Key Points

- **Near surface, high-grade gold drill intercepts at Echo's Julius gold discovery:**

  2m @ 7.6g/t Au within **4m @ 4.2g/t Au**

  2m @ 8.9g/t Au within **12m @ 2.9g/t Au**

  1m @ 16.7g/t Au within **4m @ 5.2g/t Au**

  2m @ 6.7g/t Au within **5m @ 4.5g/t Au**

  2m @ 6.9g/t Au within **5m @ 3.5g/t Au**

- **Gold mineralisation is open to the north, west and east.**
- **The Julius shear zone forms part of a previously unrecognised, virtually unexplored, large-scale gold mineralised thrust fault complex**.
- **Latest results highlight the significant potential of the Julius discovery.**

Exploration Activities

During the quarter Echo received fire assay results from reverse circulation (RC) drilling at the Julius gold discovery, Western Australia (Figure 1; Table 1):

Julius is situated in the Yandal Gold Province, approximately halfway between the multi-million ounce Jundee and Bronzewing – Mount McClure gold deposits. The Yandal Gold Province is one of Australia's most significant gold exploration and mining districts.

Drilling intercepts include:

- ERC139: **3m @ 2.8g/t Au** from 11m
  and **2m @ 2.2g/t Au** from 22m
  and **4m @ 4.2g/t Au** from 44m
  including **2m @ 7.6g/t Au** from 44m
  and **1m @ 5.8g/t Au** from 57m
  and **12m @ 2.9g/t Au** from 68m
  including **2m @ 8.9g/t Au** from 70m

- ERC134: **4m @ 5.2g/t Au** from 81m
  including **1m @ 16.7g/t Au** from 81m
  and **6m @ 1.7g/t Au** from 94m

- ERC143: **5m @ 4.5g/t Au** from 10m
  including **2m @ 6.7g/t Au** from 11m

- ERC133: **5m @ 3.5g/t Au** from 60m
  including **2m @ 6.9g/t Au** from 62m
  and **2m @ 4.3g/t Au** from 71m

The bedrock geology at Julius is dominated by ultramafic and granodioritic rocks beneath near-surface deposits of mineralised laterite and colluvium. The ultramafic rocks are in structural contact with granodiorite along a west-dipping shear zone crosscut by southeast-trending faults.

Geophysical data suggest that the Julius shear zone forms part of a previously unrecognised, large-scale, gold mineralised thrust fault complex in the central Yandal Gold Province. Other than wide-spaced historical rotary air blast (RAB) and air core (AC) scout drill hole traverses, most of which are too shallow to have been effective, the strike extensions of the shear zone north and south of Julius are virtually unexplored.

Drill holes at Julius have intersected significant widths (often more than 50m down-hole) of gold mineralisation and muscovite-biotite-silica-pyrite hydrothermal alteration. The gold mineralisation is accompanied by elevated pathfinder elements, including molybdenum (Mo), tellurium (Te), bismuth (Bi) and silver (Ag). Studies by Echo have shown that Mo, Te, Bi and Ag extend beyond the gold zone, and these elements can be used to locate proximal gold mineralisation in both weathered and fresh bedrock.

The latest drill results confirm the presence of high-grade shoots along several larger gold lodes at Julius, including lodes hosted entirely by granodiorite beneath, and to the east of, the sheared ultramafic-granodiorite contact.

Echo has completed a pre-collar for a step-out RC / diamond core (DC) hole to the west of Julius (Figure 2). This hole is designed to test whether the Julius gold zone extends 650m down-dip from previous RC drilling, based on geophysical data showing that the prospective granodiorite body has a potential down-dip extent of more than 1km. The sheared granodiorite contact is interpreted to pass beneath the Titus Gold Target, located west of Julius. Echo's work at Titus has located a 2 km long Bi anomaly in scout RAB and AC drill holes that are too shallow to have intersected the gold-bearing shear zone. The Bi anomaly at Titus may reflect a blind gold mineralised system at depth.

As previously reported, the RC pre-collar for the step-out drill hole has intersected hydrothermally altered mafic and ultramafic rocks containing anomalous Mo, Te, Bi, and Ag above the main gold target zone which is projected to lie below the pre-collar. The pre-collar chip samples show biotite, calcite and pyrite-chalcopyrite alteration similar to that recorded above the main gold mineralised zone at Julius. The intensity of the hydrothermal alteration increases towards the bottom of the pre-collar (i.e. closer to the prospective sheared ultramafic - granodiorite contact). The logging and geochemical results are interpreted to reflect primary dispersion of hydrothermal fluids and pathfinder elements from a potential gold lode located below the pre-collar.

The Company is awaiting confirmation from its preferred drilling contractors for the resumption of drilling at Julius and Titus.

Ernst Kohler
Managing Director

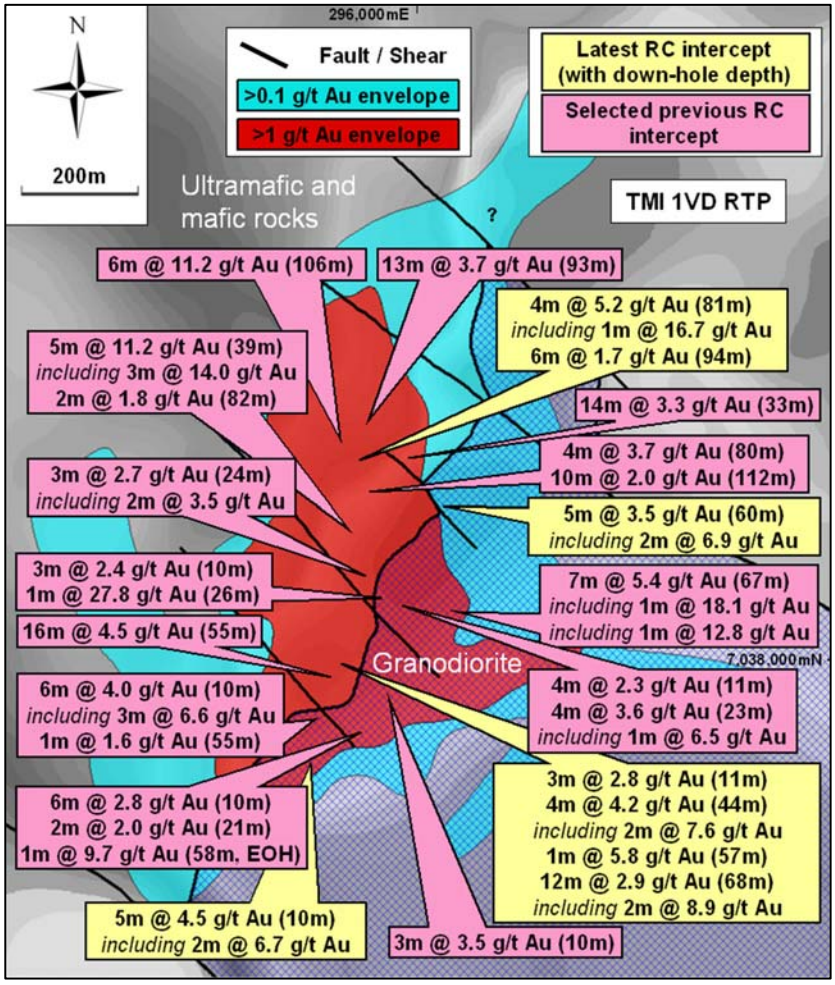

Figure 1: Selected gold RC drill intersections, Julius gold discovery.

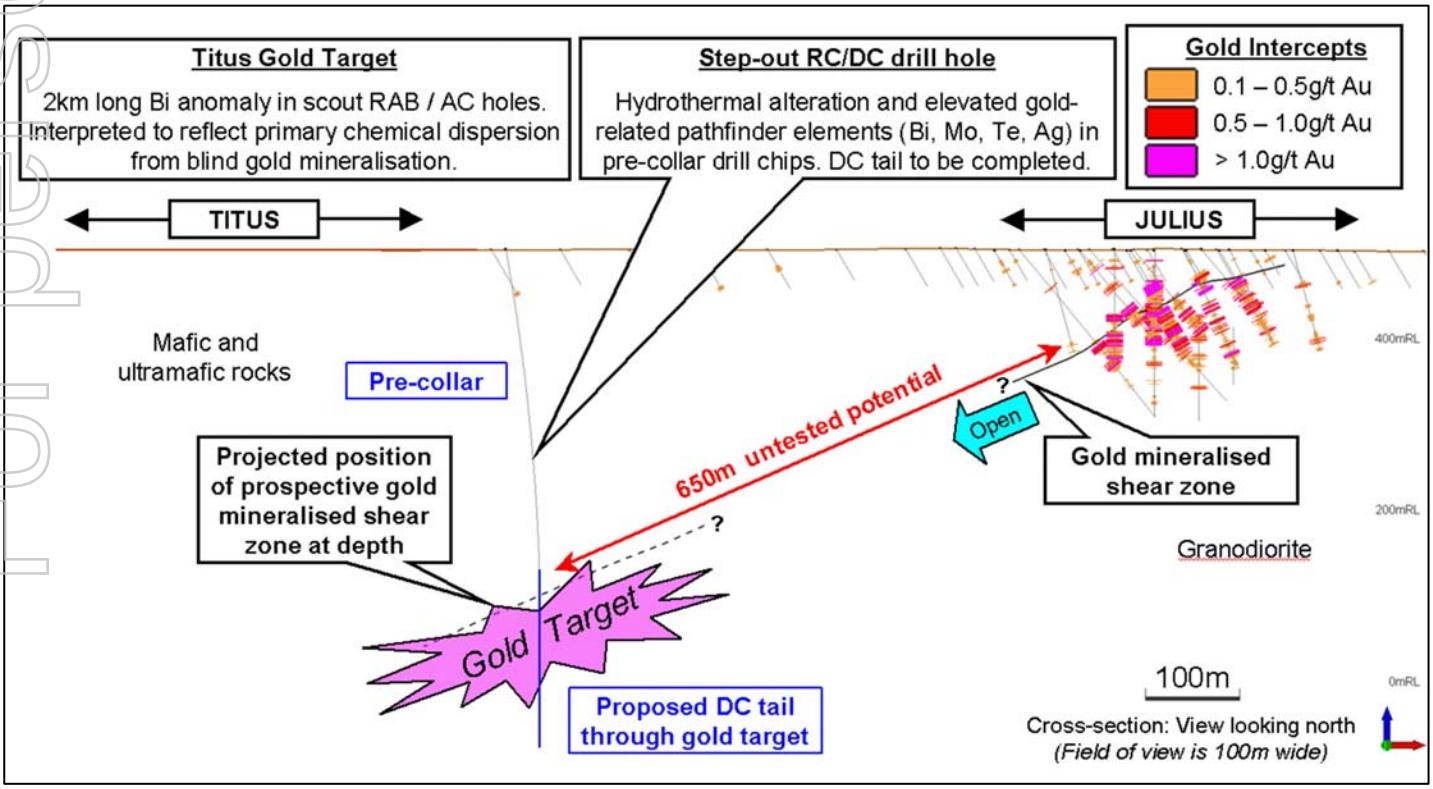

Figure 2: Cross-section view of drilling at the Julius gold discovery.

Table 1: Drill intersections

Hole No.	Northing (mN)	Easting (mE)	Dip	Azimuth	From (m)	To (m)	Interval (m)	Assay grade (g/t Au)	Interval width x assay grade (m x g/t Au)
1m riffle split samples									
ERC133	7,038,343	296,059	-55°	180°	60	65	5	3.5	17.5
including					62	64	2	6.9	13.8
					71	73	2	4.3	8.6
ERC134	7,038,364	295,967	-70°	180°	81	85	4	5.2	20.8
including					81	82	1	16.7	16.7
					94	100	6	1.7	10.2
ERC139*	7,037,994	295,916	-60°	90°	11	14	3	2.8	8.4
					22	24	2	2.2	4.4
					44	48	4	4.2	16.9
including					44	46	2	7.6	15.1
					51	52	1	1.1	1.1
					57	58	1	5.8	5.8
					63	64	1	1.5	1.5
					68	80	12	2.9	34.3
including					70	72	2	8.9	17.8
ERC143	7,037,865	295,831	-75°	90°	10	15	5	4.5	22.3
including					11	13	2	6.7	13.3

1m riffle split samples assayed by fire assay with AAS finish (SGS Kalgoorlie). The intercepts were calculated using a minimum edge cut-off of 1.0g/t Au and up to 2m wide intervals of internal dilution. No assay top-cut was applied. The drilling locally encountered high water flows and further work is needed to confirm that these results are representative. The intercept widths may not reflect true mineralisation widths. Minor discrepancies in the calculated m x g/t Au values are due to rounding of the interval assays. * Drill hole ERC139 terminated prematurely at a depth of 81m in a mineralised zone due to drilling difficulties.

About Echo Resources Limited

Echo Resources ("Echo") **(ASX code EAR**) is a gold, copper and nickel exploration company committed to the growth of shareholder value through successful exploration and project acquisitions.

Echo's key projects are located in Western Australia and Queensland. Echo's corporate goal is the discovery and development of large gold (more than 3 million ounces of gold), copper (more than 450 million pounds copper) and nickel (more than 90 million pounds) deposits in world-class mineral provinces. Echo has a strong management team capable of rapidly transforming the Company from an explorer to producer.

CORPORATE DIRECTORY

Board of Directors

Peter Andrews
Non-executive Chairman

Ernst Kohler
Managing Director

Graham Anderson
Director and Company Secretary

Capital Structure

Total quoted shares: 66.06 million
Unlisted 40c options 2.45 million

ASX Code: EAR

Registered Office

Suite 2
35 Havelock Street
West Perth WA 6005

Principal Place of Business

992 Albany Highway
East Victoria Park
WA 6101

Phone +61 8 9362 4806
Fax +61 8 9355 3264

Website: www.echoresources.com.au

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Dr Ernst Kohler who is a Member of The Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Dr Kohler is Managing Director of Echo Resources Limited. Dr Kohler has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr Kohler 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 presentation relating to exploration targets should not be misunderstood or misconstrued as an estimate of Mineral Resource 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 mineralisation discovered will be amenable to economic extraction, or that the tenement applications will proceed to grant. Nothing in this announcement should be construed as either an offer to sell or a solicitation of an offer to buy or sell securities.