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**ECHO RESOURCES LIMITED**

**ACN 108 513 113**

**NOTICE OF GENERAL MEETING**

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**TIME:** 11:00 AM

**DATE:** Friday, 21 April 2017

**PLACE:** Level 14, 197 St Georges Terrace, Perth

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 8) 9389 8726.

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## IMPORTANT INFORMATION

### Time and place of meeting

Notice is given that the meeting of the Shareholders to which this Notice of Meeting relates will be held at 11 am (WST) on Friday 21 April 2017 at Level 14, 197 St Georges Terrace, Perth, Western Australia.

### Your vote is important

The business of the Meeting affects your shareholding and your vote is important.

### Voting eligibility

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5.00pm (WST) on 19 April 2017.

### Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

### Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, members are advised that:

- A. each member has a right to appoint a proxy;
- B. the proxy need not be a member of the Company; and
- C. a member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

### Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify



the way the proxy is to vote on a particular resolution and, **if it does:**

- A. the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- B. if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- C. if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- D. if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

### **Transfer of non-chair proxy to chair in certain circumstances**

Section 250BC of the Corporations Act provides that, if:

- A. an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- B. the appointed proxy is not the chair of the meeting; and
- C. at the meeting, a poll is duly demanded on the resolution; and
- D. either of the following applies:
  - (a) the proxy is not recorded as attending the meeting;
  - (b) the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.



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## BUSINESS OF THE MEETING

### Agenda

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#### 1. Resolution 1 – Ratification of prior issue of Placement Shares

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 20,000,000 Shares on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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#### 2. Resolution 2 – Replacement of Constitution

To consider and, if thought fit, to pass the following resolution as a special resolution:

*“That, for the purposes of section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to repeal its existing Constitution and adopt a new constitution in its place in the form as signed by the chairman of the Meeting for identification purposes.”*

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#### 3. Resolution 3 – Grant of Options to related party, Mr Mark Hanlon, under the Echo Resources Limited Incentive Option Scheme

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

*“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue 1,250,000 Options to Mr Mark Hanlon (or his permitted nominee) on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast on this Resolution by Mr Mark Hanlon (and his permitted nominee) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**Voting Prohibition Statement:** A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
  - (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.



However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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#### 4. Resolution 4 – Grant of Options to related party, Mr Robin Dean, under the Echo Resources Limited Incentive Option Scheme

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

*“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue 1,250,000 Options to Mr Robin Dean (or his permitted nominee) on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast on this Resolution by Mr Robin Dean (and his permitted nominee) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**Voting Prohibition Statement:** A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
  - (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (c) the proxy is the Chair; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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#### 5. Resolution 5 – Director’s Remuneration

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

*“That, for the purposes of clause 13.8 of the Constitution, ASX Listing Rule 10.17 and for all other purposes, Shareholders approve the maximum total aggregate fixed sum per annum to be paid to Directors be set at \$220,000 to be paid in accordance with the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a Director and any of their associates. However, the Company need not disregard a vote if it is cast by a



person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**Voting Prohibition Statement:** A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
  - (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (c) the proxy is the Chair; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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**DATED: 24 March 2017**

**BY ORDER OF THE BOARD**

**Kate Stoney**  
**Company Secretary**



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## EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions which are the subject of the business of the Meeting.

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### 1. Resolution 1 – Ratification of prior issue of Placement Shares

#### 1.1 General

On 6 February 2017, the Company issued 20,000,000 Shares at an issue price of \$0.16 per Share to raise \$3,200,000 pursuant to a placement to unrelated sophisticated and professional investors.

Resolution 1 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares (**Ratification**).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

#### 1.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- (a) 20,000,000 Shares were issued;
- (b) the issue price was \$0.16 per Share;
- (c) the shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to clients of BW Equities Pty Ltd. None of these subscribers are related parties of the Company; and
- (e) the funds raised from this issue were and are being applied towards exploration on the Company's Yandal Gold Project and for general working capital purposes.



## **2. Resolution 2 – Replacement of Constitution**

### **2.1 General**

A company may modify or repeal its constitution or a provision of its constitution by special resolution of Shareholders.

Resolution 2 is a special resolution which will enable the Company to repeal its existing Constitution and adopt a new constitution (**Proposed Constitution**) which is of the type required for a listed public company limited by shares updated to ensure it reflects the current provisions of the Corporations Act and ASX Listing Rules.

This will incorporate amendments to the Corporations Act and ASX Listing Rules since the current Constitution was adopted prior to the Company's admission to the Official List of the ASX in 2006.

The Directors believe that it is preferable in the circumstances to replace the existing Constitution with the Proposed Constitution rather than to amend a multitude of specific provisions.

The Proposed Constitution is broadly consistent with the provisions of the existing Constitution. Many of the proposed changes are administrative or minor in nature including but not limited to updating references to bodies or legislation which have been renamed (for example references to SCH and the SCH Business Rules have been updated to the ASX Settlement Pty Ltd and ASX Settlement Operating Rules).

The Directors believe these amendments are not material nor will they have any significant impact on Shareholders. It is not practicable to list all of the changes to the Constitution in detail in this Explanatory Statement, however, a summary of the proposed material changes is set out below.

A copy of the Proposed Constitution is available for review by Shareholders at the office of the Company. A copy of the Proposed Constitution can also be sent to Shareholders upon request to the Company Secretary (+61 8 9389 8726). Shareholders are invited to contact the Company if they have any queries or concerns.

### **2.2 Summary of material proposed changes**

#### **(a) Minimum Shareholding (clause 3)**

Clause 3 of the Constitution outlines how the Company can manage shareholdings which represent an "unmarketable parcel" of shares, being a shareholding that is less than \$500 based on the closing price of the Company's Shares on ASX as at the relevant time.

The Proposed Constitution is in line with the requirements for dealing with "unmarketable parcels" outlined in the Corporations Act and provides more detail and framework around the sale process than the current Constitution.

#### **(b) Fee for registration of off market transfers (clause 8.4(c))**

On 24 January 2011, ASX amended ASX Listing Rule 8.14 with the effect that the Company may now charge a "reasonable fee" for registering paper-based transfers, sometimes referred to "off-market transfers".





Clause 8.4 of the Proposed Constitution is being made to enable the Company to charge a reasonable fee when it is required to register off-market transfers from Shareholders. The fee is intended to represent the cost incurred by the Company in upgrading its fraud detection practices specific to off-market transfers.

Before charging any fee, the Company is required to notify ASX of the fee to be charged and provide sufficient information to enable ASX to assess the reasonableness of the proposed amount.

(c) Dividends (clause 22)

Section 254T of the Corporations Act was amended effective 28 June 2010.

There is now a three-tiered test that a company will need to satisfy before paying a dividend replacing the previous test that dividends may only be paid out of profits.

The amended requirements provide that a company must not pay a dividend unless:

- (i) the company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend;
- (ii) the payment of the dividend is fair and reasonable to the company's shareholders as a whole; and
- (iii) the payment of the dividend does not materially prejudice the company's ability to pay its creditors.

The existing Constitution reflects the former profits test and restricts the dividends to be paid only out of the profits of the Company. The Proposed Constitution is updated to reflect the new requirements of the Corporations Act. The Directors consider it appropriate to update the Constitution for this amendment to allow more flexibility in the payment of dividends in the future should the Company be in a position to pay dividends.

(d) Partial (proportional) takeover provisions (clause 36)

A proportional takeover bid is a takeover bid where the offer made to each shareholder is only for a proportion of that shareholder's shares.

Pursuant to section 648G of the Corporations Act, the Company has included in the Proposed Constitution a provision whereby a proportional takeover bid for Shares may only proceed after the bid has been approved by a meeting of Shareholders held in accordance with the terms set out in the Corporations Act.

This clause of the Proposed Constitution will cease to have effect on the third anniversary of the date of the adoption of last renewal of the clause.

A similar clause is in the Company's current Constitution. However, it has not been renewed in the previous 3 years so does not currently apply. By adopting the Proposed Constitution the proportional takeover provisions will reapply to the Company.



## Information required by section 648G of the Corporations Act

(i) Effect of proposed proportional takeover provisions

Where offers have been made under a proportional off-market bid in respect of a class of securities in a company, the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under such a proportional off-market bid is prohibited unless and until a resolution to approve the proportional off-market bid is passed.

(ii) Reasons for proportional takeover provisions

A proportional takeover bid may result in control of the Company changing without Shareholders having the opportunity to dispose of all their Shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium. These amended provisions allow Shareholders to decide whether a proportional takeover bid is acceptable in principle, and assist in ensuring that any partial bid is appropriately priced.

(iii) Knowledge of any acquisition proposals

As at the date of this Notice of Meeting, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

(iv) Potential advantages and disadvantages of proportional takeover provisions

The Directors consider that the proportional takeover provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential advantages of the proportional takeover provisions for Shareholders include:

- (A) the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- (B) assisting in preventing Shareholders from being locked in as a minority;
- (C) increasing the bargaining power of Shareholders which may assist in ensuring that any proportional takeover bid is adequately priced; and
- (D) each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of Shareholders which may assist in deciding whether to accept or reject an offer under the takeover bid.



The potential disadvantages of the proportional takeover provisions for Shareholders include:

- (E) proportional takeover bids may be discouraged;
  - (F) lost opportunity to sell a portion of their Shares at a premium; and
  - (G) the likelihood of a proportional takeover bid succeeding may be reduced.
- (v) Recommendation of the Board

The Directors do not believe the potential disadvantages outweigh the potential advantages of adopting the proportional takeover provisions and as a result consider that the proportional takeover provision in the Proposed Constitution is in the interest of Shareholders and unanimously recommend that Shareholders vote in favour of Resolution 2.

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### **3. Resolutions 3 and 4 – Grant of Options to related parties Messrs Hanlon and Dean under the Echo Resources Limited Incentive Option Scheme**

#### **3.1 General**

On 4 January 2017, the Company announced the appointment of Messrs Mark Hanlon and Robin Dean as directors of the Company.

The Company has agreed, subject to obtaining Shareholder approval, to grant 1,250,000 Options to each of Mr Mark Hanlon and Mr Robin Dean (or their permitted nominees) on the terms and conditions set out below (**Related Party Options**).

The Related Party Options are being offered and will be granted under the Echo Resources Limited Incentive Option Scheme (**Scheme**). Please refer to Schedule 1 for a summary of the terms of the Scheme.

Each Related Party Option has an exercise price of 27.5 cents per Share. This represents an approximate 40% premium to the volume weighted average price of Shares in the 5 days in which Shares were traded before the date of this Notice of Meeting.

The Related Party Options will have an expiry date of 3 years from the date of the General Meeting. Accordingly, the Related Party Options will expire on 21 April 2020. The Related Party Options may lapse early in accordance with the Scheme – see Schedule 1.

Resolutions 3 and 4 seek Shareholder approval for the grant of the Related Party Options to Mr Mark Hanlon and Mr Robin Dean (or their permitted nominees) respectively.

#### **3.2 Chapter 2E of the Corporations Act**

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out



in sections 217 to 227 of the Corporations Act; and

- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The grant of Related Party Options constitutes giving a financial benefit and Messrs Hanlon and Dean are related parties of the Company by virtue of being Directors.

The Directors (other than Mr Hanlon and Dean who have a material personal interests in Resolutions 3 and 4) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of Related Party Options because the agreement to grant the Related Party Options is considered reasonable remuneration having regard to the circumstances of the Company and the positions held by Messrs Hanlon and Dean respectively. Accordingly, the proposed grant of the Options to Messrs Hanlon and Dean fall within the “reasonable remuneration” exception set out in section 211 of the Corporations Act so that member approval is not required for the purposes of Chapter 2E of the Corporations Act.

### **3.3 ASX Listing Rule 10.14**

ASX Listing Rule 10.14 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities under an employee incentive scheme to a director of the entity, an associate of the director, or a person whose relationship with the entity, director or associate of the director is, in ASX’s opinion, such that approval should be obtained.

As the grant of the Related Party Options under Resolutions 3 and 4 involves the grant of securities to related parties of the Company, Shareholder approval pursuant to ASX Listing Rule 10.14 is required.

### **3.4 Technical Information required by ASX Listing Rule 10.15**

Pursuant to and in accordance with ASX Listing Rule 10.15, the following information is provided in relation to Resolutions 3 and 4:

- (a) the maximum number of Related Party Options to be granted under Resolutions 3 and 4 is 2,500,000 Related Party Options, which comprises:
  - (i) 1,250,000 to be granted to Mr Mark Hanlon – Resolution 3; and
  - (ii) 1,250,000 to be granted to Mr Robin Dean - Resolution 4;
- (b) the Related Party Options will be granted for nil consideration. However, the Related Party Options will have an exercise price of 27.5 cents per Related Party Option;
- (c) no person referred to in ASX Listing Rule 10.14 has received securities under the scheme to date;
- (d) the persons who may be entitled to participate in the Plan are the directors, employees and consultants of the Company or its subsidiaries – see Schedule 1 for further details. The current directors of the Company, namely Messrs Simon Coxhell, Barry Bolitho, Mark Hanlon, Robin Dean and Anthony McIntosh; and



- (e) the Related Party Options will be granted no later than 12 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Options will occur on the same date.
- (f) there is no loan being provided to the recipients of the options in respect of the options, or shares issued on exercise of the options.

Approval pursuant to ASX Listing Rule 7.1 is not required for the grant of the Related Party Options as approval is being obtained under ASX Listing Rule 10.14. Accordingly, the grant of Related Party Options to Messrs Hanlon and Dean (or their permitted nominees) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

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#### 4. Resolution 5 – Directors' remuneration

Clause 13.8 of the Constitution requires that the total aggregate fixed sum per annum to be paid to the Directors (excluding salaries of executive Directors) from time to time will not exceed the sum determined by the Shareholders in general meeting and the total aggregate fixed sum will be divided between the Directors as the Directors shall determine and, in default of agreement between them, then in equal shares.

For the purposes of ASX Listing Rule 10.17 the Company sets out below the details of any securities issued to a non-executive director under rule 10.11 or 10.14 with the approval of the holders of the entities ordinary securities at any time within the preceding 3 years.

Name of Non-Executive Director	Shares Issued	Options Issued	Date of Shareholder Approval
Mr Barry Bolitho	Nil	1,500,000	29 August 2016
Mr Anthony McIntosh	Nil	1,250,000	29 August 2016

ASX Listing Rule 10.17 provides that if a non-executive director is paid, he or she must be paid a fixed sum.

The total aggregate fixed sum per annum to be paid to the non-executive Directors is currently set at \$150,000.

As a result of the Company's recent takeover of Metaliko Resources Limited, the Company appointed 2 new directors to the Board of Directors in early January 2017. The Company now requires an enlarged director's fees pool and the Directors believe that this level of remuneration is in line with corporate remuneration of similar companies.

Resolution 5 seeks Shareholder approval to increase the total aggregate fixed sum per annum to be paid to the non-executive Directors by \$70,000 to \$220,000.

The total amount of Directors' fees payable includes superannuation contributions made by the Company for the benefit of non-executive directors and any fees which a non-executive Director agrees to sacrifice on a pre-tax basis.

Subject to the passing of Resolution 5, the Company proposes to pay non-executive Directors a total of \$220,000 in Directors' fees for the 2016/2017 financial year.



## GLOSSARY

**\$** means Australian dollars.

**ASIC** means the Australian Securities and Investments Commission.

**Associated Body Corporate** means, in relation to the Company:

- A. a related body corporate (as defined in the Corporations Act) of the Company;
- B. a body corporate which has not less than 20% of the Voting Power in the Company;  
and
- C. a body corporate in which the Company has not less than 20% of the Voting Power.

**ASX** means ASX Limited.

**ASX Listing Rules** means the Listing Rules of ASX.

**Board** means the current board of directors of the Company.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

**Chair** means the chair of the Meeting.

**Closely Related Party** of a member of the Key Management Personnel means:

- A. a spouse or child of the member;
- B. a child of the member's spouse;
- C. a dependent of the member's spouse;
- D. anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- E. a company the member controls; or
- F. a person prescribed by the Corporations Regulations 2001 (Cth).

**Company** means Echo Resources Limited (ACN 108 513 113).

**Constitution** means the Company's constitution.

**Corporations Act** means the Corporations Act 2001 (Cth).

**Directors** means the current directors of the Company.

**Explanatory Statement** means the explanatory statement accompanying the Notice.

**General Meeting** or **Meeting** means the meeting convened by this Notice.

**Group Company** means the Company or an Associated Body Corporate, or any combination of them, as the context requires.

**Key Management Personnel** has the same meaning as in the accounting standards (as that term is defined in the Corporations Act) and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, directly or indirectly, including any director (whether executive or non-executive) of the Company or if the Company is part of a consolidated entity of an entity within the consolidated group.

**Notice** or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

**Option** means an option to acquire a Share.

**Optionholder** means a holder of an Option or Related Party Option as the context requires.

**Proxy Form** means the proxy form accompanying the Notice.

**Related Party Option** means an Option granted pursuant to Resolutions 3 and 4.

**Resolutions** means the resolutions in the Notice, or any one of them, as the context requires.

**Scheme** means Echo's Incentive Option Scheme. Shareholders approved issues under the Scheme at the Company's 2016 Annual General Meeting held on 11 November 2016.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a holder of a Share.

**WST** means Western Standard Time as observed in Perth, Western Australia.





## Schedule 1 – Summary of the terms of the Scheme

### Offers

The Board may from time to time make an offer of Options to an eligible participant under the Scheme. The offer will specify:

- A. the number of Options offered;
- B. the exercise price and expiry date of the Options;
- C. the period during which the offer must be accepted;
- D. any conditions attaching to the exercise of the Options and any transfer restrictions on the underlying Shares (once issued); and
- E. any other terms and conditions applicable to the offer.

### Eligibility

The following persons are eligible to participate in the Scheme:

- A. directors of any Group Company;
- B. full or part time employees of any Group Company;
- C. casual employees of any Group Company working, or reasonably expected to work, approximately 40% or more of a comparable full time position;
- D. contractors of any Group Company where the individual performing the work is working, or reasonably expected to work, approximately 40% or more of a comparable full time position; and
- E. a person who is to become one of the above.

Subject to Board approval, an offer may be renounced by an Eligible Participant in favour of immediate family members, a company whose shareholders comprise only the eligible participant or immediate family members, or a corporate trustee of a self-managed superannuation fund in which the eligible participant is a director of the trustee.

### Conditions

The Board may impose conditions to the exercise of an Option, or restrictions to the trading or disposal of Shares issued upon exercise an Option, which conditions must be set out in the relevant offer document. The Board may, in its discretion, waive any such Conditions by notice in writing to the relevant participant.

### General terms of Options

- A. **(Grant Price)**: Options will be granted for nil consideration.
- B. **(Non-transferable)**: Options are non-transferable. However, upon the death of the participant the Options may be transferred to their legal representative.
- C. **(Quotation)**: The Options will not be quoted on the ASX. However, the Company will apply for quotation of Shares issued upon exercise of Options.
- D. **(Rights attaching to Shares)**: Shares issued upon exercise of Options will rank equally with fully paid ordinary shares in the capital of the Company subject to any restriction conditions specified in the offer for the Options.



- E. **(Reorganisation of Capital):** If at any time the capital of the Company is reorganised, the terms and number of the Options may be changed by the Company in a manner consistent with, as and as required by, the Corporations Act and the ASX Listing Rules at the time of the reorganisation.
- F. **(Overriding restrictions):** No Option may be offered, granted or exercised and no Share may be issued on exercise of any Option if to do so would contravene the ASX Listing Rules or any other applicable law.
- G. **(No Rights of Participation in New Issues):** The holder of an Option has no right to participate in new issues by the Company except to the extent that the holder exercises the Option prior to the record date for the new issue.
- H. **(No Right to Change Exercise Price)** An Option confers no right on the holder to change the exercise price or to change the number of securities over which it can be exercised.

### Lapsing of Options

Unexercised Options will generally lapse on the relevant expiry date. However, Options will also lapse earlier:

- A. if the eligible participant ceases to be an eligible participant where the relevant Group company has terminated their engagement for cause;
- B. if the eligible participant ceases to be an eligible participant (other than termination of engagement by the Company for cause), on the date 30 days later or such longer period as determined by the Board;
- C. if the eligible participant ceases to be an eligible participant due to their death, retirement or they suffer total and permanent disability or are made redundant, on the earlier of 3 months (if the Options are unconditional, otherwise 6 months) from that event or the relevant Option expiry date;
- D. if the Optionholder purports to transfer, assign, mortgage, charge or otherwise dispose of or encumber an Option or hedge an Option in a manner not permitted by the Scheme; or
- E. by notice from the Board if the eligible participant acts fraudulently or dishonestly, is grossly negligent, demonstrates serious and wilful misconduct or causes a material adverse effect on the Company's reputation.

### Plan Limit

The Company must have reasonable grounds to believe, when making an offer, that the number of Shares to be received on exercise of Options offered under the offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made at any time during the previous 3 year period under an employee incentive scheme covered by ASIC Class Order 14/1000, or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the offer.

### Administration of the Scheme

The Board may appoint a committee for the administration and management of the Scheme. The decision of the Board as to the interpretation, effect or application of the Scheme will be final.





## PROXY FORM

### PROXY FORM - GENERAL MEETING OF ECHO RESOURCES LIMITED ACN 108 513 113

#### Appointment of Proxy

I/We \_\_\_\_\_

of \_\_\_\_\_

being a member of Echo Resources Limited (**Company**) entitled to attend and vote at the General Meeting of the Company (**Meeting**) to be held at 11 am (WST) on 21 April 2017 hereby appoint:

\_\_\_\_\_  
Print name of Proxy

or

☐

the Chair of the Meeting as your proxy (if so please mark the box)

or failing the person or body corporate named, or if no person or body corporate is named or selected above, the Chair of the Meeting, as my/ our proxy to act on my/ our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted at law, as the proxy sees fit) at the Meeting and any postponement or adjournment of the Meeting.

**Important for Resolutions 3, 4 and 5:** If the Chair of the Meeting is my/our proxy, either by appointment or by default, and I/we have not indicated my/our voting instructions below, I/we are expressly authorising the Chair of the Meeting to exercise the proxy in respect of each of Resolutions 3, 4 and 5, even though the Resolution is concerned directly or indirectly with the remuneration of a member of the Company's Key Management Personnel.

**The Chair of the Meeting intends to vote undirected proxies in favour of each Resolution.**

#### My/our Voting Instructions on Business of the Meeting

Number	Resolutions	For	Against	Abstain
1	Ratification of prior issue of Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	Adoption of new constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	Grant of Options to related party – Mark Hanlon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	Grant of Options to related party – Robin Dean	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	Directors remuneration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Please note:** If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not to be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is \_\_\_\_\_ %

#### Signature of Member(s)

If the member(s) is an individual(s),  
every member is to sign:

If the member is a company, sign in accordance with  
Section 127(1) of Corporations Act:

Signed: \_\_\_\_\_

\_\_\_\_\_  
Director or Sole Director and Secretary

Signed: \_\_\_\_\_

\_\_\_\_\_  
Director/Secretary

Contact Name: \_\_\_\_\_ Contact Ph (daytime): \_\_\_\_\_



**Echo Resources Limited**  
**ACN 108 513 113**  
**Instructions for Completing 'Appointment of Proxy' Form**

1. **(Appointing a Proxy):** A member entitled to attend and vote at a Meeting is entitled to appoint not more than two proxies to attend and vote on a poll on their behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If a member appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes. A duly appointed proxy need not be a member of the Company.
2. **(Direction to Vote):** A member may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing Instructions):**
  - **(Individual):** Where the holding is in one name, the member must sign.
  - **(Joint Holding):** Where the holding is in more than one name, all of the members should sign.
  - **(Power of Attorney):** If you have not already provided the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.
  - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual members from attending the Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
  - (a) post to Echo Resources Limited, PO Box 1099, West Perth WA 6872; or
  - (b) facsimile to the Company on facsimile number +61 8 9467 2896; or
  - (c) email to the Company at [kate@echoresources.com.au](mailto:kate@echoresources.com.au),so that it is received not later than 11 am (WST) on 19 April 2017.

**Proxy forms received later than this time will be invalid.**