



Echo Resources Limited

ACN 108 513 113

27 January 2017
ASX Announcement
ASX Code: EAR

\$3.2 MILLION RAISED IN PLACEMENT TO ACCELERATE YANDAL EXPLORATION & RESERVE DEVELOPMENT

HIGHLIGHTS

- Successful completion of placement to raise A\$3.2 million at an issue price of \$0.16 per share
- Echo is now funded for an active exploration program designed to increase Resources and Reserves and extend mine life
- Exploration activity is to commence immediately with success to underpin restart of the Bronzewing Processing Hub.

Echo Resources Limited ('Echo' or 'the Company') is pleased to advise it has raised A\$3.2 million which will underpin an active exploration campaign designed to increase gold Resources and Reserves across its substantial tenement portfolio in the Yandal gold belt of Western Australia.

The placement of 20 million fully paid shares was made to institutional and sophisticated investors at an issue price of \$0.16 per share ('Placement'). The issue price represents a modest 6% discount to the last traded price of Echo shares. The Placement is being undertaken within the Company's existing capacity to issue new securities under ASX Listing Rule 7.1 and is not subject to shareholder approval. BW Equities acted as the Lead Manager and bookrunner to the Placement.

Echo's Chief Executive Officer, Simon Coxhell, commented: *"We are very pleased to see the excellent support for both the Placement and Echo's strategy to grow our gold Reserves prior in advance of a decision to mine. I am confident that the exploration activity we have planned for the next few months will quickly and substantially increase our Reserve and Resource base, which will see us transition into production when the time is right."*

"Our exploration activities will have a particular focus on extending the existing Resource and Reserve base at Julius, as well as drilling out a number of high-priority targets including Orelia and the broader Empire District."

Echo has an existing gold Resource base of 956,000 ounces¹ across its Yandal tenements and last week outlined the 2017 field program². The program will focus on a series of ready-to-drill targets encompassing brownfields and greenfields prospects, which have been developed in conjunction with a detailed review of the Metaliko Resources Limited ('Metaliko') database following completion of the merger³.

Once sufficient gold Reserves have been identified Echo can proceed immediately to a decision to mine having already completed a robust Bankable Feasibility Study based on the Julius Gold Deposit which resulted in an EBITDA of A\$41M and contemplated refurbishment of the Company's 100%-owned Bronzewing Processing Hub at a cost of A\$12.5M⁴. In line with this, Echo has appointed an industry-leading project finance advisor to progress discussions with a number of potential lenders to fund a large proportion of the Company's capital requirements.

¹ Refer to Global Resource Estimate on slide 19 of the Echo Resources Corporate Presentation released to ASX on 27 January 2017

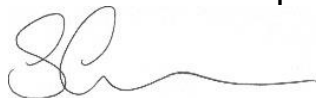
² See ASX announcement dated 18 January 2017

³ See ASX announcement dated 13 January 2017

⁴ See ASX announcement dated 18 January 2017

Settlement of the Placement is scheduled for 3 February 2017 with allotment of securities expected to occur on 6 February 2017. The shares issued under the placement will rank equally with existing Echo Resources shares.

For further information please contact:

A handwritten signature in black ink, appearing to read 'SC', with a long horizontal flourish extending to the right.

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Appendix 1: Echo Global Resource Estimates

Echo Mineral Resource Estimates⁷

Echo Mineral Resources	Measured			Indicated			Inferred			Total			Ownership	Cut-off
	Tonnes (Mt)	Au g/t	Au oz	Tonnes (Mt)	Au g/t	Au oz	Tonnes (Mt)	Au g/t	Au oz	Tonnes (Mt)	Au g/t	Au oz		
Julius ⁴	1.8	2.1	124,227	1.6	1.3	67,789	1.8	2.5	142,991	5.2	2.0	335,008	100%	0.8
Regional ⁵							2.1	1.5	99,925	2.1	1.5	99,925	100%	0.5
Corboys ³				1.7	1.8	96,992	0.5	1.9	28,739	2.1	1.8	125,455	100%	1.0
Orelia (MKO) ²				2.3	2.4	175,306	3.3	1.6	173,493	5.6	1.9	348,880	100%	0.9
Woorana North (MKO) ²				0.3	1.7	13,811				0.3	1.7	13,811	100%	0.5
Woorana South (MKO) ²				0.1	2.6	3,129				0.1	2.6	3,129	100%	0.5
Fat Lady (MKO) ^{1,2}				0.7	0.9	19,669				0.7	0.9	19,669	70%	0.5
Mt Joel 4800N (MKO) ^{1,2}				0.2	1.7	10,643				0.2	1.7	10,643	70%	0.5
Total Mineral Resources	1.8	2.1	124,227	6.7	1.8	387,339	7.7	1.5	445,47	16.2	1.8	956,520		

Echo Mineral Reserve Estimates

Echo Mineral Reserves	Proved			Probable			Total			Ownership	Cut-off
	Tonnes (Mt)	Au g/t	Au oz	Tonnes (Mt)	Au g/t	Au oz	Tonnes (Mt)	Au g/t	Au oz		
Julius ⁶	0.78	2.5	62,500	0.08	2.0	5,600	0.87	2.4	68,100	100%	0.8
Total Mineral Resources	0.78	2.5	62,500	0.08	2.0	5,600	0.87	2.4	68,100		

Notes:

1. Resources are adjusted for Metaliko 70% ownership interest

2. Resources estimated by Coxrocks (refer to Competent Persons Statements) in accordance with JORC Code 2012. For full Mineral Resource estimate details refer to the Metaliko Resources Limited announcement to ASX on 1 September 2016. Metaliko is not aware of any new information or data that materially affects the information included the previous announcement, and all material assumptions and technical parameters underpinning mineral resource estimates in the previous announcement continue to apply and have not materially changed.

3. Resources estimated by HGS (refer to Competent Persons Statements) in accordance with JORC Code 2012, for full details of the Mineral Resource estimate refer to the Metaliko Resources Limited announcement to ASX on 23 August 2016. Metaliko is not aware of any new information or data that materially affects the information included the previous announcement, and all material assumptions and technical parameters underpinning mineral resource estimates in the previous announcement continue to apply and have not materially changed.

4. Resources estimated by Mr Lynn Widenbar (refer to Competent Persons Statements) in accordance with JORC Code 2012, for full details of the Mineral Resource estimate refer to the Echo Resources Limited announcement to ASX on 23 November 2016. Echo Resources Limited is not aware of any new information or data that materially affects the information included the previous announcement, and all material assumptions and technical parameters underpinning mineral resource estimates in the previous announcement continue to apply and have not materially changed.

5. Resource estimates include Bills Find, Shady Well, Orpheus, Empire & Tipperary Well and were estimated by Golders (refer to Competent Persons Statements) in accordance with JORC Code 2004, for full details of the Mineral Resource estimates refer to the Echo Resources Limited prospectus released to ASX on 10 April 2006.

6. Reserve estimated by Mr Gary McRae (refer to Competent Persons Statements) in accordance with JORC Code 2012.

7. Mineral Resources are inclusive of Ore Reserves.

Appendix 2: Cautionary and Competent Persons Statements

Forward Looking Statements and Disclaimers

This announcement is for information purposes only and does not constitute a prospectus or prospectus equivalent document. It is not intended to and does not constitute, or form part of, an offer, invitation or the solicitation of an offer to purchase or otherwise acquire, subscribe for, sell or otherwise dispose of any securities, or the solicitation of any vote or approval in any jurisdiction, nor shall there be any offer, sale, issuance or transfer of securities in any jurisdiction in contravention of any applicable law.

This announcement contains forward looking statements. Forward looking statements are often, but not always, identified by the use of words such as "seek", "target", "anticipate", "forecast", "believe", "plan", "estimate", "expect" and "intend" and statements that an event or result "may", "will", "should", "could" or "might" occur or be achieved and other similar expressions.

The forward looking statements in this announcement are based on current expectations, estimates, forecasts and projections about Echo and Metaliko and the industry in which they operate. They do, however, relate to future matters and are subject to various inherent risks and uncertainties. Actual events or results may differ materially from the events or results expressed or implied by any forward looking statements. The past performance of Echo or Metaliko is no guarantee of future performance.

None of Echo, Metaliko or any of their directors, officers, employees, agents or contractors makes any representation or warranty (either express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statement, except to the extent required by law.

You are cautioned not to place undue reliance on any forward looking statement. The forward looking statements in this announcement reflect views held only as at the date of this announcement.

No New Information or Data

This report contains references to Mineral Resource estimates, which have been cross referenced to previous market announcements made by Echo and Metaliko. Echo and Metaliko confirm they are not aware of any new information or data that materially affects the information included in the relevant market announcements and, in the case of estimates of Mineral Resources and project study results (i.e. the Julius BFS referred to in this document and released to ASX on 18 January 2017), all material assumptions and technical parameters underpinning the estimates or results in the relevant market announcement continue to apply and have not materially changed.

Competent Persons Statements

The information in this report that relates to Exploration Targets and Exploration Results relating to Orelia (Cockburn) are based on information compiled by Mr David O'Farrell, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Mr O'Farrell is a consultant to Metaliko Resources Limited. Mr O'Farrell has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken 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'. Mr O'Farrell consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report relating to Julius Resource Estimation is based on information compiled by Mr Lynn Widenbar, a consultant of Echo Resources Limited, who is a member of the Australasian Institute of Mining and Metallurgy. The information in this announcement that relates to Exploration Results and metallurgical considerations at Julius is based on information compiled by Simon Coxhell, a Director of Echo Resources and a member of the Australasian Institute of Mining and Metallurgy. Both have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that they are 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'. Mr Widenbar and Mr Coxhell consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

The information in this report relating to Echo's exploration activities and exploration potential at Julius and Metaliko's Cockburn, Woorana North, Woorana South, Fat Lady and Mt Joel Mineral Resource estimates is based on information compiled by Mr Simon Coxhell, a Director of Echo Resources Limited, who is a member of the Australasian Institute of Mining and Metallurgy. He has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that 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'. Mr Coxhell consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

The information in this report relating to Echo's Regional Mineral Resource estimates is based on information compiled by Stephen Godfrey, a full-time employee of the independent geological consulting group Golder Associates Pty Ltd. He has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that 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'. Mr Godfrey consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

The information in this report relating to Metaliko's Corboys Deposit Mineral Resource estimate is based on information compiled by Andrew James Hawker, a Competent Person who is a Member or Fellow of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mr Hawker is the Principle Geologist employed by HGS Australia. He has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that 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'. Mr Godfrey consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

The information in this report that relates to Ore Reserves for the Julius Gold Deposit is based on information compiled by Mr Gary McRae of Minecomp Pty Ltd, a member of the Australasian Institute of Mining and Metallurgy and is a consultant to Echo Resources Limited. The information was prepared under the JORC Code 2012. Mr McRae has sufficient experience that is relevant to the style of mineralisation, type of deposit under consideration and to the activity that 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". Mr McRae consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

The information in this announcement that relates to Exploration Results and previous historic drilling results is based on information compiled by Simon Coxhell, a Director of Echo Resources and a member of the Australasian Institute of Mining and Metallurgy. He has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that they are 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". Mr Coxhell consents to the inclusion in the report of the matters based on the information in the form and context in which it appears