



30 May 2011

Step-out drilling, Julius Gold Discovery

- **Step-out diamond core tail successfully intersects mineralised zone ~600m down-dip from the Julius Gold Discovery.**

Echo Resources Limited (ASX: EAR) is pleased to advise that a step-out diamond core tail has successfully intersected a mineralised zone west of the Julius Gold Discovery.

The step-out tail was designed to test if the Julius gold mineralisation extends ~600m down-dip from previous RC drilling along the prospective ultramafic - granodiorite contact (Figure 1). The tail intersected the ultramafic-granodiorite contact at a down-hole depth of 415m after passing through a package of extensively deformed, altered and veined ultramafic rocks within the Julius shear zone. Granodioritic rocks below the contact show strong quartz-muscovite-pyrite alteration crosscut by quartz-sulphide veins containing pyrite, chalcopyrite and possibly also telluride minerals (Figure 2).

Initial results from the step-out diamond core drilling program have validated Echo's exploration model, and demonstrate the potential of the Julius Gold Discovery to host a large mineralised system.

The core is being structurally logged prior to cutting for gold and multi-element analyses.

Drilling is continuing with a Reverse Circulation drill rig on single shift, and a Diamond Core rig on double shift.

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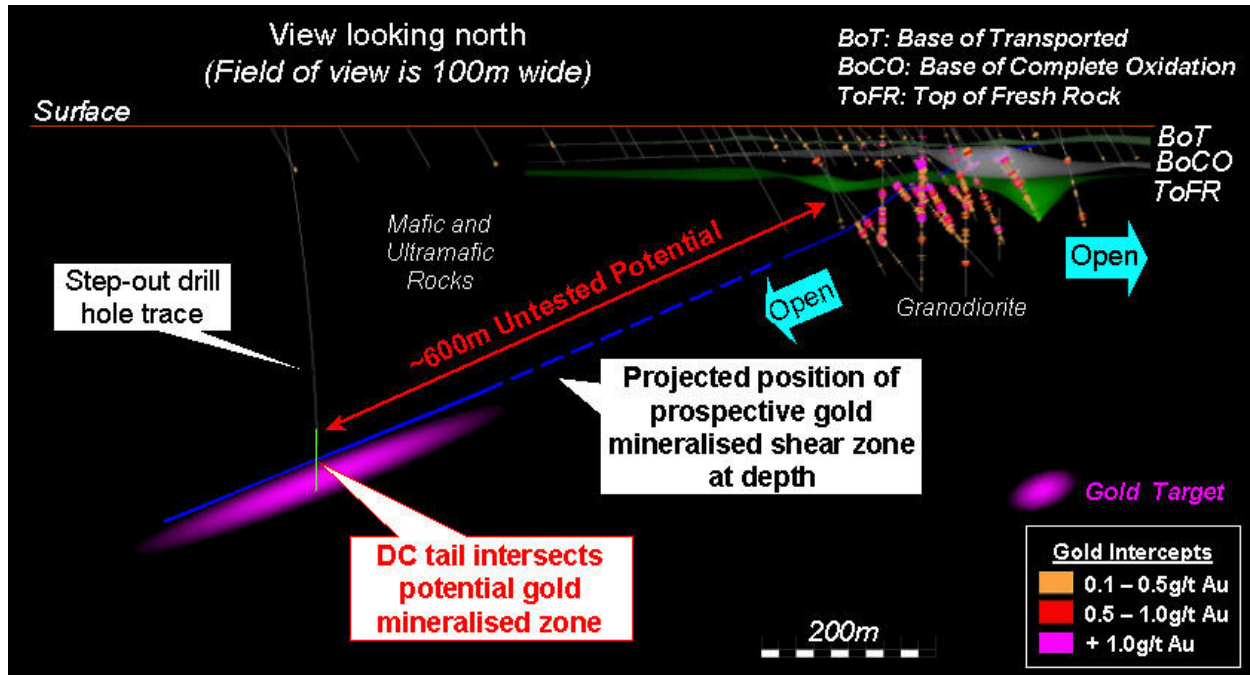


Figure 1: Cross-section showing the step out drill hole trace and the gold target.

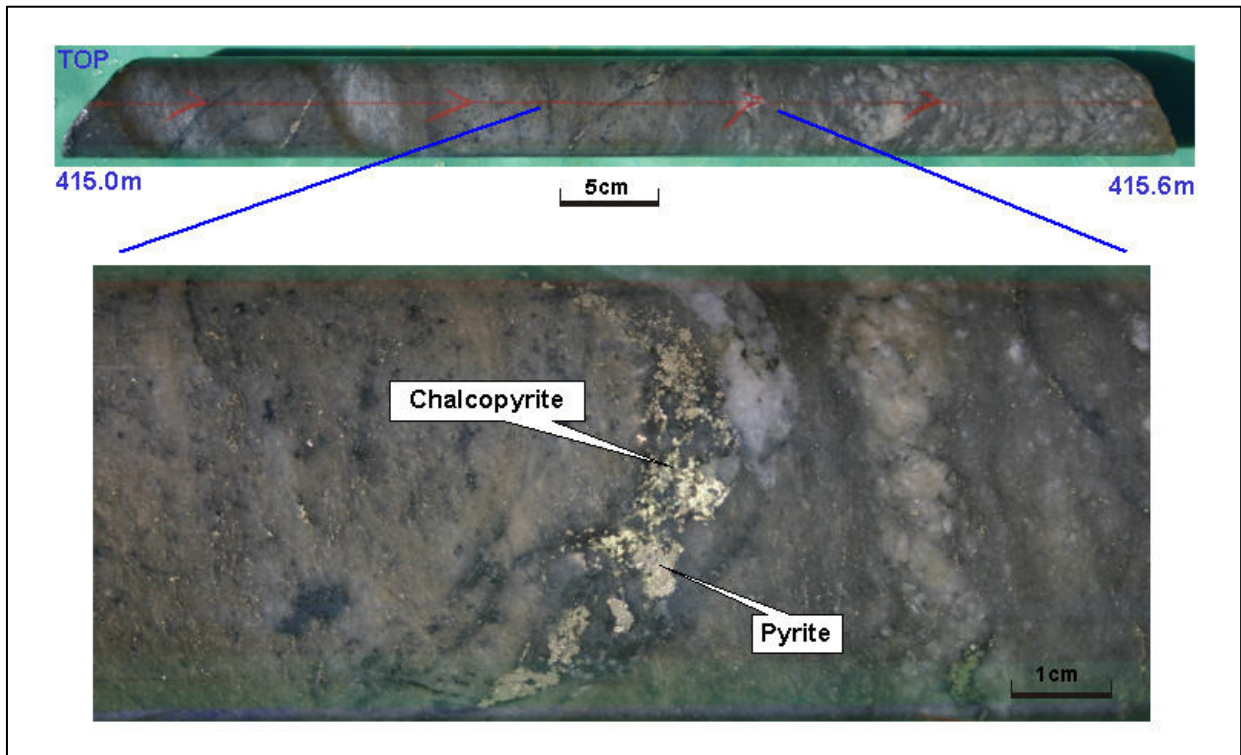


Figure 2: Core from the step-out tail showing strong quartz-muscovite-pyrite alteration in granodiorite. Lower photograph shows a close-up view of a quartz-sulphide vein.



Figure 3: Diamond core drill rig.

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.