



### Key Points

- **Exceptional drill intercept of 12m @ 41.9 g/t Au from 44m at the Julius Gold Discovery.**
- **Significant potential for the delineation of high-grade gold shoots at Julius.**
- **Sampling at Marvin and Magrathea Prospects outlines gold-in-soil anomalies over a strike length of 11km.**
- **Follow-up sampling at Zaphod Prospect yields a peak rock chip value of 63.7 g/t Au.**

### **Exploration Activities**

During the quarter, Echo undertook follow-up Reverse Circulation (RC) drilling at the Julius Gold Discovery with 6 holes (583m) completed. A further 17 RC holes (1,712m) were completed during January 2013.

The Julius Discovery is located in the Yandal Gold Province, approximately 750km northeast of Perth, Western Australia (Fig. 1). The Yandal Province hosts several multi-million ounce gold deposits, including those at Jundee (Newmont) and Darlot (Barrick; Fig. 2).

Julius is a blind gold discovery in an area of thick transported cover with no historical gold workings. The gold lodes at Julius are hosted by weathered and fresh ultramafic rocks adjacent to a mineralised granodiorite body. The granodiorite-ultramafic contact is marked by the west-northwest-dipping Julius Shear Zone which is interpreted to be cross-cut by a pattern of northwest-striking faults (Fig. 3). These cross-faults appear to have played an important role in the localisation of high-grade mineralisation within and adjacent to the Julius Shear Zone.

Preliminary assay results using a +1 g/t Au reporting cut-off on 4m composite samples from the December drilling included (Table 1; Fig. 3):

ERC167:      8m @ 1.8 g/t Au from 24m  
                   12m @ 41.9 g/t Au from 44m  
 ERC164:      4m @ 4.5 g/t Au from 44m  
 ERC163:      8m @ 2.4 g/t Au from 56m

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The intercept in ERC167 has confirmed that Julius contains significant widths of very high-grade gold mineralisation. At a +0.5 g/t Au minimum reporting cut-off, the intercept in ERC167 works out at 24m @ 21.4 g/t Au from 40m. The high-grade samples are hosted by partially weathered ultramafic rocks within the Julius Shear Zone immediately adjacent to strongly altered granodiorite (Fig. 4). A quartz-carbonate vein has been logged between 53-55m, coincident with the highest grade composite sample which assays 55.9 g/t Au.

1m split samples from the December drilling, and composite samples from RC drilling conducted during January 2013, have been submitted for assaying. Results for the 1m splits are expected during February. Planning has commenced for follow-up drilling at Julius.

Samples from the latest drilling are being assessed to establish critical geological features for the location of additional high-grade gold mineralisation at Julius. Areas to the northwest of Julius offer significant potential for the discovery of high-grade gold shoots (Fig. 3).

Soil sampling has identified a series of +3 ppb Au soil anomalies over a strike length of 11km at Echo's Marvin and Magrathea Prospects (Fig. 5). These prospects are situated 85km south of Julius, and 3km west of open-cut workings at the Mt McClure-Bronzewing Gold Mine (Fig. 2). The Marvin and Magrathea anomalies are located over north-northwest-striking mafic and granitic rocks along the western margin of the Yandal Greenstone Belt. The anomalies have peak gold values of 305 ppb Au (Marvin) and 79 ppb Au (Magrathea).

Follow-up sampling along a 150m-long outcropping quartz vein at Zaphod Prospect, located 10km northeast of Marvin (Fig. 2), has returned a peak rock chip value of 63.7g/t Au in ferruginous quartz, and 21.8 g/t Au in colluvium and saprolite lag adjacent to the quartz vein.



Ernst Kohler  
Managing Director

### 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.

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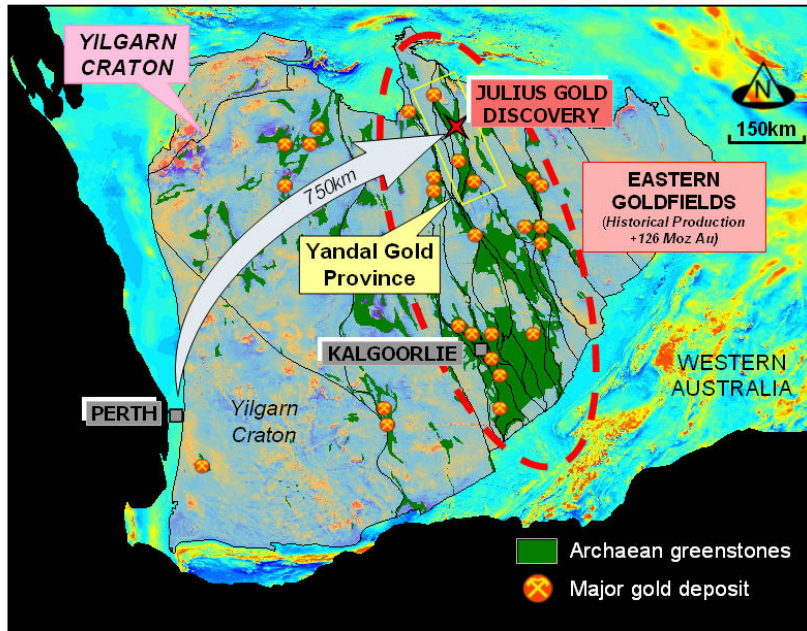


Fig. 1: Location of the Yandal Gold Province.

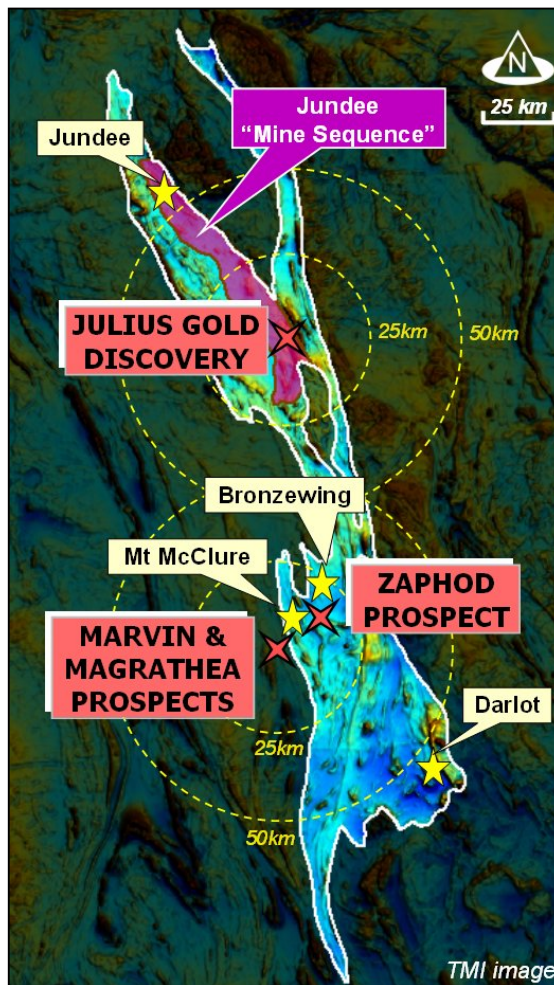


Fig. 2: Location of the Julius Gold Discovery and the Marvin - Magrathea and Zaphod Prospects in the Yandal Gold province.

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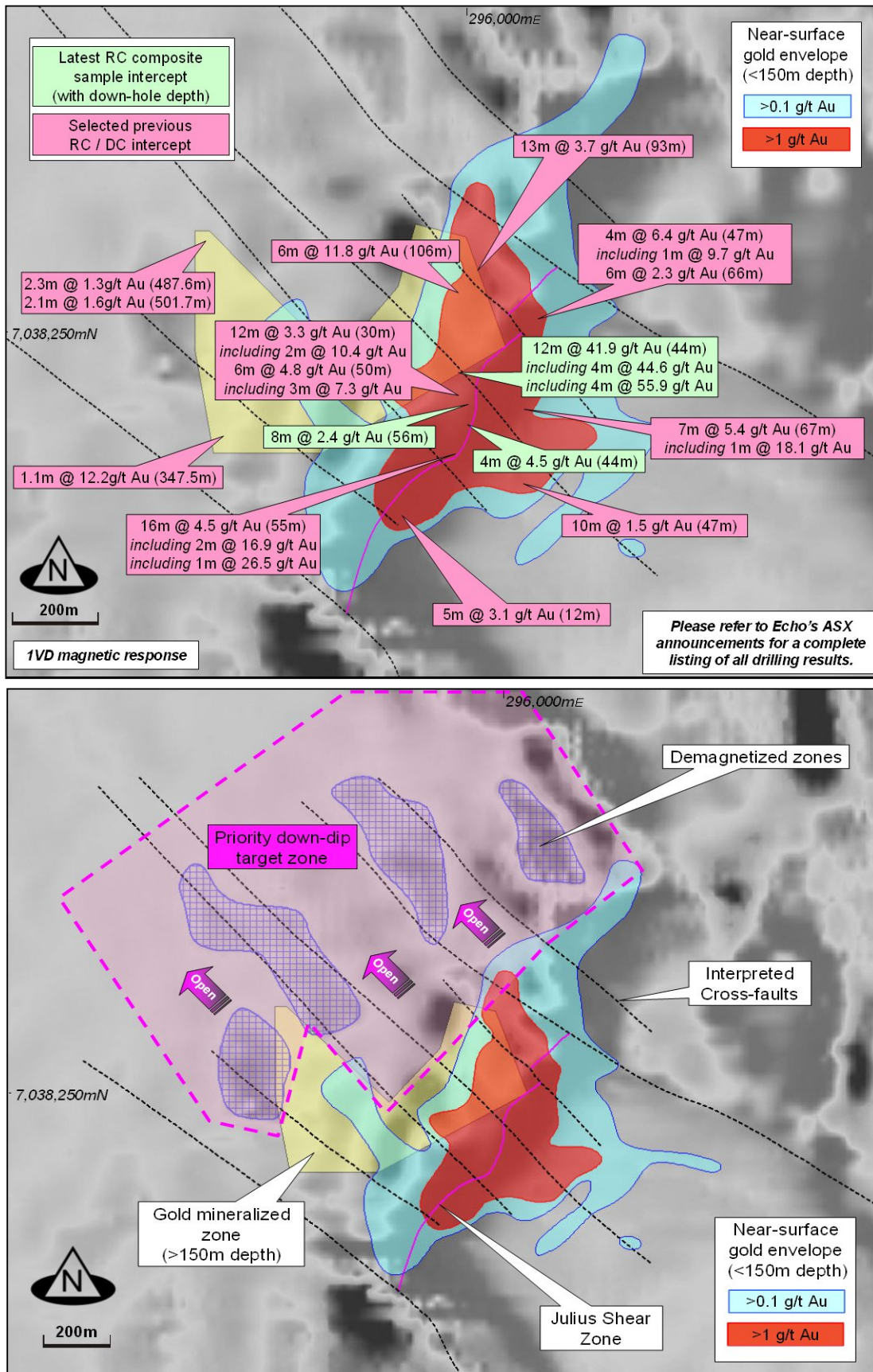


Fig. 3: Julius Gold Discovery.

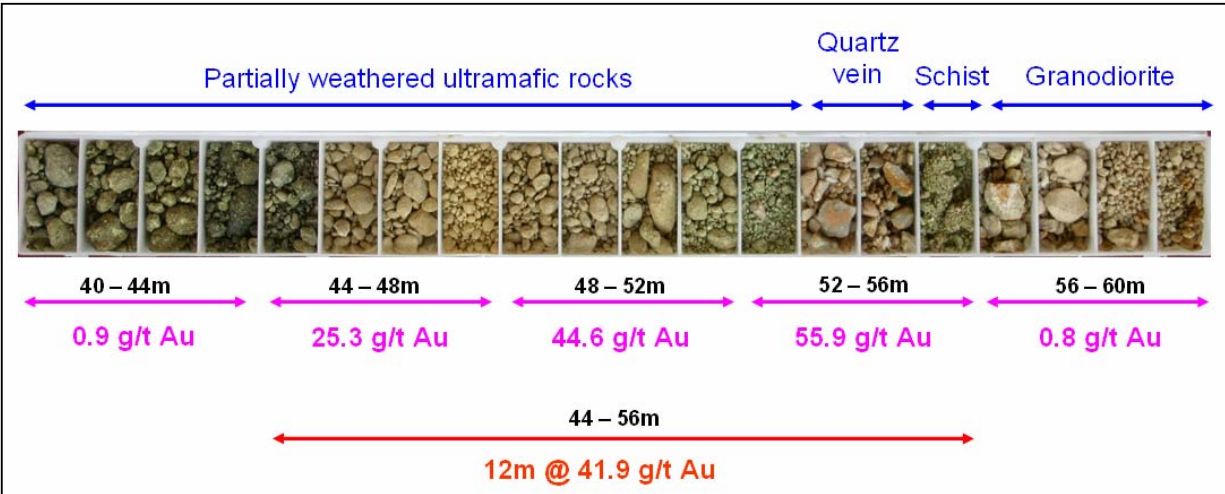


Fig. 4: Chip tray for ERC167 (40m – 60m down hole).

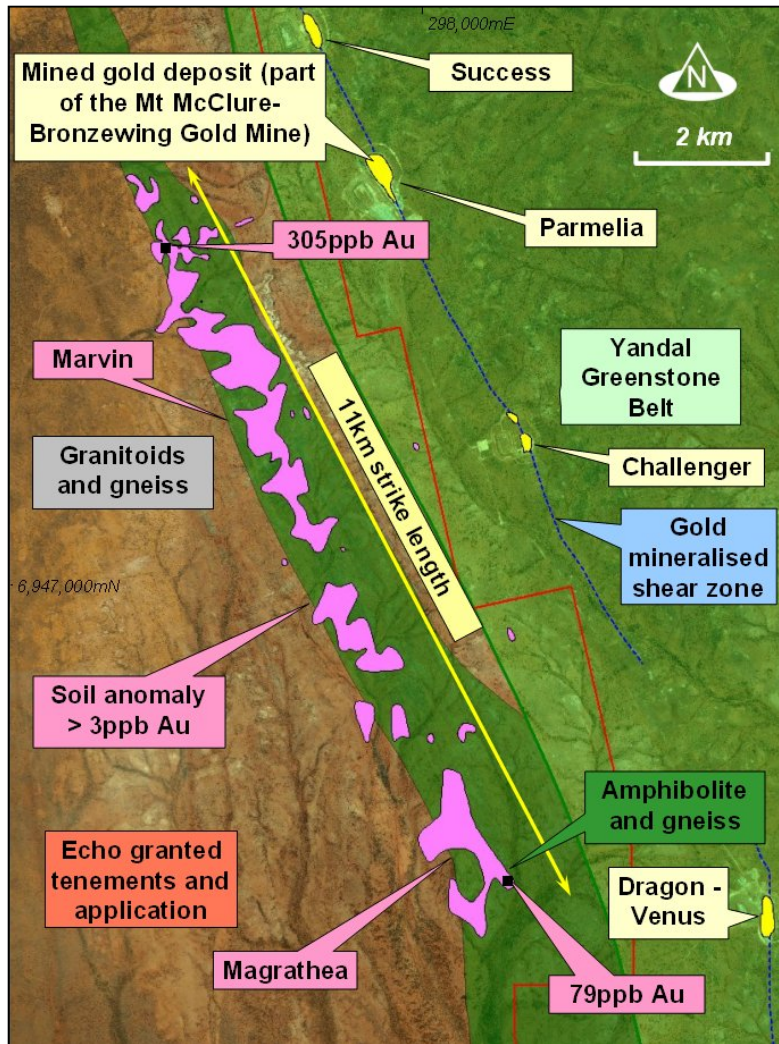


Fig. 5: Marvin and Magrathea gold-in-soil anomalies over satellite image.

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**Table 1: Drill intersections***(Results greater than 10m x g/t Au shown in bold)*

Hole No.	Northing (mN)	Easting (mE)	Dip	Azimuth	From (m)	To (m)	Interval (m)	Grade (g/t Au)	Intercept width x grade (m x g/t Au)
<b>COMPOSITE SAMPLES (Preliminary Results)</b>									
ERC163	7,038,081	295,925	-65°	090°	12	16	4	1.6	6.2
					56	64	<b>8</b>	<b>2.4</b>	<b>19.2</b>
<i>including</i>					56	60	<b>4</b>	<b>3.2</b>	<b>12.9</b>
ERC164	7,038,055	295,925	-55°	090°	12	16	4	2.1	8.2
					44	48	<b>4</b>	<b>4.5</b>	<b>18.1</b>
ERC167	7,038,125	295,920	-55°	090°	24	32	<b>8</b>	<b>1.8</b>	<b>14.1</b>
					44	56	<b>12</b>	<b>41.9</b>	<b>502.6</b>
<i>including</i>					44	48	<b>4</b>	<b>25.3*</b>	<b>101.0</b>
<i>including</i>					48	52	<b>4</b>	<b>44.6*</b>	<b>178.2</b>
<i>including</i>					52	56	<b>4</b>	<b>55.9*</b>	<b>223.4</b>
					92	96	4	1.3	5.2

4m composite spear samples assayed by aqua regia with ICPMS finish (Quantum Analytical Services). \* denotes average of two replicate analyses on sample pulps (dry samples). The intercepts were calculated using a minimum edge cut-off of 1.0 g/t Au. No assay top-cut was applied. The drilling locally encountered high water flows and further work is needed to confirm that these results are representative. The intercept widths may not reflect true mineralisation widths. Minor discrepancies in the calculated m x g/t Au values are due to rounding of the interval assays.

1m splits of the drill samples are collected by the drilling contractor for gold analysis by fire assay. As a first stage in the assaying process, Echo collects additional samples using a PVC pipe spear. The spear samples are combined into 4m composite samples for initial preliminary geochemical analysis by aqua regia digestion.

## CORPORATE DIRECTORY

### Board of Directors

Mathew Longworth  
Non-Executive Chairman

Ernst Kohler  
Managing Director

Anthony McIntosh  
Non-Executive Director

### Capital Structure

Total quoted shares: 89.5 million

ASX Code: EAR

### Registered Office

14 Emerald Terrace  
West Perth  
WA 6005

### Principal Place of Business

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WA 6101

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

Name of entity

**ECHO RESOURCES LIMITED**

ABN

34 108 513 113

Quarter ended ("current quarter")

31 December 2012

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Government grant received	-	-
1.2 Payments for (a) exploration and evaluation	(277)	(393)
(b) development	-	-
(c) production	-	-
(d) administration	(76)	(172)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	7	16
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (GST paid to be recouped)	(1)	(8)
<b>Net operating cash flows</b>	<b>(347)</b>	<b>(557)</b>
<b>Cash flows related to investing activities</b>		
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)	-	-
<b>Net investing cash flows</b>	<b>-</b>	<b>-</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(347)</b>	<b>(557)</b>

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**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(347)	(557)
<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc.	-	293
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	-	(27)
	<b>Net financing cash flows</b>	<b>-</b>	<b>266</b>
<b>Net increase (decrease) in cash held</b>			
1.20	Cash at beginning of quarter/year to date	1,297	1,241
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	<b>950</b>	<b>950</b>

**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	25
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	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	250
4.2 Development	-
4.3 Production	-
4.4 Administration	100
<b>Total</b>	<b>350</b>

### 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	324	1,171
5.2 Deposits at call	626	126
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter</b> (item 1.22)	<b>950</b>	<b>1,297</b>

### 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	EPM15568	Wholly owned	12 blocks	6 blocks
6.2 Interests in mining tenements acquired or increased	E36/799 Application	Wholly owned	0 blocks	62 blocks

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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 <b>Preference +securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	89,530,654	89,530,654		Fully Paid
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 <b>+Convertible debt securities</b> <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>				
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Relinquished during quarter				
7.11 <b>Debentures</b> <i>(totals only)</i>				
7.12 <b>Unsecured notes</b> <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 January 2013  
Company Secretary

Print name: KRYSTEL KIROU

## 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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