



20 April 2011

### **Bungara Worm confirms significant gold potential**

- **3D geological assessment identifies major gold conduit (Bungara Worm)**
- **Echo's Julius Gold Discovery, which is located adjacent to the Bungara Worm, could host a large gold system**
- **Potential for additional gold discoveries on Echo's tenements**

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Echo Resources Limited (ASX: EAR) is pleased to provide an update on its Yandal gold exploration assets, including its Julius Gold Discovery.

The Julius Gold Discovery is located in the Yandal Gold Province, one of Australia's most significant gold exploration and mining areas. The Yandal Province hosts multi-million ounce gold deposits including those at Jundee (Newmont Mining Corporation) and Darlot (Barrick Gold Corporation).

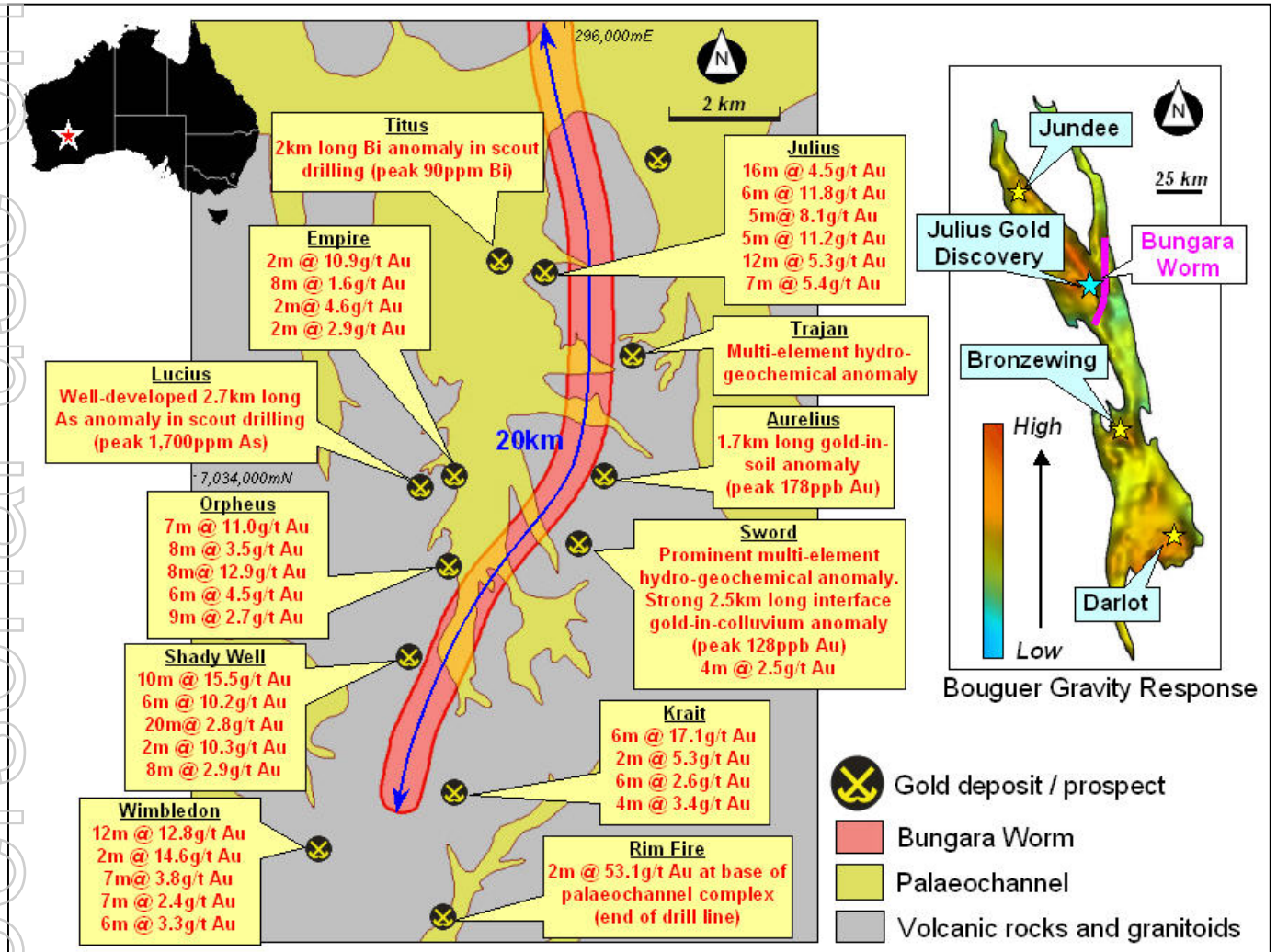
Echo geologists have undertaken a new 3D prospectivity assessment for gold mineralisation. This assessment identified suitable host rocks, faults and geophysical anomalies.

Processing of regional-scale geophysical datasets using sophisticated edge detection techniques has identified a major "break", the "**Bungara Worm**", which trends north-northeast across Echo's tenements (Figure 1). The Bungara Worm appears to mark a deep-seated shear zone or contact extending over a strike length of at least 20km, and penetrating to a depth of at least 30km below surface.

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The Bungara Worm is interpreted as a major conduit that enabled gold-bearing hydrothermal fluids and granitoid magmas to move from deep in the crust to higher crustal levels within Echo's Yandal tenements (Figure 2).

The gold-bearing fluids then exploited shallower faults to reach trap sites suitable for forming gold deposits in both volcanic and granitoid host rocks adjacent to, and above, the Bungara Worm.

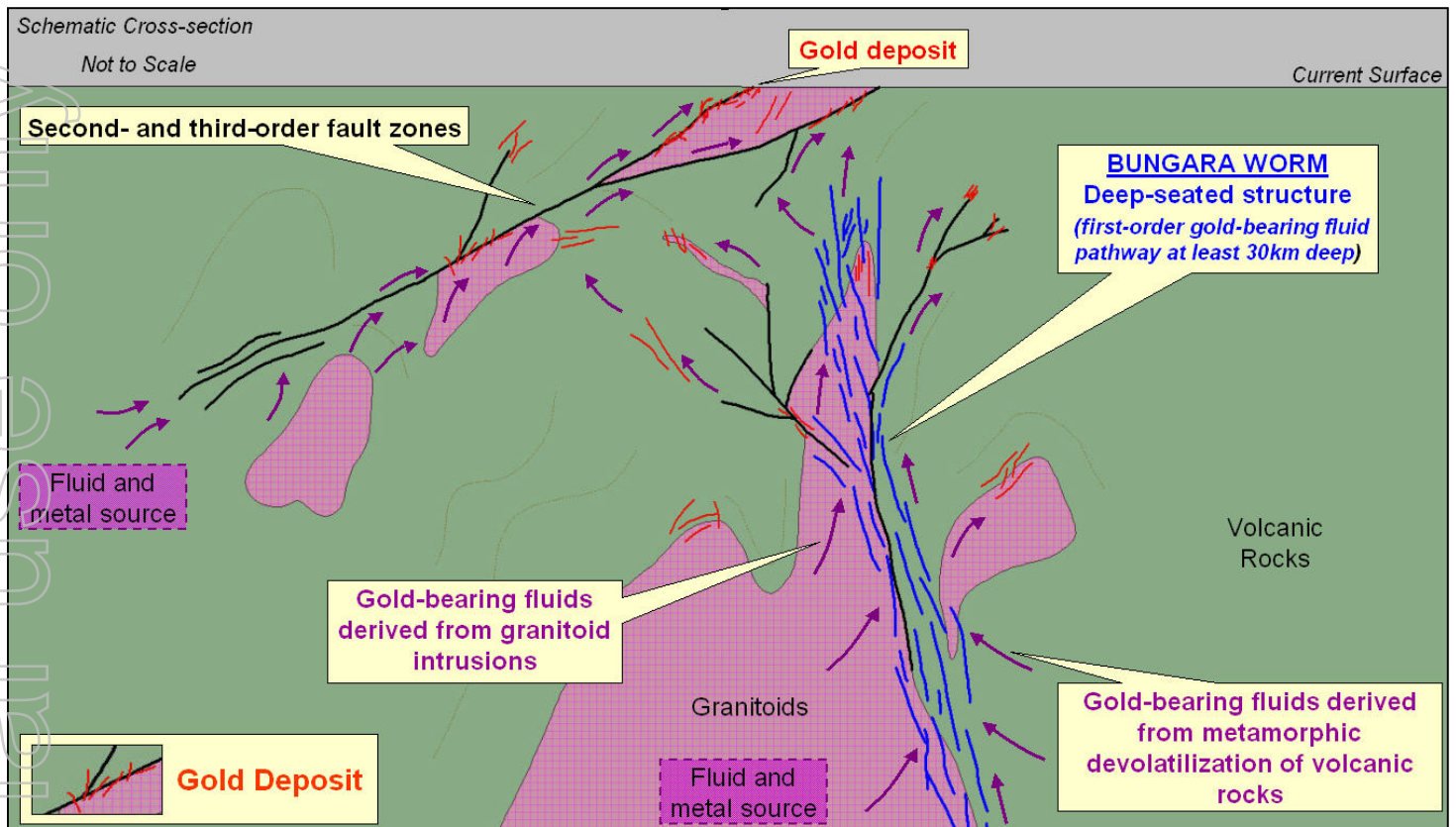


**Figure 1. Location of the Bungara Worm and significant gold prospects with selected drill intercepts. Inset map shows a terrain corrected gravity map.**

The prospectivity assessment has demonstrated the potential of the Julius Gold Discovery to host a large gold system. It has also highlighted priority targets for additional gold discoveries along the Bungara Worm.

Several prospects with potential to host significant gold deposits lie adjacent to the Bungara Worm (Figure 1). These include prospects in the Julius-Titus area, as well as at

Empire, Orpheus and Shady Well, all of which contain high-grade gold drilling intersections. The strike extensions of the Bungara Worm north of Julius are virtually unexplored.



**Figure 2. Diagram showing the Bungara Worm, faults and gold deposit trap sites.**

**About Echo Resources**

Echo's key projects are located in Western Australia (gold and nickel) and central Queensland (copper and gold). The projects have established JORC resources. Echo's corporate goal is the discovery and development of large gold (>3 million ounces @ >3 g/t Au), copper (>450 million pounds @ >1.5% Cu equivalent) and nickel (>90 million pounds @ >5% Ni) deposits in world-class mineral provinces.

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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. Nothing in this announcement should be construed as either an offer to sell or a solicitation of an offer to buy or sell securities.

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.