



21 December 2011

Preliminary drilling results, Julius Gold Discovery

Highlights

- **24m @ 3.1g/t Au, including 4m @ 7.9g/t Au.**
- **Step-out drill holes have confirmed the presence of gold mineralisation 600m down-dip to the west of Julius.**

Echo Resources Limited (ASX: EAR) is pleased to announce preliminary gold assays on 4m composite samples from Reverse Circulation (RC) and Diamond Core (DC) drilling undertaken at the Julius Gold Discovery, Western Australia.

Julius is hosted within a package of ultramafic and mafic rocks extending southwards from the multi-million ounce Jundee Gold Mine (Newmont Mining Corporation) 55km to the north. The ultramafic rocks are in structural contact with granodiorite along the west-dipping Julius Shear Zone, which is crosscut by southeast-striking faults.

Notable RC drill intercepts include (Table 1; Fig. 1):

- ERC153: **24m @ 3.1g/t Au** from 32m
including **4m @ 5.0g/t Au** from 36m
including **4m @ 7.9g/t Au** from 52m
- ERC155: **28m @ 1.2g/t Au** from 44m
including **4m @ 3.2g/t Au** from 48m

ERC153 is interpreted to have drilled through a gold shoot near the intersection of the Julius Shear Zone with a cross-fault. The drill hole contains anomalous gold assays over an 84m-wide interval from 12m to end-of-hole.

ERC155 is interpreted to have intersected a new zone of gold mineralisation in an area where previous scout drilling yielded minor anomalous gold intercepts. The drill hole shows anomalous gold assays over a 48m-wide interval from 36m to 84m.

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Wide-spaced step-out DC drill holes collared 200-270m apart west of the main Julius drilling area (Fig. 1) have intersected gold mineralisation accompanied by elevated abundances of key gold-related pathfinder elements including bismuth and tellurium (Table 2):

- ERCD145: **4m @ 1.1g/t Au** from 348m
- ERCD158: **4m @ 1.0g/t Au** from 486m
- ERCD142: **8m @ 0.8g/t Au** from 416m

ERCD158 contains a 48m-wide interval of anomalous gold assays from 478m to 526m.

Commenting on the results, Echo's Managing Director, Dr Ernst Kohler said, *"The step-out holes have successfully located gold mineralisation 600m down-dip from the main Julius drilling area. The gold and pathfinder element results are similar to those recorded near high-grade gold shoots at Julius. Further drilling will be undertaken to locate additional gold shoots now that Echo's geologists have been able to determine the geometry of mineralisation-related veins and shear zones in drill core."*

Fire assay results on riffle split chip samples and half core from the drill holes will be announced to the market in due course.

Echo is sourcing quotations for follow-up drilling programs 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.

END

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.

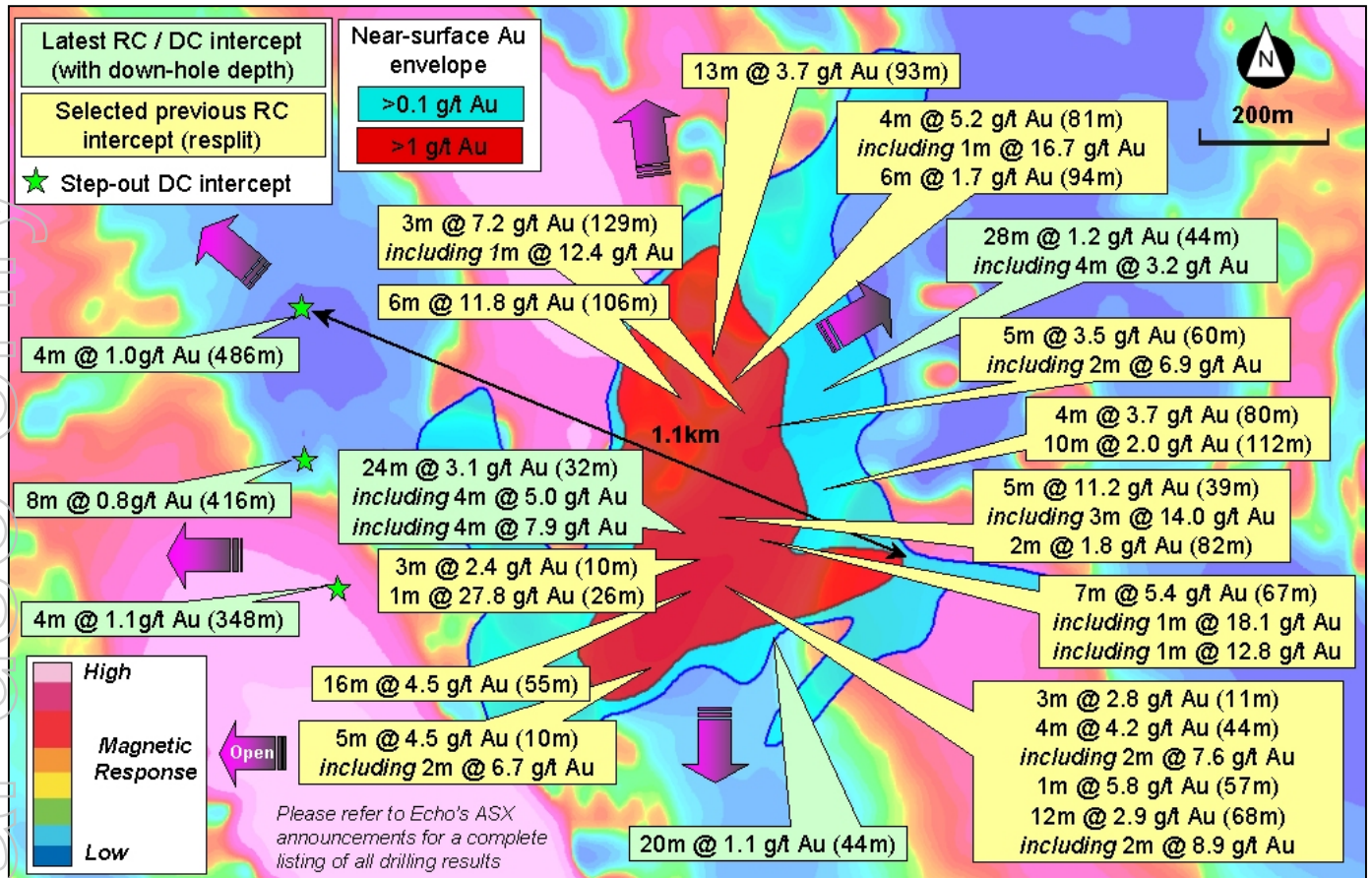


Fig. 1: Selected RC / DC drill intersections, Julius Gold Discovery.

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Table 1: Drill intersections (greater than 1g/t Au)

Hole	Northing (mN)	Easting (mE)	Dip	Collar Azimuth	From (m)	To (m)	Interval (m)	Assay grade (g/t Au)	Interval width x assay grade (m x g/t Au)
COMPOSITE SAMPLES									
ERCD86	7,038,229	295,842	-75°	090°	146	150	4	1.1	4.3
ERC152	7,038,016	295,887	-55°	090°	12	16	4	2.2	9.0
					40	44	4	3.3	13.0
					68	72	4	1.4	5.5
ERC153	7,038,107	295,929	-55°	090°	32	56	24	3.1	73.5
including					36	40	4	5.0	19.9
including					52	56	4	7.9	31.6
ERC154	7,038,154	295,912	-60°	090°	24	28	4	1.5	6.0
ERC155	7,038,313	296,079	-70°	090°	44	72	28	1.2	34.2
including					48	52	4	3.2	12.6
ERC156	7,038,372	296,044	-65°	090°	60	64	4	1.4	4.4
ERC157	7,037,939	296,065	-70°	090°	44	64	20	1.1	22.3
ERC160	7,037,859	295,851	-60°	090°	20	24	4	1.1	4.2
					36	40	4	1.0	4.0
ERC161	7,037,862	295,806	-65°	090°	12	16	4	3.4	13.7
ERC162	7,038,154	295,966	-55°	090°	80	84	4	1.0	4.0

Table 2: Step-out drill hole intersections (greater than 0.5g/t Au)

Hole	Northing (mN)	Easting (mE)	Dip	Collar Azimuth	From (m)	To (m)	Interval (m)	Assay grade (g/t Au)	Comment
COMPOSITE SAMPLES									
ERCD142	7,038,229	295,216	-80°	90°	416	424	8	0.8	Bi (max 11.3ppm) Te (5.4ppm) Pb (116ppm) Ag (3.2ppm)
ERCD145	7,038,036	295,295	-85°	90°	348	352	4	1.1	
ERCD158	7,038,498	295,216	-85°	90°	486	490	4	1.0	Bi (max 14.5ppm)
					502	506	4	0.7	

Notes to Tables 1 and 2: Hole prefix ERC denotes RC drill hole (spear and scoop samples); ERCD denotes DC drill hole (~1/6th NQ2 core sliver samples). The samples were assayed by aqua regia digest with AAS finish for gold and ICPMS for bismuth (Bi), tellurium (Te), silver (Ag) and lead (Pb; SGS Newburn). The gold intercepts were calculated using a minimum edge cut-off of 1.0g/t Au (Table 1) and 0.5g/t Au (Table 2) with up to 4m of internal waste. No assay top-cut was applied. The RC drilling locally encountered high water flows and further work is needed to confirm that the results are representative. All depths and widths are expressed as down-hole measurements and the quoted intercept widths may not reflect true mineralisation widths. Minor discrepancies in the calculated m x g/t Au values in Table 1 are due to rounding of the interval assays. The drill holes were collared at nominal 512mRL.

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