



6 May 2011

Clarification of multi-million ounce gold Exploration Target
Julius Gold Discovery

Echo Resources Limited (ASX: EAR) wishes to clarify statements made on 28 April 2011 and 4 May 2011 in relation to the Exploration Target for the Julius Gold Discovery.

The announcement of 28 April 2011 included commentary by Echo's Managing Director, Dr Ernst Kohler, as follows: ***"Our geologists have put in a lot of effort to ensure that the drilling program has the maximum possible chance of locating extensions to the Julius Gold Discovery. If the step-out drill holes successfully intercept gold mineralised zones, then this will demonstrate that the Julius - Titus area has the potential to host more than 1 million ounces of gold."***

The announcement of 4 May 2011 made reference to: ***"Drilling to assess down dip and strike extensions for a +1 Moz gold deposit."***

Echo's Exploration Target is:

1 to 3 million ounces of gold at an average grade of 1 to 6 g/t Au*

** The Exploration Target should not be misconstrued as an estimate of Mineral Resources or Ore Reserves. The potential quantity and grade of the Exploration Target is conceptual in nature, there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.*

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Echo's assessment is based on the following:

- The Julius Gold Discovery is located in the Yandal Gold Province, one of Western Australia's most highly endowed gold belts. The Yandal Province hosts multi-million ounce gold deposits at Jundee, Bronzewing – Mt McClure and Darlot. Jundee, which is located just 55km north of Julius, has produced more than 5 million ounces of gold from open-cut and underground mines.
- Drill holes at Julius have intersected large widths (often more than 50m down-hole) of gold mineralisation and muscovite-biotite-silica-pyrite alteration. The large widths of alteration are evidence that the host rocks at Julius have been subjected to significant hydrothermal fluid flow.
- Drilling at Julius has yielded high-grade gold intercepts (all down-hole widths):
 - **6m @ 11.8 g/t Au**
 - **5m @ 11.2 g/t Au**
 - **16m @ 4.5 g/t Au**
 - **7m @ 5.4 g/t Au**
 - **13m @ 3.7 g/t Au**
 - **14m @ 3.3 g/t Au**

Please refer to Echo's ASX announcements for details of the drill intercepts.

- On 20 April 2011, the Company announced that it had identified a major "break" (the "Bungara Worm") on Echo's tenements near Julius. The Bungara Worm appears to mark a deep-seated shear zone or contact penetrating to a depth of more than 30km below surface. This structure is interpreted by Echo 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 tenements. The recognition of the Bungara Worm has elevated the potential of Echo's ground to host a large hydrothermal gold system.
- The two major strike trends of gold-mineralised shear zones at Julius (north-northeast and southeast) match trends recorded for the major lode gold systems at Jundee (Nim 3 and Barton Gold Trends, respectively).

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- The Julius Shear Zone is interpreted to form part of a large-scale, gold mineralised thrust fault complex in the central Yandal Gold Province. The minimum strike and down-dip extents of the Julius Shear Zone are estimated to be 2.4km and 1.5km, respectively.
- Gold mineralisation at Julius is accompanied by a distinctive bismuth (Bi) - tellurium (Te) - molybdenum (Mo) signature. This signature may be comparable to that recorded in some Intrusion Related Gold Deposits (IRGD's). Well-known examples of large IRGD's include the Dublin Gulch (3.2 Moz Au) and Fort Knox (4.8 Moz Au) gold deposits in the Yukon and Alaska. IRGD geological models may also be relevant to some large gold deposits in Western Australia, possibly including Wallaby (7 Moz Au) and parts of the Golden Mile (50 Moz Au).
- A large Bi anomaly has been located at the Titus Target to the west of the Julius Gold Discovery. It is interpreted that the Titus Bi anomaly may reflect a blind gold mineralised system, which may link up with gold mineralisation at Julius.

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.

It is common practice for a company to comment on and discuss its exploration in terms of target size, grade and type. The information in this document relating to Exploration Targets should not be misunderstood or misconstrued as an estimate of Mineral Resources or Ore Reserves. The potential quantity and grade of the Exploration Target is conceptual in nature, there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.

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

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