



**ECHO RESOURCES
LIMITED**

Echo Resources Limited

Interim Financial Report

For the half-year ended 31 December 2015

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These interim financial statements do not include all the notes of the type normally included in the annual financial statements. Accordingly, these financial statements are to be read in conjunction with the Annual Report for the year ended 30 June 2015 and any public announcements made by Echo Resources Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

DIRECTORS' REPORT

Your Directors are pleased to present their report on Echo Resources Limited at the end of, or during, the half-year ended 31 December 2015.

DIRECTORS

The names of the Directors who held office during or since the end of the half-year, to the date of this report, are:

Michael Ruane (Non-executive Chairman) Appointed 8 February 2016

Simon Coxhell (Non-executive Director) Appointed 8 February 2016

Anthony McIntosh (Non-executive Director)

Mathew Longworth (Non-executive Chairman) Removed 8 February 2016

Ernst Kohler (Managing Director) Removed 8 February 2016

REVIEW OF OPERATIONS

During the half-year ended 31 December 2015, Echo focused on exploration and evaluation activities at the Julius Gold Discovery. Julius is located in the Yandal Gold Province, approximately 750km northeast of Perth, Western Australia (Fig. 1). The Yandal Province is among Australia's largest goldfields, hosting several multi-million ounce gold deposits, including those at Jundee (Northern Star Resources) and Darlot (Gold Fields).

A drilling program approximating 10 reverse circulation holes for 1630 metres was completed during December 2015 and early January 2016. Unfortunately, the previous Managing Director, Ernst Kohler has retained the data needed to reconcile the results and resampling of available samples at the Julius site may be required in order to understand the results from the drilling.

Subsequent to period-end, Echo Resources Limited applied for a Mining Lease over the known Julius gold mineralisation and surrounding area. See Figure 1. The ML covers approximately 744 hectares and is large enough to accommodate a large open pit, associated waste dumps and mining infrastructure. A Miscellaneous Lease covering a transport corridor from the Julius ML to the Barwidgee road has also been pegged.

By way of background, the Julius gold mineralisation is localised on a deeply weathered contact of sheared mafic and ultramafic rocks in contact to the east with a granite and overlain by a 10 metre sequence of recent windblown sands, and to the north a Tertiary aged paleo-channel sequence of clays. It is a structurally controlled gold deposit and a number of encouraging intersections at depth suggests the deposit has significant potential.

The work completed to date at Julius (based on compilation of previous quarterly reports) has defined a gold rich flat lying laterite mineralised body extending over approximately 500 metres of strike and 250 metres in width and averaging 4 metres thickness. Gold grades within the flat lying laterite have ranged from 1.0 g/t to 5.0 g/t.

The gold rich laterite sits underneath a shallow 10 metre thick cover sequence of windblown sands. Lying underneath this laterite is a highly weathered sequence of rocks predominated by clays that extend down to 50-65 metres vertical depth. A zone of gold depletion exists below the laterite followed by a second zone of gold enrichment which generally lies between 35-60 metres vertical depth and extending for approximately 600 metres of strike length. The supergene gold blanket would be a clear focus of any open pit gold mining project.

Below the supergene gold at depth within the fresh rock, a number of significant intersections have been returned which warrant further testing. The extent and orientation of the deep high grade intersections, see Table 1 is unclear based on current available data.

Table 1: Deep Intersections: Julius

Hole	From	To	Thickness	Au g/t
ERC0186	235	238	3	35.02
ERC0222	276	280	4	59.7

A summary of the more significant intersections from the Julius deposit are highlighted in Table 2 and have all been previously released in past quarterly reports. Modelling and estimation of the gold mineralisation at Julius will be undertaken once the full exploration database becomes available to the company.

At today's gold price and based on a number of assumptions the potential for the development of a profitable open pit at Julius is considered high, and further work to specifically highlight and document the likely tonnes and grade lying within an open pit gold mine and the economic significance of this is one of main priorities moving forward.

Work in 2016 will be focused on the approval process for the mining lease over Julius and also additional drilling programs designed to assist in the definition of the likely gold mineralisation within the top 60 metres of the deposit. Work is also planned for the Zaphod prospect where high grade rock chip results have been returned. Additional gold potential is recognised on all of the tenement holdings of Echo and work to expand the knowledge and define additional gold resources is the priority.

Table 2: Selected Previous Significant Intersections: Julius Gold Deposit

HoleNo	From	To	Thickness (m)	Au g/t	Easting	Northing	RL (surface 500)	Gram Metres
ERB0034	32	48	16	1.66	295963	7038082	465	26.56
ERC0012	48	56	8	5.01	296054	7038270	460	40.07
ERC0015	52	60	8	4.53	295915	7037993	456	36.27
ERC0015	68	81	13	3.31	295926	7037993	442	43.05
ERC0029	24	37	13	2.10	295963	7038126	476	27.33
ERC0038	98	120	22	1.27	295969	7038271	419	27.96
ERC0041	24	33	9	3.44	295968	7038042	478	30.97
ERC0042	104	117	13	2.84	295972	7038352	415	36.93
ERC0064	12	21	9	3.04	295844	7037891	486	27.39
ERC0065	12	28	16	2.41	295912	7037928	482	38.60
ERC0080	36	61	25	2.10	295968	7038196	452	52.40
ERC0081	100	116	16	1.72	295921	7038229	392	27.53
ERC0083	79	108	29	1.02	295982	7038225	420	29.69
ERC0100	94	107	13	3.66	295969	7038389	403	47.56
ERC0106	67	85	18	1.47	295967	7038257	431	26.37
ERC0133	60	78	18	1.78	296059	7038303	443	32.10
ERC0153	28	56	28	2.71	295953	7038107	466	75.84
ERC0155	44	72	28	1.22	296099	7038313	445	34.24
ERC0163	54	65	11	3.16	295950	7038081	446	34.74
ERC0167	40	65	25	18.39	295950	7038125	457	459.80
ERC0170	41	59	18	2.17	296095	7038351	452	39.04
ERC0174	51	61	10	4.63	295881	7037963	454	46.25
ERC0179	40	54	14	2.00	295938	7038102	462	27.98
ERC0180	37	54	17	3.06	295979	7038178	463	52.01
ERC0181	57	73	16	2.32	295950	7038178	444	37.15
ERC0183	42	47	5	11.95	295803	7037903	461	59.73
ERC0194	68	91	23	2.37	296007	7038206	431	54.44
ERC0197	40	64	24	1.21	295947	7038167	455	28.97
ERC0201	14	30	16	1.87	295839	7037904	482	29.96
ERC0212	48	61	13	5.55	296081	7038328	447	72.09
ERC0217	38	65	27	7.60	295950	7038139	458	205.27
ERC0219	44	60	16	1.63	295920	7038103	457	26.05
ERC0220	96	134	38	1.17	295919	7038203	392	44.32
ERC0225	82	116	34	0.81	295933	7038205	407	27.60
ERC0228	37	45	8	5.03	295966	7038141	466	40.28
ERC0233	22	32	10	2.90	295950	7037985	477	28.99
ERC0233	65	72	7	6.17	295970	7037985	441	43.21

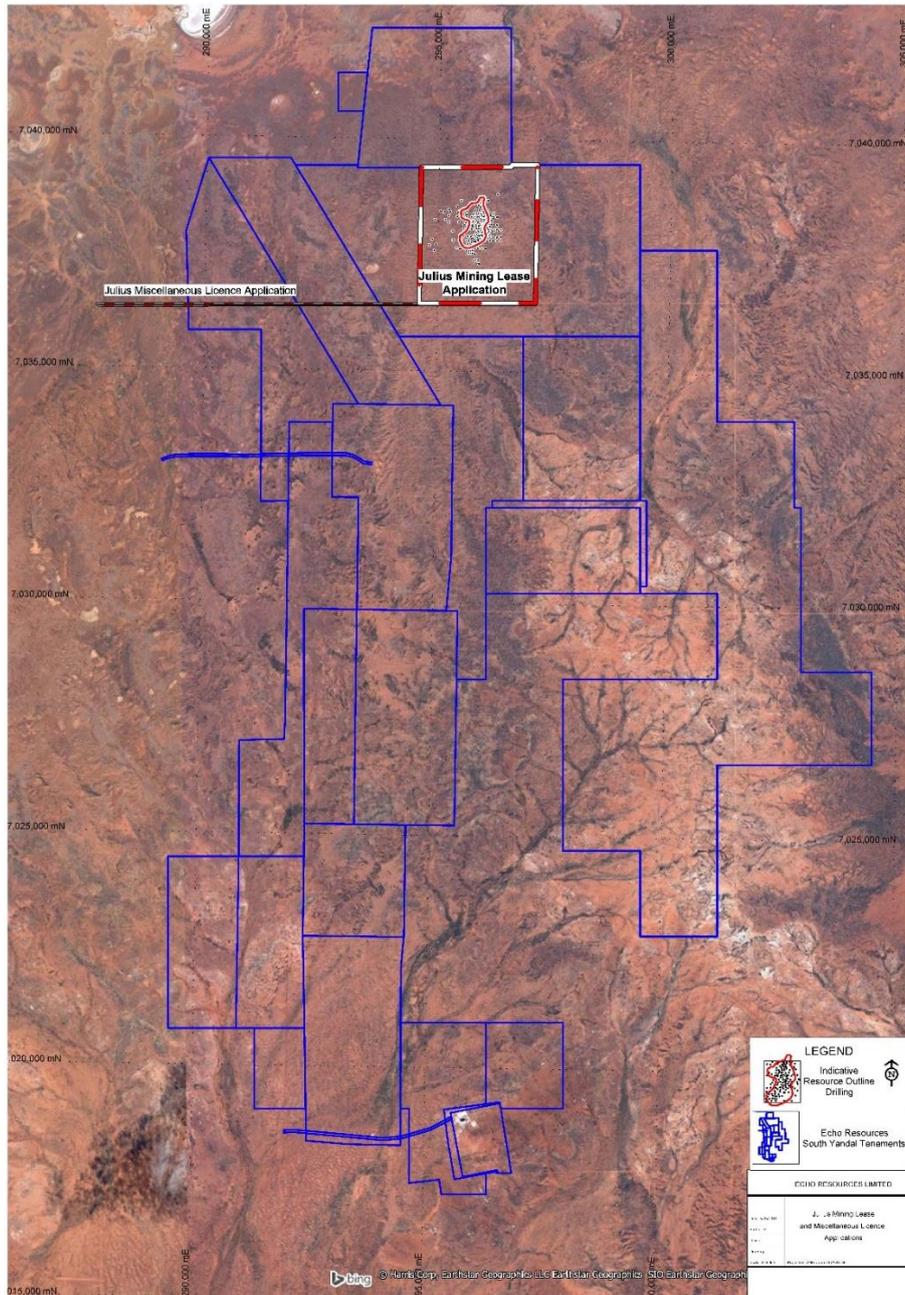


Figure 1: Location Plan: Julius Mining Lease Application

Competent Person Statement

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Simon Coxhell who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Coxhell is a Director of Echo Resources Limited. Mr Coxhell has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which 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 his information in the form and context in which it appears.

It is common practice for a company to comment on and discuss its exploration in terms of target size and type. The information in this announcement relating to exploration targets should not be misunderstood or misconstrued as an estimate of Mineral Resources or Ore Reserves. Hence the terms Resource(s) or Reserve(s) have not been used in this context. Any potential quantity and grade is conceptual in nature, since there has been insufficient work completed to define them beyond exploration targets and that it is uncertain if further exploration will result in the determination of a Mineral Resource.

This report may contain forward-looking statements concerning the potential of Echo's exploration projects and proposed exploration programs. No assurance can be given that Echo's proposed plans for the exploration of its project areas will proceed as planned, or that they will result in the discovery or delineation of additional or new mineral deposits, or that any mineralization discovered will be amenable to economic extraction, or that the tenement applications will proceed to grant. Exploration programs may not proceed as planned due to delays beyond the control of the Company, including adverse weather and ground conditions, and contractor and government approval delays. Nothing in this announcement should be construed as either an offer to sell or a solicitation of an offer to buy or sell securities.

RESULTS OF OPERATIONS

The Company incurred an after tax operating loss for the half-year ended 31 December 2015 of \$773,171 (2014: \$695,274).

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 6.

EVENTS SUBSEQUENT TO REPORTING DATE

Board Changes

On the 8th February 2016 the shareholders of Echo Resources Limited elected Dr Michael Ruane and Mr Simon Coxhell to the Board Members.

Dr Ruane holds a PhD in Chemistry and has over 30 years of experience as a Technical Consultant in the chemical and metallurgical fields. Dr Ruane is currently a Director of Intermin Resources Ltd and a Director of Reward Minerals Ltd.

Simon is a geologist with 30 years of diverse experience encompassing all aspects of the resource sector including exploration, resource development, metallurgical considerations and mining. In addition, exposure to capital markets, fund raising and significant corporate experience over the last 15 years in senior executive appointments.

At the same general meeting the shareholders elected to remove Dr Ernst Kohler and Mr Mathew Longworth from the board.

The company regrets to advise that despite a number of approaches to the previous Managing Director Ernst Kohler, certain company records and assets sought have not been returned including vehicles, computers, hard copy records and digital data have not been located or returned. The carrying value of the assets currently in the possession of Ernst Kohler represents \$3,000 of plant and equipment in the Statement of Financial Position. The company is awaiting legal advice in respect of recovery of the Company's property from Ernst Kohler.

Deed of Settlement – Clean-up Notice

The Company executed a Deed of Settlement with the DEHP on the 8 January 2016. Refer to note 5 for further details.

Capital Raising

A capital raising of \$836,102 (representing 13,935,044 Ordinary Shares at \$0.06 per share) prior to cost was completed on the 25th February 2016. The funds will be used to advance the Company's exploration programmes and for working capital.

No other matters or circumstances have arisen since the half-year ended 31 December 2015, that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company.

CHANGES IN STATE OF AFFAIRS

There were no other significant changes in the entity's state of affairs other than that referred to in the half-year financial statements or notes thereto.

This report is made in accordance with a resolution of Directors and signed for and on behalf of the Directors by:



Michael Ruane

Director

Perth, Western Australia

15 March 2016

DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF ECHO RESOURCES LIMITED

As lead auditor for the review of Echo Resources Limited for the half-year ended 31 December 2015, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.



Jarrad Prue
Director

BDO Audit (WA) Pty Ltd
Perth, 15 March 2016

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015**

		Half-year	
	Note	2015 \$	2014 \$
REVENUE FROM CONTINUING OPERATIONS	2	7,171	12,431
EXPENDITURE			
Exploration and evaluation expenses		(276,065)	(381,392)
Other expenses	2	(474,372)	(302,250)
Occupancy expenses		(29,905)	(24,063)
LOSS BEFORE INCOME TAX		(773,171)	(695,274)
Income tax benefit expense		-	-
LOSS AFTER INCOME TAX FOR HALF-YEAR		(773,171)	(695,274)
Other comprehensive income for the half-year, net of tax		-	-
TOTAL COMPREHENSIVE LOSS FOR THE HALF-YEAR ATTRIBUTABLE TO THE MEMBERS OF ECHO RESOURCES LIMITED		(773,171)	(695,274)
Loss per share attributable to the ordinary equity holders of the Company			
Basic and diluted loss per share (cents per share)		(0.55)	(0.72)

The above statement of profit or loss and other comprehensive income should be read in
conjunction with the accompanying notes.

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015**

	Note	31 December 2015 \$	30 June 2015 \$
CURRENT ASSETS			
Cash and cash equivalents		624,801	1,543,423
Trade and other receivables		7,072	53,195
TOTAL CURRENT ASSETS		<u>631,873</u>	<u>1,596,618</u>
NON-CURRENT ASSETS			
Other financial assets		22,500	22,500
Property, plant and equipment		62,402	62,768
TOTAL NON-CURRENT ASSETS		<u>84,902</u>	<u>85,268</u>
TOTAL ASSETS		<u>716,775</u>	<u>1,681,886</u>
CURRENT LIABILITIES			
Trade payables		62,010	160,642
Other payables		605,666	698,974
TOTAL CURRENT LIABILITIES		<u>667,676</u>	<u>859,616</u>
TOTAL LIABILITIES		<u>667,676</u>	<u>859,616</u>
NET ASSETS		<u>49,099</u>	<u>822,270</u>
EQUITY			
Contributed equity	4	12,468,107	12,468,107
Accumulated losses		(12,685,450)	(11,912,279)
Options reserve		266,442	266,442
TOTAL EQUITY		<u>49,099</u>	<u>822,270</u>

The above statement of financial position should be read in
conjunction with the accompanying notes.

**STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2015**

	Contributed Equity	Accumulated Losses	Options Reserve	Total Equity
Balance 1 July 2015	12,468,107	(11,912,279)	266,442	822,270
Loss for the half-year	-	(773,171)	-	(773,171)
Total comprehensive loss for the half year	-	(773,171)	-	(773,171)
Transactions with owners in their capacity as owners				
Contributions to equity net of transactions costs	-	-	-	-
Balance 31 December 2015	12,468,107	(12,685,450)	266,442	49,099

	Contributed Equity	Accumulated Losses	Options Reserve	Total Equity
Balance 1 July 2014	10,377,346	(10,535,204)	266,442	108,584
Loss for the half-year	-	(695,274)	-	(695,274)
Total comprehensive loss for the half year	-	(695,274)	-	(695,274)
Transactions with owners in their capacity as owners				
Contributions to equity net of transactions costs	660,151	-	-	660,151
Balance 31 December 2014	11,037,497	(11,230,478)	266,442	73,461

The above statement of changes in equity should be read in
conjunction with the accompanying notes.

**STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015**

	Half-year	
	2015	2014
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Research and development tax refund	-	185,781
Payments to suppliers and employees	(489,466)	(170,892)
Payments for exploration	(435,140)	(637,958)
Interest received	7,171	9,995
Net cash outflow from operating activities	(917,435)	(613,074)
 CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	-	700,040
Payments for share issue costs	(1,187)	(39,889)
Net cash inflow/(outflow) from financing activities	(1,187)	660,151
Net increase/(decrease) in cash and cash equivalents	(918,622)	47,077
Cash and cash equivalents at the beginning of the half-year	1,543,423	638,614
 CASH AND CASH EQUIVALENTS AT THE END OF THE HALF-YEAR	 624,801	 685,691

The above statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT

Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the annual financial statements for the year ended 30 June 2015 and any public announcements made by Echo Resources Limited during the interim period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Basis of preparation

The financial statements have been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's 2015 annual financial report for the financial year ended 30 June 2015. These accounting policies are consistent with Australian Accounting Standards and International Financial Reporting Standards.

Significant accounting judgments and key estimates

The preparation of the interim financial reports requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim report, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 30 June 2015 with the exception of contingent liability as documented below.

Changes in accounting policy

The accounting policies are consistent with those applied in the previous financial year and those of the corresponding interim reporting period.

Adoption of new and revised accounting standards

In the half year ended 31 December 2015, the Company has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2015. It has been determined by the Company that, there is no impact, material or otherwise, of the new and revised standards and interpretations on its business and therefore no change is necessary to the Company's accounting policies.

Going concern

The Directors have prepared the financial statements on the basis of going concern, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business. The Company recognises it incurred a net loss of \$773,171 and a net cash outflow from operating activities of \$917,435 in the period ending 31 December 2015. The Directors recognise that the Company is dependent upon future successful raising of necessary funding through equity to continue its normal business activities and to ensure the realisation of asset and extinguishment of liabilities as and when they fall due.

However, if the Company is unable to achieve the above, there is material uncertainty that may cast significant doubt on the company's ability to continue as a going concern and therefore whether it will be able to pay its debts as and when they fall due and realise its assets and discharge its liabilities in the normal course of business at the amounts stated in the financial report.

NOTES TO THE FINANCIAL STATEMENTS (continued)

The financial report does not include any adjustments relating to the recoverability or classification of recorded asset amounts, nor the amounts or classification of liabilities that might be necessary should the Company not be able to continue as a going concern.

	Half-year	
	2015	2014
	\$	\$
NOTE 2: REVENUE AND EXPENSES		
(a) Revenue		
Interest received	7,171	12,431
	7,171	12,431
(b) Other expenses		
Employee benefits expenses	(133,484)	(176,871)
External professional fees	(125,897)	(32,446)
Non-executive director fees	(37,439)	(37,597)
ASX fees	(21,743)	(27,115)
Other administrative expenses	(155,809)	(28,221)
	(474,372)	(302,250)

NOTE 3: SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. The entity does not have any operating segments with discrete financial information. The Company does not have any customers, and all the Company's assets and liabilities are located within Australia.

The Board of Directors review internal management reports on a monthly basis that is consistent with the information provided in the statement of profit or loss and other comprehensive income, statement of financial position and statement of cash flows. As a result no reconciliation is required because the information as presented is what is used by the Board to make strategic decisions.

NOTE 4: CONTRIBUTED EQUITY

	2015	
	Number	\$
Issued Capital		
Fully paid ordinary shares	139,350,431	12,468,107
	139,350,431	12,468,107
<i>Movements in share capital</i>		
	Number	\$
Balance 1 July 2015	139,350,431	12,468,107
Balance 31 December 2015	139,350,431	12,468,107
Balance 1 July 2014	94,981,768	10,377,346
Issue of 6,364,000 ordinary fully paid shares at 11 cents each	6,364,000	700,040
	-	(39,889)
Balance 31 December 2014	101,345,768	11,037,497

NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 5: COMMITMENTS AND CONTINGENCIES

Echo Resources Limited has no current contingent liabilities. The Company had previously disclosed that The Queensland Department of Environmental and Heritage Protection (DEHP) had issued Echo Resources Limited a Clean-up Notice. The Company executed a Deed of Settlement with DEHP on the 8 January 2016. The settlement is reflected as an other payable in the Company's Statement of Financial Position as at 31 December 2015.

NOTE 6: DIVIDENDS

There were no dividends paid during the half-year ended 31 December 2015.

NOTE 7: EVENTS AFTER BALANCE DATE

Board Changes

On the 8th February 2016 the shareholders of Echo Resources Limited elected Dr Michael Ruane and Mr Simon Coxhell to the Board Members.

Dr Ruane holds a PhD in Chemistry and has over 30 years of experience as a Technical Consultant in the chemical and metallurgical fields. Dr Ruane is currently a Director of Intermin Resources Ltd and a Director of Reward Minerals Ltd.

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At the same general meeting the shareholders elected to remove Dr Ernst Kohler and Mr Mathew Longworth from the board.

The company regrets to advise that despite a number of approaches to the previous Managing Director Ernst Kohler, certain company records and assets sought have not been returned including vehicles, computers, hard copy records and digital data have not been located or returned. The carrying value of the assets currently in the possession of Ernst Kohler represents \$3,000 of plant and equipment in the Statement of Financial Position. The company is awaiting legal advice in respect of recovery of the Company's property from Ernst Kohler.

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Capital Raising

A capital raising of \$836,102 (representing 13,935,044 Ordinary Shares at \$0.06 per share) prior to cost was completed on the 25th February 2016. The funds will be used to advance the Company's exploration programmes and for working capital.

Apart from those matters detailed above, there are no other matters or circumstances that has arisen since the half-year ended 31 December 2015, that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company.

NOTE 8: FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company does not have any financial instruments that are subject to recurring fair value measurements. Due to their short-term nature, the carrying amounts of the current receivables and current trade and other payables is assumed to approximate their fair value.

DIRECTORS' DECLARATION

In the Directors' opinion:

1. the financial statements and notes set out on pages 11 to 13 are in accordance with the *Corporations Act 2001*, including:
 - (a) complying with the *Corporations Regulations 2001* and Australian Accounting Standard AASB 134 *Interim Financial Reporting* and other mandatory professional requirements; and
 - (b) giving a true and fair view of the entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and
2. there are reasonable grounds to believe that Echo Resources Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors and is signed for and on behalf of the Directors by:



Michael Ruane
Director

Perth, Western Australia
15 March 2016

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Echo Resources Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Echo Resources Limited, which comprises the statement of financial position as at 31 December 2015, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a statement of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 31 December 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Echo Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Echo Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.



Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Echo Resources Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the company's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Emphasis of matter

Without modifying our conclusion, we draw attention to Note 1 in the half-year financial report, which indicates that the ability of the company to continue as a going concern is dependent upon the future successful raising of necessary funding through equity. This condition, along with other matters as set out in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern and therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business.

BDO Audit (WA) Pty Ltd

A handwritten signature in blue ink, consisting of the letters 'BDO' above the name 'J Prue'.

Jarrad Prue

Director

Perth, 15 March 2016