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21 July 2016
ASX Announcement
ASX Code: EAR

Echo accelerates Julius Bankable Feasibility Study

KEY POINTS

- **Resource infill drilling underway to support Bankable Feasibility Study**
- **Drilling targeting extension of existing Julius resources also underway**
- **BFS on track for completion in December Quarter 2016**

Echo Resources Limited ("Echo" or "the Company") continues to move rapidly toward development of the flagship Julius Gold Project with the launch of an extensive in-fill and step-out drilling program as part of the Bankable Feasibility Study ("BFS").

The Company remains on-track to deliver the completed BFS in the December Quarter 2016 as part of the strategy to bring the Julius deposit, located in the Yandal greenstone belt, into production as soon as possible.

Julius Infill and Expansion Drilling is Underway

The BFS is focussed on the existing high grade Julius deposit, which was the subject of the successful Scoping Study completed in June 2016 (see ASX announcement 21 June 2016), and has the potential to deliver excellent value to shareholders. This drilling is aiming to convert existing Indicated Resources to Measured, as well as to expand existing resources on the margins of the proposed pit.

Aircore drilling commenced at Julius last week and is focussed in the immediate vicinity of the planned Stage 1 open-pit. The aircore program consists of approximately 60 holes for 2,600 metres and it is anticipated the program will be completed by the end of July.

A number of infill holes in the vicinity of the previous high grade drill intersections in the northern sector of the Stage 2 pit associated with the high grade supergene gold mineralisation are also planned in order to test for and demonstrate continuity of the high grade zones.

In addition, reverse circulation drilling is due to commence in the coming days with a total of 42 holes for 4,800 metres planned to test for additional gold mineralisation outside of the Stage 1 pit.

Julius mineralisation is open at depth and along strike with numerous large intersections lying within both the mafic and granite lithologies requiring extensive follow up. This drilling will also assist with



converting portions of the Inferred Resource to Indicated. A number of sterilisation holes are also planned to ensure the proposed waste dump location is not mineralised.

Diamond drilling will commence within two weeks with a total 10 holes for approximately 800 metres to be drilled for metallurgical samples, geotechnical evaluation and to twin a number of holes for validation purposes.

All drilling is expected to be completed by the end of August with all results available soon after.

Echo will continue to provide regular updates as major study items are progressed or completed, and discussions advance with contractors and key stakeholders.

For further information please contact

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Competent Persons Statement

The information in this report relating to Resource Estimation is based on information compiled by Mr Steve Hyland, a consultant of Echo Resources Limited, who is a member of the Australasian Institute of Mining and Metallurgy. 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. Both have 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 Hyland and 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.

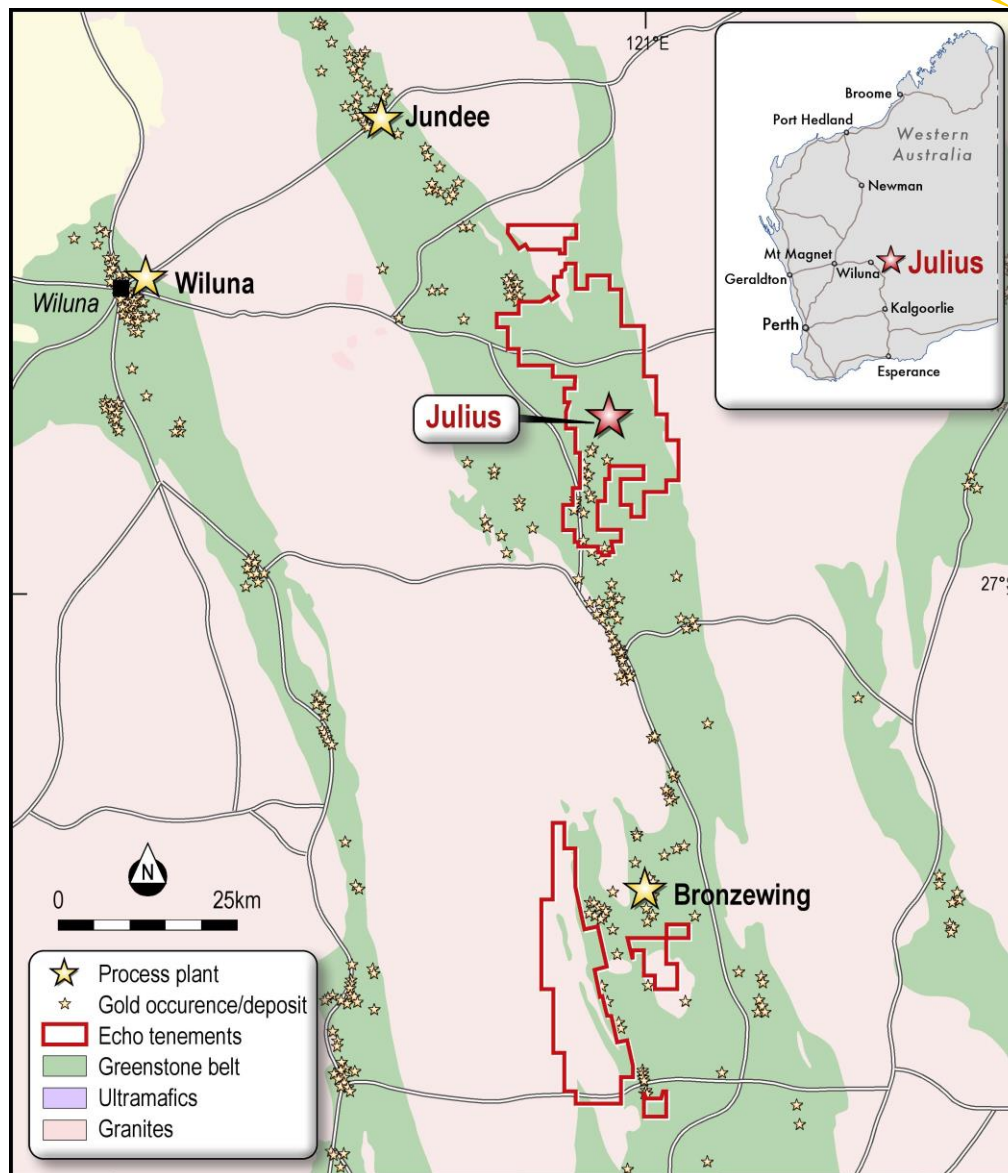


Figure 1 – Echo Tenements Location Map

No New Information or Data

This announcement 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 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.