



Key Points

- **Detailed geological and structural logging completed on samples from the recent drilling program.**
- **Structural analysis has identified several new targets along strike and down-dip of Julius.**
- **Samples from the drilling have been submitted to the laboratory for gold and trace element analyses. The assay results are expected soon.**
- **A large Bi-Mo-Te anomaly that may mark the location of blind gold mineralisation has been located 1.5km south-southwest of Julius.**
- **Echo is sourcing quotations for follow-up drilling programs.**

Exploration Activities

During May to July 2011, Echo completed follow-up Reverse Circulation (RC) and Diamond Core (DC) drilling programs at the Julius Gold Discovery. The Julius Gold Discovery is located in the world-renowned Yandal Gold Province, approximately 750km northeast of Perth, WA (Fig. 1). The Yandal Province hosts multi-million ounce gold deposits, including those at Jundee (Newmont Mining Corporation) and Darlot (Barrick Gold Corporation; Fig. 2).

The bedrock geology at Julius is dominated by ultramafic and mafic units within a highly prospective package of rocks extending southwards from the Jundee Gold Mine (Fig. 2). The ultramafic rocks are in structural contact with granodiorite along a west-dipping shear zone crosscut by southeast-striking faults (Fig. 3). Gold mineralisation extends over an area of at least 1,500m by 1,000m, and is open in most directions (Fig. 4).

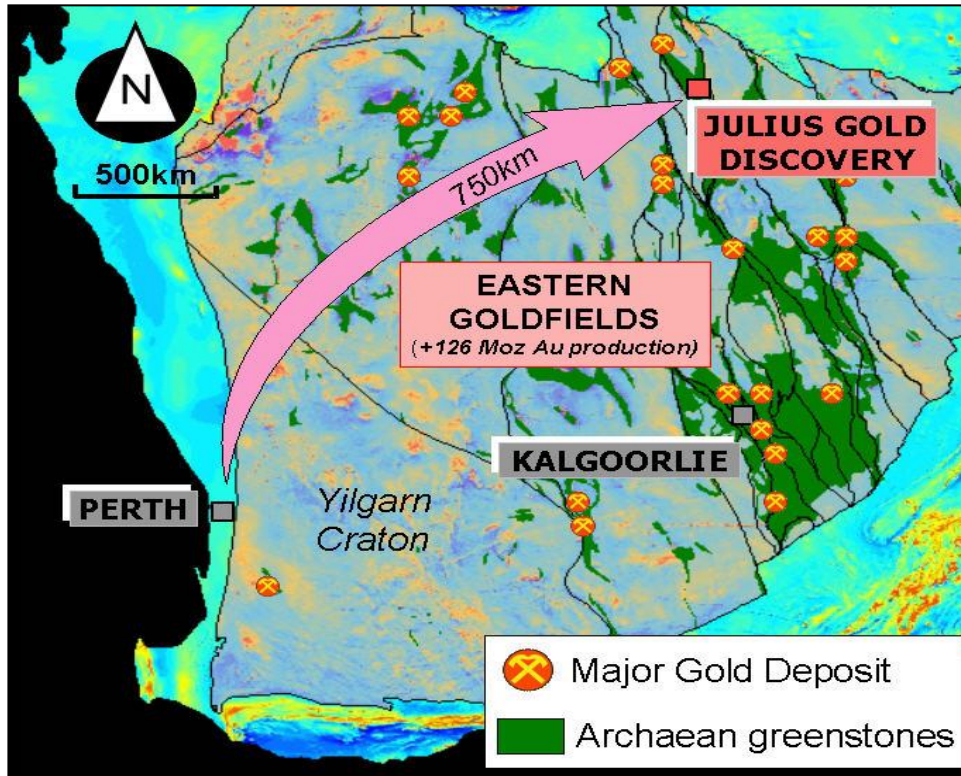


Figure 1: Location of Echo's Julius Gold Discovery.

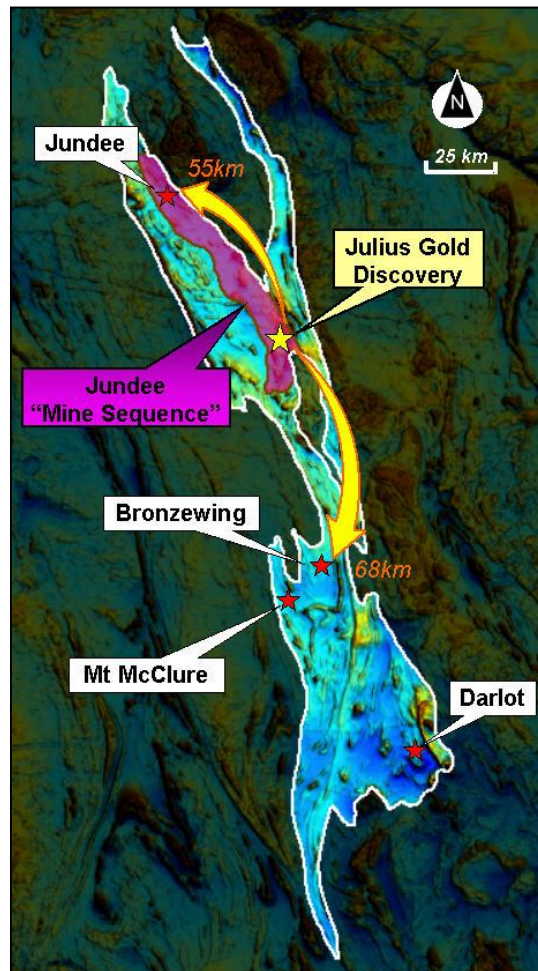


Figure 2: Yandal Gold Province.

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Step-out DC holes were completed to test if the gold mineralisation extends approximately 600m down-dip along the prospective ultramafic - granodiorite contact. The DC tails intersected the granodiorite contact after passing through deformed, altered and veined ultramafic and mafic rocks within the Julius shear zone (Fig. 5). Granodioritic rocks within, and below, the shear zone show strong quartz-muscovite-pyrite alteration crosscut by quartz-calcite \pm pyrite-chalcopyrite veins (Fig. 6).

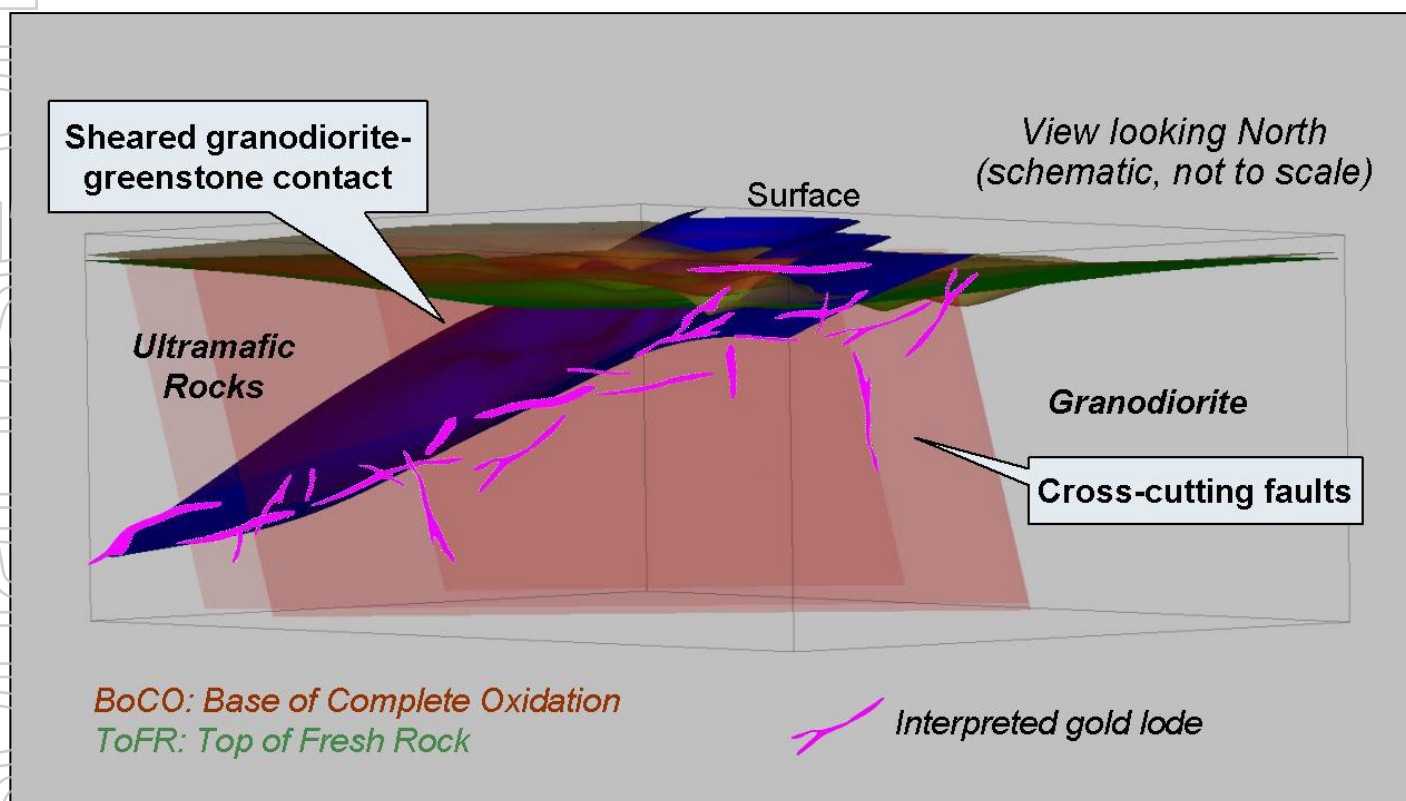


Figure 3: 3D model showing the interpreted geology of the Julius Gold Discovery.

A program of RC and DC drill holes was also completed at Julius to test shallower targets for hydrothermal gold mineralisation hosted by weathered and fresh bedrock. The majority of these drill holes intersected altered and deformed ultramafic and granodioritic rocks, the latter showing strong quartz-muscovite-pyrite alteration.

Echo has completed detailed geological and structural logging on the drill core and chip samples. The structural logging recorded the nature and geometry of important geological features such as shear zones, rock contacts and veins. The new structural information has been loaded into Echo's electronic database, and is being used to improve the 3D geological model of the Julius mineralised system. Several new targets have been identified, including targets down-dip and along strike from Julius. These targets are currently being evaluated with a view to undertaking follow-up drilling.

The logging has identified two broad styles of mineralised veining in granodioritic rocks at Julius;

- (1) multiple orientations of flat to steeply dipping quartz-carbonate +/- pyrite veins, typically ranging in width from 1 - 500mm; and
- (2) moderately dipping pyritic veins, typically 1-3mm wide, that locally form stacked vein arrays.

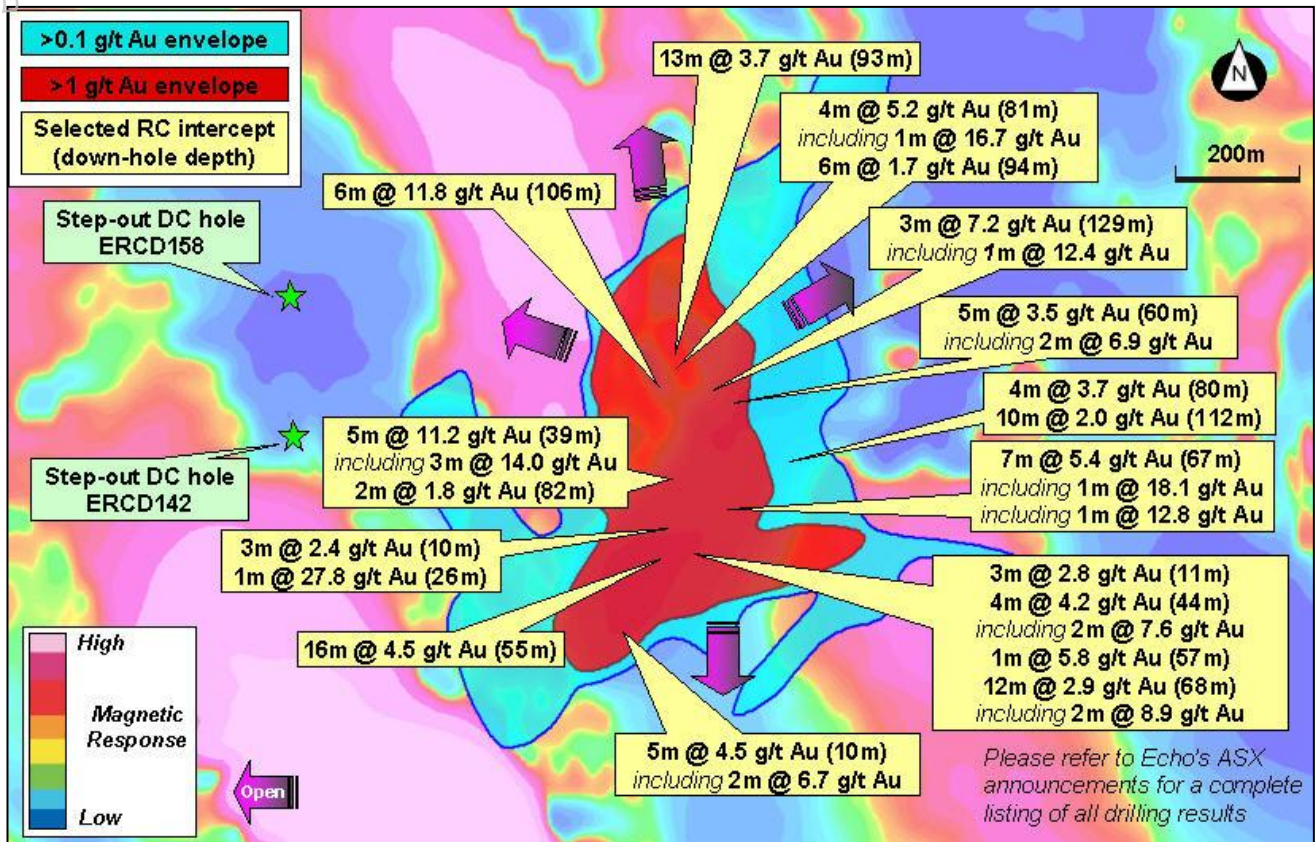


Figure 4: Summary of drill intercepts, Julius Gold Discovery.

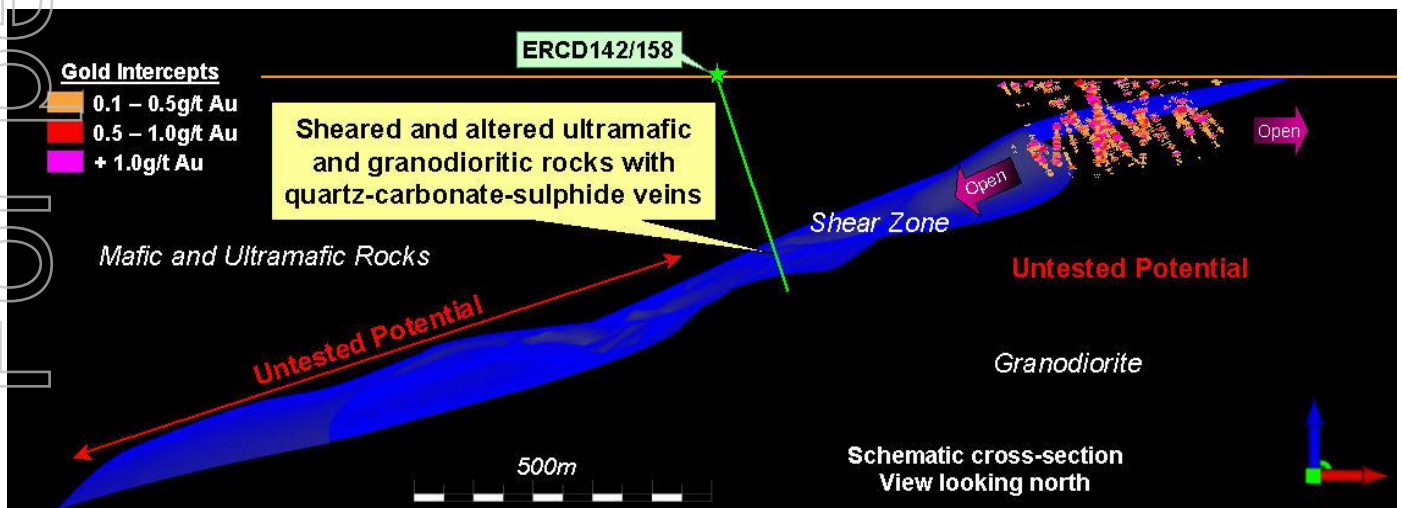


Figure 5: Cross-section view of the Julius gold system.

Samples from the drilling were submitted to the laboratory during September for gold and trace element analyses. The results will be released once they have been received and checked.

Geochemical studies at Julius have shown that the gold mineralisation is associated with a bismuth (Bi), molybdenum (Mo) and tellurium (Te) signature that, particularly in the case of Bi, extends beyond the gold anomaly. Follow-up work by Echo has located a large (2,000m by 1,400m) Bi +/- Mo-Te anomaly in saprolite beneath palaeochannel sediments at Septimus Prospect, located approximately 1.5km south-southwest of Julius (Fig. 7). Based on similarities with the geochemical signature recorded at Julius, it is interpreted that the Septimus geochemical anomaly may mark the location of blind gold mineralisation. Echo geologists are currently assessing drill holes designed to test targets at Septimus.



Ernst Kohler
Managing Director

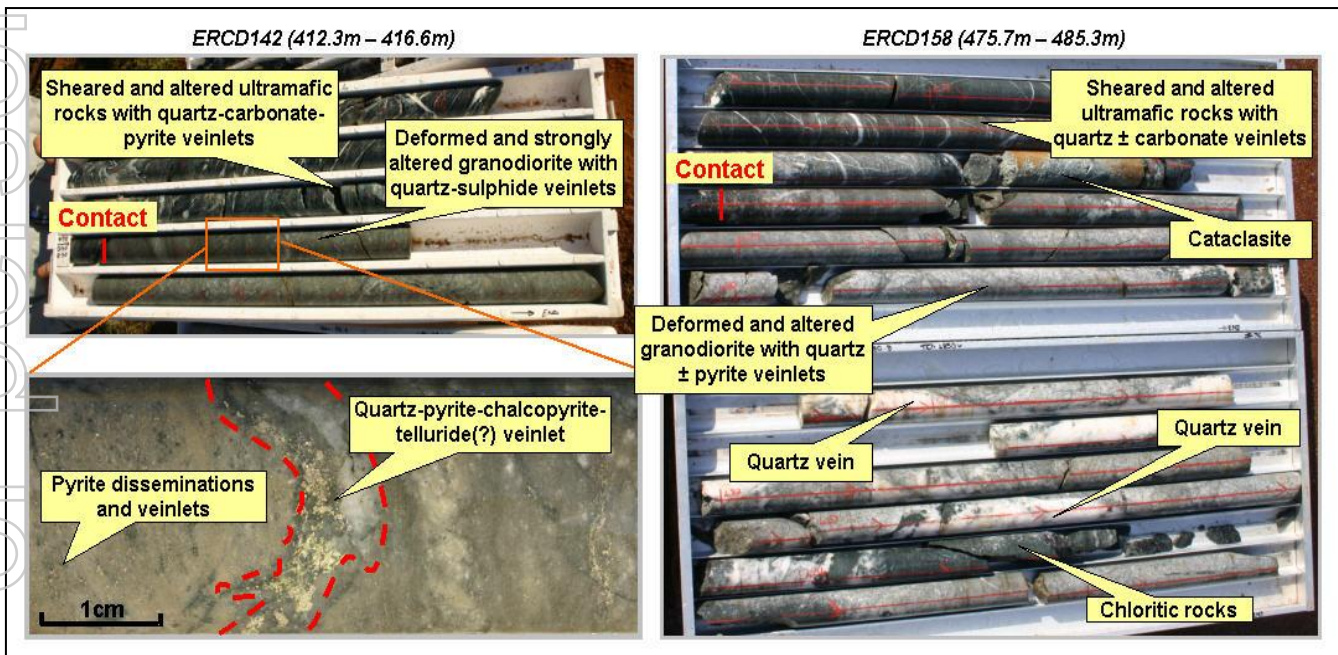


Figure 6: Core from step-out diamond core holes ERCD142 and ERCD158.

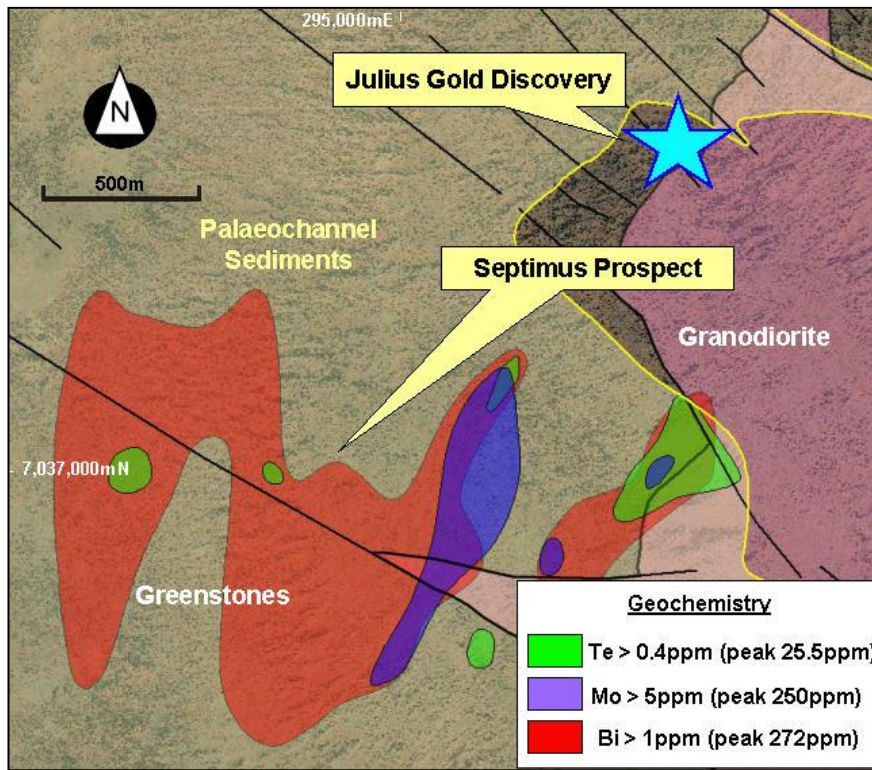


Figure 7: Geochemical anomaly, Septimus Prospect.

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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: 72.2 million
Unlisted 40c options 2.45 million

ASX Code: EAR

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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 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. Exploration programs may not proceed as planned due to delays beyond the control of the Company, including adverse weather and ground conditions, and contractor 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.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96; Origin: Appendix 8; Amended 1/7/97, 1/7/98 and 30/9/2001.

Name of entity

ECHO RESOURCES LIMITED

ABN

34 108 513 113

Quarter ended ("current quarter")

30 Sept 2011

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (3 months) \$A'000
1.1 Government grant received	114	114
1.2 Payments for (a) exploration and evaluation	(380)	(380)
(b) development	-	-
(c) production	-	-
(d) administration	(69)	(69)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	4	4
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (GST paid to be recouped)	(4)	(4)
Net operating cash flows	(335)	(335)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	-	-
1.13 Total operating and investing cash flows (carried forward)	(335)	(335)

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Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(335)	(335)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other – capital raising costs	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(335)	(335)
1.20	Cash at beginning of quarter/year to date	1,628	1,628
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	1,293	1,293

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	67
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 **Explanation necessary for an understanding of the transactions**

All payments to Directors and associates are on normal commercial terms.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

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Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	200
4.2 Development	-
4.3 Production	-
4.4 Administration	50
Total	250

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	167	502
5.2 Deposits at call	1,126	1,126
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	1,293	1,628

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter (blocks)	Interest at end of quarter (blocks)
6.1	NIL			
		Interests in mining tenements relinquished, reduced or lapsed		
6.2	NIL			
		Interests in mining tenements acquired or increased		

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Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference + securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	72,200,654	72,200,654		Fully Paid
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	6,136,364	6,136,364	22 cents	Fully Paid
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	2,250,000 200,000	Nil Nil	<i>Exercise price</i> \$0.40 \$0.40	<i>Expiry date</i> 26 November 2011 29 January 2012
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Relinquished during quarter				
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

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Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: Date: 31 October 2011
(Director/Company Secretary)

Print name: GRAHAM ANDERSON

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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