Echo Resources Limited

ACN 108 513 113

27 May 2016
ASX Announcement

FURTHER HIGH GRADE GOLD RESULTS AT JULIUS

HIGHLIGHTS

- **Results received for the final 26 holes (JAC049→JAC074) from the April drilling program.**
- **Significant intercepts returned in all holes drilled - including:**
  - 8 metres @ 3.31 g/t Au from 28 metres (JAC052)
  - 6 metres @ 8.81 g/t Au from 40 metres (JAC054)
  - 24 metres @ 3.46 g/t Au from 32 metres (JAC057)
  - 3 metres @ 14.37 g/t Au from 40 metres (JAC058)
  - 12 metres @ 8.27 g/t Au from 34 metres (JAC061)
  - 19 metres @ 3.81 g/t Au from 32 metres (JAC062)
  - 9 metres @ 16.95 g/t Au from 30 metres (JAC064)
  - 18 metres @ 1.25 g/t Au from 33 metres (JAC068)
  - 6 metres @ 5.01 g/t Au from 32 metres (JAC069)
  - 8 metres @ 3.32 g/t Au from 48 metres (JAC074)
- **A Scoping Study is in progress to assess the likely economics of a Stage One open pit at Julius.**

Echo Resources Limited ("**Echo**" or "**the Company**") is pleased to announce the second batch of assay results from infill drilling completed at the Julius Gold Project ("**Julius**" or "**the Project**") in April 2016. The program totalled 74 holes for 3,397 metres of vertical aircore drilling and was completed in the near surface zone of known gold mineralisation at Julius. The results reported here are from the final 26 holes of the April 2016 program (JAC049->JAC074, see Figures 1-11 and Table 1) located in the northern sector of the area drilled.

As expected, based on previous wider spaced drilling in the area, the near surface laterite gold mineralisation diminishes to the north and is replaced by high grade mineralisation at depth within the weathered oxide zone.

Aircore drilling was completed over approximately 600 metres of strike with hole depths ranging from 16 to 78 metres, with an average depth of 50 metres. Drilling was on nominal 20-25 metre sections with holes spaced at 15-30 metre intervals across each section and aimed at quantifying tonnes and grade of mineralisation lying within a proposed Stage One open pit, specifically focused on the near surface laterite and supergene mineralisation within the oxide zone of the deposit.

Significantly, the latest results highlight a high grade zone of gold located over approximately 100 metres of strike and concentrated between 30-50 metres vertical depth (see drill holes JAC052→JAC069).

159 Stirling Highway, Nedlands WA 6009
PO Box 1114, Nedlands WA 6909
Tel: +61 8 9389 8726
Fax: +61 8 9386 9473
E: admin@echoresources.com.au

Additionally, the northernmost hole drilled in the program (JAC074, located 150 metres north of the high grade zone) returned 8 metres @ 3.32 g/t Au from 48 metres confirming the gold mineralised zone at Julius remains open to the north and down dip to the west-north west.

This higher grade gold zone is generally localised on the greenstone granite contact and consists of variably weathered clays and rocks centred around the base of oxidation with an increase in quartz veining and iron oxide staining after weathered sulphides. A well developed shear fabric was recorded in many of the strongly mineralised holes. A number of very encouraging high grades were returned from the drilling confirming and extending previous high grade drill results.

Recent results demonstrate significant potential at Julius for a low cost and low risk mining operation with strong economic returns.

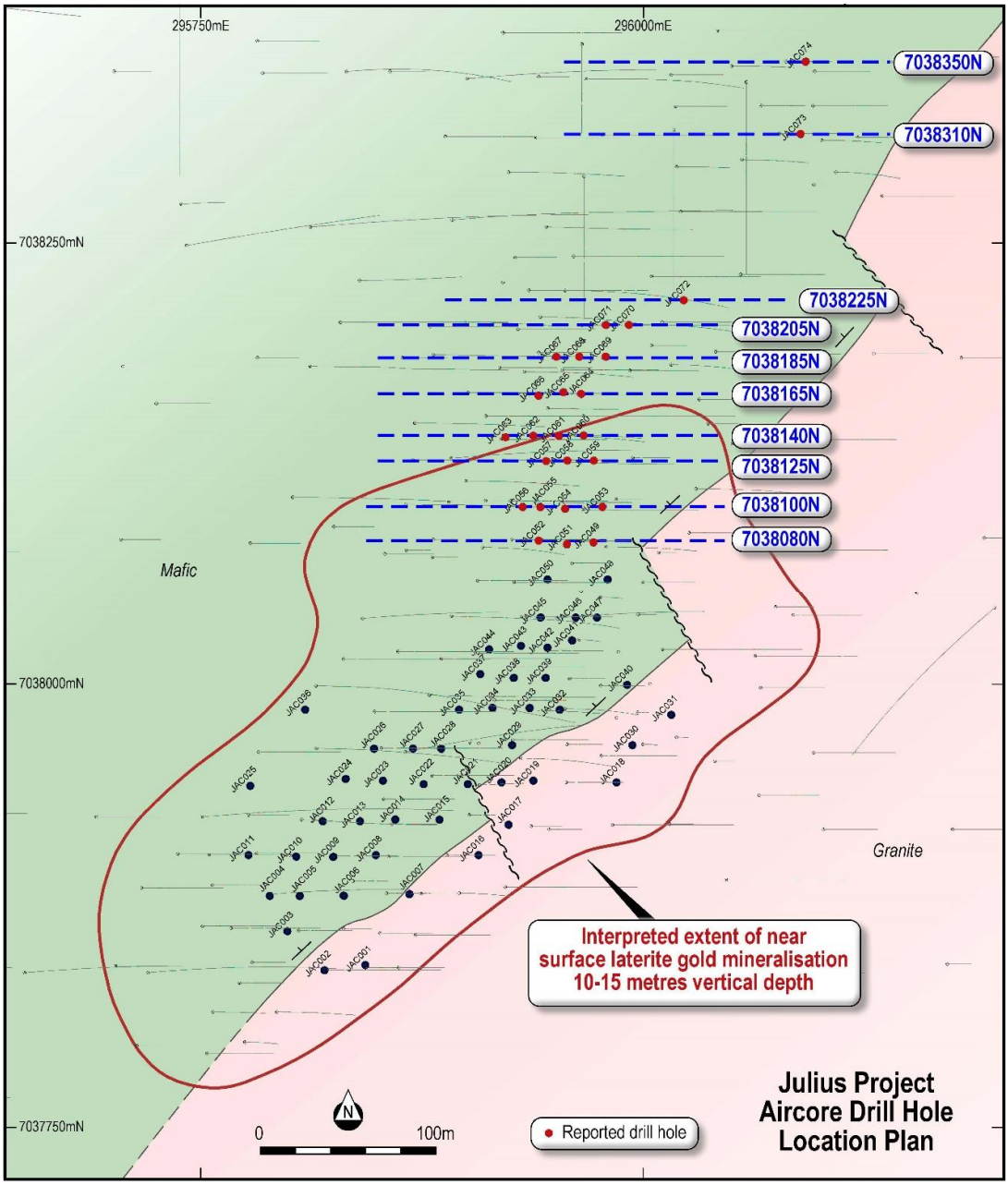

Figure 1: Drill Hole Location Plan

The aircore drilling program completed in April 2016 has returned notable gold intersections over 580 metres of strike and between 8 to 60 metres vertical depth. Multiple gold zones have been intersected and oxidation and geological boundaries are better defined and understood. Results illustrate a strong laterite gold horizon overlying a high grade oxide supergene gold zone with expected favourable mining and economic parameters.

Results are currently being integrated into the resource model to define economic parameters and the expected outcome of an open pit mining operation. A program of deeper reverse circulation drilling is in the planning stages and designed to assess the primary gold mineralisation below 60 metres vertical depth.

Scoping Study

Based on the positive results received from the drill results to date the Company has commenced a pit optimisation and Scoping Study to assess likely economics of a Stage One open pit at Julius.

Minecomp in Kalgoorlie have been commissioned to complete initial pit optimisation and design work based on the current resource model. A number of toll treatment options for the ore are being considered with preliminary metallurgical test-work suggesting excellent gold recoveries via conventional CIP/CIL processing.

Figures 2 to 11 illustrate cross sections of the drilling. Table 1 compiles all significant intersections at a nominal 1.0 g/t Au cut off. Collar coordinates are also provided.

For further information please contact
Simon Coxhell, Director
simon@echoresources.com.au
Office Phone +61 8 9389 8726

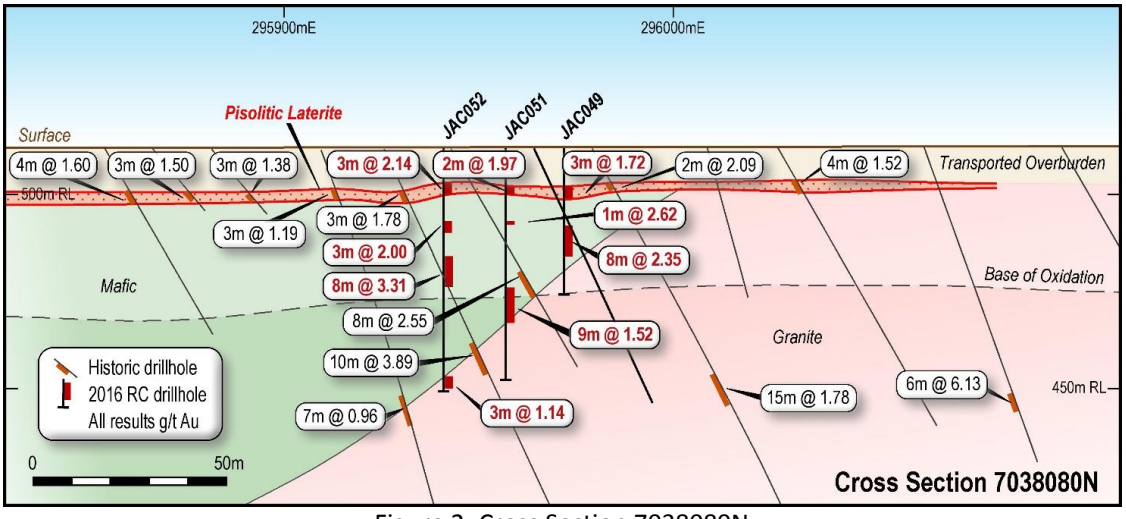

Figure 2: Cross Section 7038080N

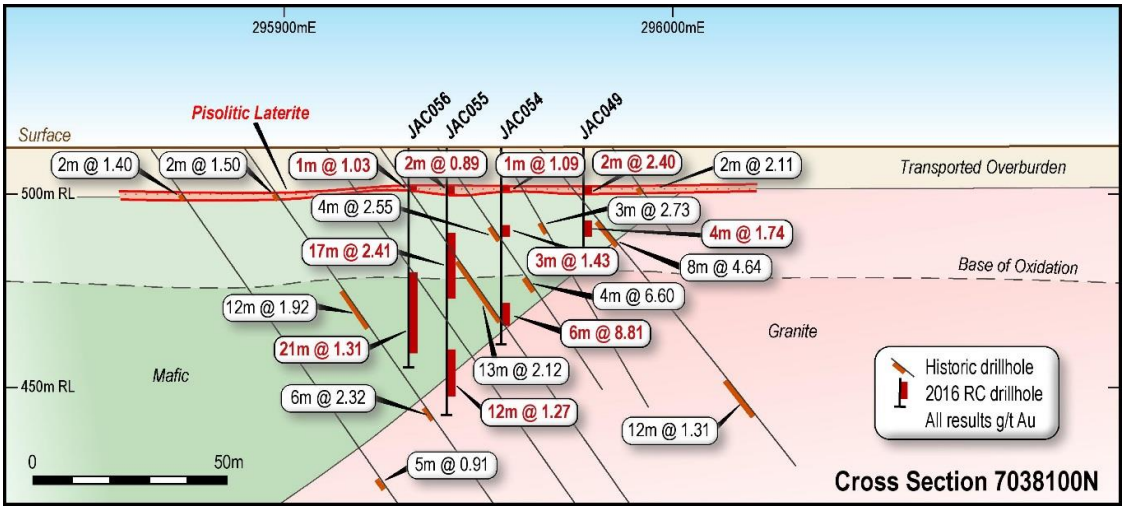

Figure 3: Cross Section 7038100N

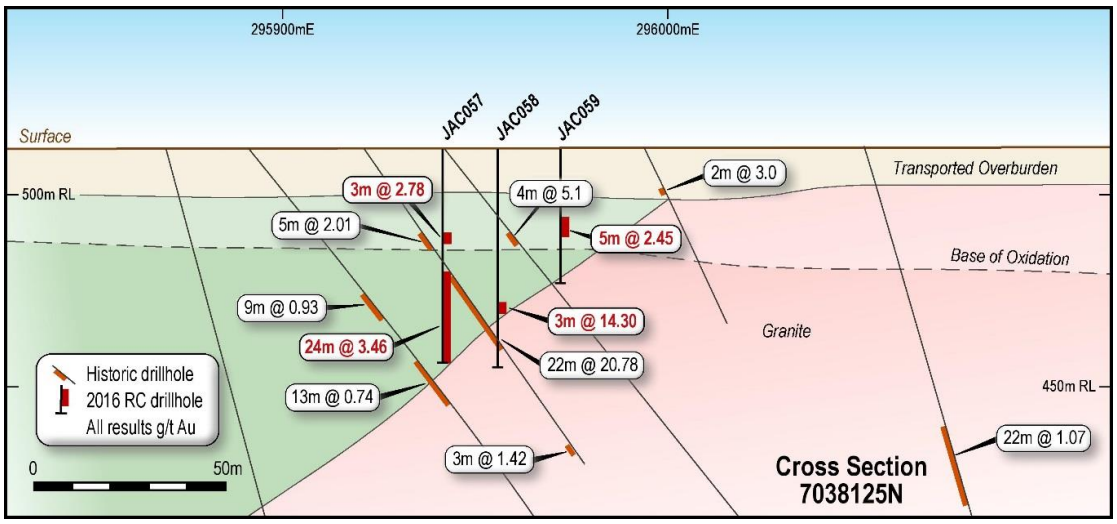

Figure 4: Cross Section 7038125N

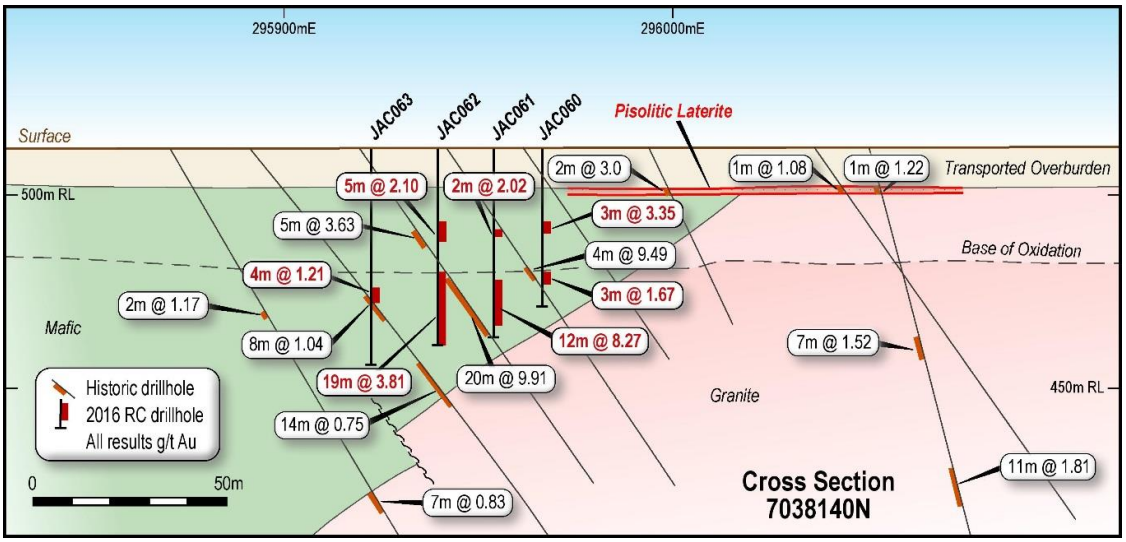

Figure 5: Cross Section 7038140N

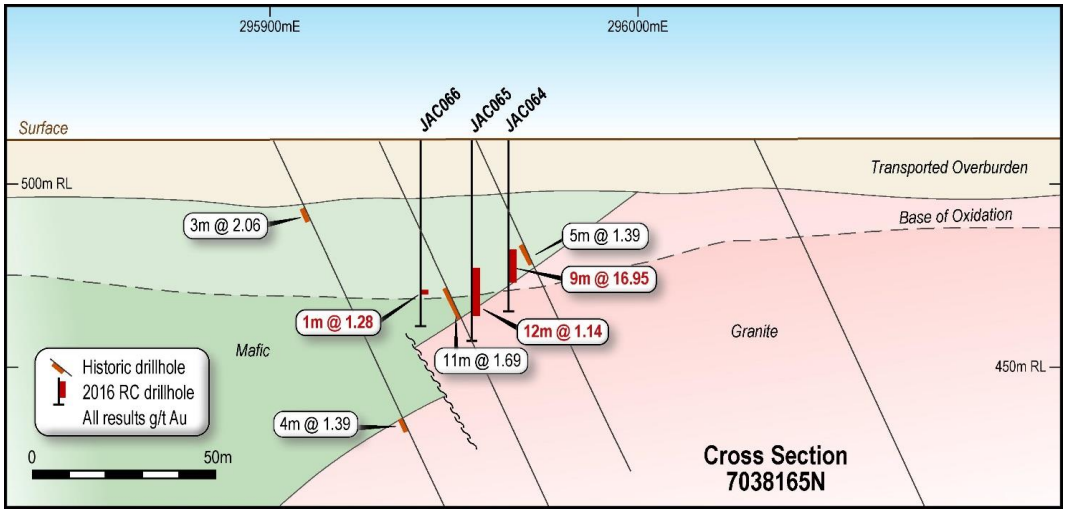

Figure 6: Cross Section 7038165N

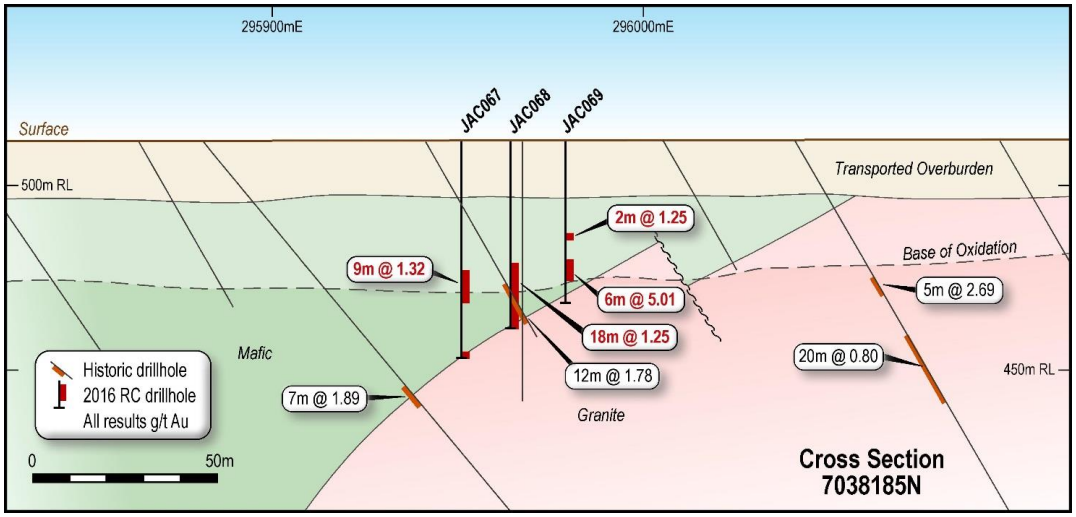

Figure 7: Cross Section 7038185N

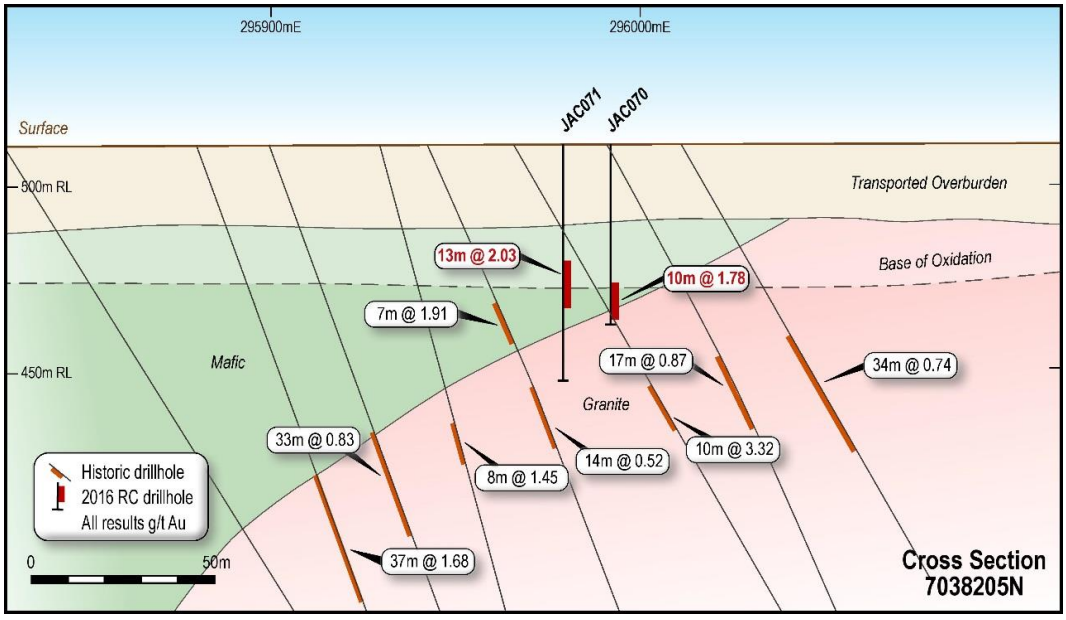

Figure 8: Cross Section 7038205N

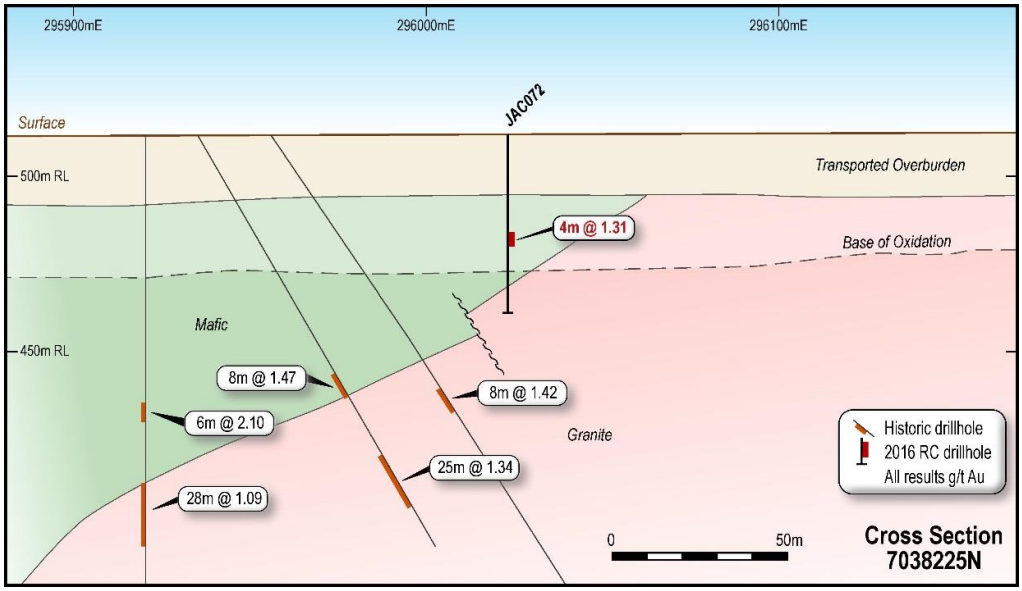

Figure 9: Cross Section 7038225N

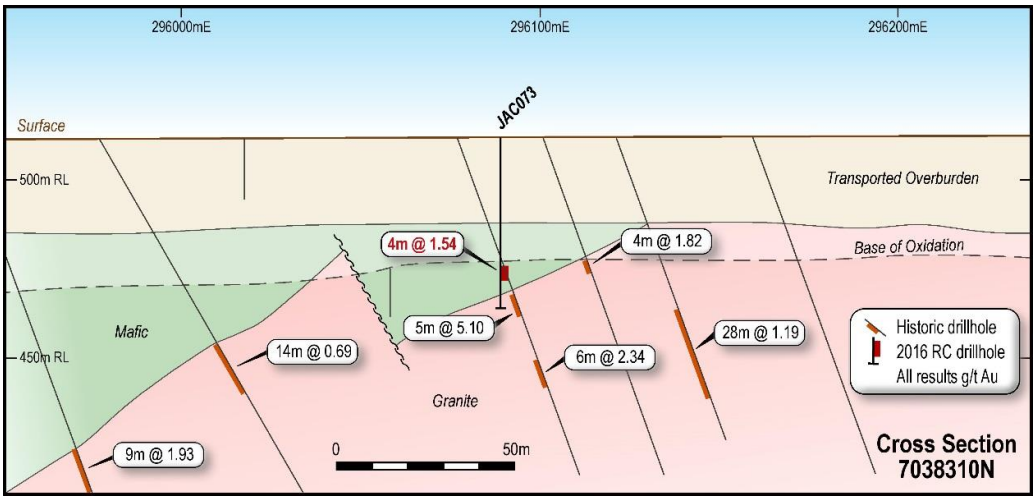

Figure 10: Cross Section 7038310N

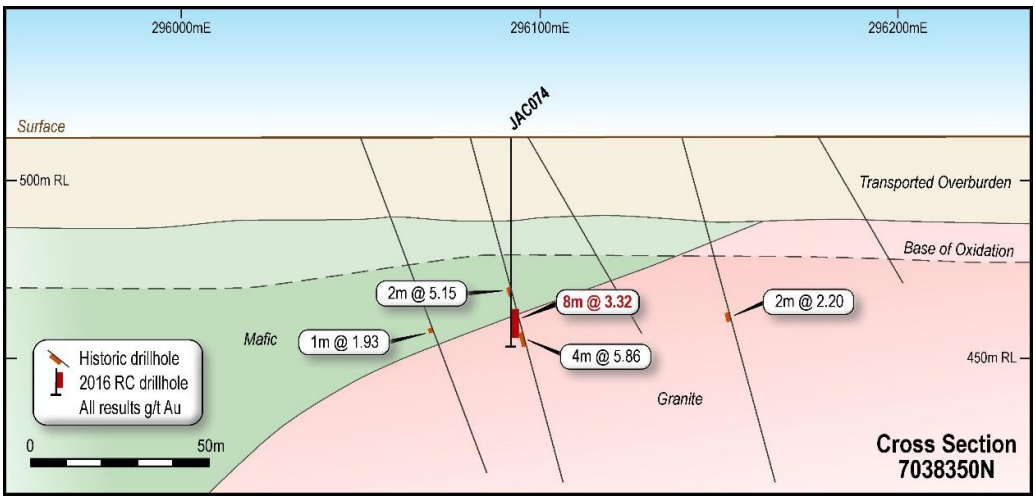

Figure 11: Cross Section 7038350N

						AGD 84 Z 51		
HoleNo	From	To	Thickness (m)	Grade (g/t Au)	Ore Type	Easting	Northing	Total Depth (m)
JAC049	10	13	3	1.72	Flat Lying Pisolitic Laterite	295972	7038080	38
JAC049	20	28	8	2.35	Mafic Saprolite			
JAC050	9	13	4	1.92	Flat Lying Pisolitic Laterite	295946	7038059	62
JAC050	32	36	4	1.93	Mafic Saprolite			
JAC050	45	46	1	2.11	Bedrock			
JAC051	10	12	2	1.97	Flat Lying Pisolitic Laterite	295957	7038079	60
JAC051	19	20	1	2.62	Mafic Saprolite			
JAC051	36	45	9	1.52	Mafic Saprolite			
JAC052	9	12	3	2.14	Flat Lying Pisolitic Laterite	295941	7038081	63
JAC052	19	22	3	2.00	Mafic Saprolite			
JAC052	28	36	8	3.31	Mafic Saprolite			
JAC052	59	62	3	1.14	Bedrock Granite			
JAC053	10	12	2	2.40	Flat Lying Pisolitic Laterite	295977	7038100	32
JAC053	19	23	4	1.74	Mafic Saprolite			
JAC054	10	11	1	1.09	Flat Lying Pisolitic Laterite	295956	7038099	51
JAC054	20	23	3	1.43	Mafic Saprolite			
JAC054	40	46	6	8.81	Bedrock			
JAC055	10	12	2	0.89	Flat Lying Pisolitic Laterite	295942	7038100	69
JAC055	22	39	17	2.41	Mafic Saprolite			
JAC055	52	64	12	1.27	Bedrock			
JAC056	10	11	1	1.03	Flat Lying Pisolitic Laterite	295932	7038100	57
JAC056	32	53	21	1.31	Mafic Saprolite/Bedrock			
JAC057	22	25	3	2.78	Mafic Saprolite	295942	7038127	56
JAC057	32	56	24	3.46	Weathered Bedrock			
JAC058	40	43	3	14.37	Weathered Bedrock	295956	7038127	57
JAC059	18	23	5	2.45	Mafic Saprolite	295972	7038127	35
JAC060	19	22	3	3.35	Mafic Saprolite	295966	7038141	41
JAC060	32	35	3	1.67	Mafic Saprolite			
JAC061	21	23	2	2.02	Mafic Saprolite	295954	7038141	49
JAC061	34	46	12	8.27	Weathered Bedrock			
JAC062	19	24	5	2.10	Mafic Saprolite	295940	7038141	51
JAC062	32	51	19	3.81	Weathered Bedrock			
JAC063	36	40	4	1.21	Bedrock	295922	7038140	56
JAC064	30	39	9	16.95	Weathered Bedrock	295965	7038164	47
JAC065	35	48	13	1.14	Weathered Bedrock	295955	7038165	55
JAC066	41	42	1	1.28	Weathered Bedrock	295941	7038163	50
JAC067	35	44	9	1.32	Weathered Bedrock	295951	7038185	59
JAC067	57	59	2	3.28	Bedrock			
JAC068	33	51	18	1.25	Weathered Bedrock	295964	7038185	51
JAC069	25	27	2	1.25	Mafic Saprolite	295979	7038185	44
JAC069	32	38	6	5.01	Mafic Saprolite			
JAC070	38	48	10	1.78	Bedrock	295992	7038203	50
JAC071	32	45	13	2.03	Weathered Bedrock	295979	7038203	65
JAC073	36	40	4	1.51	Weathered Bedrock	296089	7038311	48
JAC074	48	56	8	3.32	Bedrock	296092	7038352	59

Note: All holes vertical (-90)

Table 1: Significant Intersections (nominal 1.0 g/t cut off) and drill hole collar coordinates

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	• *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.*	• Recent exploration at the Julius Gold Deposit comprised aircore drilling of 74 holes for 3397 metres. Approximately 2kg of sample was collected from each metre for analysis by riffle 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. • A number of 4 metre composites were also collected in areas outside of the interpreted mineralised intervals.
Drilling techniques	• *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.).*	• Aircore drilling (4 inch), predominantly blade bit with hammer at the bottom of a number of holes, as required below the base of oxidation (>50 metres vertical depth).
Drill sample recovery	• *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.*	• Drill sample returns as recorded were considered excellent. • There is insufficient data available at the present stage to evaluate potential sampling bias.
Logging	• *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.*	• 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. • Rock chip boxes of all sample intervals were collected. All samples were logged.
Sub-sampling techniques and sample preparation	• *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.*	• 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. • Field duplicates were taken at a rate of 1:30. • Blanks were inserted at a rate of 1:30 • Standards were inserted at a rate of 1:30. • Sample sizes are considered appropriate to the grain size of the material being sampled.
Quality of assay data and laboratory tests	• *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 times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks)*	• 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 duplicates as part of the in house procedures. Repeat and duplicate analysis for samples shows that the precision of

159 Stirling Highway, Nedlands WA 6009
PO Box 1114, Nedlands WA 6909
Tel: +61 8 9389 8726
Fax: +61 8 9386 9473
E: admin@echoresources.com.au

Criteria	JORC Code explanation	Commentary
	and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	analytical methods is within acceptable limits.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• 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	• *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.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• All drillholes have been located by handheld GPS with precision of sample locations considered +/-5m. • Location grid of plans and cross sections and coordinates in this release 2016 samples use AMG 84, Z51 datum. • Topographic data was assigned based on a DTM of the Julius opening surface..
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *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.* • *Whether sample compositing has been applied.*	• The holes are nominally spaced on a 20 metre (E-W spacing) with hole spacing along each section ranging from 15-30 metres spacing along each section line. • Data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for Mineral Resource estimation procedures. • Sample compositing has occurred on a small number of samples (4 metre composite samples) outside of the interpreted main mineralized zone. .
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *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.*	• The orientation of sampling is considered adequate and there is not enough data to determine bias if any. • Mineralised outcrop strikes north-north-east. Drilling was orthogonal to this apparent strike and comprised vertical drill holes. . The flat lying laterite also trends in this orientation and the vertical drilling completed is considered entirely appropriate for this style of mineralization. •
Sample security	• *The measures taken to ensure sample security.*	• 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	• *The results of any audits or reviews of sampling techniques and data.*	• 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	• *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.* • *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.*	• The Julius Gold Deposit is located within E53/1042 located in the northern Yandal Greenstone Belt and is 100% owned by Echo Resources Ltd. The tenement is located in the Wiluna Native Title Claim Group (WC99/24). Newmont Yandal Operations has the right to buy back a 60% interest in any gold discovery containing aggregate Inferred Mineral Resources of at least 2 million ounces of gold. A third party net smelter royalty of 1.5% applies in respect of all minerals produced from the tenement. • The tenement is in good standing • No impediments to operating on the permit are known to exist.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• The Julius deposit area was initially located by Newmont based on shallow results. Echo Resources subsequently completed RC drilling which defined the extent of the resource as understood today.

Criteria	JORC Code explanation	Commentary
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The Julius Gold Deposit consists of a flat lying gold rich laterite zone which is located between 10-15 metres vertical depth and overlain by indurated barren transported sands and silts. . This is underlain by clay rich supergene gold mineralisation and at depth primary gold mineralization associated with silica, quartz veining and sulphide development. The mineralisation is largely focused on a shallow west-northwest dipping granite/greenstone contact (principally ultramafic lithologies).
Drill hole Information	• *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:* ○ *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.*	• A total of 74 drillholes for 3397 metres were drilled on nominal 20 metre centres, focused on the oxidized zone and laterite gold mineralized zone in the vicinity of the granite-greenstone contact. Full drillhole details for the results received to date are provided in this announcement. collected. Appropriate maps and plans also accompany this announcement.
Data aggregation methods	• *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.*	• 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.
Relationship between mineralisation widths and intercept lengths	• *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').*	• The orientation or geometry of the mineralised zones strikes in a north-northeastly direction and dips in a shallow manner to the west-northwest. The laterite is flat lying and overlies this contact zone, with the drilling largely interpreted to be orthogonal to strike.
Diagrams	• *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.*	• Appropriate maps are included in main body of report with gold results and full details are in the tables reported.
Balanced reporting	• *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.*	• All results for the target economic mineral being gold have been reported.
Other substantive exploration data	• *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.*	• Previous work by Echo has highlighted a gold resource of 4Mt @ 1.69 g/t Au at Julius. Metallurgical work suggests excellent gold recoveries are likely through a conventional CIP/CIL gold plant. There are at least two of these in the district within trucking distance of Julius.
Further work	• *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.*	• Future RC, diamond and aircore drilling is being considered to further evaluate the Julius Gold Deposit. • Refer to maps in main body of report for potential target areas.