

ASX ANNOUNCEMENT

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\$15M PLACEMENT TO FUND EXPLORATION STRATEGY

- **\$15 million successfully raised through Two-Tranche Placement at A\$0.13 per share**
- **Placement supported by a number of high quality new and existing, domestic and international institutional investors**
- **Echo's largest shareholder, Northern Star to maintain its current shareholding through pro-rata Placement participation**
- **Share Purchase Plan for eligible shareholders to raise up to \$3 million opens on 14 May 2019**
- **Funds to be applied to the exploration growth strategy at the Company's Yandal Gold Project**

Echo Resources Limited (ASX: EAR) (**'Echo'** or the **'Company'**) is pleased to announce that firm commitments have been received from investors with respect to a Two-Tranche Institutional Placement (**'Placement'**) launched on 2 May 2019. The Placement was well supported by existing shareholders whilst a number of new, high quality domestic and international investors will come onto the Company's share register.

The Company will also be undertaking a Share Purchase Plan to existing eligible shareholders to raise up to \$3 million (**'SPP'**).

Placement

The Placement comprises two tranches with the first tranche (**'Tranche 1'**) of approximately 87 million Echo shares (**'Shares'**) to be issued at \$0.13 per Share, to raise approximately \$11.3 million. Tranche 1 will be completed using Echo's existing placement capacity under ASX Listing Rules 7.1 (35,823,173 Shares) and 7.1A (~51,176,827 Shares).

The second tranche (**'Tranche 2'**) of the Placement will be completed subject to obtaining shareholder approval at a General Meeting scheduled for 10 June 2019. Tranche 2 will result in the issue of approximately 28 million Shares at \$0.13 per share to raise approximately \$3.7 million.

Echo's largest shareholder, Northern Star Resources Limited (ASX:NST) (**'Northern Star'**), has subscribed for approximately \$3.4 million in the Placement, on a pro-rata basis according to its current shareholding in Tranche 1, and in Tranche 2 subject to shareholder approval.

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6 May 2019

ASX CODE

EAR

KEY ASSETS

- Julius
- Orelia
- Bronzewing Hub

DIRECTORS

Victor Rajasooriar
Managing Director and CEO

Barry Bolitho
Non-Executive Chairman

Robin Dean
Non-Executive Director

Mark Hanlon
Non-Executive Director

Anthony McIntosh
Non-Executive Director

Alan Thom
Non-Executive Director

Kate Stoney
Company Secretary

REGISTERED OFFICE

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Funds raised under the Placement will provide the Company with sufficient cash reserves required for its ongoing initiatives:

1. Fund exploration strategy (\$12 million);
 - **Greenfields** - 64,000m of drilling (\$6 million) targeting the Hadrian Trend, Mt Joel (70%) Project Area and other regional exploration;
 - **Brownfields** - 12,000m of drilling (\$4 million) targeting structural repetitions of the Bronzewing and Lotus Deposits; and
 - **Advanced Projects** – 15,000m of drilling (\$2 million) targeting the advanced Mt Joel Projects (70%) including Taipan, Adder and Tiger as well as the Corboys deposit.
2. Provide working capital and costs of the Placement and SPP (approximately \$3 million).

Echo Managing Director and CEO Mr. Victor Rajasooriar said: *“Echo welcomes the strong support we have received from both existing and new investors for this capital raising to support our exploration growth strategy. Our first drilling of the highly prospective 20km Hadrian Trend corridor will begin shortly and we look forward to reporting new results from across our large landholding in the Yandal Belt throughout the remainder of 2019.”*

Details of the growth strategy are contained in Echo’s ASX announcement entitled Exploration Growth Strategy released on 29 April 2019 and in the Investor Presentation released 2 May 2019.

Canaccord Genuity (Australia) Limited is acting as sole underwriter to Tranche 1 and Joint Lead Manager to the Placement. Euroz Securities Limited is also acting as Joint Lead Manager to the Placement. Sternship Advisers is acting as Corporate Adviser to the Company.

An indicative timetable for the Placement and SPP is set out in Appendix 1. The timetable remains subject to change at the Company’s discretion, subject to compliance with applicable laws and the ASX Listing Rules.

Share Purchase Plan

The SPP aims to raise up to \$3 million and will enable existing eligible shareholders to participate in the capital raising at \$0.13, the same issue price as the Placement and without incurring any brokerage fees or other transaction costs.

Eligible shareholders (being those holders of fully paid with an address in Australia or New Zealand as at 5.00pm WST on 1 May 2019) will have the opportunity to apply for up to \$15,000 worth of Shares in the Company. If an eligible shareholder holds Shares as a 'custodian' (as that term is defined in ASIC Class Order [CO 09/425]), the offer under the SPP will be made to the 'custodian' and, subject to a number of conditions, the 'custodian' will have the discretion to extend the offer to the relevant beneficiaries.

Further details on the SPP including an offer document and an application form are expected to be mailed to eligible Echo shareholders 14 May 2019.

For further information:

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Chief Executive Officer
Echo Resources Ltd

Media inquiries
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APPENDIX 1 – INDICATIVE TIMETABLE

Key Event	Date
Record Date for Eligibility to Participate in the SPP (5.00pm WST)	Wednesday 1 May 2019
Notice of General Meeting sent to shareholders (NOM)	Friday 10 May 2019
Issue of Tranche 1 Placement Shares	Friday 10 May 2019
Dispatch of SPP Offer Documents	Tuesday 14 May 2019
SPP Acceptance Period Opens	Tuesday 14 May 2019
SPP Acceptance Period Closes	Friday 7 June 2019
General Meeting for Shareholders to consider approval for Tranche 2 Placement Shares	Monday 10 June 2019
Issue of Tranche 2 Placement Shares (subject to receiving shareholder approval)	Friday 14 June 2019
Issue of Shares under SPP	Friday 14 June 2019

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