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## Cover Story

### **Echo's Encouraging Drilling Assay Results from its Julius Gold Deposit Significantly Progress the Company towards its Aim of Evolving from an Explorer to a Producer**

*Echo Resources Limited is a junior exploration company with a quality portfolio of relatively advanced projects that have established JORC resources that are located in highly endowed mineral provinces Western Australia (gold and nickel) and central Queensland (copper-gold).*

The Company is committed to achieving its goal of discovering and developing large gold, copper and nickel deposits in world-class mineral provinces, leveraging off its strong management team that is capable of rapidly evolving Echo from an explorer to a producer.

Demonstrating Echo's progress towards achieving this goal, it has reported encouraging drilling assay results from its Julius Gold Deposit located in its major Western Australian project – the Yandal Project.

Dr. Ernst Kohler, Echo's Managing Director informed the Australian Investor, "The Yandal Project covers a premier position in the Yandal Belt in the northern part of the Eastern Goldfields Province, one of Australia's largest gold producing region that has delineated over 13 million ounces of gold in a number of deposits."

The Julius Gold Deposit is hosted within a sequence of ultramafic, doleritic and granitic rocks forming part of the Yandal Belt and was discovered around 18 months ago, soon after Echo floated on the ASX.

"The Yandal Belt has deeply weathered and extensive younger cover sediment sequences, with less than 5% outcrop," Dr. Kohler explained to the Australian Investor, "This cover has been a major impediment to early explorers and prospectors. We were able to reinterpret some of the drill results on this area and put them into the correct context utilizing our extensive understanding of this area to discover the Julius Gold Deposit."

Since that time, Echo has been progressively drilling Julius on a campaign style program so that the Company can ensure it is utilizing its shareholders' money to best effect drill in the appropriate places to return the best results to aid its further exploration and development of the deposit.

The recently received drilling results are from the first batch 1m sample assays for drill holes ERC84-90 that were completed at the Julius Deposit during March 2008.

"Drill results from Julius have so far delineated gold mineralization over a strike length of approximately 1,300m and to a depth of 220m," Dr. Kohler told the Australian Investor, "The base of the deposit and the east, west and northern limits have yet to be defined."

Most of the work conducted on the area so far has focused on the ultramafic terrane with only minimal work to assess the gold-bearing potential of rocks in the eastern region of the deposit. However, three holes drilled in this area last year all hit gold mineralization.

"One of the real advances in our last round of drilling is that drill holes into the granite returned higher grade gold values," Dr. Kohler commented, "The results highlight the potential of the granitic rocks to the east and below Julius to host high-grade gold mineralization."

1m samples for the remaining drill holes completed at Julius during March 2008 have been submitted for fire assay analysis, with results expected during July 2008.

Another important feature at this deposit is that the Company does not foresee any major metallurgical problems with the mineralization based on its preliminary gold – cyanide leach test results that showed excellent recoveries.

Going forward Echo intends to continue metallurgical testing and further drilling to get a better feel of the geometry in the higher grades of shoots.

"We are very excited by the future potential of this project to evolve into a significant gold discovery," Dr. Kohler told the Australian Investor, "Especially considering the similarities of its magnetic imagery to key geological features also observed at the multi-million ounce Jundee deposit some 60km to the north, which was one of the factors that originally attracted us to this area."

Dr. Kohler mentioned that Echo's detailed in-house knowledge of the Yandal Belt and its high level of geoscience capabilities would be an integral part to its future exploration of the region.

"Based on our extensive knowledge of the area we believe the area is also a nickel sulphide terrain," he noted, "This belief is supported by the fact that 60km to the east of the Yandal Belt lie some of the largest and highest-grade komatiite-associated nickel sulphide deposits in the World."

There has not been any significant nickel sulphide exploration at the Yandal Belt since the 1970s, due to the area's reputation for gold mineralization.

In regards to the Company's exploration of the area to evaluate its potential to host nickel sulphide deposits it has entered into a collaborative arrangement with CSIRO for the provision of cutting-edge hydro-geochemical expertise.

"We are one of only a few companies using this technology, which uses ground water to identify areas with nickel sulphides," Dr. Kohler explained to the Australian Investor, "The initial results have been encouraging and have defined two major prospects that we believe have the potential to be major base metal deposits."

In addition to Echo's work at its Yandal Project, the Company intends to continue to explore its remaining exploration assets including: Mount Chalmers; Munholme; Reedy Creek (potential JV arrangement with Canadian company that is earning interest in tenement); and its large tenement package in the Clermont region that is just coming on line.

Dr. Kohler concluded, "We are excited by the positive future outlook for Echo and intend to continue to aggressively explore our high quality tenements so that we can maximise their potential value and advance Echo to production status."