



Echo Resources Limited

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Julius Metallurgical Testwork Delivers Excellent Results

HIGHLIGHTS

- Comprehensive metallurgical testwork program demonstrates excellent total gold recoveries from Julius ore.
- Strong results represent further positive progress towards completion of the Julius Bankable Feasibility Study (BFS) by the end of 2016.
- Comminution testwork to be conducted shortly to determine optimal crush and grind circuit.

Echo Resources Limited ('Echo' or the 'Company') advises it has received excellent results from a recent metallurgical test work program conducted as part of the BFS at the Julius Gold Project. The test work program was designed to test gold recoveries via a combination of gravity and cyanide leach processes.

Total gold extraction (gravity gold plus cyanide leach gold) for three composite samples (each from different ore zone) returned the following results:

Ore Type	Gravity Gold Recovery	Total Gold Recovery
Laterite Zone	30%	96.7%
Upper Oxide Zone	67%	96.9%
Lower Oxide Zone	77%	99.8%

Table 1 – Total Extraction Metallurgical Results

The results demonstrate outstanding overall gold recoveries, as high as 99.8% from the lower oxide zone. In addition, results have shown a high proportion of gold is recoverable by a gravity process which reduces the burden on the Carbon in Leach (CIL), elution and carbon reactivation circuits, thereby lowering operating costs substantially.

Mr Simon Coxhell, CEO of Echo, commented: *"These excellent metallurgical results are an important component of the Julius Bankable Feasibility Study due for completion late in 2016. All three ore type composites show very high gold recoveries and the lower oxide composite result at an overall recovery of 99.8% is outstanding. The results demonstrate fast reaction kinetics, a high gravity gold component in all ore types and minimal residence time. The Julius orebody is impressive on many fronts and future drilling will be aimed at quantifying and expanding the resource."*

Comminution metallurgical testwork on diamond core samples will be undertaken shortly by ALS Amtec in conjunction with Orway Mineral Consultants. This work will advise on the optimum crushing and grinding circuit for the Julius ore and will also estimate comminution consumables including power demand, grinding media and crusher wear parts.



Detailed Testwork Results

Previous sighter metallurgical testwork on Julius mineralisation indicated both the Julius laterite and weathered oxide ore zones exhibit good gold recoveries in excess of 93% from standard gravity and cyanide leach testwork.

A comprehensive metallurgical testwork programme was completed at Nagrom Metallurgical in Perth on 12 samples (see Appendix One) consisting of 5 laterite, 3 upper oxide and 5 lower oxide samples. Individual sighter tests were completed on all samples followed by preparation of 3 representative composite samples for more comprehensive and definitive metallurgical testwork. The testwork programme consisted of Leachwell Extraction, gravity concentration using a Falcon Concentrator and Cyanide Bottle Roll Leach on the gravity tail.

The 12 samples were subjected to standard Leachwell Tests and yielded excellent results. The 5 laterite samples averaged **97.5%** extraction, 3 upper oxide samples averaged **96.7%** extraction and 4 lower oxide samples averaged **99.5%** extraction.

The 12 individual samples were then composited into the 3 relevant ore zones (laterite [3.30 g/t Au], upper oxide [3.03 g/t Au] and lower oxide [5.50 g/t Au]) and were then ground to 80% passing 0.106mm (P₈₀ 106 microns).

Each of the 3 composites was subjected to gravity concentration using a laboratory scale Falcon Centrifugal Concentrator under standard conditions. Very high gravity gold recoveries resulted. From a mineral pressing perspective, a high proportion of gravity gold is economically important in respect of gold recovery and reduced operating costs. Firstly, gravity gold recovery in the gold room is close to 100% and secondly, the winning of significant gravity gold reduces the burden on the CIL, elution and carbon reactivation circuits and hence lowers operating costs substantially.

Composite Sample	Gravity Gold Recovery
Laterite Zone	30%
Upper Oxide Zone	67%
Lower Oxide Zone	77%

Table 2 – Gravity Recovery Results

Each of the 3 Falcon tails samples was subjected to a 24 hour Cyanide Bottle Roll Leach using standard conditions. Excellent results were achieved with very fast reaction leach kinetics as all of the leach recoverable gold was extracted in less than 15 hours.

	Laterite	Upper Oxide	Lower Oxide
Gold Extraction	95.3%	90.8%	99.1%
Cyanide consumption (kg/t)	0.82	0.76	0.86
Lime consumption (kg/t)	4.9	7.2	3.0

Table 3 – Bottle Roll Leach Metallurgical Results

Total gold recovery (gravity gold plus cyanide leach gold) yielded standout results with gold recoveries ranging from 96.7% to 99.8%.

	Laterite	Upper Oxide	Lower Oxide
Falcon Concentrate	29.6%	66.7%	77.3%
B Roll Leach Liquor	61.1%	30.2%	22.5%
Total Gold Recovery	96.7%	96.9%	99.8%

Table 4 – Total Gold Recovery Results

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Appendix 1: Metallurgical Samples

Sample ID	Ore Zone	Wet Sample Mass (kg)	Moisture (%)	Au (ppm)	Au Dup (ppm)
JAC028 9-15m	Laterite	14.019	5.33	1.69	1.70
JAC0029 8-13m	Laterite	11.434	4.25	3.80	3.85
JAC037 9-13m	Laterite	8.686	5.01	2.23	2.31
JAC038 9-12m	Laterite	6.982	5.22	4.22	4.05
JAC039 9-12m	Laterite	7.023	4.23	4.47	4.42
JAC060 19-22m	Upper Oxide	9.425	17.64	2.27	2.16
JAC061 21-23m	Upper Oxide	6.906	8.72	2.47	2.59
JAC062 20-24m	Upper Oxide	10.221	10.65	2.35	2.31
JAC054 40-48m	Lower Oxide	9.828	23.16	6.51	7.49
JAC055 33-40m	Lower Oxide	8.083	14.84	3.39	2.99
JAC057 32-47m	Lower Oxide	17.488	16.41	5.19	4.37
JAC062 32-51m	Lower Oxide	27.267	16.32	4.95	5.47

Forward Looking Statements

This announcement 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 publicly 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.

Competent Persons Statement

The information in this announcement that relates to Exploration Results and metallurgical considerations is based on information compiled by Simon Coxhell, a Director of Echo Resources and a member of the Australasian Institute of Mining and Metallurgy. Mr Coxhell has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that they are 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 consent to the inclusion in the report of the matters based on the information in the form and context in which it appears.