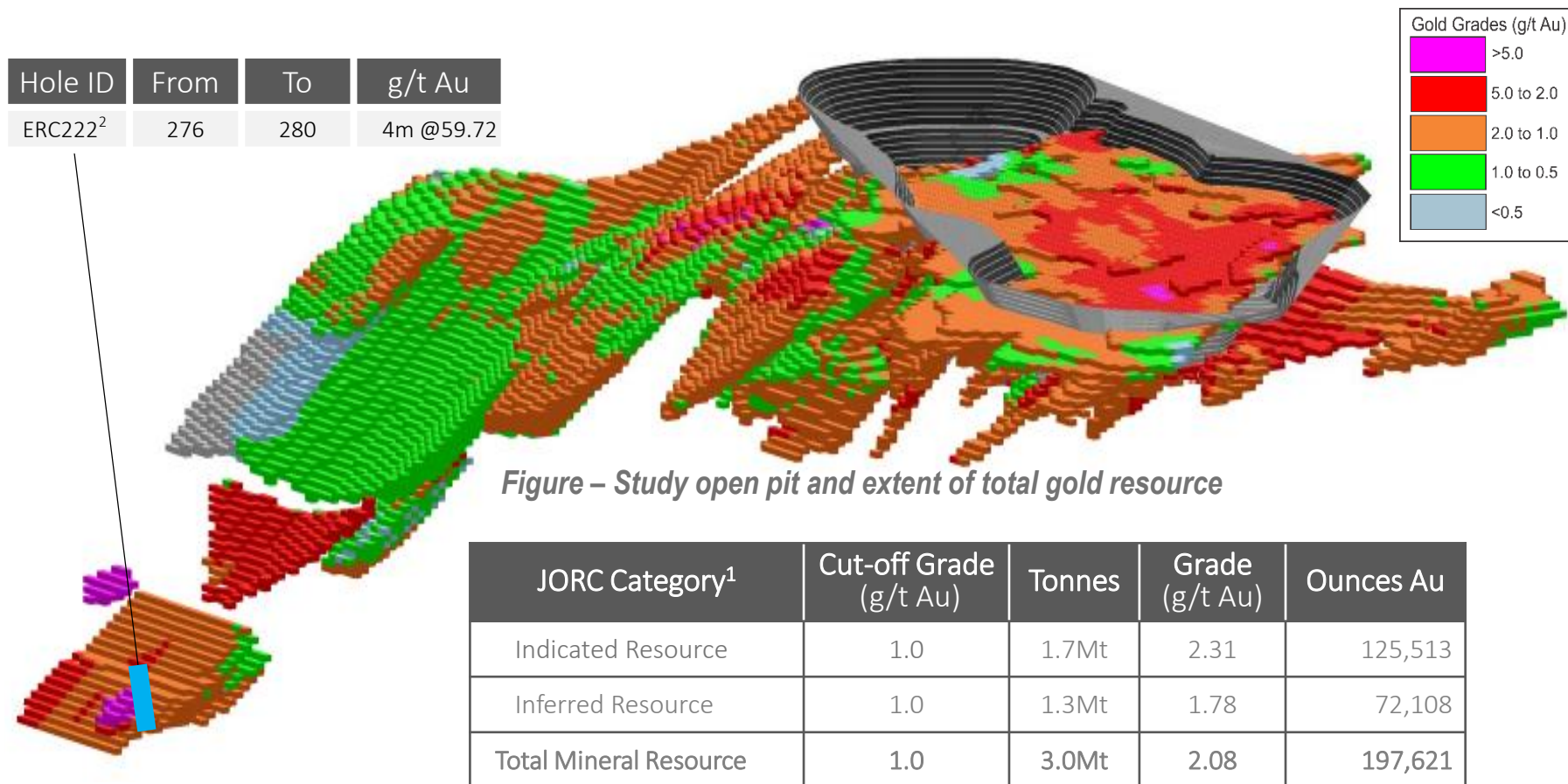
<sup>1</sup>Refer to Appendix 1 – Mineral Resource Estimate

<sup>2</sup>Refer to Pages 2&21 – Disclaimers and Cautionary Statements

# Julius Gold Resources



- ▶ Julius is currently host to a 200koz gold resource at 2.08g/t<sup>1</sup>
- ▶ Remains open at depth and along strike in all directions



<sup>1</sup>Refer to Appendix 1 – Mineral Resource Estimate

<sup>2</sup>Refer to ASX Announcements dated 16 and 27 May 2016 for full results

# Julius – Recent Drilling



- ▶ The April'16 aircore drilling program totalled 74 vertical holes for 3,397 metres of drilling (avg. depth 50m)<sup>1</sup>
- ▶ Completed in the near surface zone of known gold mineralisation at Julius
- ▶ Results quantified a high grade laterite gold resource located between 8-14 metres vertical depth
- ▶ Results highlight a high grade zone of gold located over approximately 120 metres of strike and concentrated between 30-50 metres vertical depth

*Julius April'16 Drill Intercepts<sup>1</sup>*

Hole ID	From	To	Intercept g/t Au
JAC007	9	15	6m @ 5.49
JAC007	40	50	10m @ 3.15
JAC015	9	15	6m @ 3.04
JAC016	8	13	5m @ 4.16
JAC017	8	15	7m @ 5.73
JAC020	8	14	6m @ 4.23
JAC029	8	13	5m @ 3.22
JAC052	28	36	8m @ 3.31
JAC054	40	46	6m @ 8.81
JAC057	32	56	24m @ 3.64
JAC058	40	43	3m @ 14.37
JAC061	34	46	12m @ 8.27
JAC062	32	51	19m @ 3.81
JAC064	30	39	9m @ 16.95
JAC068	33	51	18m @ 1.25
JAC069	32	38	6m @ 5.01
JAC074	48	56	8m @ 3.32

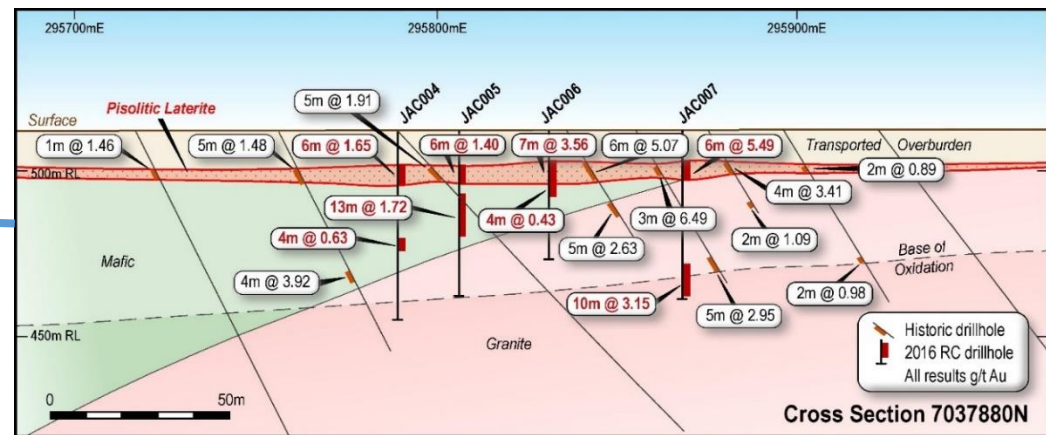
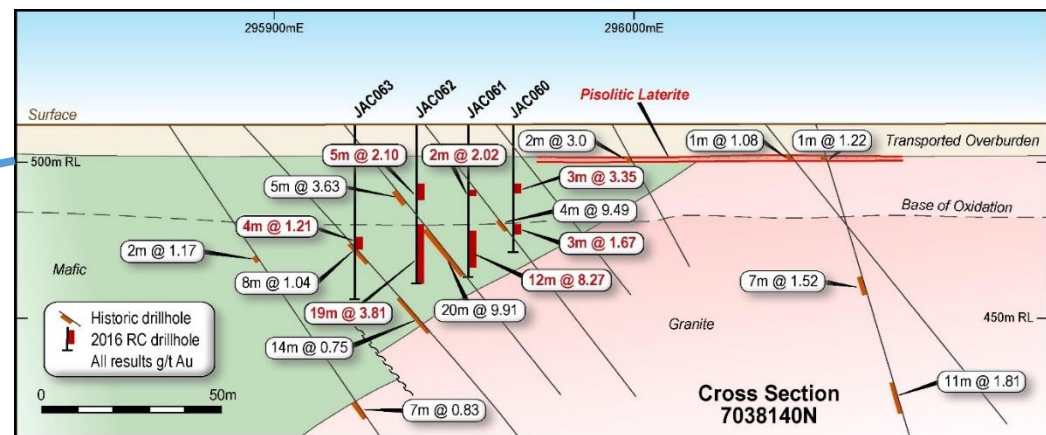
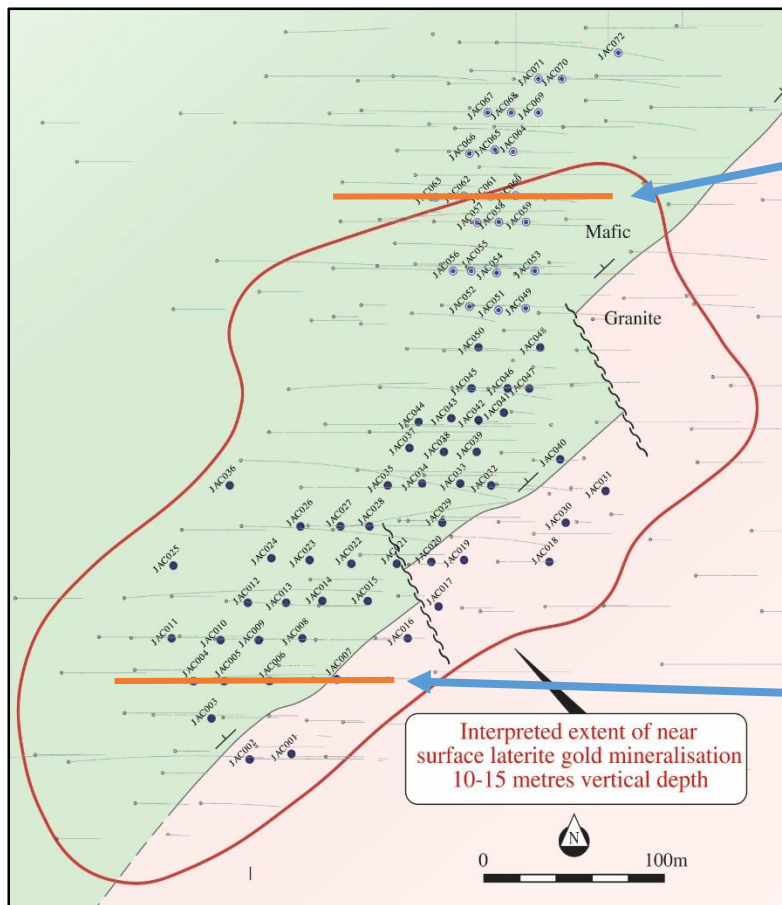
<sup>1</sup>Refer to ASX Announcements dated 16 and 27 May 2016 for full results



# Julius – Recent Drilling



- ▶ Mineralisation at Julius extends over 1km of strike and at least 300m down dip
- ▶ Further aircore, RC and diamond drilling to commence mid-July to convert a portion of existing Indicated Resources to Measured and test depth extensions of the orebody

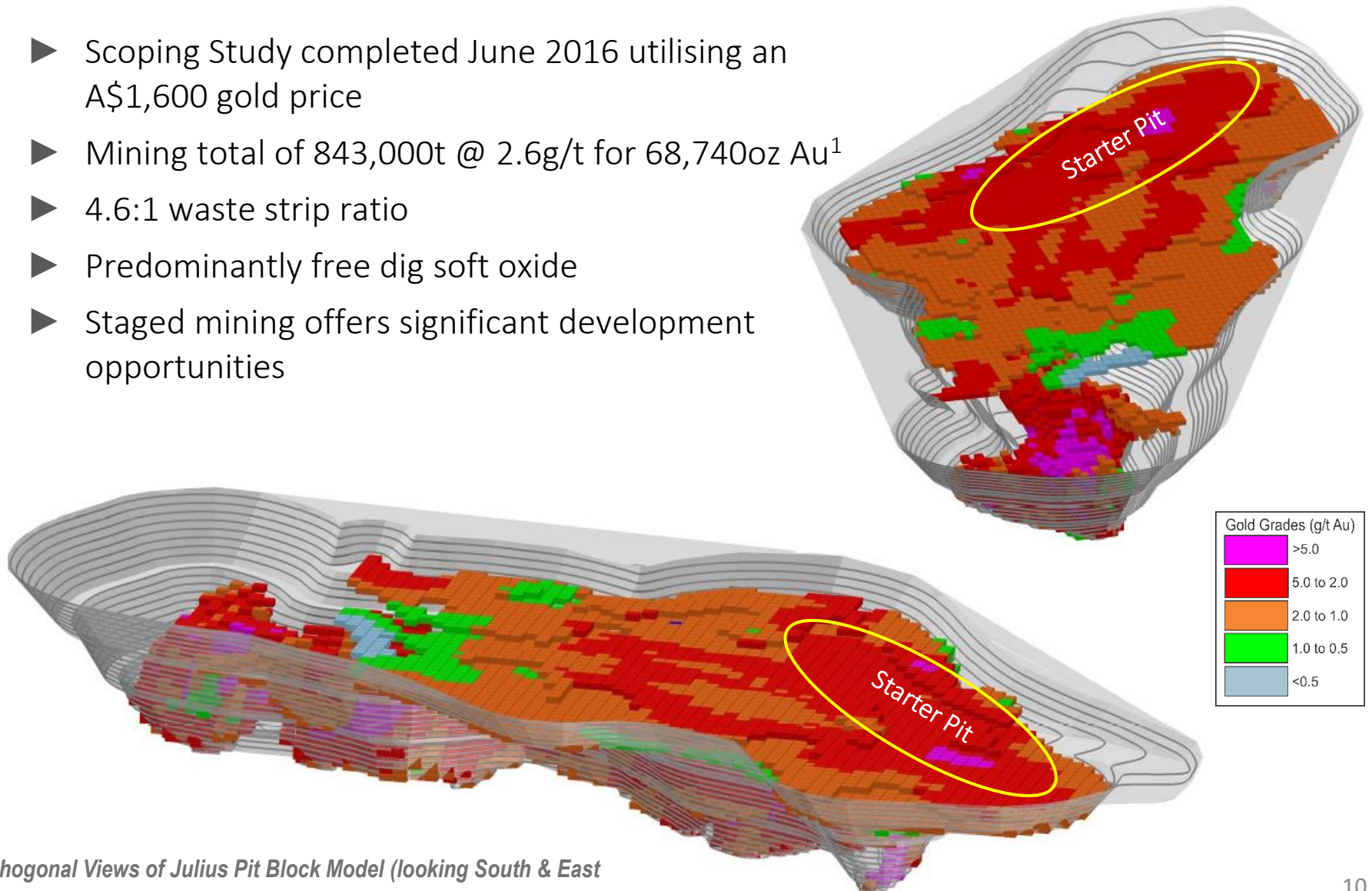


<sup>1</sup>Refer to ASX Announcements dated 16 and 27 May 2016 for full results

# Julius Scoping Study<sup>1</sup>



- ▶ Scoping Study completed June 2016 utilising an A\$1,600 gold price
- ▶ Mining total of 843,000t @ 2.6g/t for 68,740oz Au<sup>1</sup>
- ▶ 4.6:1 waste strip ratio
- ▶ Predominantly free dig soft oxide
- ▶ Staged mining offers significant development opportunities



**Orthogonal Views of Julius Pit Block Model (looking South & East**

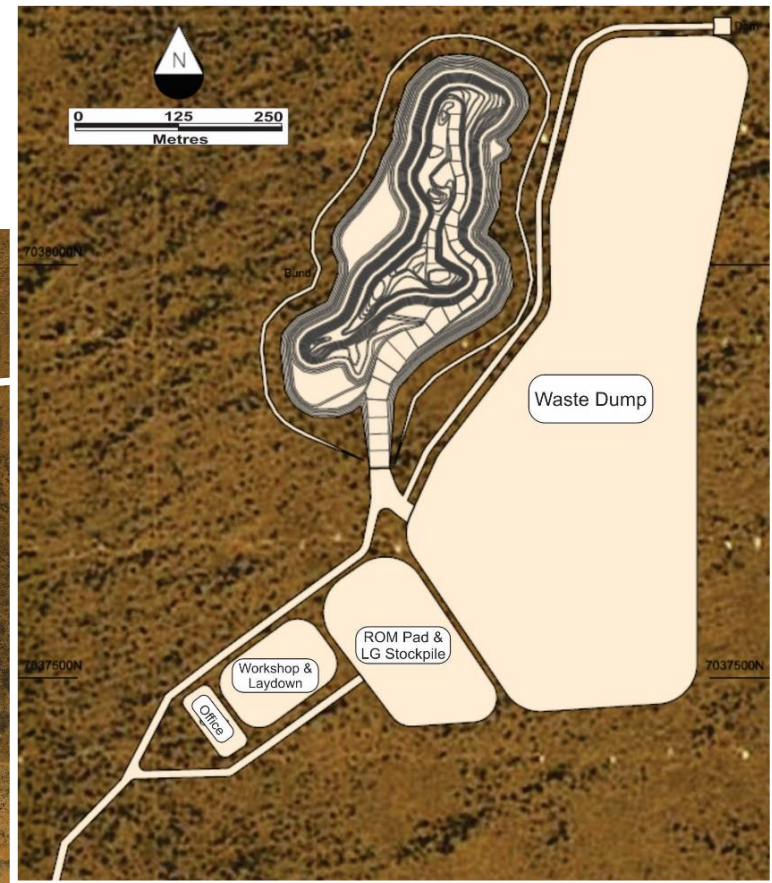
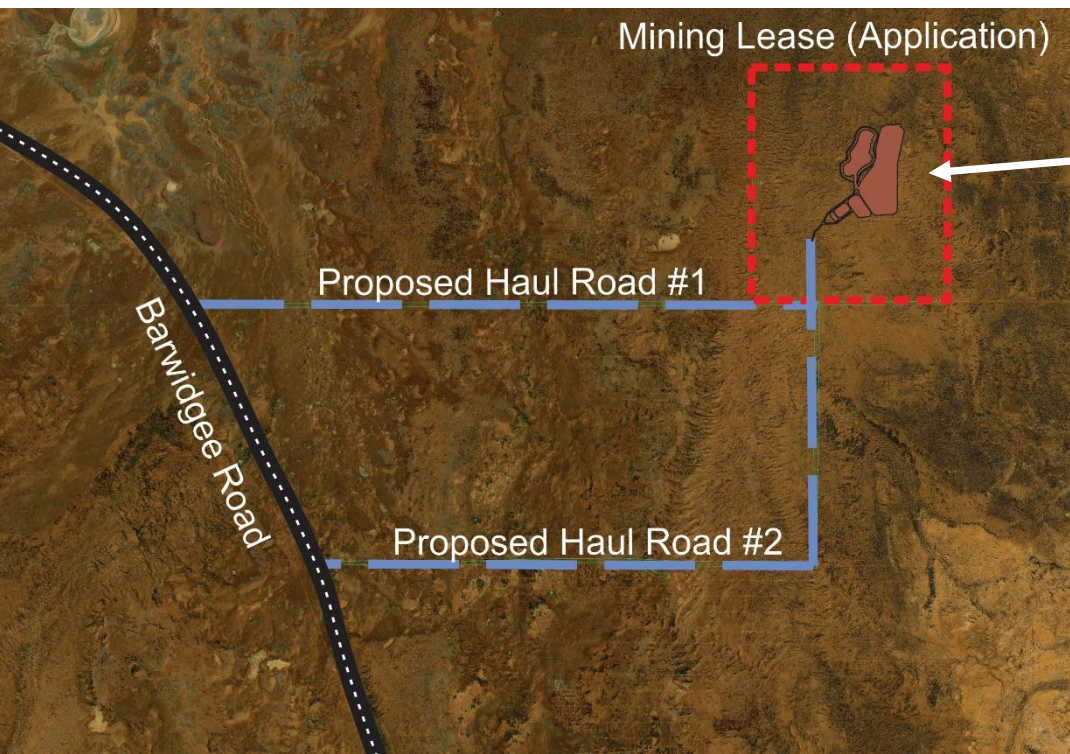
<sup>1</sup>Refer to Page 2&21 – Disclaimers and Cautionary Statements, also note all material assumed to be mined as a part of the Study sits within Mineral Resource estimate (refer to Appendix 1) and 95% is within the JORC Indicated Resource category.



# Julius Scoping Study<sup>1</sup>



- ▶ Study assumes open-pit earthmoving conducted by contractors
- ▶ Toll treatment of resources at a third party mill within 100km of the deposit
- ▶ Low upfront capital cost of only \$2.9M<sup>1</sup>
- ▶ All-in Sustaining Costs of A\$921/oz<sup>1</sup>
- ▶ <2yr LOM for EBITDA of \$47M (A\$1,600/oz)<sup>1</sup>



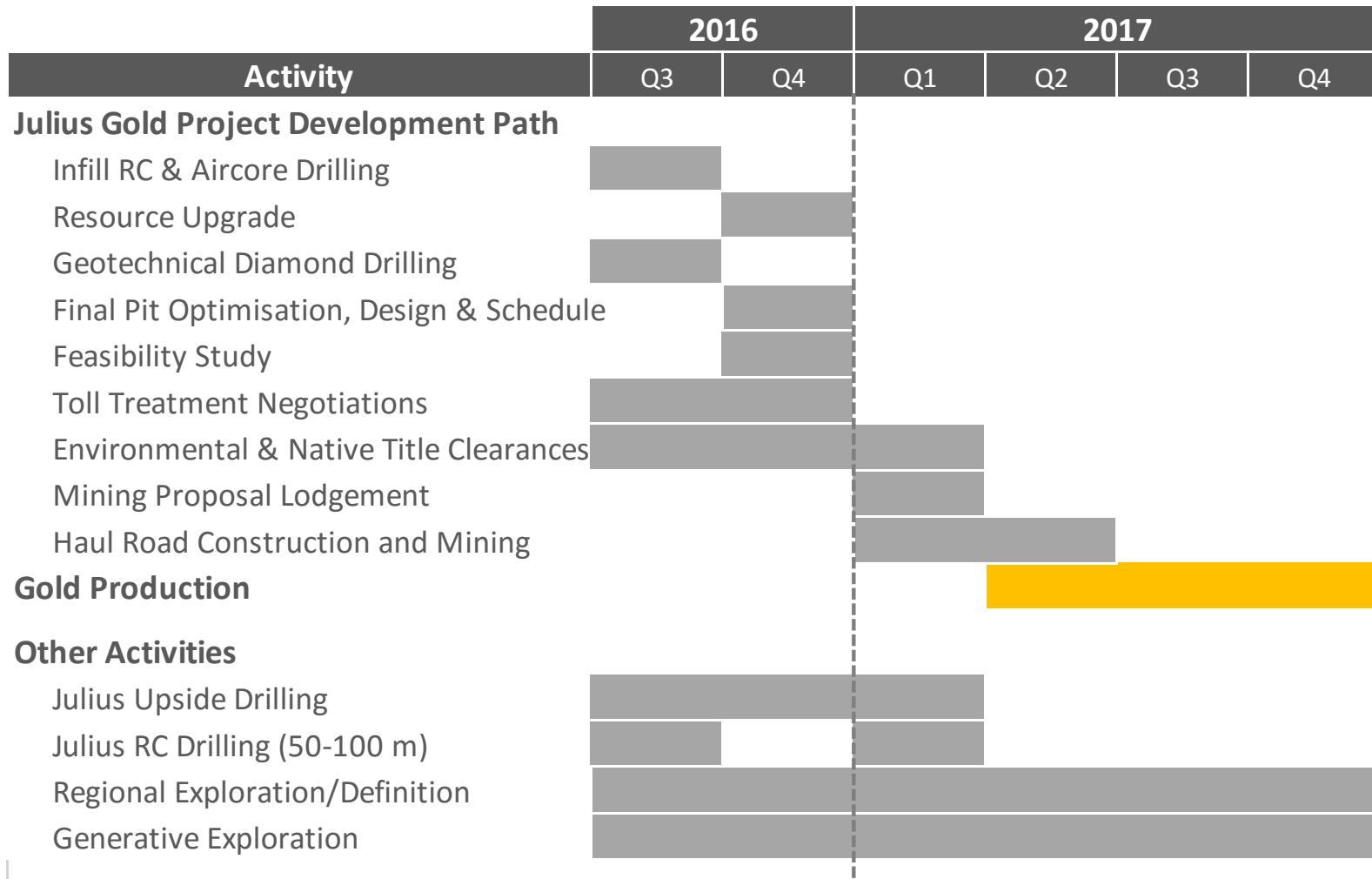
**Location of Applications & proposed Site Layout**

<sup>1</sup>Refer to Pages 2&21 - Disclaimers and Cautionary Statements

# Clear Path to Production



All development activities are progressing well. Echo is committed to meeting development timetables but is reliant on third parties for completion.

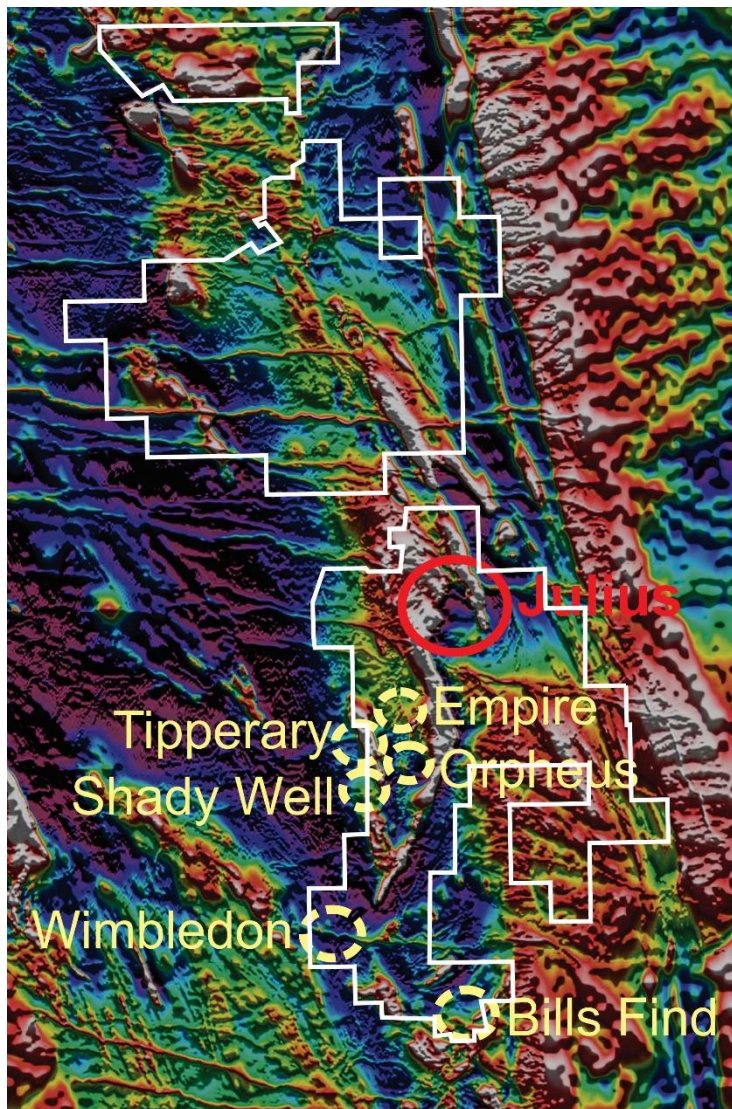




# Regional Projects



- Echo has a number of high quality regional targets requiring follow up drilling



## *Tipperary*

- 22m @ 1.6g/t Au from 31m
- 6m @ 4.1g/t Au from 48m
- 2m @ 18.4g/t Au from 50m

## *Wimbledon*

- 7m @ 3.8g/t Au from 22m
- 12m @ 12.8g/t Au from 28m
- 2m @ 14.6g/t Au from 51m

## *Bill's Find*

- 6m @ 3.1g/t Au from 54m
- 4m @ 7.4g/t Au from 62m
- 13m @ 4.5g/t Au from 71m
- 6m @ 15.2g/t Au from 126m

## *Orpheus*

- 8m @ 12.9g/t Au from 24m
- 7m @ 11.0g/t Au from 43m
- 8m @ 3.5g/t Au from 54m
- 6m @ 4.5g/t Au from 72m

## *Shady Well*

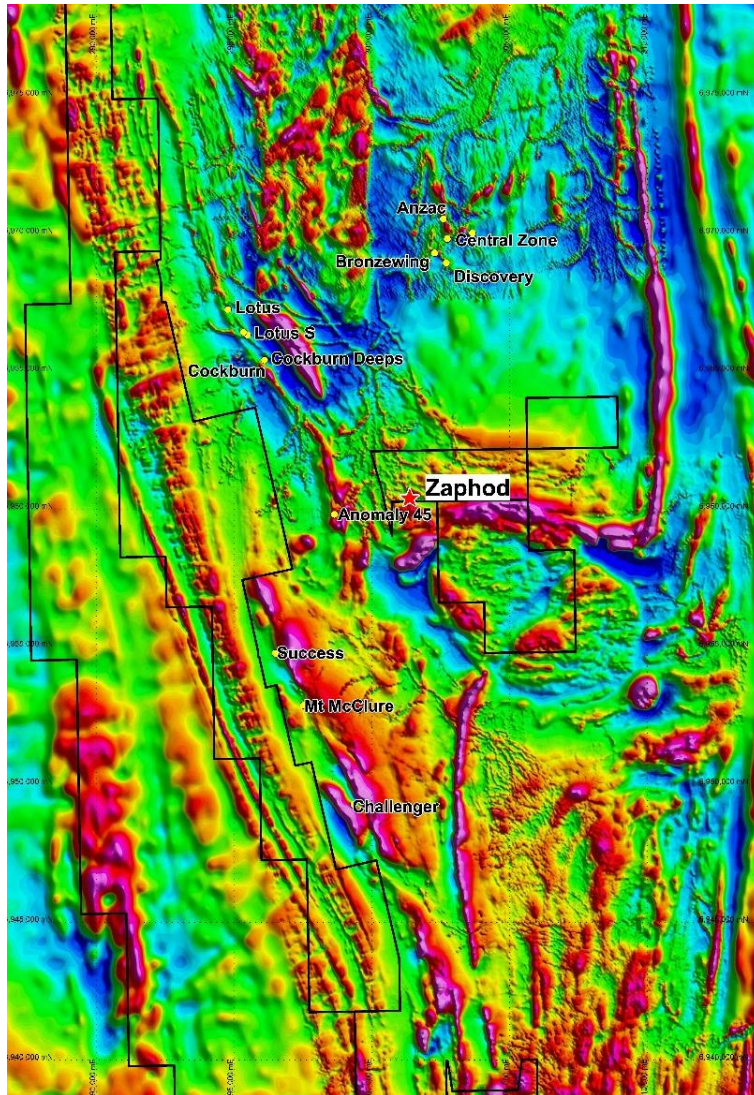
- 6m @ 10.2g/t Au from 12m
- 10m @ 15.5g/t Au from 20m
- 20m @ 2.8g/t Au from 38m
- 12m @ 2.5g/t Au from 52m

## *Mineral Resource Estimate for Regional Prospects*

JORC (2004)	Deposit	Tonnes	Grade (g/t Au)	Ounces Au
Indicated Resource	All Regional	1.0Mt	1.60	54,000
Inferred Resource	All Regional	1.1Mt	1.40	45,000
<b>Total Mineral Resource</b>	<b>All Regional</b>	<b>2.1Mt</b>	<b>1.59</b>	<b>100,000</b>

<sup>1</sup>Refer to Pages 2&21 - Disclaimers and Cautionary Statements

# South Yandal – Zaphod Prospect



- ▶ Zaphod is located within 10km of multi-million ounce Gold deposits
- ▶ Preliminary results identified a major mineralised structure at Zaphod
- ▶ Zaphod rockchips from over 100m of strike returned high grade gold values of up to 200g/t Au
- ▶ Recent drilling tested over 200m of strike and confirmed a major gold mineralised system exists
- ▶ Transported cover masks the area to the northwest
- ▶ However, review of regional magnetics has identified a conceptual target located 300m northwest of the Zaphod Prospect associated with a significant cross-fault



# Zaphod - Recent Work

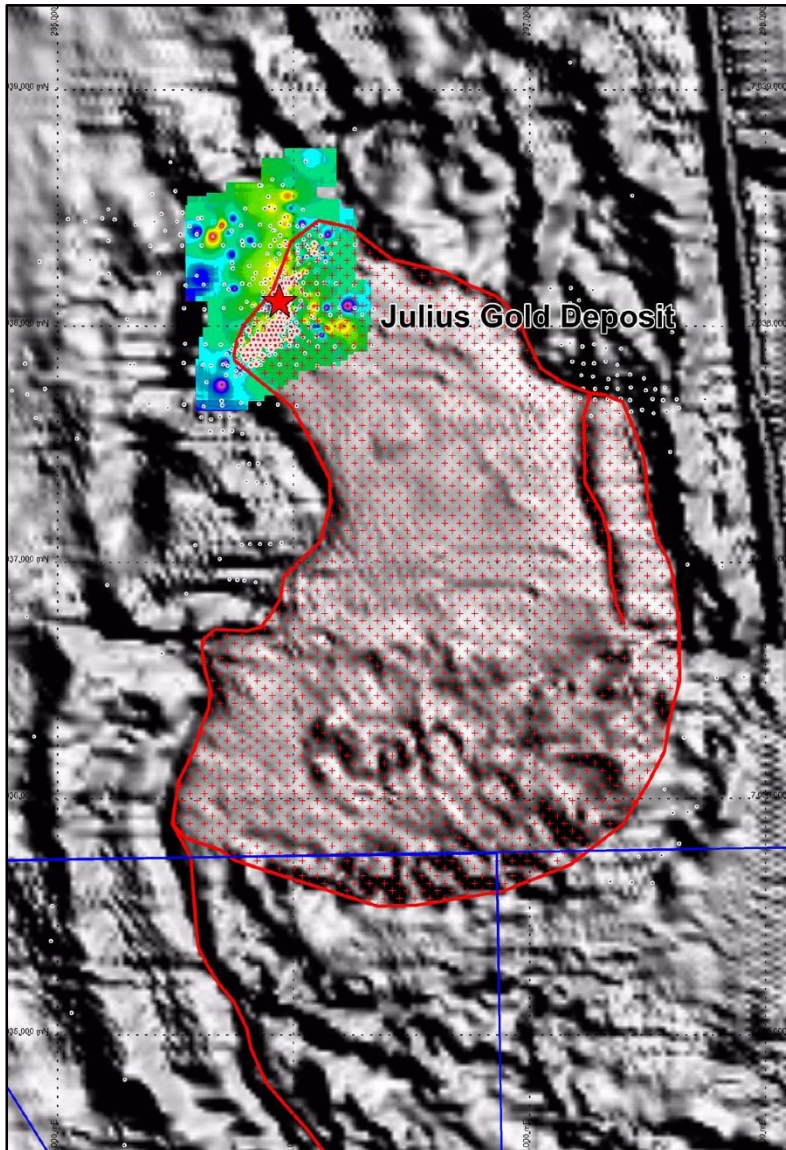


- ▶ First pass drilling highly encouraging results
- ▶ Follow up drilling to commence shortly

Hole	From	To	Width	g/t Au
ZAC001	42	43	1	2.61
ZAC001	57	59	2	1.05
ZAC003	23	27	4	2.42
ZAC004	10	11	1	2.47
ZAC004	29	30	1	0.64
ZAC004	36	37	1	1.30
ZAC005	25	26	1	0.58
ZAC005	40	44	4	0.74
ZAC006	14	15	1	11.86
ZAC006	22	23	1	1.02
ZAC008	5	6	1	3.20
ZAC008	9	10	1	4.01
ZAC008	13	14	1	0.57
ZAC010	16	17	1	1.59
ZAC010	24	25	1	1.14
ZAC011	29	30	1	1.54
ZAC013	49	51	2	13.92

<sup>1</sup>Refer to ASX Announcement dated 22 April 2016 for full results

# Julius Upside



- ▶ Stage 3 and beyond
- ▶ Only 30% of current resources are within the current pit
- ▶ Upcoming targetted drilling at depth
- ▶ Further exploration on the granite margin
- ▶ Other dilatational zones on the granite margin



# Next Steps (Q3/Q4 2016)



- ▶ Scoping Study confirms Julius ticks all the boxes
  - Simple, low cost mining operation producing 68,740 ounces of gold at A\$921 per ounce AISC for LOM EBITDA of A\$47M
  - Low upfront capital requirement of only A\$2.9M
- ▶ Further drilling of high grade intersections to expand the existing Julius resource and increase reserves
- ▶ Regional exploration to follow up on known significant intersections and define additional resources and reserves
- ▶ Targetting million ounce gold orebodies via the compilation of all geological data and unravelling the controls on gold mineralisation leading to new discoveries in a highly prospective and under explored greenstone gold belt

# Appendix 1: Mineral Resource



## Julius Gold Deposit

### JORC (2012) Mineral Resource Estimate – 1g/t Au Cut-Off

JORC Category	Deposit	Cut-off Grade (g/t Au)	Tonnes	Grade (g/t Au)	Ounces Au
Indicated Resource	Julius	1.0	1.7Mt	2.31	125,513
Inferred Resource	Julius	1.0	1.3Mt	1.78	72,108
<b>Total Mineral Resource</b>	<b>Julius</b>	<b>1.0</b>	<b>3.0Mt</b>	<b>2.08</b>	<b>197,621</b>

*Refer to ASX Announcement dated 8 April 2016 for full details of the Mineral Resource Estimate  
Refer to Pages 2&21 – Disclaimers & Cautionary Statements*

## Regional Prospects

### JORC (2004) Mineral Resource Estimate – 0.5g/t Au Cut-Off

JORC (2004)	Deposit	Tonnes	Grade (g/t Au)	Ounces Au
Indicated Resource	All Regional	1.0Mt	1.60	54,000
Inferred Resource	All Regional	1.1Mt	1.40	45,000
<b>Total Mineral Resource</b>	<b>All Regional</b>	<b>2.1Mt</b>	<b>1.59</b>	<b>100,000</b>

*Refer to Pages 2&21 - Disclaimers and Cautionary Statements*

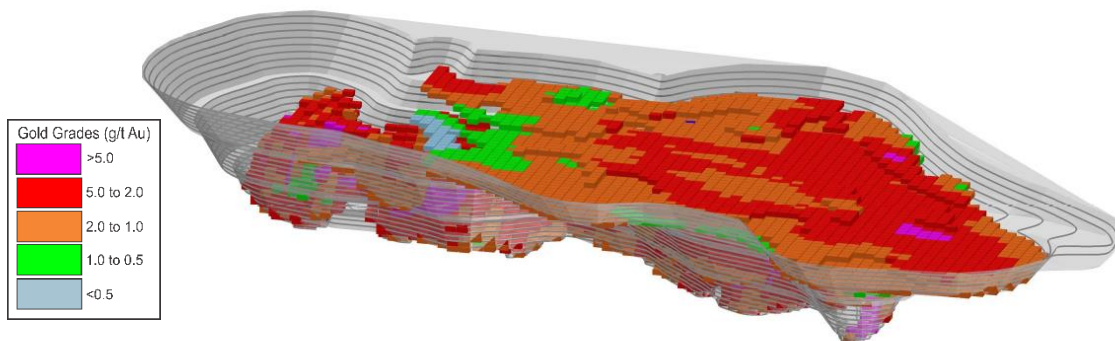


# Appendix 2: Key Scoping Study Metrics<sup>1</sup>



	Low Case	Base Case	High Case
Gold Price (A\$1:US\$0.75)	\$1,500/oz (US\$1,125/oz)	\$1,600/oz (US\$1,200/oz)	\$1,700/oz (US\$1,275/oz)
Resources Mined <sup>1</sup>	►	843,000t @ 2.6g/t	◄
Life of Mine (LOM) <sup>2</sup>	►	<2 years	◄
LOM Strip Ratio	►	4.6:1	◄
LOM Gold Production <sup>1</sup>	►	68,740oz	◄
Capital Cost (pre-cash flow) <sup>3</sup>	►	\$2.9 million	◄
LOM Revenue	\$103 million	\$110 million	\$117 million
All-in Sustaining Costs (AISC) <sup>3</sup>	►	A\$921/oz	◄
LOM EBITDA	\$40 million	\$47 million	\$54 million

## Key Project Economics



Operating Cost Item	Base Case
Mining Costs per oz Au <sup>1</sup> (per bcm <sup>1</sup> )	\$266 (\$8.2)
Haulage Cost per oz Au <sup>3</sup>	\$159
Other Costs per oz Au (toll treatment, admin, royalties, rehab)	\$485
<b>Total C3 Cash Cost per oz Au</b>	<b>\$910</b>
Sustaining Capital <sup>4</sup>	\$11
<b>Total AISC per oz Au<sup>2</sup></b>	<b>\$921</b>

## Capital Cost Estimate

Capital Cost Item	Capital Cost (A\$M)
Earthmoving Mobilisation	\$0.3
Pre-Strip (Stage 1)	\$0.4
Haul Road Construction	\$1.0
Site Infrastructure	\$0.3
Working Capital	\$0.5
15% Contingency	\$0.4
<b>Total</b>	<b>\$2.9</b>

## Life of Mine Operating Costs

<sup>1</sup>Refer to ASX Announcement dated 21 June 2016 for full details of the Scoping Study  
Refer to Pages 2&21 – Disclaimers & Cautionary Statements

# Appendix 3: Modifying Factors & Key Risks Identified



The portion of material assumed to be mined within the Study (see Cautionary Statements) is based on existing Mineral Resources (refer to the Company's ASX Announcement of 8 April 2016), and there has been no conversion of the Mineral Resource to Ore Reserves as a result of this Study. Key mining parameters used in the Study are as follows.

The Julius open pit Resource model included the following modifying factors:

- Cut-off grade of 0.5g/t Au
- Mining dilution of 10%
- Mining loss of 5%
- Overall pit slope angles are 45%
- Ramp width of 12m with a gradient of 1 in 9
- Batter angles range from 45-65 degrees and berm heights of 20m with berm widths of 5m.

Key risks identified during the course of the Study include, but are not limited to:

- USD Gold price and USD:AUD exchange rate
- Changes to capital and operating costs
- Conversion of existing Resources to Reserves
- Metallurgical recoveries through third party mills
- Project financing
- Regulatory approvals.



# Competent Persons & Disclaimers



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## **Competent Persons Statement**

The information in this presentation that relates to Mineral Resources or Ore Reserves is based on information compiled by Mr Steve Hyland, a consultant of Echo Resource Limited and a Member of The Australian Institute of Mining and Metallurgy. This information was prepared and disclosed under the JORC Code 2012. Mr Hyland has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken 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 Hyland consents to the inclusion in the presentation of the matters based on his information in the form and context in which it appears.

The information in this presentation that relates to Exploration Results and metallurgical considerations is based on information compiled by Mr Simon Coxhell, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Coxhell is a Director of Echo Resource Limited. Mr Coxhell has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken 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 presentation of the matters based on his information in the form and context in which it appears.