



31 October 2012

Large gold geochemical anomaly, Yandal Project

Echo Resources Limited (ASX: EAR) is pleased to announce that reconnaissance soil sampling at its Yandal Project has identified a 5.5km long gold-in-soil anomaly at Marvin Prospect. Marvin is located 85km south of Echo's Julius Gold Discovery, and 3km west of open-cut workings at the Mt McClure-Bronzewing Gold Mine, in central Western Australia (Fig. 1). A second anomaly has been identified at Magrathea Prospect, 4.5km south of Marvin. Together, the gold anomalies extend over a strike length of 11km, and further sampling will be undertaken to see if these two anomalies coalesce (Fig. 2).

The Marvin and Magrathea anomalies are developed over variably weathered, north-northwest-striking mafic and granitic rocks along a major shear zone that defines the western margin of the Yandal Greenstone Belt. In contrast to the Yandal Belt, which has been the subject of intensive exploration for gold over the past two decades, there is little evidence of historical prospecting activities at Marvin and Magrathea. Both prospects are situated within a 290km² package of granted exploration licences and an exploration licence application that are all 100% owned by Echo. The Marvin and Magrathea anomalies have been defined using a +3ppb Au lower threshold, with peak gold values of 305ppb Au and 17ppb Au, respectively.

Commenting on the results, Echo's Managing Director, Dr Ernst Kohler said, *"First pass soil sampling at Marvin and Magrathea has successfully outlined two previously unknown, large-scale gold-in-soil anomalies adjacent to the Yandal Gold Province, one of Australia's most significant gold mining districts. The full extent of the Marvin and Magrathea anomalies remains to be tested. Further soil sampling programs will commence next week to provide infill samples between the anomalous first pass traverses, and to test the area between Marvin and Magrathea."*

Technical Background

Soil sampling at Marvin and Magrathea involved the collection of fine fraction (minus 250µm) soil samples that were submitted for gold-only analysis by Aqua Regia – ICPMS. A plus 2mm minus 5mm coarse fraction from selected samples was also submitted for gold and multi-element analysis by Aqua Regia – ICPMS. Samples in the northern portions of the Marvin anomaly were typically collected on 50m by 50m centres, or 150m by 100m centres. The central and southern portions of the Marvin anomaly, and the Magrathea anomaly, have been defined by first pass soil sampling traverses spaced 250m to 600m apart with samples collected every 100m. Soil sampling results over nearby gold mineralised areas in the Yandal Gold Province, including the Success, Parmelia, Challenger and Dragon-Venus gold deposits, suggest that gold-in-soil values above 3ppb Au are anomalous.

About Echo Resources

Echo's key projects are located in Western Australia (gold and nickel) and central Queensland (copper and gold). The projects have established JORC resources. Echo's corporate goal is the discovery and development of large gold (>3 million ounces @ >3 g/t Au), copper (>450 million pounds @ >1.5% Cu equivalent) and nickel (>90 million pounds @ >5% Ni) deposits in world-class mineral provinces.

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The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Dr Ernst Kohler who is a Member of The Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Dr Kohler is Managing Director of Echo Resources Limited. Dr Kohler has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr Kohler consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. Nothing in this announcement should be construed as either an offer to sell or a solicitation of an offer to buy or sell securities.

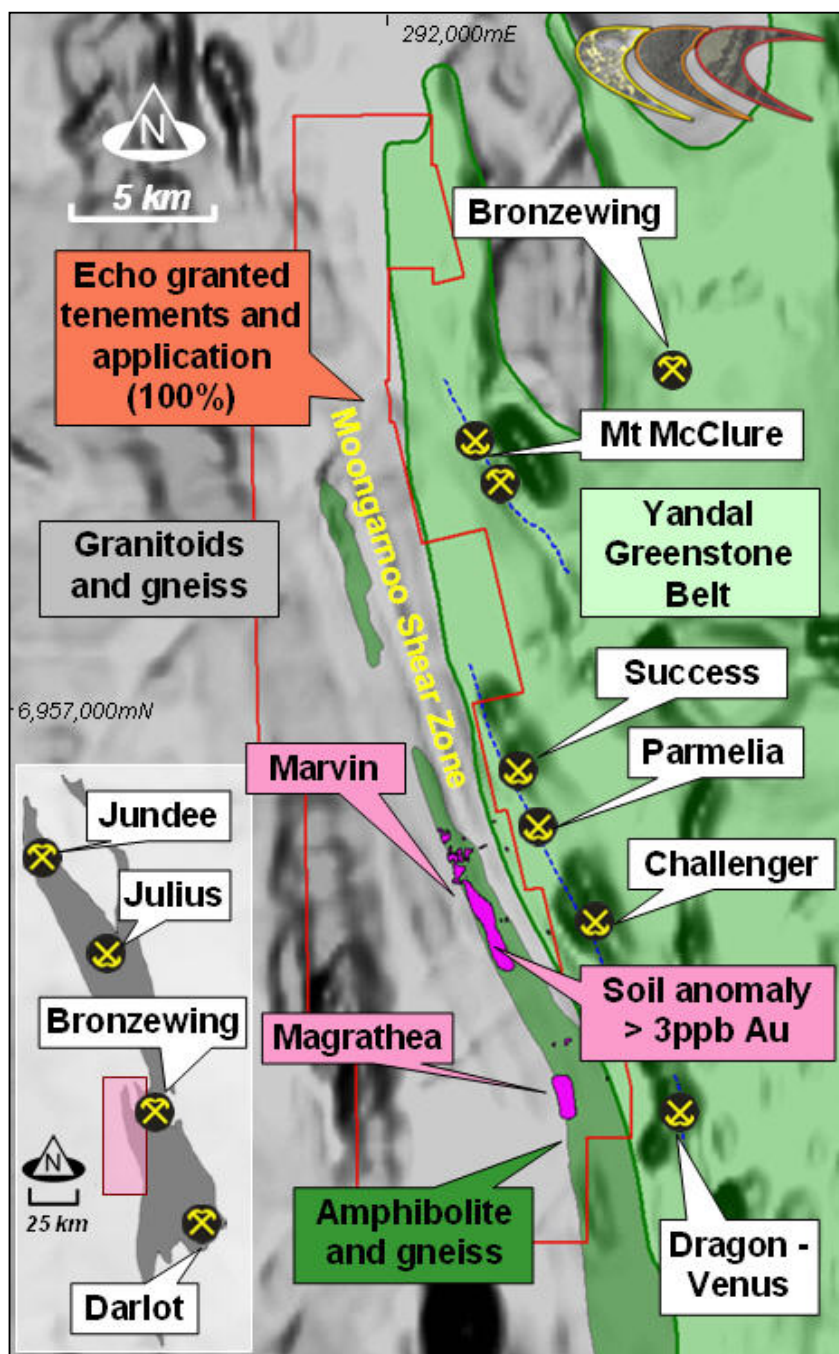


Fig. 1: Summary geology of the Marvin and Magrathea Prospects over Total Magnetic Intensity image.

