



Key Points

- **The latest drilling results from the Julius Gold Discovery have been used to evaluate critical geological parameters for the location of hydrothermal gold mineralisation at Julius and other prospects. Several new targets have been identified.**
- **Two drilling grants totaling \$300,000 awarded for exploration drilling at the Gladius and Deep Thought Targets.**

Exploration Activities

Echo's exploration activities are focused on assessing high-potential targets in the Yandal Gold Province, which includes the Julius Gold Discovery (Figs. 1 and 2). Gold mineralisation at Julius is hosted by hydrothermally altered ultramafic and mafic rocks in structural contact with mineralised granodiorite along a west-dipping shear zone.

As outlined in the last quarterly report, Echo has received fire assay results from Reverse Circulation and Diamond Core drilling programs undertaken at the Julius Gold Discovery. Notable results included (Table 1):

- ERCD145: **1.1m @ 12.2g/t Au** from 347.5m
- ERC152: **5m @ 2.3g/t Au** from 12m
5m @ 2.9g/t Au from 40m
including **1m @ 4.8g/t Au** from 41m
6m @ 1.3g/t Au from 67m
- ERC153: **12m @ 3.3g/t Au** from 30m
including **1m @ 7.2g/t Au** from 32m
including **2m @ 10.4g/t Au** from 39m
6m @ 4.8g/t Au from 50m
including **3m @ 7.3g/t Au** from 53m
- ERC155: **4m @ 6.4g/t Au** from 47m
including **1m @ 9.7g/t Au** from 48m
1m @ 3.9g/t Au from 56m
6m @ 2.3g/t Au from 66m

- ERC157: **10m @ 1.5g/t Au** from 47m
- ERCD158: **2.3m @ 1.3g/t Au** from 487.6m
2.1m @ 1.6g/t Au from 501.7m
- ERC160: **3m @ 4.0g/t Au** from 36m
including **1m @ 7.8g/t Au** from 36m
- ERC161: **5m @ 3.1g/t Au** from 12m
including **1m @ 5.2g/t Au** from 13m
1m @ 3.2g/t Au from 21m

The latest assay results have been used to evaluate critical geological parameters for the location of hydrothermal gold mineralisation at Julius and other prospects, including suitable host rocks, pathfinder element geochemistry, the location and orientation of faults, and geophysical anomalies such as demagnetised zones which may reflect gold-related hydrothermal alteration. Several new targets have been identified. Planning for follow-up drilling at Julius is at an advanced stage.

Echo has been awarded two drilling grants totaling \$300,000 for exploration drilling at the Gladius and Deep Thought Targets by the WA Royalties for Regions Co-funded Government-Industry Drilling Program. Work at the Gladius Targets, located 6.5km south of Julius, has located coincident bismuth (Bi) and molybdenum (Mo) anomalies in scout Rotary Air Blast and Air Core drill holes, similar to the Bi and Mo anomalies recorded at Julius. Interface sampling programs, targeting material at the base of colluvium and the top of saprolite, have located anomalous gold values (peak value of 128ppb Au) adjoining the Bi and Mo anomalies at Gladius. Based on similarities with the geochemical signature recorded at Julius, it is interpreted that Gladius geochemical anomalies may be related to blind gold mineralisation.

The Deep Thought Targets, situated 13km southwest of Bronzewing, are located at the intersection of interpreted late-stage gold mineralised shear zones with an earlier-formed, refolded thrust fault and fold complex. Scout soil sampling at Deep Thought has located gold anomalism (peak value of 46ppb Au) over a strike length of approximately ~1km on Echo's ground.

Follow-up mapping, soil sampling and rock chip sampling programs at Zaphod Prospect, situated 6km east of Deep Thought, have located a 150m long, southeast-striking quartz vein showing rock chip gold values up to 8g/t Au. The quartz vein is surrounded by a 600m long and up to 250m wide gold-in-soil anomaly with a peak value of 22ppb Au. Follow-up mapping and geochemical sampling programs will be undertaken during August 2012.



Ernst Kohler
Director

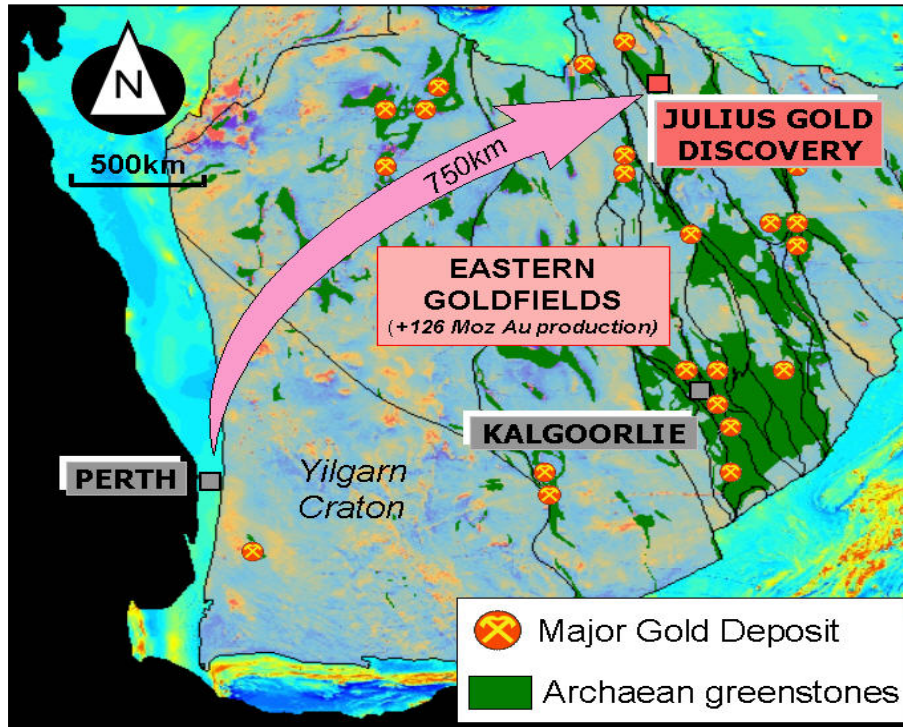


Fig. 1: Location of the Julius Gold Discovery, Western Australia.

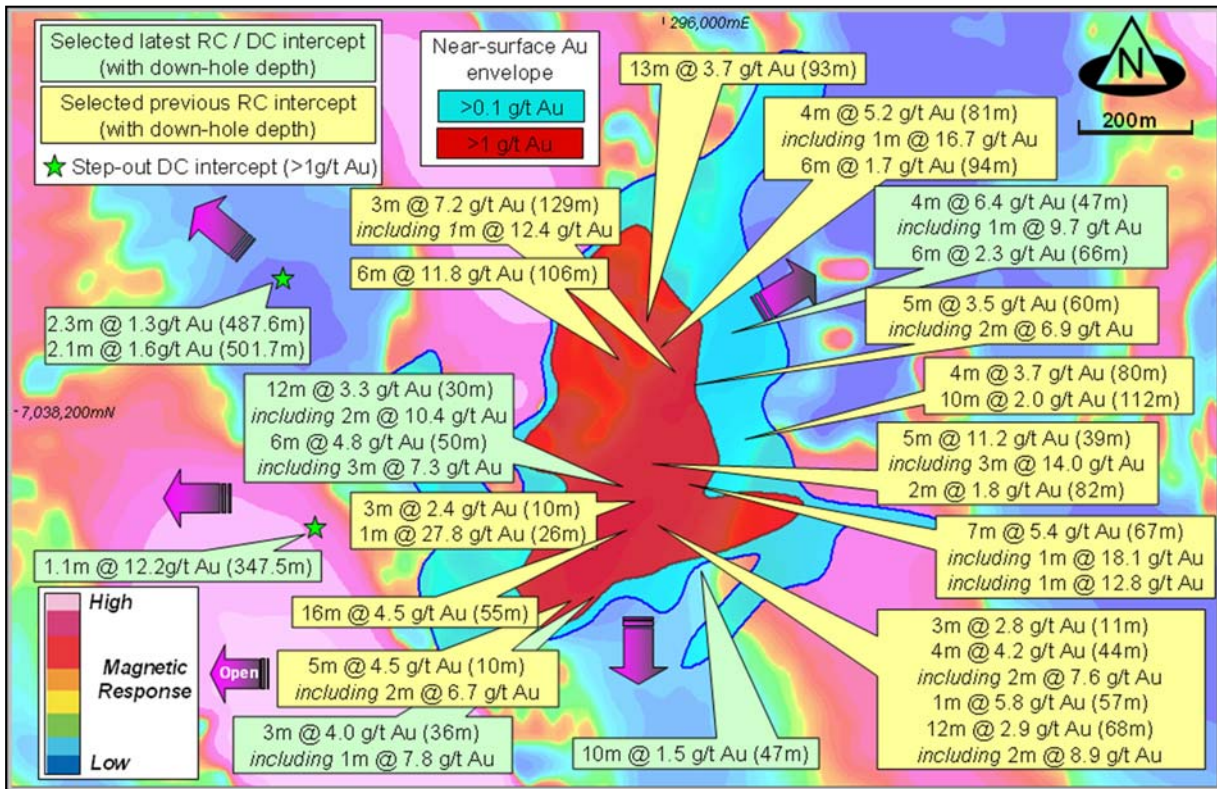


Fig. 2: Selected RC / DC drill intersections greater than 1g/t Au, Julius Gold Discovery.

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

Hole	Northing (mN)	Easting (mE)	Dip	Collar Azi	From (m)	To (m)	Width (m)	Assay grade (g/t Au)	Interval width x assay grade (m x g/t Au)
ERCD86	7,038,229	295,842	-75°	090°	127.3	128.3	1	1.0	1.0
					136	137	1	1.1	1.1
					138	139	1	1.3	1.3
					144	147	3	1.3	3.9
ERCD135	7,038,110	296,029	-54°	090°	104	105	1	5.0	5.0
ERCD145	7,038,036	295,295	-85°	090°	347.5	348.6	1.1	12.2	12.2
ERC152	7,038,016	295,887	-55°	090°	12	17	5	2.3	11.7
					40	45	5	2.9	14.5
					41	42	1	4.8	4.8
					67	73	6	1.3	7.9
ERC153	7,038,107	295,929	-55°	090°	30	42	12	3.3	39.7
including					32	33	1	7.2	7.2
including					39	41	2	10.4	20.9
					45	46	1	1.2	1.2
					50	56	6	4.8	28.8
including					53	56	3	7.3	22.0
					60	62	2	1.5	2.9
ERC154	7,038,154	295,912	-60°	090°	24	29	5	1.5	7.5
					42	43	1	1.8	1.8
					111	112	1	1.3	1.3
ERC155	7,038,313	296,079	-70°	090°	47	51	4	6.4	25.5
including					48	49	1	9.7	9.7
					56	57	1	3.9	3.9
					66	72	6	2.3	14.1
ERC156	7,038,372	296,044	-65°	090°	60	61	1	3.8	3.8
ERC157	7,037,939	296,065	-70°	090°	47	57	10	1.5	15.0
					60	61	1	1.4	1.4
					63	64	1	1.2	1.2
					98	99	1	1.4	1.4
ERCD158	7,038,498	295,216	-85°	090°	487.6	489.9	2.3	1.3	3.0
					501.7	503.8	2.1	1.6	3.3
ERC160	7,037,859	295,851	-60°	090°	13	15	2	1.4	2.7
					20	21	1	1.4	1.4
					36	39	3	4.0	12.0
including					36	37	1	7.8	7.8
ERC161	7,037,862	295,806	-65°	090°	12	17	5	3.1	15.5
including					13	14	1	5.2	5.2
					21	22	1	3.2	3.2
ERC162	7,038,154	295,966	-55°	090°	13	14	1	1.1	1.1
					81	82	1	2.0	2.0

The results for these drill holes were originally reported on 30 April 2012, but the intercepts now incorporate check assays. Hole prefix ERC denotes RC drill hole (riffle split chip samples); ERCD denotes DC drill hole (~1/2 NQ2 core samples). The samples were assayed by fire assay with AAS finish (SGS Newburn). The gold intercepts were calculated using a minimum edge cut-off of 1.0g/t Au with up to 2m 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. The intercept for ERC152 from 67-73m includes a missing 1m sample which has been ascribed a value of 0g/t Au. The intercept for ERCD145 contains a 2.5cm quartz vein orientated sub-parallel to the drill core axis. Minor discrepancies in the calculated m x g/t Au values are due to rounding of the interval assays. The drill holes were collared at nominal 512mRL.

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

Graham Anderson
Chairman

Ernst Kohler
Director

Simon Owen
Director

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 a 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.

Capital Structure

Total quoted shares: 89.5 million

ASX Code: EAR

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.

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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, 30/9/2001, 01/06/10.

Name of entity

ECHO RESOURCES LIMITED

ABN

34 108 513 113

Quarter ended ("current quarter")

30 June 2012

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Government grant received	-	114
1.2 Payments for (a) exploration and evaluation	(145)	(946)
(b) development	-	-
(c) production	-	-
(d) administration	(88)	(259)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	15	70
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (GST paid to be recouped)	-	24
Net operating cash flows	(218)	(997)
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)	(218)	(997)

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Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(218)	(997)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	650	650
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	(40)	(40)
Net financing cash flows		610	610
Net increase (decrease) in cash held		392	(387)
1.20	Cash at beginning of quarter/year to date	849	1,628
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	1,241	1,241

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	54
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

Financing facilities available

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Add notes as necessary for an understanding of the position.

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

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	200
4.2 Development	-
4.3 Production	-
4.4 Administration	150
Total	350

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	1,115	164
5.2 Deposits at call	126	685
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	1,241	849

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	E53/1014	Tenement came to end of term (ie expired)	100%	0%
6.2 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	83,030,654	83,030,654		Fully Paid
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	10,830,000	10,830,000	6 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>				
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 July 2012
Joint Company secretary

Print name: Michael Loh

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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