Echo Resources Limited

June 30

2014

Annual Report

CONTENTS

CORPORATE DIRECTORY

DIRECTORS	Mathew Longworth (Non-executive Chairman) Ernst Kohler (Managing Director) Anthony McIntosh (Non-executive Director)
COMPANY SECRETARY	Krystel Kirou
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REGISTERED OFFICE	992 Albany Highway East Victoria Park WA 6101
AUDITOR	BDO Audit (WA) Pty Ltd 38 Station Street Subiaco WA 6008
STOCK EXCHANGE	ASX Code: EAR
SHARE REGISTRY	Advance Share Registry 150 Stirling Highway Nedlands WA 6009 Telephone: (08) 9389 8033 Facsimile: (08) 9389 7871

REVIEW OF OPERATIONS

During the reporting period, Echo's exploration activities focused on assessing high-potential targets in the Yandal Gold Province, which includes the Julius Gold Discovery. The Yandal Province is located approximately 750km northeast of Perth, Western Australia (Fig. 1), and hosts several multi-million ounce gold deposits, including those at Jundee (Northern Star Resources) and Darlot (Gold Fields).

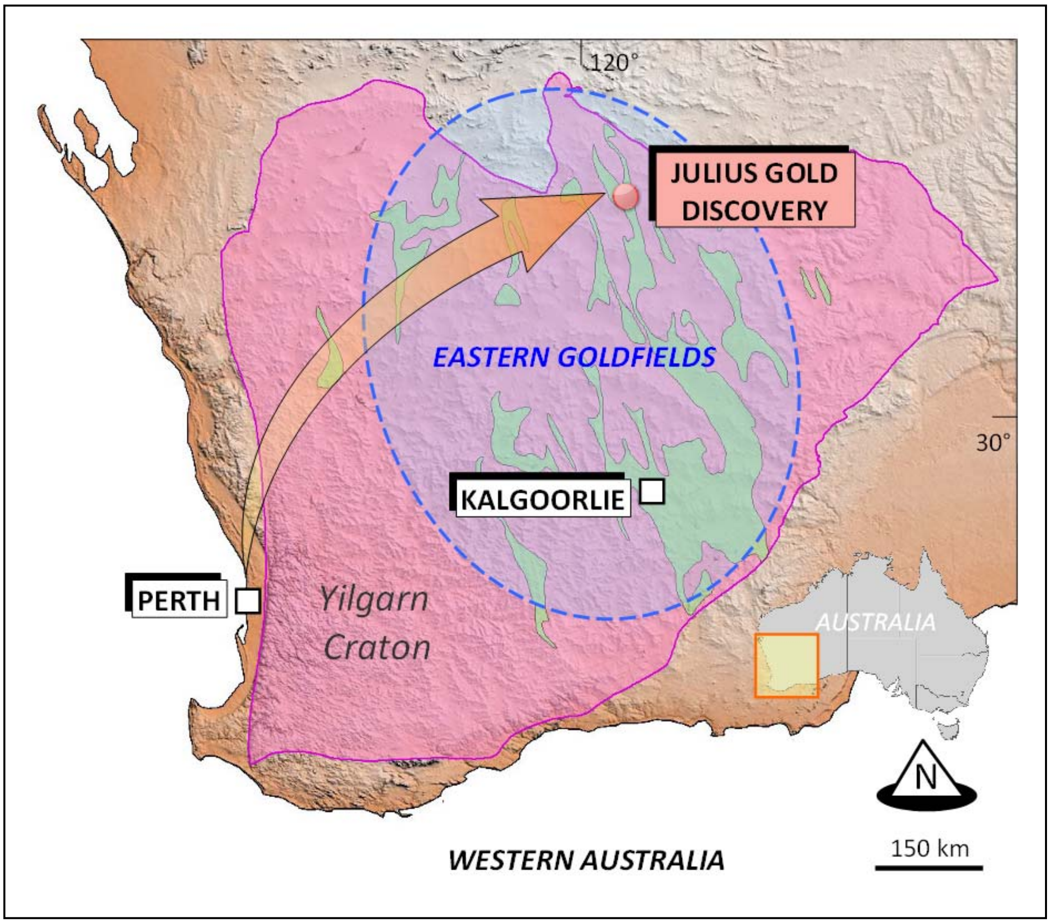

Figure 1: Location of the Julius Gold Discovery

The gold lodes at Julius are hosted by weathered and fresh, mafic and ultramafic rocks adjacent to a mineralised granodiorite body (Fig. 2). The granodiorite-ultramafic contact is marked by the west-northwest-dipping Julius Shear Zone (JSZ) which is interpreted to be cross-cut by southeast-striking faults. These cross-faults appear to have played an important role in the localisation of high-grade gold mineralisation within and adjacent to the JSZ.

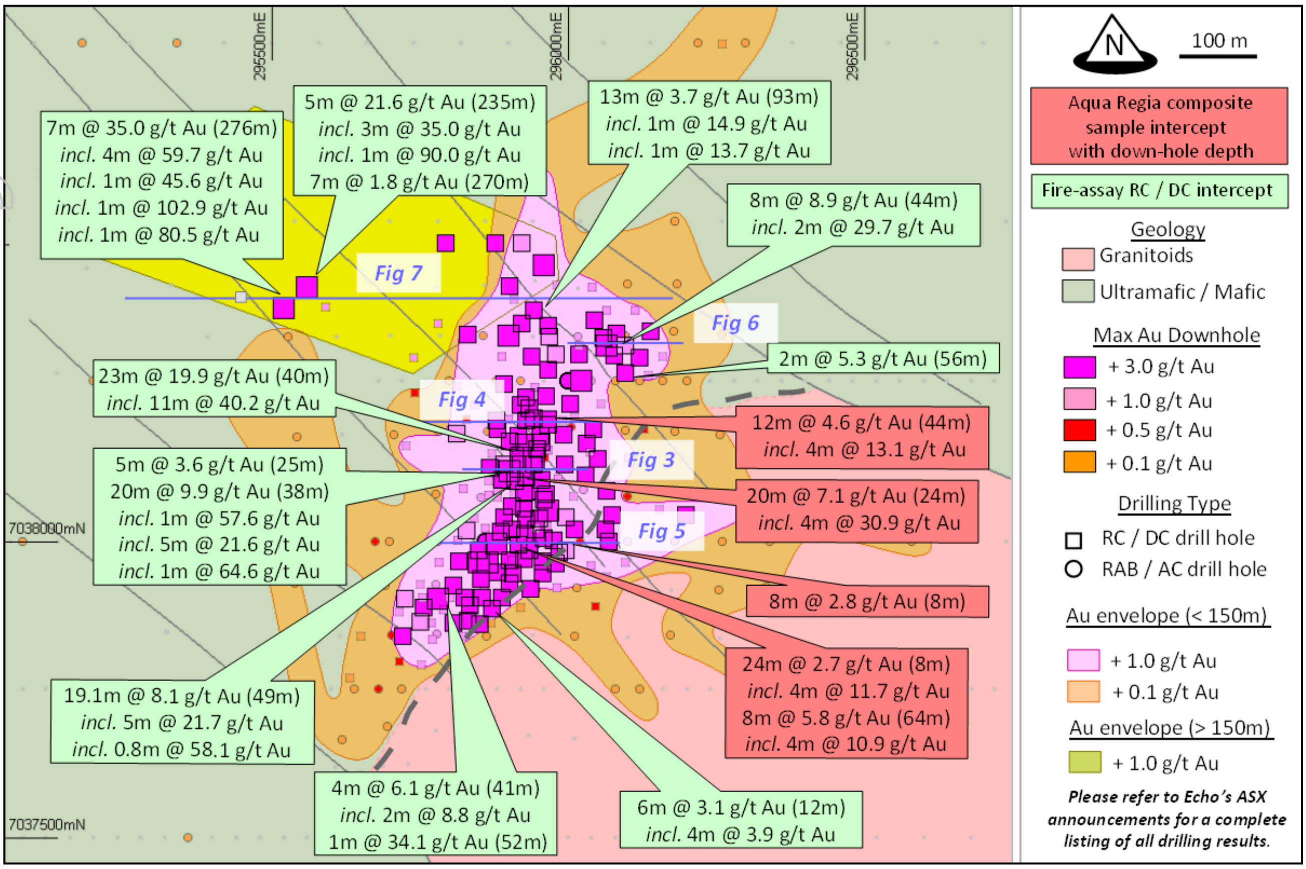

Figure 2: Summary of selected drill intercepts, Julius Gold Discovery
(Please refer to Echo's ASX announcements for a full listing of drilling results)

During the reporting period, Echo completed Reverse Circulation (RC) and Diamond Core drilling programs at Julius. Notable drilling intercepts included (Table 1):

ERC186:	**5m @ 21.6 g/t Au** from 235m
including	**3m @ 35.0 g/t Au** from 235m
including	**1m @ 90.0 g/t Au** from 236m
	7m @ 1.8 g/t Au from 270m
ERC194:	**10m @ 1.7 g/t Au** from 43m
	14m @ 3.5 g/t Au from 76m
including	**5m @ 6.9 g/t Au** from 76m
ERCD208:	**19.1m @ 8.1 g/t Au** from 49m
including	**5m @ 21.7 g/t Au** from 54m
including	**0.8m @ 58.1 g/t Au** from 58.2m
ERC212:	**3m @ 1.2 g/t Au** from 45m
	8m @ 8.9 g/t Au from 52m
including	**2m @ 29.7 g/t Au** from 53m
including	**1m @ 38.0 g/t Au** from 53m
including	**1m @ 21.4 g/t Au** from 54m
	3m @ 4.1 g/t Au from 64m

REVIEW OF OPERATIONS (continued)

ERC217:	**5m** @ **3.6 g/t Au** from 25m
including	**2m** @ **5.8 g/t Au** from 26m
	20m @ **9.9 g/t Au** from 38m
including	**1m** @ **57.6 g/t Au** from 45m
including	**5m** @ **21.6 g/t Au** from 48m
including	**1m** @ **64.6 g/t Au** from 49m
	3m @ **1.5 g/t Au** from 62m
ERC222:	**7m** @ **35.0 g/t Au** from 276m
including	**4m** @ **59.7 g/t Au** from 276m
including	**1m** @ **45.6 g/t Au** from 277m
including	**1m** @ **102.9 g/t Au** from 278m
including	**1m** @ **80.5 g/t Au** from 279m
ERC224:	**12m** @ **4.6 g/t Au** from 44m
including	**4m** @ **13.1 g/t Au** from 52m
ERC228:	**20m** @ **7.1 g/t Au** from 24m
including	**4m** @ **30.9 g/t Au** from 40m
ERC232:	**8m** @ **2.8 g/t Au** from 8m
ERC233:	**24m** @ **2.7 g/t Au** from 8m
including	**4m** @ **11.7 g/t Au** from 28m
	8m @ **5.8 g/t Au** from 64m
including	**4m** @ **10.9 g/t Au** from 64m

Drill holes ERC194, ERCD208, ERC217, ERC224 and ERC228 yielded outstanding gold intercepts from near-surface gold lodes within the central parts of the Julius system, including assays up to **58.1 g/t Au** and **64.6 g/t Au** in ERCD208 and ERC217, respectively. The gold intercepts in these drill holes are hosted by weathered to fresh ultramafic, mafic and granitoid rocks at depths of 20m to 105 m below surface (Figs. 3 and 4).

Drill hole ERC233 returned two high-grade gold intercepts near the southern end of the Julius drilling area. An upper drill intercept of **24m @ 2.7 g/t Au** from 8m, including **4m @ 11.7 g/t Au** from 28m, is hosted by colluvium, laterite and weathered ultramafic rocks above the JSZ (Fig. 5). A lower intercept, hosted by strongly weathered granitoids 30m below the JSZ, returned **8m @ 5.8 g/t Au** from 64m, including **4m @ 10.9 g/t Au** from 64m. ERC232, collared to the east of ERC233, returned **8m @ 2.8 g/t Au** from 8m.

ERC212, which is situated near the northern end of the Julius drilling area, returned **8m @ 8.9 g/t Au** from 52m, including **2m @ 29.7 g/t** Au from 53m. This intercept is hosted by partially weathered ultramafic and granodioritic rocks within an interpreted gold shoot lying within the JSZ (Figs.6 and 8).

Step-out RC drill hole ERC222, which is located 350m west of the main drilling area at Julius, returned **7m @ 35.0 g/t Au** from 276m, including **4m @ 59.7 g/t Au** from 276m (Figs. 7 and 8). ERC222 was collared 52m southwest of ERC186, which returned **5m @ 21.6 g/t Au** from 235m, with a peak assay result of **1m @ 90.0 g/t Au** from 236m. These are the deepest high-grade gold intersections received from Julius to date, demonstrating significant potential at depth.

The gold mineralisation at Julius is open to the west, north and south.

Cyanide-gold bottle roll leach testing on samples of weathered and fresh rock-hosted gold mineralisation at Julius has shown that the cyanide solutions extracted an average 93.0% of the gold present in the samples. Combined gravity separation and cyanide leach testing conducted on a composite sample of weathered mineralisation from Julius returned a very high gold recovery of 98.6%, with 33% of gold extracted by gravity separation. The cyanide leach results suggest that the Julius mineralisation may be amenable to processing by conventional carbon-in-leach or carbon-in-pulp processing methods incorporating a gravity separation circuit.

REVIEW OF OPERATIONS (continued)

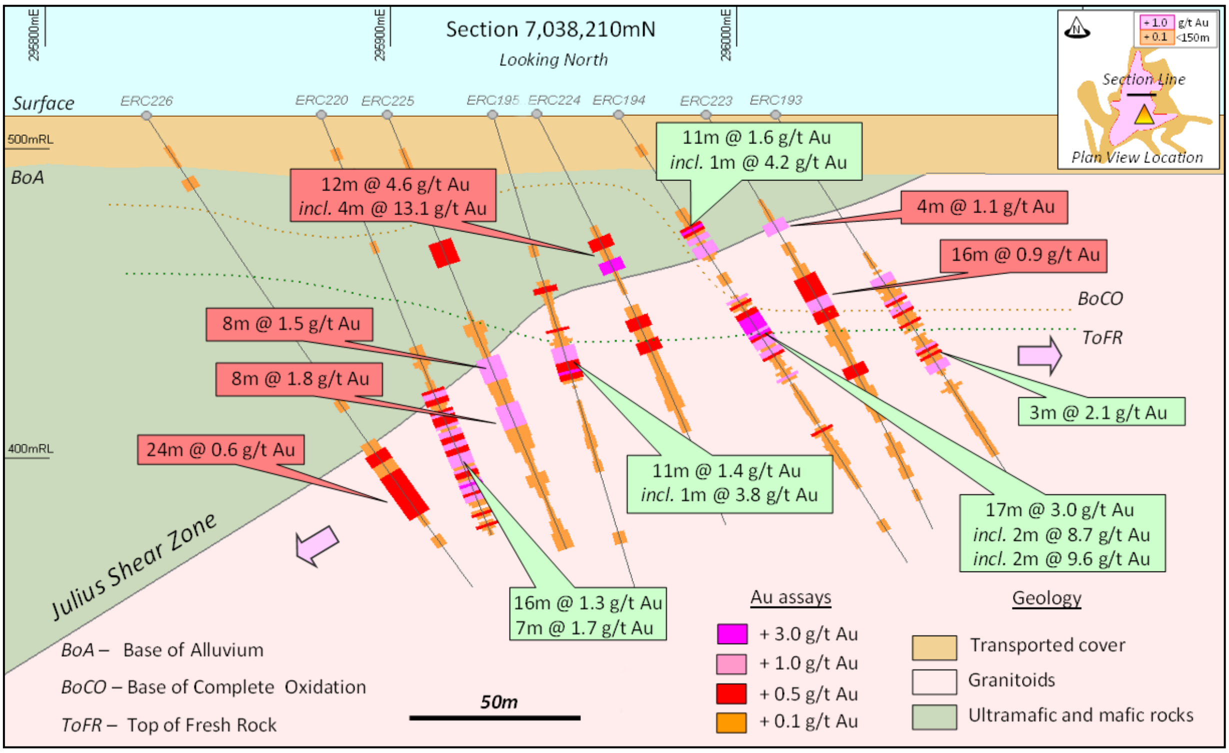

Figure 3: Drill cross-section showing ERC194 and ERC224

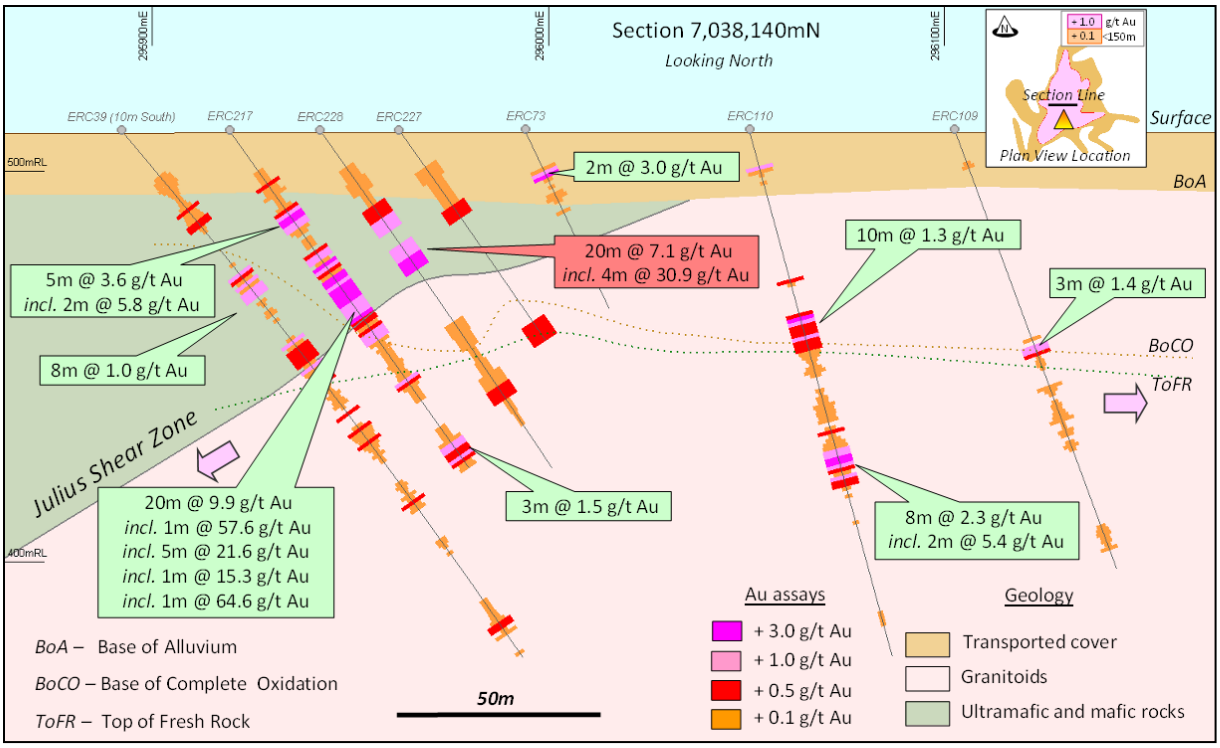

Figure 4: Drill cross-section showing ERC217 and ERC228

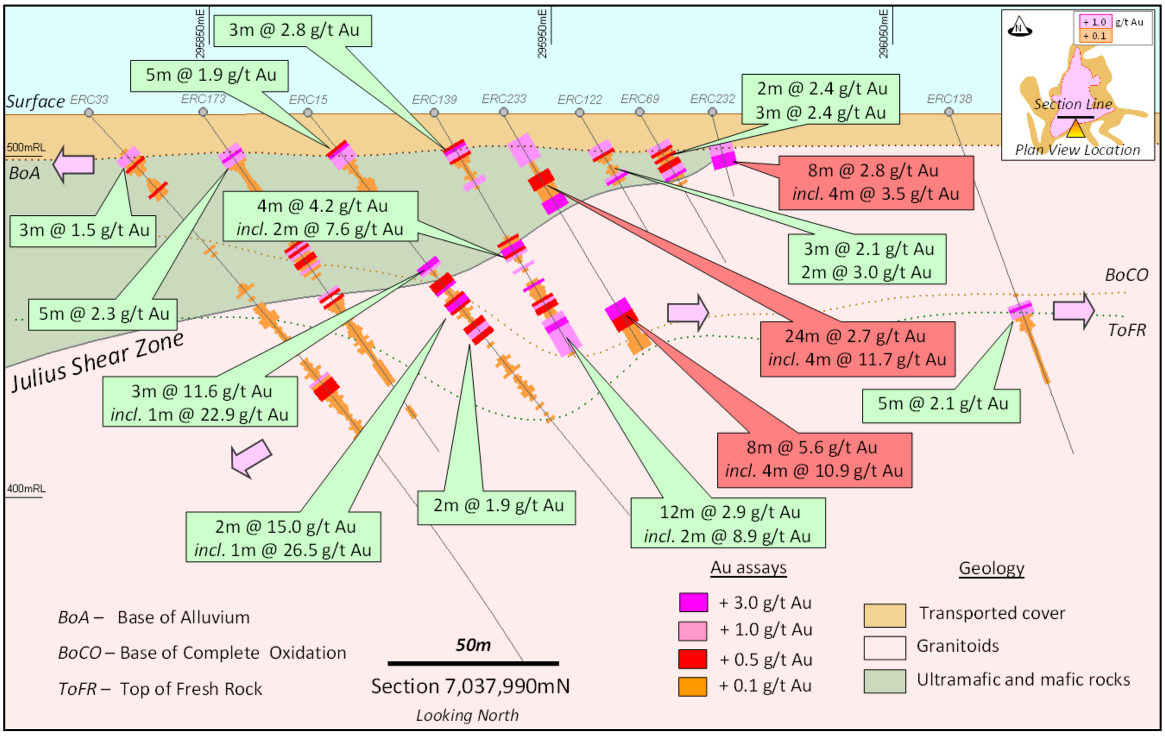

Figure 5: Drill cross-section showing ERC232 and ERC233

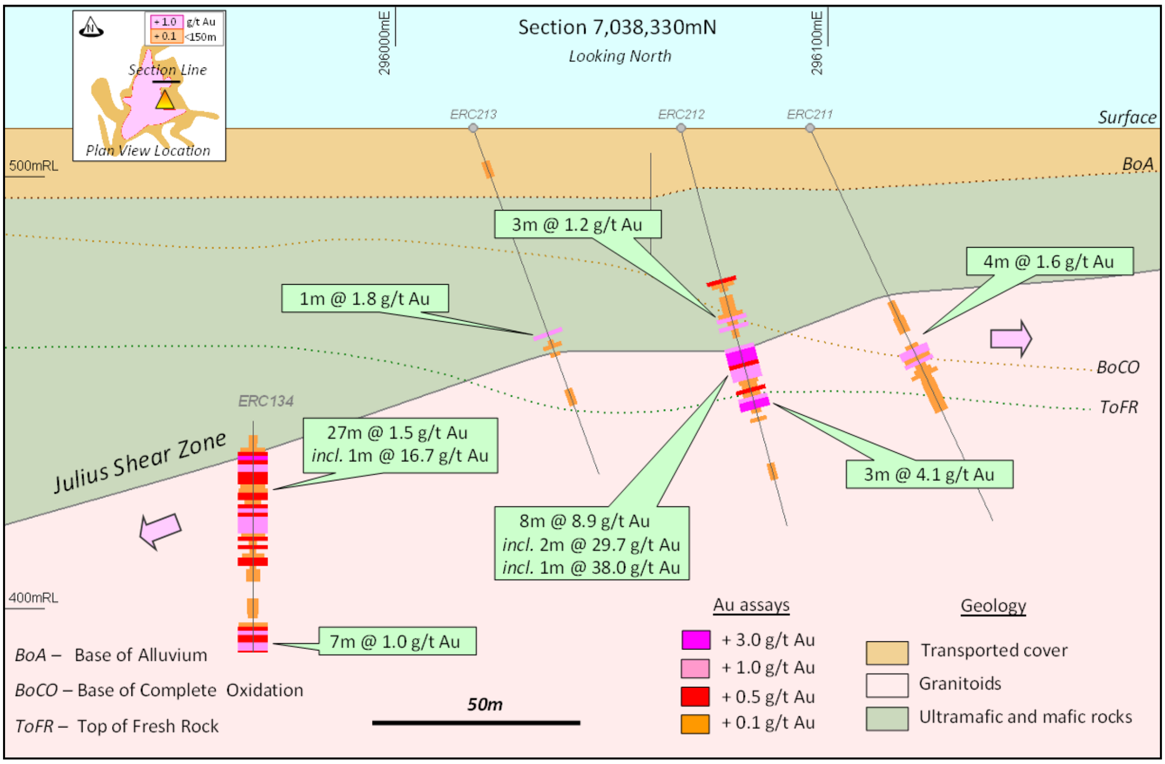

Figure 6: Drill cross-section showing ERC211 to ERC213

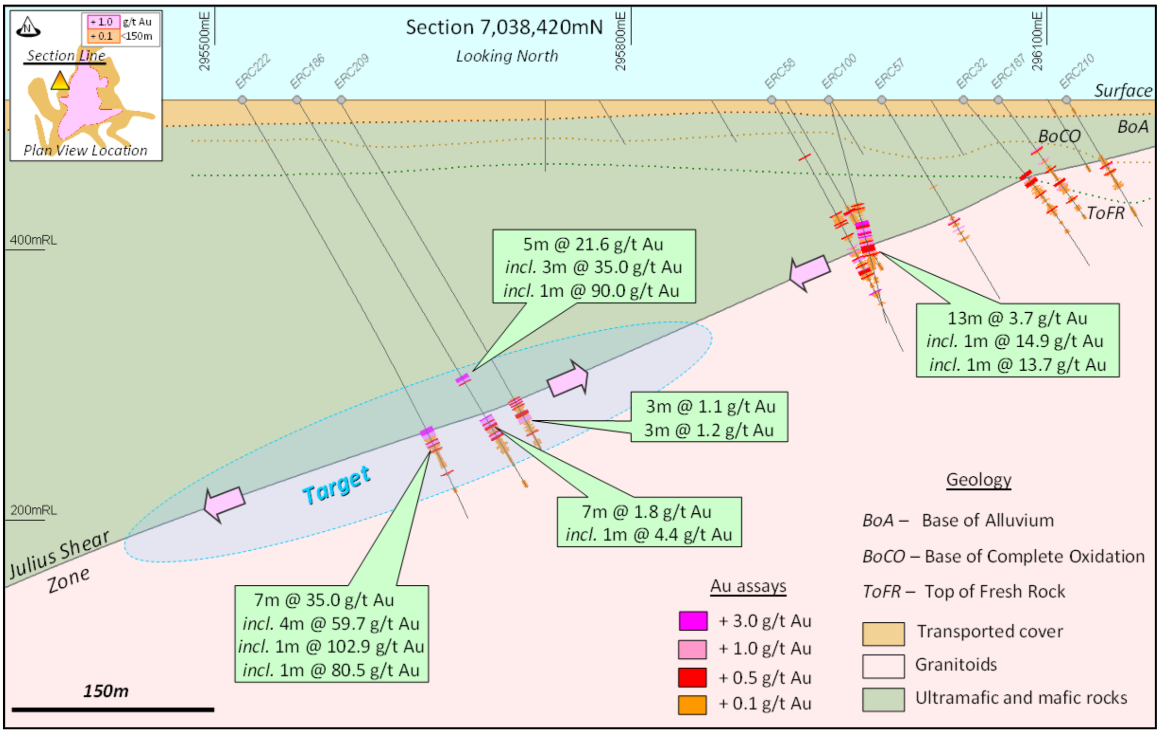

Figure 7: Drill cross-section showing ERC186 and ERC222

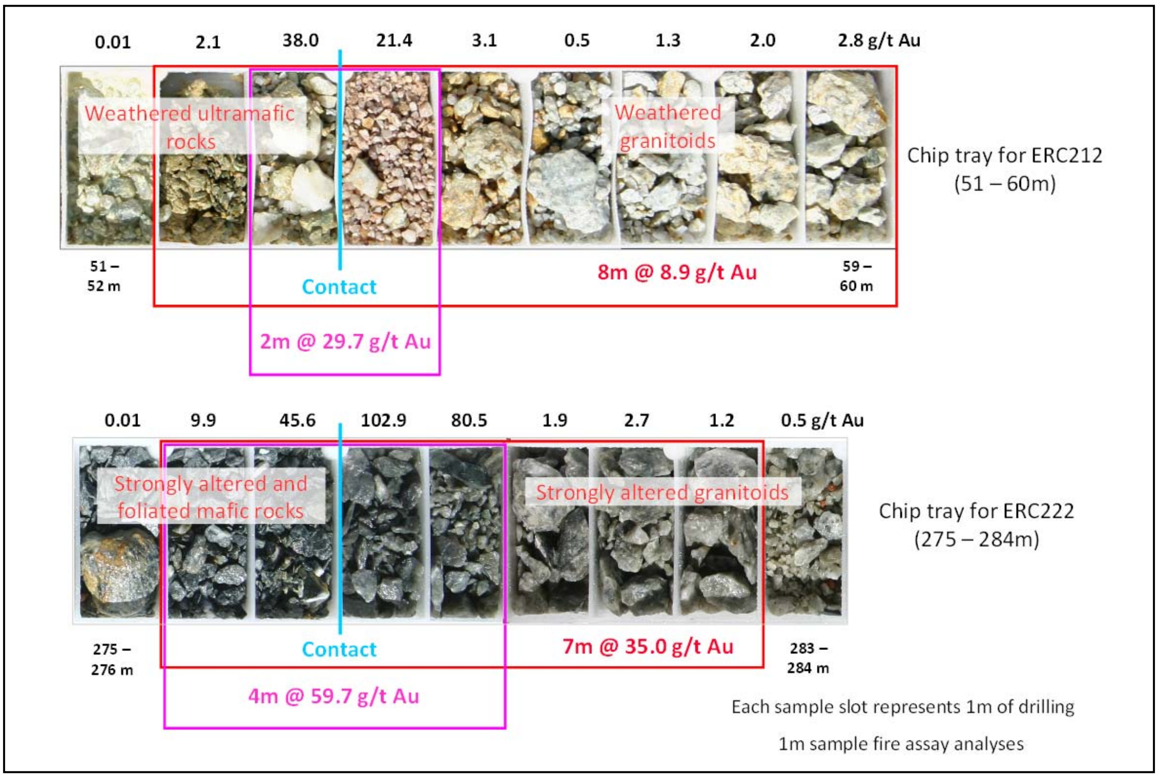

Figure 8: Chip trays for ERC212 and ERC222 showing gold grades

REVIEW OF OPERATIONS (continued)

Table 1: Selected drill intersections, Julius Gold Discovery
(Results greater than 10m x g/t Au shown in bold)

Hole No.	Northing (mN)	Easting (mE)	Hole Dip Azimuth	EOH Depth (m)	From (m)	To (m)	Interval (m)	Grade (g/t Au)	Intercept width x grade (m x g/t Au)
1m Split Samples (+1g/t Au)									
ERC186	7,038,428	295,560	-60º	330	235	240	**5**	**21.6**	**107.8**
including			090º		235	238	**3**	**35.0**	**105.1**
including					236	237	**1**	**90.0**	**90.0**
					270	277	**7**	**1.8**	**12.5**
					280	281	1	1.0	1.0
					284	286	2	1.8	1.8
ERC192	7,038,243	295,929	-80º	138	70	71	1	1.3	1.3
			090º		76	78	**2**	**6.7**	**13.4**
including					76	77	**1**	**11.4**	**11.4**
					109	110	1	1.2	1.2
ERC194	7,038,206	295,967	-60º	168	43	53	**10**	**1.7**	**17.3**
			090º		69	70	1	1.6	1.6
					76	90	**14**	**3.5**	**49.3**
including					76	81	**5**	**6.9**	**34.6**
including					76	77	**1**	**12.5**	**12.5**
including					79	80	1	9.6	9.6
					98	99	1	1.5	1.5
ERC197	7,038,167	295,926	-65º	110	41	53	**12**	**1.7**	**20.2**
including			090º		41	42	1	3.1	3.1
including					44	45	1	4.3	4.3
					95	96	1	1.2	1.2
ERC198	7,038,020	295,906	-55º	100	12	15	3	2.7	8.0
including			090º		14	15	1	3.6	3.6
					51	53	**2**	**6.1**	**12.1**
including					52	53	**1**	**10.9**	**10.9**
					75	79	4	2.3	9.3
ERC200	7,037,905	295,856	-60º	84	12	18	**6**	**3.1**	**18.6**
including			090º		12	16	**4**	**3.9**	**15.5**
					25	26	1	1.8	1.8
					46	47	1	1.5	1.5
ERC201	7,037,904	295,826	-55º	60	13	20	**7**	**2.4**	**17.0**
including			090º		15	17	2	4.1	8.3
					25	29	4	2.1	8.3
ERC206	7,038,465	295,960	-85º	189	120	123	3	1.1	3.4
			090º		128	131	3	1.5	4.4
					134	143	**9**	**1.3**	**12.1**
					151	152	1	1.2	1.2
					154	155	1	1.0	1.0
					187	189	**2**	**13.0**	**26.1 EOH**
					187	188	**1**	**21.6**	**21.6**
ERCD208	7,038,118	295,901	-43º	90.4	35.27	36.4	1.17	1.1	1.3
			090º		49	68.1	**19.1**	**8.1**	**154.6**
including					54	59	**5**	**21.7**	**108.6**
including					58.20	59	**0.8**	**58.1**	**46.5**

Hole No.	Northing (mN)	Easting (mE)	Hole Dip Azimuth	EOH Depth (m)	From (m)	To (m)	Interval (m)	Grade (g/t Au)	Intercept width x grade (m x g/t Au)
1m Split Samples (+1g/t Au)									
ERC212	7,038,330	296,066	-75º	95	45	48	3	1.2	3.6
			090º		52	60	**8**	**8.9**	**71.2***
including					53	55	**2**	**29.7**	**59.4**
including					53	54	**1**	**38.0**	**38.0**
including					54	55	**1**	**21.4**	**21.4**
					64	67	**3**	**4.1**	**12.4**
including					65	66	1	6.2	6.2
including					66	67	1	5.2	5.2
ERC214	7,038,019	296,063	-55º	101	13	14	1	1.0	1.0
			090º		82	87	**5**	**3.2**	**16.0**
including					82	83	1	8.0	8.0
ERC217	7,038,140	295,920	-55º	105	25	30	**5**	**3.6**	**18.2**
including			090º		26	28	**2**	**5.8**	**11.7**
					38	58	**20**	**9.9**	**198.1**
including					41	42	1	6.3	6.3
including					45	46	**1**	**57.6**	**57.6**
including					48	53	**5**	**21.6**	**108.1**
including					48	49	**1**	**15.3**	**15.3**
including					49	50	**1**	**64.6**	**64.6**
including					57	58	1	5.3	5.3
					62	65	3	1.5	4.4
					77	78	1	1.2	1.2
ERC219	7,038,104	295,889	-55º	127	14	16	2	1.5	3.0
			090º		44	56	**12**	**1.9**	**23.0**
including					48	49	1	4.2	4.2
					79	85	**6**	**2.3**	**13.9**
including					84	85	1	4.5	4.5
					111	112	1	4.3	4.3
ERC220	7,038,204	295,880	-70º	145	21	22	1	1.5	1.5
			090º		96	98	2	1.2	2.3
					103	104	1	2.1	2.1
					107	123	**16**	**1.3**	**21.2**
					126	133	**7**	**1.7**	**12.1**
ERC222	7,038,394	295,520	-60º	349	276	283	**7**	**35.0**	**244.6**
including			090º		276	280	**4**	**59.7**	**238.8**
including					277	278	**1**	**45.6**	**45.6**
including					278	279	**1**	**102.9**	**102.9**
including					279	280	**1**	**80.5**	**80.5**
					287	289	2	1.3	2.5
Preliminary Composite Samples (+0.5g/t Au)									
ERC224	7,038,208	295,942	-65º	144	44	56	**12**	**4.6**	**55.5**
including			090º		52	56	**4**	**13.1**	**52.2**
					72	84	12	0.6	7.2
ERC228	7,038,141	295,942	-55º	105	24	44	**20**	**7.1**	**142.4**
including			090º		36	44	**8**	**16.8**	**134.2**
including					40	44	**4**	**30.9**	**123.4**
					80	84	4	0.9	3.6

REVIEW OF OPERATIONS (continued)

Hole prefix ERC denotes RC drill hole (1m cone split samples typically weighing 1.5 to 4kg); ERCD denotes DC drill hole (cut HQ ½ to ⅓ core samples typically varying from 0.6 to 1.3m in length). 1m splits of the RC 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 composites for initial preliminary geochemical analysis by Aqua Regia digestion. 1m split samples from anomalous composite samples are submitted to the laboratory for fire assay analysis.

The 1m cone-split samples and the core samples were analysed by Fire Assay (Quantum Analytical Services, Perth). The intercepts were calculated using a minimum edge cut-off of 1.0g/t Au and up to 2m wide intervals of internal dilution. The 4m composite samples were analysed by Aqua Regia with ICPMS finish (Quantum Analytical Services, Perth). The intercepts were calculated using a minimum edge cut-off of 0.5g/t Au and up to 4m wide intervals of internal dilution. The composite intercepts should be considered preliminary in nature. The intervals and depths are down-hole lengths. No assay top-cut was applied. Assays rounded to nearest 0.1 g/t Au. The RC drilling locally encountered high water flows and further work is needed to confirm that the results are representative (* denotes intercept containing wet or damp samples). The intercept lengths 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. Drill hole collar elevations are 510m – 514mRL. EOH denotes intercept at end-of-hole.

Competent Persons Statements

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. Dr Kohler is Managing Director and a shareholder 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 2012 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 announcement relating to exploration targets should not be misunderstood or misconstrued as an estimate of Mineral Resources or 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 and government approval 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.

DIRECTORS' REPORT

The Directors present the following report on the consolidated entity (Echo or the Group) consisting of Echo Resources Limited and the entity it controlled at the end of, or during, the financial year ended 30 June 2014.

DIRECTORS

The names of each person who has been a Director during the year and continues in office to the date of this report are:

Mathew Longworth (Non-executive Chairman)
Anthony McIntosh (Non-executive Director)
Ernst Kohler (Managing Director)

INFORMATION ON CURRENT DIRECTORS

Mathew Longworth (Non-executive Chairman)

Mathew Longworth is a geologist with over 25 years experience across exploration, project evaluation/development, operations and corporate management. He has previously held Exploration Director and Executive Director roles, and is currently a consultant to a top tier national mining consultancy, as well as a mining analyst with a boutique investment fund. Mathew has a strong track record of discovery and generating value for shareholders. He combines Board level experience with a strong technical and commercial background. Mathew is a member of the Australasian Institute of Mining and Metallurgy (AusIMM) and Australian Institute of Company Directors.

Other Current Directorships	*Former Directorships in the Last Three Years*
None	None

Ernst Kohler (Managing Director)

Dr Ernst Kohler (BSc (Hons First Class), PhD(Geology), MBA, MAusIMM (CPGeo)), MAIG is a registered Chartered Professional Geologist with the Australasian Institute of Mining and Metallurgy. From 1996 to 2001 Dr Kohler held senior exploration and mining roles with Great Central Mines Limited and Normandy Mining Limited at the Jundee and Bronzewing gold mines in Yandal Belt, WA. Prior to joining Echo, he worked with CSIRO as Business Development Manager and Group Leader, Gold and Nickel Exploration Under Cover. In the 3 years immediately before the end of the financial year Dr Ernst Kohler did not serve as a director of any other listed companies.

Other Current Directorships	*Former Directorships in the Last Three Years*
None	None

Anthony McIntosh (Non-executive Director)

Anthony holds a Bachelor of Commerce Degree from Bond University and manages a portfolio of investments including both listed and unlisted companies, as well as rural, residential and commercial properties. Anthony holds board positions with listed and unlisted companies and brings to Echo marketing, investor relations and strategic planning skills, as well as a network of stockbroking and investment fund manager supporters.

Other Current Directorships	*Former Directorships in the Last Three Years*
None	Style Limited from 10 August 2012 to 16 May 2013

COMPANY SECRETARY

Krystel Kirou

Krystel graduated from University of Western Australia with a Bachelor of Commerce and is a member of CPA Australia. She has gained broad experience with over 7 years working in audit and corporate services. Before joining GDA Corporate in 2008, she worked as an auditor in a chartered accountancy firm, providing audit services to small and medium sized enterprises and organisations.

DIRECTORS' REPORT (continued)

DIRECTORS' INTERESTS IN SHARES AND OPTIONS

As at the date of this report the relevant interest of each Director in the shares and options of the Group are:

	Shares		Options	
	Direct	Indirect	Direct	Indirect
Directors	2014	2014	2014	2014
Mathew Longworth	212,275	-	-	-
Ernst Kohler	14,961,240	-	-	-
Anthony McIntosh	-	3,906,467	-	-

PRINCIPAL ACTIVITY

The principal activity of the Group is exploration for mineral resources.

REVIEW OF OPERATIONS AND RESULTS

Details of the operations of the Group are set out in the Review of Operations on page 2.

The Group incurred an after tax operating loss of $1,124,319 (2013: $1,209,357).

DIVIDENDS

No dividend has been paid or recommended for the current year.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

In the opinion of the Directors, there were no other significant changes in the state of affairs of the Group that occurred during the year under review not disclosed in this report or in the financial statements.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

On 11 September 2014, the Group announced it had completed a share placement raising $700,040. The Directors are confident of the Group's ability to raise additional funds as and when they are required.

There have been no other matters or circumstances, other than that referred to in the financial statements or notes thereto, that has arisen since the end of the financial year that has significantly affected, or may significantly affect, the operations of the Company. Accordingly, this information has not been disclosed in this report.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

Likely developments in the operations of the Group are set out in the Review of Operations on page 2.

MEETINGS OF DIRECTORS

The numbers of meetings of the Company's Board of Directors held during the year ended 30 June 2014, and the numbers of meetings attended by each director were:

Name of Director	Number eligible to attend	Number attended
Mathew Longworth	4	4
Ernst Kohler	4	4
Anthony McIntosh	4	4

AUDIT COMMITTEE

The Group has established an Audit Committee that comprises the full Board of the Group. The Audit Committee did not meet during the year.

ENVIRONMENTAL REGULATIONS

The Company's operations are subject to environmental regulation in respect to its mineral tenements relating to exploration activities on those tenements. No breaches of any environmental restrictions were recorded during the financial year. The Company has not yet fully reviewed the reporting requirements under the Energy Efficient Opportunities Act 2006 or the National Greenhouse and Energy Reporting Act 2007 but believes it has adequate systems in place to ensure compliance with these Acts having regard to the scale and nature of current operations.

DIRECTORS’ REPORT (continued)

DIRECTORS' BENEFITS

Since the date of the last Directors' Report, no Director of the Group has received, or become entitled to receive, (other than a remuneration benefit included in Note 13 to the financial statements or remuneration report), a benefit because of a contract that involved:

(a) the Director; or

(b) a firm of which the Director is a member; or

(c) an entity in which the Director has a substantial financial interest (during the year ended 30 June 2014, or at any other time) with the Group; or

(d) an entity that the Group controlled, or a body corporate that was related to the Group, when the contract was made or when the Director received, or became entitled to receive, the benefit (if any).

REMUNERATION REPORT (AUDITED)

The information provided in this remuneration report has been audited as required under Section 308 (3C) of the *Corporations Act 2001*. During the financial year there were no key management personnel other than the Directors (see page 4 for details about each Director). The names of Directors in office are as follows.

Mathew Longworth	Non-executive Chairman
Ernst Kohler	Managing Director
Anthony McIntosh	Non-executive Director

Remuneration Governance

The role of the Remuneration Committee has been assumed by the full Board. The Board’s policy for determining the nature and amount of remuneration for board members and senior Executives of the Group is as follows:

The objective of the Group’s policy is to provide remuneration that is competitive and appropriate. The Board ensures that executive reward satisfies the following key criteria for good reward governance practices:

(i) competitiveness and reasonableness;
(ii) acceptability to shareholders;
(iii) transparency; and
(iv) capital management.

Performance, shareholder wealth and directors' and executives' remuneration

The policy of the Group is to pay remuneration of Directors in amounts in line with employment market conditions relevant in the mining industry. Minor amounts of employee fringe benefits in the form of employee meals and entertainment are provided as part of the executives’ way of conducting business.

Fees and payments to non-executive directors reflect the demands which are made on, and the responsibilities of, the directors. Non-executive Directors’ fees and payments are reviewed annually by the Board. The Chairman’s fees are determined independently to the fees of Non-Executive Directors based on comparative roles in the external market.

The Constitution of the Company provides that non-executive Directors may collectively be paid as remuneration for their services a fixed sum not exceeding the aggregate maximum sum per annum determined by the Company in a general meeting. The current aggregate maximum is $150,000.

The table below sets out summary information about the Consolidated Entity’s earnings and movements in shareholder wealth for the last 5 years:

	30-Jun-14	30-Jun-13	30-Jun-12	30-Jun-11	30-Jun-10
	$	$	$	$	$
Revenue	40,769	42,973	61,948	48,288	34,707
Net Profit /(Loss) before tax	(1,124,319)	(1,209,357)	(773,042)	(1,305,858)	(906,109)
Share price at year-end	0.12	0.08	0.07	0.19	0.05

Performance based remuneration
There was no performance-based remuneration paid to Directors during the financial year. Based upon the present stage of development of the Company, performance based remuneration is not considered appropriate.

Voting and comments made at the Group's 2013 Annual General Meeting
The Company received 99% of "yes" votes on its remuneration report for the 2013 financial year. The Group did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

DETAILS OF REMUNERATION

Amounts of remuneration
Details of the remuneration paid or payable to Directors, the Key Management Personnel of the Group (as defined in AASB 124 *Related Party Disclosures)* and specified executives of the Group are set out in the following tables:

		SHORT-TERM BENEFITS	**POST EMPLOYMENT BENEFITS**		**OTHER**	**SHARE-BASED PAYMENT**		**TOTAL**
Directors		Salary and fees	Superannuation	Retirement Benefits	Fees	Options	Remuneration consisting of Options	**$**
Mathew Longworth (Non-executive Chairman)								
	2014	43,325	-	-	-	-	-	43,325
	2013	26,662	-	-	-	-	-	26,662
Ernst Kohler (Managing Director)*								
	2014	200,000*	18,500	-	-	-	-	218,500*
	2013	188,462*	16,961	-	-	-	-	205,423*
Anthony McIntosh (Non-executive Director)								
	2014	35,000	-	-	-	-	-	35,000
	2013	23,333	-	-	-	-	-	23,333
Graham Anderson *Resigned 19 October 2012*								
	2014	-	-	-	-	-	-	-
	2013	28,500	-	-	63,000	-	-	91,500
Simon Owen *Resigned 19 October 2012*								
	2014	-	-	-	-	-	-	-
	2013	25,667	-	-	-	-	-	25,667
Total Remuneration Directors								
	2014	278,325	18,500	-	-	-	-	296,825
	2013	292,624	16,961	-	63,000	-	-	372,585

* No salary or fees were paid to Mr Kohler during the current and prior year and are outstanding as at 30 June 2014.

There are no other transactions with key management personnel for the year ended 30 June 2014.

Use of Remuneration Consultants
During the year, the Company did not use any remuneration consultants.

SERVICE AGREEMENTS
There are no service agreements with key management personnel.

SHARE-BASED COMPENSATION
Options granted to Directors' and Officers of the Group
There were no options granted to Directors' and Officers of the Group during the financial year (2013: nil).

Shares issued on exercise of options
During or since the end of the financial year, the Group did not issue any ordinary shares as a result of the exercise of options.

DIRECTORS' REPORT (continued)

ADDITIONAL INFORMATION
Options granted to Directors carry no dividend or voting rights. No options have been granted since the end of the financial year.

Shareholdings of Key Management Personnel

	Balance 1 July 13	Granted as remuneration	On exercise of options	Net change Other	Balance 30 June 14
Mathew Longworth	212,275	-	-	-	212,275
Ernst Kohler	14,961,240	-	-	-	14,961,240
Anthony McIntosh	3,666,476	-	-	239,991	3,906,467
	18,839,991	-	-	239,991	19,079,982

Option holdings of Key Management Personnel

	Balance 1 July 13	Granted as remuneration	On exercise of options	Net change Other	Balance 30 June 14
Mathew Longworth	-	-	-	-	-
Ernst Kohler	-	-	-	-	-
Anthony McIntosh	-	-	-	-	-
	-	-	-	-	-

There is no other additional information other than the information disclosed above.

This is the end of the audited remuneration report.

INDEMNIFICATION
There are indemnities and insurances for the Directors in regard to their positions. These insure and indemnify the Directors including former Directors against certain liabilities arising in the course of their duties. The Directors have not disclosed the amount of the premiums paid as such disclosure is prohibited under the terms of the policies.

PROCEEDINGS ON BEHALF OF GROUP
No person has applied for leave of Court under section 237 of the *Corporations Act 2001* to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings.

The Group was not a party to any such proceedings during the year.

NON-AUDIT SERVICES
There were no non-audit services provided for the financial year (2013: nil). The Auditor's remuneration is disclosed in Note 20.

AUDITOR INDEPENDENCE DECLARATION
A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 18.

Signed in accordance with a resolution of the Directors and on behalf of the board by

Ernst Kohler
Director

Perth, Western Australia
30 September 2014

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Australia

DECLARATION OF INDEPENDENCE BY PHILLIP MURDOCH TO THE DIRECTORS OF ECHO RESOURCES LIMITED

As lead auditor of Echo Resources Limited for the year ended 30 June 2014, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Echo Resources Limited and the entity it controlled during the period.

Phillip Murdoch

Director

BDO Audit (WA) Pty Ltd

Perth, 30 September 2014

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014 $	2013 $
Revenue from continuing operations	2	40,769	42,973
Exploration and evaluation expenses		(655,883)	(711,128)
Employee expenses		(404,881)	(312,014)
Occupancy expenses		(46,042)	(41,234)
Other expenses	2	(244,063)	(367,259)
Loss before income tax		(1,310,100)	(1,388,662)
Income tax benefit/	3	185,781	179,305
Loss for the year		(1,124,319)	(1,209,357)
Other comprehensive loss for the year, net of tax		-	-
Total comprehensive loss for the year		(1,124,319)	(1,209,357)
TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO MEMBERS OF ECHO RESOURCES LIMITED		(1,124,319)	(1,209,357)
Loss per share attributable to ordinary equity holders of the Company:			
Basic and diluted loss per share (cents)	15	(1.18)	(1.33)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014

	Note	2014 $	2013 $
Current Assets			
Cash and cash equivalents	4	638,614	1,580,822
Trade and other receivables	5	236,634	227,749
Total Current Assets		875,248	1,808,571
Non-Current Assets			
Other financial assets	6	25,000	25,000
Plant and equipment	7	63,662	64,297
Non-Current Assets		88,662	89,297
Total Assets		963,910	1,897,868
Current Liabilities			
Trade and other payables	9	855,326	664,965
Total Current Liabilities		855,326	664,965
Total Liabilities		855,326	664,965
Net Assets		108,584	1,232,903
Equity			
Contributed equity	10	10,377,346	10,377,346
Accumulated losses	11	(10,535,204)	(9,410,885)
Options reserve	12	266,442	266,442
Total Equity		108,584	1,232,903

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2014

	Note	Contributed Equity	Accumulated Losses	Options Reserve	Total Equity
Balance at 1 July 2013		10,377,346	(9,410,885)	266,442	1,232,903
Loss for the year	11	-	(1,124,319)	-	(1,124,319)
Total comprehensive income for the year		-	(1,124,319)	-	(1,124,319)
Transaction with owners in their capacity as owners		-	-	-	-
Contributions to equity net of transactions costs	10	-	-	-	-
Balance 30 June 2014		**10,377,346**	**(10,535,204)**	**266,442**	**108,584**
Balance at 1 July 2012		9,104,732	(8,201,528)	266,442	1,169,646
Loss for the year	11	-	(1,209,357)	-	(1,209,357)
Total comprehensive income for the year		-	(1,209,357)	-	(1,209,357)
Transaction with owners in their capacity as owners		-	-	-	-
Contributions to equity net of transactions costs	10	1,272,614	-	-	1,272,614
Balance 30 June 2013		**10,377,346**	**(9,410,885)**	**266,442**	**1,232,903**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014 $	2013 $
Cash flows from operating activities			
Research and development tax refund		179,305	-
Interest received		33,113	41,950
Payments to suppliers and employees		(264,011)	(399,906)
Payments for exploration		(887,913)	(584,206)
Net cash (outflow) from operating activities		(939,506)	(941,262)
Cash flows from investing activities			
Purchase of fixed assets		(450)	-
Net cash (outflow) from investing activities		(450)	-
Cash flows from financing activities			
Proceeds from issue of shares		-	1,355,497
Capital raising costs		(2,252)	(80,600)
Net cash (outflow)/inflow from financing activities		(2,252)	1,274,867
Net (decrease)/increase in cash and cash equivalents		(942,208)	333,605
Cash and cash equivalents at beginning of the year		1,580,822	1,247,217
Cash and cash equivalents at the end of the year	4	638,614	1,580,822

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

CORPORATE INFORMATION

The financial report of the Group for the year ended 30 June 2014 was authorised for issue in accordance with a resolution of the Directors on 30 September 2014. Echo Resources Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian stock exchange.

The nature of the operations and principal activities of the Group are described in the review of operations.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation

These financial statements are general-purpose financial statements, which have been prepared in accordance with the requirements of the Corporations Act 2001, and Australian Accounting Standards and Interpretations. The condensed consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

Going concern

The Directors have prepared the financial statements on the basis of going concern, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business. The Group recognises it incurred a net loss of $1,124,319 and a net cash outflow from operating activities of $939,506 in the period ending 30 June 2014.

On 11 September 2014, the Group announced it had completed a share placement raising $700,040. The Directors are confident of the Group's ability to raise additional funds as and when they are required.

Mr Kohler has also confirmed that he will not call upon his outstanding salary balance totaling $447,521 until the Group is in the position to repay the amount. Based on the factors referred to above, the Directors are satisfied that the going concern basis of preparation is appropriate.

b) Statement of Compliance

These financial statements comply with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS), and other authoritive pronouncements of the Australian Accounting Standards Board and Australian Accounting Interpretations. Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with the International Financial Reporting Standards (IFRS).

c) Critical Accounting Estimates

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances. The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts and liabilities within the next financial year are discussed below.

Fair value of share options and assumptions

The fair value of services received in return for share options granted to Directors and employees is measured by reference to the fair value of options granted. The estimate of the fair value of the services is measured based on Black-Scholes options valuation methodology.

d) Exploration and Evaluation Expenditure

The Group has adopted the policy of expensing all exploration and evaluation expenditure in relation to its mineral tenements as incurred.

e) Property, Plant and Equipment

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation.

Notes to the Consolidated Financial Statements

e) Property, Plant and Equipment (continued)
Depreciation is calculated on the diminishing value basis to write off the net cost of each item of property, plant and equipment over its expected useful life. Depreciation rates for motor vehicles are at 25% and for other plant and equipment, the rates range from 22.5 - 40%.

Land is held at cost at the date it is acquired. As no finite useful life for land can be determined, related carrying amounts are not depreciated.

Assets that are subject to an annual depreciation charge are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount exceeds its recoverable amount.

f) Cash and cash equivalents
For purposes of the statement of cash flows, cash includes deposits at call which are readily convertible to cash on hand and which are used in the cash management function on a day-to-day basis, net of outstanding bank overdrafts.

g) Goods and Services Tax
Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Statement of Financial Position. Cash flows are included in the Statement of Cash Flows on a gross basis.
The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

h) Investments
Investments in controlled entities are carried in the Group's financial statements at the lower of cost and recoverable amount. The parent entity had written down the value of investment in its subsidiary during the 2010 financial year as a provision for impairment.

i) Trade and other payables
Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the Group. Trade accounts payable are normally settled within 30 days.

j) Contributed Equity
Ordinary shares are classified as equity. Transaction costs arising on the issue of equity instruments are recognised directly in equity as a reduction of the proceeds of the equity instruments to which the costs relate.

k) Earnings per Share

(i) *Basic Earnings per Share*
Basic earnings per share is determined by dividing the operating loss after income tax by the weighted average number of ordinary shares outstanding during the financial year.

(ii) *Diluted Earnings per Share*
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share by taking into account amounts unpaid on ordinary shares and any reduction in earnings per share that will probably arise from the exercise of partly paid shares or options outstanding during the financial year.

l) Revenue recognition
Revenues are recognised at fair value of the consideration received net of the amount of goods and services tax (GST). Exchanges of goods or services of the same nature without any cash consideration are not recognised as revenues.

Interest income
Interest income is recognised as it accrues, taking into account the effective yield on the financial asset.

Sale of non-current assets
Gains or losses arising on the sale of non-current assets are included in profit or loss at the date control of the asset passes to the buyer, usually when an unconditional contract of sale is signed. The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal.

Notes to the Consolidated Financial Statements

m) Principles of Consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Echo Resources Limited.

Subsidiaries are all entities (including structured entities) over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of asset transferred. Accounting policies of subsidiaries are consistent with the policies adopted by the consolidated entity.

The Company controls an entity when the company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the statement of profit and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit and loss.

n) Trade and other receivables
Trade accounts receivable, amounts due from related parties and other receivables represent the principal amounts due at reporting date plus accrued interest and less, where applicable, any unearned income and provisions for doubtful accounts.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in the statement of comprehensive income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectable in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of comprehensive income.

o) Income Tax
Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Notes to the Consolidated Financial Statements

o) Income Tax (continued)

Deferred income tax liabilities are recognised for all taxable temporary differences:

- Except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of the unused tax assets and unused tax losses can be utilized:

Except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Tax consolidation legislation

Echo Resources Limited and its 100% owned Australian resident subsidiaries have implemented the tax consolidation legislation. Current and deferred tax amounts are accounted for in each individual entity as if each entity continued to act as a taxpayer on its own.

Echo Resources Limited recognises its own current and deferred tax amounts and those current tax liabilities, current tax assets and deferred tax assets arising from unused tax credits and unused tax losses which it has assumed from its controlled entities within the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts payable or receivable from or payable to other entities in the Group. Any difference between the amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) controlled entities in the tax consolidated group.

p) Employee Benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to reporting date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at present value of the estimated future cash outflows to be made for those benefits and included in other payables.

q) Segment Reporting

Operating segments are now reported in a manner that is consistent with the internal reporting provided to the chief operating decision maker, which has been identified by the Group as the Managing Director and other members of the Board of Directors.

Notes to the Consolidated Financial Statements

r) Impairment of Assets
The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such a reversal is recognised in profit or loss unless the asset is carried at its revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

s) Fair Value Estimation
The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Company is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

t) Share based payments
Share-based compensation benefits are provided to employees via Echo's Employee Share Option Plan and an employee share scheme.

The fair value of options granted under the Employee Share Option Plan is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options. The fair value at grant date is independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expect dividend yield and the risk free interest rate for the term of the option.

The fair value of the options granted is adjusted to reflect market vesting conditions, but excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets).

Notes to the Consolidated Financial Statements

t) Share based payments (continued)
Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate. The impact of the revision to original estimates, if any, is recognised in the statement of comprehensive income with a corresponding adjustment to equity.

Shares issued under the Employee Share Option Plan to employees for no cash consideration vest immediately on grant date. On this date, the market value of the shares issued is recognised as an employee benefits expense with a corresponding increase in equity.

u) New Accounting Standards and Interpretations
The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 July 2013:

- AASB 10 Consolidated Financial Statements, AASB 11 Joint Arrangements, AASB 12 Disclosure of Interests in Other Entities, AASB 128 Investments in Associates and Joint Ventures, AASB 127 Separate Financial Statements and AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards;
- AASB 2012-10 Amendments to Australian Accounting Standards - Transition Guidance and other Amendments which provides an exemption from the requirement to disclose the impact of the change in accounting policy on the current period;
- AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13;
- AASB 119 Employee Benefits (September 2011) and AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011);
- AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle; and
- AASB 2012-2 Amendments to Australian Accounting Standards - Disclosures - Offsetting Financial Assets and Financial Liabilities.

The adoption of the above standards and amendments did not result in adjustments to the amounts recognised in the financial statements and no change to the Group's accounting policy was required.

New standards and interpretations not yet adopted
Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2014 reporting periods and have not been early adopted by the company. The company's assessment of the impact of these new standards and interpretations is set out below.

Title of standard	*Nature of change*	*Impact*	*Mandatory application date/ Date adopted by company*
AASB 9 Financial Instruments	AAB 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities. Since December 2013, it also sets out new rules for hedge accounting.	There will be no impact on the company's accounting for financial assets and financial liabilities as the new requirements only affect the accounting for available-for-sale financial assets and the accounting for financial liabilities that are designated at fair value through profit or loss and the company does not have any such financial assets or financial liabilities. The new hedging rules align hedge accounting more closely with the company's risk management practices. As a general rule it will be easier to apply hedge accounting going forward. The new standard also introduces expanded disclosure requirements and changes in presentation.	Must be applied for financial years commencing on or after 1 January 2017. Application date for the company will be 30 June 2018. The company does not currently have any hedging arrangements in place.

Notes to the Consolidated Financial Statements

u) New Accounting Standards and Interpretations (continued)

Title of standard	*Nature of change*	*Impact*	*Mandatory application date/ Date adopted by company*
IFRS 15 (issued June 2014) Revenue from contracts with customers	An entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Revenue will be recognised when control of goods or services is transferred, rather than on transfer of risks and rewards as is currently the case under IAS 18 Revenue.	Due to the recent release of this standard the company has not yet made an assessment of the impact of this standard.	Must be applied for annual reporting periods beginning on or after 1 January 2017. Application date for the company will be 30 June 2018.

Notes to the Consolidated Financial Statements

NOTE 2: REVENUE AND EXPENSES

	2014 $	2013 $
(a) Revenue		
Bank interest received	40,769	42,973
(b) Other Expenses		
Accounting/secretarial fees	42,000	63,000
Depreciation expense	1,085	1,374
Legal Fees	9,129	45,467
External professional fees	57,076	97,941
Other administrative expenses	134,773	159,477
	244,063	367,259

NOTE 3: INCOME TAX

The prima facie income tax expense on pre-tax accounting loss from operations reconciles to the income tax expense in the financial statements as follows:		
Accounting loss before income tax	(1,310,100)	(1,209,357)
Income tax expense calculated at 30%	(393,030)	(362,807)
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:	15	-
Movement in recognised temporary differences	61,300	74,062
Deferred tax assets relating to tax losses and temporary differences not recognised	331,715	288,745
R&D refund	185,781	179,305
Income tax expense reported in the statement of comprehensive income	185,781	179,305

The tax rate used in the above reconciliation is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law. There has been no change in this tax rate since the previous reporting period.

The Company has tax losses arising in Australia. The tax benefit of these losses of $1,209,357 (2013: $467,755) is available indefinitely for offset against future taxable profits of the companies in which the losses arose.

Unrecognised deferred tax assets
Deferred tax assets have not been recognised in respect of the following items:

Deferred Tax Assets		
Deductible temporary differences	210,756	135,060
Tax losses	3,064,088	2,658,311
	3,274,844	2,793,371
Deferred Tax Liabilities		
Other temporary differences	(5,230)	(3,959)
Net deferred tax assets	3,269,614	2,789,412

Notes to the Consolidated Financial Statements

NOTE 3: INCOME TAX (continued)

The deductible temporary differences and tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilise the benefits thereof.

Net deferred tax assets have not been brought to account as it is not probable within the immediate future that tax profits will be available against which deductible temporary differences and tax losses can be recognised.

NOTE 4: CASH AND CASH EQUIVALENTS

	2014 $	2013 $
Cash at bank and on hand	95,471	904,435
Short-term deposits	543,143	676,387
	638,614	1,580,822

Bank Guarantees
The Group has provided total bank guarantees of $105,000 (2012: $83,000) as a security for mining licenses and mining leases.

Information about the Group's exposure to interest rate risk is disclosed in Note 15.

(i) Reconciliation of loss for the year to net cash flows from operating activities

Loss for the year	(1,124,319)	(1,209,357)
Depreciation	1,085	1,374
(Increase)/decrease in assets:		
Current receivables	4,748	(199,926)
Increase/(decrease) in liabilities:		
Current payables	178,980	466,646
Net cash from operating activities	(939,506)	(941,262)

NOTE 5: TRADE AND OTHER RECEIVABLES

Other receivables	30,347	39,203
Prepayments	20,506	9,241
R&D refund	185,781	179,305
	236,634	227,749

As of 30 June 2014, trade receivables that were past due or impaired was nil (2013: nil). Information about the Group's exposure to credit risk is provided in Note 15.

NOTE 6: OTHER FINANCIAL ASSETS

Other receivables	25,000	25,000
	25,000	25,000

Notes to the Consolidated Financial Statements

NOTE 7. PROPERTY PLANT AND EQUIPMENT

	MOTOR VEHICLES $	LAND & BUILDNGS $	PLANT & EQUIPMENT $	TOTAL $
As at 1 July 2013				
At cost	33,636	59,809	33,362	126,807
Disposals	-	-	(6,580)	(6,580)
Accumulated depreciation	(30,200)	-	(26,365)	(56,565)
Total written down amount	3,436	59,809	417	63,662
Reconciliation				
Opening written down value	4,488	59,809	-	64,297
Additions	-	-	450	450
Depreciation charge for the year	(1,052)	-	(33)	(1,085)
Closing written down value 2014	3,436	59,809	417	63,662
As at 1 July 2012				
At cost	33,636	59,809	32,912	126,357
Accumulated depreciation	(29,148)	-	(32,912)	(62,060)
Total written down amount	4,488	59,809	-	64,297
Reconciliation				
Opening written down value	5,862	59,809	-	65,671
Depreciation charge for the year	1,374	-	-	1,374
Closing written down value 2013	4,488	59,809	-	64,297

NOTE 8: FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amount of the following financial assets and liabilities is considered a reasonable approximation of fair value:

- trade and other receivables
- cash and cash equivalents
- trade and other payables

NOTE 9: TRADE AND OTHER PAYABLES

	2014 $	2013 $
Trade payables	194,039	254,298
Accruals	524,603	310,513
Other payables	3,152	2,071
Provision for annual leave	133,532	98,083
	855,326	664,965

NOTE 10: CONTRIBUTED EQUITY

Ordinary shares fully paid	94,981,768	94,981,768
	94,981,768	94,981,768

Movement in share capital	**2014**	
	Number	**$**
Balance at 1 July 2013	94,981,768	10,377,346
Balance at 30 June 2014	94,981,768	10,377,346

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. Ordinary shareholders rank behind creditors in the distribution of proceeds from the winding-up of the Company. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Movements in share capital	**2013**	
	Number	**$**
Balance 1 July 2012	83,030,654	9,104,732
Issue of 6,500,000 ordinary fully paid shares at 4.5 cents each	6,500,000	292,500
Issue of 5,451,114 ordinary fully paid shares at 19.5 cents each	5,451,114	1,062,967
Less capital raising costs	-	(82,853)
Balance 30 June 2013	94,981,768	10,377,346

Movement in share options

	Number
Balance at 1 July 2013	-
Balance at 30 June 2014	-
Balance at 1 July 2012	-
Balance at 30 June 2013	-

Transaction costs arising on the issue of equity instruments are recognised directly in equity as a reduction of the proceeds of the equity instruments to which the costs relate.

Capital risk management

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or adjust the capital structure, the Group may issue new shares or reduce its capital, subject to the provisions of the Constitution and any relevant regulatory requirements.

NOTE 11. ACCUMULATED LOSSES

	2014	2013
	$	$
Accumulated losses at beginning of the year	(9,410,885)	(8,201,528)
Net loss for the year	(1,124,319)	(1,209,357)
Accumulated losses at end of the year	(10,535,204)	(9,410,885)

Notes to the Consolidated Financial Statements

NOTE 12. OPTIONS RESERVE

	2014 $	2013 $
Balance at the beginning of the year	266,442	266,442
Option expense for the year	-	-
Balance at the end of the year	266,442	266,442

Nature and purpose of reserves

Options reserve

The options reserve is used to recognise the fair value of options issued to employees and Directors.

NOTE 13. COMMITMENTS FOR EXPENDITURE

(a) Exploration Commitments

The Company has certain obligations to perform minimum exploration work and to spend minimum amounts on exploration tenements. The obligations may be varied from time to time subject to approval and are expected to be fulfilled in the normal course of the operations of the Company.

Due to the nature of the Company's operations in exploring and evaluating areas of interest, it is difficult to accurately forecast the nature and amount of future expenditure beyond the next year. Expenditure may be reduced by seeking exemption from individual commitments, by relinquishing of tenure or any new joint venture agreements. Expenditure may be increased when new tenements are granted or joint venture agreements amended.

	2014	2013
(b) Operating Lease Commitments	$	$
Non-cancellable operating lease rentals are payable as follows:		
Not later than one year	48,648	47,083
Later than one year but no later than two years	101,188	48,966
	149,836	96,049

The Company leases an office under a non-cancellable operating lease expiring on 31 August 2016. On renewal, the terms of the lease are renegotiated.

NOTE 14. EARNINGS PER SHARE	2014	2013
	Cents	
Basic and diluted loss per share	(1.18)	1.33
	Number	
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic loss per share	94,981,768	90,626,711

Diluted loss per share has not been calculated as the Group made a loss for the year and the impact would be to reduce the loss per share.

Notes to the Consolidated Financial Statements

NOTE 15. FINANCIAL RISK MANAGEMENT

The Company’s financial instruments consist of deposits with banks and accounts receivable and payable.

Overall Risk Management

The Company's activities expose it to a variety of financial risks; market risk (including fair value interest rate risk), credit risk, liquidity risk and cash flow interest rate risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company. Risk management is carried out by the Board of directors under policies approved by the Board.

Credit risk

Credit risk arises from the financial assets of the Company, which comprise cash and cash equivalents and trade and other receivables. The Company's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments.

The Company does not have any significant credit risk exposure to any single counterparty. The credit risk on liquid funds is limited because the counter party is a bank with a high credit rating.

The carrying amount of the Group’s financial assets represents the maximum credit exposure. The Group’s maximum exposure to credit risk at the reporting date was:

	2014 $	2013 $
Cash and cash equivalents	638,614	1,580,822
Other receivables	221,850	227,749
Security deposits	25,000	25,000
	885,464	**1,833,571**

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

	2014	**2013**
Cash at bank and short-term bank deposits		
AA	638,614	1,580,822
	638,614	**1,580,822**

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash to meet commitments as and when they fall due. The Company’s financial liabilities include other payables which are non-interest bearing and generally paid within a 60 day period. Expenses are managed on an ongoing basis, and the company will raise additional funds as and when necessary.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market interest rates. The Company’s exposure to interest rate risk is not significant and is limited to cash and cash equivalents. The company does not rely on the generation of interest to provide working capital.

Notes to the Consolidated Financial Statements

NOTE 15. FINANCIAL RISK MANAGEMENT (continued)

Impairment losses

None of the Group's other receivables are past due (2013: nil). There is no impairment loss recognised as at 30 June 2014.

The allowance accounts in respect of other receivables are used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible; at that point the amount is considered irrecoverable and is written off against the financial asset directly. At 30 June 2014 the Group does not have any collective impairment on its other receivables or its held-to-maturity investments (2013: nil).

Guarantees

Group policy is to provide financial guarantees only to wholly-owned subsidiaries. There is no financial guarantees amount allocated to the wholly-owned subsidiary as at 30 June 2014 (2013: nil).

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, finance leases and hire purchase contracts.

Typically the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

At 30 June 2014, the Group held deposits at call of $543,143 (2013: $676,387) that are expected to readily generate cash inflows for managing liquidity risk.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

30 June 2014

	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
Trade and other payables	855,325	855,325	823,817	31,508	-	-	-
	855,325	855,325	823,817	31,508	-	-	-

30 June 2013

	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
Trade and other payables	664,965	664,965	664,965	-	-	-	-
	664,965	664,965	664,965	-	-	-	-

Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Foreign Exchange

The Group operates only in Australia and therefore is not exposed to any currency risk.

Notes to the Consolidated Financial Statements

NOTE 15. FINANCIAL RISK MANAGEMENT (continued)

Interest rate risk

Exposure arises predominantly from assets and liabilities bearing variable interest rates as the Group intends to hold fixed rate assets and liabilities to maturity. Interest rate risk is not considered to be material.

	Fixed Interest	Floating Interest	Non-Interest Bearing	Total
Financial Assets	**$**	**$**	**$**	**$**
Cash and cash equivalents	543,143	95,471	-	638,614
Trade and other receivables	-	-	236,634	236,634
Weighted Average Interest Rate	3.50%	2.12%	-	-
	543,143	95,471	236,634	875,248
Financial Liabilities				
Trade and other payables	-	-	855,326	855,326
	-	-	855,326	855,326

Sensitivity analysis

If the interest rates had weakened/strengthen by 1% at 30 June 2014, there would be no material impact on the statement of comprehensive income. There would be no effect on the equity reserves other than those directly related to statement of comprehensive income movements.

Fair value estimation

All financial assets and liabilities have been recognised at the reporting date at amounts approximating their carrying value due to their short term nature.

NOTE 16. SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. The entity does not have any operating segments with discrete financial information. The Group does not have any customers, and all the Group's assets and liabilities are located within Australia.

NOTE 17. CONTINGENT LIABILITIES

As at 30 June 2014, the Company is in a legal dispute with K & J Drilling Pty Ltd over amounts owing from drilling costs incurred during the financial year. This amount has been accounted for as a liability and disclosed in trade payables under Note 9. The amount disputed at 30 June 2014 is $28,807 (2013: $71,486). There were no other contingent liabilities as at 30 June 2014.

NOTE 18. EVENTS OCCURING AFTER THE REPORTING PERIOD

On 11 September 2014, the Group announced it had completed a share placement raising $700,040. The Directors are confident of the Group's ability to raise additional funds as and when they are required.

There have not been any other matters that have arisen since 30 June 2014 that have significantly affected, or may significantly affect, the operations of the Group, the results of the operations or the state of affairs of the Group in future years.

	2014 $	2013 $
NOTE 19. AUDITOR'S REMUNERATION		
Audit and review of financial statements	25,088	36,475
	25,088	**36,475**

NOTE 20. DIVIDENDS

There were no dividends recommended or paid during the financial years ended 30 June 2014 and 30 June 2013.

Notes to the Consolidated Financial Statements

NOTE 21. RELATED PARTY

(a) Summarised Compensation of Key Management Personnel

Summary of Directors and Key Management Personnel compensation in the following categories are as follows:

	2014	2013
	$	$
Short-term employee benefits	278,325	292,624
Post-employment benefits	18,500	16,461
Other Remuneration	-	63,000
	296,825	372,585

b) Other Transactions with Key Management Personnel

There were no other transactions with related parties during the year ended 30 June 2014 other than those disclosed in the Directors' Report.

In the year ended 30 June 2013, GDA Corporate Pty Ltd, a company associated with Graham Anderson, provided company secretarial, accounting and administration services to the Group at normal commercial terms. Total amount paid to GDA Corporate Pty Ltd for the year ended 2013 was $63,000. Graham Anderson was not a key management personnel of the Group during the year ended 30 June 2014.

NOTE 22. INVESTMENT IN CONTROLLED ENTITIES

Details of investment in the ordinary share capital of controlled entities are as follows:

Name of Entity	Place of Incorporation	Equity Holding		Cost of Parent Entity's Investment	
		2014	**2013**	**2014**	**2013**
		%	**%**	**$**	**$**
Parent Entity					
Echo Resources Limited	Australia				
Controlled Entities					
Affinis Pty Ltd	Australia	100	100	-	-
				-	-

NOTE 23. SHARE BASED PAYMENTS

During the financial year ended 30 June 2014 and 30 June 2013 no share-based payments were made.

Notes to the Consolidated Financial Statements

NOTE 24. ECHO RESOURCES LIMITED PARENT COMPANY INFORMATION

	2014 $	2013 $
ASSETS		
Current assets	875,248	1,808,571
Non-current assets	88,662	89,297
TOTAL ASSETS	**963,910**	**1,897,868**
LIABILITIES		
Current liabilities	855,326	664,965
TOTAL LIABILITIES	**855,326**	**664,965**
EQUITY		
Contributed equity	10,377,346	10,377,346
Options Reserve	266,442	266,442
Retained earnings	(10,535,204)	(9,410,885)
TOTAL EQUITY	**108,584**	**1,232,903**
FINANCIAL PERFORMANCE		
Loss for the year	1,124,319	1,209,357
Other comprehensive income	-	-
Total comprehensive income	**1,124,319**	**1,209,357**

DIRECTORS' DECLARATION

The Directors of the Group declare that:

1. The financial statements and note set out on pages 19 to 39, are in accordance with the *Corporations Act 2001* and:

(a) comply with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements and

(b) give a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the year ended on that date.

In the Director's opinion, there are reasonable grounds to believe that the group will be able to pay its debts as and when they become due and payable.

2. The remuneration disclosures included in the Directors' report (as part of audited Remuneration Report) for the year ended 30 June 2014, comply with section 300A of the *Corporations Act 2001*.

3. The Directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A.

4. The Group has included in the notes to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by:

Ernst Kohler
Managing Director

Perth, Western Australia
30 September 2014

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INDEPENDENT AUDITOR'S REPORT

To the members of Echo Resources Limited

Report on the Financial Report

We have audited the accompanying financial report of Echo Resources Limited, which comprises the consolidated statement of financial position as at 30 June 2014, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entity it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Echo Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

(a) the financial report of Echo Resources Limited is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Emphasis of matter

Without modifying our opinion, we draw attention to Note 1 in the financial report, which indicates that the ability of the consolidated entity to continue as a going concern is dependent upon the future successful raising of necessary funding through equity. This condition, along with other matters as set out in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

Report on the Remuneration Report

We have audited the Remuneration Report included the directors' report for the year ended 30 June 2014. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Echo Resources Limited for the year ended 30 June 2014 complies with section 300A of the *Corporations Act 2001*.

BDO Audit (WA) Pty Ltd

BDO

Phillip Murdoch

Director

Perth, 30 September 2014

CORPORATE GOVERNANCE STATEMENT

Echo Resources Limited (Company) has established a set of corporate governance policies and procedures that are based on the ASX Corporate Governance Council's *Principles of Good Corporate Governance and Best Practice Recommendations* (ASX CGP). The key features of which are set out in this statement.

The Company acknowledges the Corporate Governance Council's *Principles of Good Corporate Governance and Best Practice Recommendations* have been revised under Edition 3 and notes that as this Report outlines the Company's corporate governance framework in place for the year ended 30 June 2014, it is reporting against Edition 2. The Company is currently in the process of reviewing its corporate governance framework in light of Edition 3 additions and modifications.

Lay solid foundations for management and oversight (ASX CGP 1) and structure the Board to add value (ASX CGP 2)

Structure and composition of Board

The Company has established the functions reserved to the Board, and those delegated to senior executives and has set out these functions in its Board Charter consistent with ASX CGP 1.

The Board is collectively responsible for promoting the success of the Company through its key functions of overseeing the management of the Company, providing overall corporate governance of the Company, monitoring the financial performance of the Company, engaging appropriate management commensurate with the Company's structure and objectives, involvement in the development of corporate strategy and performance objectives, and reviewing, ratifying and monitoring systems of risk management and internal control, codes of conduct and legal compliance.

As at the date of this report, the Board is comprised of three Directors. A profile of each Director setting out their skills, experience, qualifications and term of office is set out in the Directors' Report. All Directors bring to the Board the requisite skills which are complementary to those of the other Directors and enable them to adequately discharge their responsibilities.

The Board as a whole undertakes the process of reviewing the skill base and experience of existing Directors to enable identification or attributes required in new Directors.

Director independence

The Company does not have a majority of independent Directors. The Board considers that the Company is not of a size or scale, nor are its affairs of such complexity to justify the expense of the appointment of a majority of independent non-executive Directors. Mr Ernst Kohler is deemed to be non-independent due to being an Executive Director and substantial shareholder of the Company and Mr Anthony McIntosh is not deemed independent due to his shareholding in the Company. The Chair, Mr Mathew Longworth, is deemed to be independent and the role of the Chair and the CEO is not exercised by the same individual.

Notwithstanding the Directors' lack of independence, the Board believes that the interests of shareholders are best served by the current composition of the Board. All Directors bring to the Board the requisite skills which are complementary to those of the other Directors and enable them to adequately discharge their responsibilities and bring independent judgments to bear on their decisions.

Committees

The Board considers that the Company is not of a size or scale to justify the formation of sub-committees. The Company will give consideration at an appropriate time in the Company's development for the creation of a separate committees.

Board performance

Due to the size of the Board and the Company, the Board undertakes ad hoc self-assessments of its collective performance by way of Board discussion.

Access to information
Directors may access all relevant information required to discharge their duties. With the approval of their Chairman, Directors may seek independent professional advice, as required, at the Company's expense.

Promote ethical and responsible decision making (ASX CGP 3)

Share trading
A Share Trading Policy is in place for Directors, senior executives and employees. The objective of the policy is to minimise the risk of Directors and employees who may hold material non-public information contravening the laws against insider trading, ensure the Company is able to meet its reporting obligations under the ASX Listing Rules and increase transparency with respect to trading in securities of the Company. A copy of the policy is available on the ASX Market Announcements Platform.

Diversity
The Company recognises the value of a diverse work force and believes that diversity supports all employees reaching their full potential, improves business decisions, business results, increases stakeholder satisfaction and promotes realisation of the company vision.

The Board has established a formal Diversity Policy which sets out the positive steps taken to ensure that current and prospective employees are not discriminated against, either directly or indirectly on such characteristics as gender, age, disability, marital status, sexual orientation, religion, ethnicity or any other area of potential difference.

The Company supports an inclusive workplace that embraces and promotes diversity however the Board has determined that no specific measurable objectives will be established until the number of employees and level of activities of the Company increases to a level sufficient to enable meaningful and achievable objectives to be developed. There is currently only one employee in the Company who is not female.

Make timely and balanced disclosure (ASX CGP 5)

The Company has established a formal Continuous Disclosure Policy designed to ensure compliance with ASX Listing Rule disclosure requirements and accountability at a senior executive level for that compliance.

Respect the rights of shareholders (ASX CGP 6)

Shareholder Communication
The Company's Shareholder Communications Policy promotes effective communication with the Company's shareholders and encourages shareholder participation at general meetings. Information is communicated to shareholders:

- through the release of information to the market via the ASX;
- through the distribution of the annual report and notices of annual general meeting;
- through shareholder meetings and investor relations presentations; and
- by posting relevant information on the Company's website: www.echoresources.com.au

Safeguard integrity in financial reporting (ASX CGP 4) and recognise and manage risk (ASX CGP 7)

The Board as a whole undertakes the identification and management of risk and the review of the operation of the internal control systems.

The Board is responsible for ensuring that risks as well as opportunities are identified on a timely basis and receive an appropriate and measure response. It is the Board's responsibility to ensure that an effective internal control framework exists within the entity.

This includes both internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records, and the reliability of financial and non-financial-information.

The Company has not formally adopted a Risk Management Policy. Significant areas of concern and potential risks are discussed at Board level on a regular basis to ensure potential risks to the business are identified and then managed. When appropriate, experts are invited to address Board meetings on major risks facing the Company and to develop strategies to mitigate those risks.

The lead audit partner responsible for the Company's external audit is required to attend each Annual General Meeting and to be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.

Remunerate Fairly and Responsibly (ASX CGP 8)

The Board as a whole is responsible for the remuneration arrangements for Directors and executives of the Company. Details of remuneration, including the Company's policy on remuneration, are contained in the 'Remuneration Report' which forms part of the Directors' Report.

Long term performance incentives may include options granted to both executive and non-executive Directors at the discretion of the Board and subject to obtaining the relevant approval. The grant of options is designed to recognise and reward efforts as well as to provide additional incentive and may be subject to the successful completion of performance hurdles.

Executives are offered a competitive level of base pay at market rates and are reviewed annually to ensure market competitiveness. The annual total of fees to non-executive Directors is set by the Company's shareholders and allocated as Directors' Fees and Committee Fees by the Board on the basis of the roles undertaken by the Directors. Full details of Directors' remuneration appear in the Remuneration Report.

SHAREHOLDER INFORMATION

Additional information required by the ASX Listing Rules and not disclosed elsewhere in this report is set out below. The information is current as at 15 October 2014.

<u>Shareholdings as at 15 October 2014</u>

Substantial shareholders
The names of substantial shareholders who have notified the Company:

Shareholder name	Number of shares	Percentage
ERNST ALFRED KOHLER	14,961,240	14.76
WOODLANDS ASSET MANAGEMENT PTY LTD	8,071,821	7.965
JP MORGAN NOMINEES AUSTRALIA LTD	7,422,169	7.324
MR NICHOLAS ROBERT GYNGELL	6,705,896	6.617

Less than marketable parcels

Parcel	Holders	Units	Percentage
1 - 6,329	125	263,210	0.26
> 6,329	372	101,082,558	99.74
Total	**497**	**101,345,768**	**100**

Voting rights
All ordinary shares carry one vote per share without restriction.

Unquoted securities
There are nil unquoted securities.

On-market buyback
There is no current on-market buy-back.

Statement in relation to Listing Rule 4.10.19
The Directors of Echo Resources Limited confirm in accordance with ASX Listing Rule 4.10.19 that during the financial year ended 30 June 2014, the Company has used its cash, and assets that are readily convertible to cash, in a way consistent with its business objectives.

Stock exchange listing
Quotation has been granted for the Company's Ordinary Shares.

Securities subject to escrow
There are nil securities currently subject to escrow.

Distribution of security holders

Range	Holders	Units	Percentage
1 - 1,000	62	8,568	0.01
1,001 - 5,000	52	190,331	0.19
5,001 - 10,000	64	541,676	0.53
10,001 - 100,000	222	8,735,950	8.62
> 100,000	97	91,869,243	90.65
Total	**497**	**101,345,768**	**100**

SHAREHOLDER INFORMATION (continued)

Twenty largest shareholders - ordinary shares

Name	Number of ordinary shares held	Percentage of capital held
MR ERNST ALFRED KOHLER	9,465,000	9.339
WOODLANDS ASSET MANAGEMENT PTY LTD	8,071,821	7.965
J P MORGAN NOMINEES AUSTRALIA LTD	7,422,169	7.324
MR NICHOLAS ROBERT GYNGELL	6,705,896	6.617
DR ERNST ALFRED KOHLER	4,848,516	4.784
MR PETER PRESTON ANDREWS & MRS KELLY ANDREWS <GRUMPY SUPER FUND A/C>	4,503,387	4.444
MUTUAL TRUST PTY LTD	3,906,467	3.855
ODINA PTY LTD <THE OPM INVESTMENT A/C>	3,182,000	3.140
NOVAC INTERNATIONAL PTY LTD <THE NINE ELEVEN INVESTMENT>	3,182,000	3.140
COLBERN FIDUCIARY NOMINEES PTY LTD	2,887,826	2.849
ABN AMRO CLEARING SYDNEY NOMINEES PTY LTD <CUSTODIAN A/C>	2,292,408	2.262
TAYCOL NOMINEES PTY LTD <CUSTODIAN A/C>	1,678,000	1.656
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,636,804	1.615
CAPITA TRUSTEES LIMITED <KONDA FAMILY A/C>	1,500,000	1.480
MISS MEI YEN TAN <AUSTRALIAN SHARES A/C>	1,490,860	1.471
J H KILROY INVESTMENTS PTY LTD <THE JH KILROY SUPER FUND A/C>	1,397,436	1.379
GLENEAGLE SECURITIES (AUST) PTY LTD <HOUSE PROP A/C>	1,290,000	1.273
NRGY PTY LTD <NRG RETIREMENT FUND A/C>	1,259,600	1.243
ARDROY SECURITIES PTY LTD <CAMERON INVESTMENT UNIT A/C>	1,257,223	1.241
TKM PTY LTD <THE MAHONY FAMILY A/C>	1,252,821	1.236
TOTAL	**69,230,234**	**68.311**

TENEMENTS

Location	Tenements Held	Ownership
Leinster	E36/667, E36/708, E36/715, E36/810, E36/826, E36/799*, 53/1042, E53/1324, E53/1405, E53/1430, E53/1472, E53/1546, E53/1586, L53/57, L53/59, E53/1736*, M53/160, M53/434, M53/555, M53/1080, M53/144, M53/145, M53/149, M53/170, M53/183, M53/186, M53/631, M53/721, M53/725*, M53/726*, M53/727*, M53/728*, M53/916*, P53/1411, P53/1515	100%
Rockhampton	EPM14909, EPM16517*, EPM19518* , M5789, M6606, M5771, MDL147	100%
Clermont	EPM15188, EPM15600, EPM15603, EPM15568, EPM16518, EPM16520	100%
Einasleigh	EPM17077, EPM17757*	100%
Monto	EPM15002	100%
Chillagoe	EPM15003, EPM15546	100%

*Note: * denotes tenement application*