



25 July 2017  
ASX | EAR



# ECHO RESOURCES LIMITED

## Equity Raising Investor Presentation



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## **Forward Looking Statements**

This presentation includes certain ‘forward looking statements’. All statements, other than statements of historical fact, are forward looking statements that involve various risks and uncertainties. There can be no assurances that such statements will prove accurate, and actual results and future events could differ materially from those anticipated in such statements. Such information contained herein represents management’s best judgement as of the date hereof based on information currently available. The Company does not assume any obligation to update any forward looking statement.



# EQUITY RAISING OVERVIEW

# EQUITY RAISING OVERVIEW



Offer Structure & Size	<ul style="list-style-type: none"><li>– Placement of Echo Resources Limited fully paid securities of 40 million shares<sup>1</sup> at an issue price of \$0.10 per share to raise \$4.0 million with the ability to accept oversubscriptions of up to \$1 million.</li><li>– Single Tranche Placement (Placement) under the Company's existing 7.1 and 7.1A placement capacity</li></ul>
Offer Pricing	<ul style="list-style-type: none"><li>– Offer price of \$0.10 per New Share, which as of market close on Monday 24<sup>st</sup> July, represents a:<ul style="list-style-type: none"><li>➤ 9.1% discount to the last closing price of \$0.11;</li><li>➤ 13.1% discount to the 5 day VWAP of \$0.1151; and</li><li>➤ 16.5% discount to the 30 day VWAP of \$0.1198.</li></ul></li></ul>
Ranking	<ul style="list-style-type: none"><li>– New shares issued under the Equity Raising will rank equally with existing Echo shares.</li></ul>
Use of Proceeds	<ul style="list-style-type: none"><li>– Proceeds from the Equity Raising will be used to fund exploration of the Echo tenements and discoveries including:<ul style="list-style-type: none"><li>➤ Infill and extensional resource drilling at Julius and Orelia;</li><li>➤ Brownfields drill testing of multiple targets including Wimbledon &amp; Shady Well,</li><li>➤ Testing identified greenfields targets; and</li><li>➤ General working capital</li></ul></li></ul>
Lead Manager	<ul style="list-style-type: none"><li>– Argonaut Securities Pty Ltd</li></ul>

*Note: The offer is being made to sophisticated, professional investors and otherwise excluded investors under the Corporations Act.*

<sup>1</sup> Echo will have 410m shares on issue after the placement if \$4m is raised

# EQUITY RAISING TIMETABLE



Key Event	Time / Date <sup>1</sup> (AWST)
Trading Halt, Announcement of Equity Raising	– Pre-Open Tuesday, 25 <sup>th</sup> July
Bookbuild Opens	– 8:00am Tuesday, 25 <sup>th</sup> July
Australia / Asia Bookbuild Closes	– 4:00pm Tuesday, 25 <sup>th</sup> July
UK / Europe Bookbuild Closes	– 10:00pm Tuesday, 25 <sup>th</sup> July
Announcement of the Results of the Placement	– Pre-Open Thursday, 27 <sup>th</sup> July 2017
Trading in Echo Shares Recommences	– Thursday, 27 <sup>th</sup> July 2017
Settlement of New Shares Issued Under the Placement	– Friday, 4 <sup>th</sup> August 2017

<sup>1</sup> All dates and times are subject to change and are indicative only. Unless otherwise indicated, all times are to Perth time. Echo and the Lead Manager, Argonaut, reserve the right to vary these dates and times without notice.



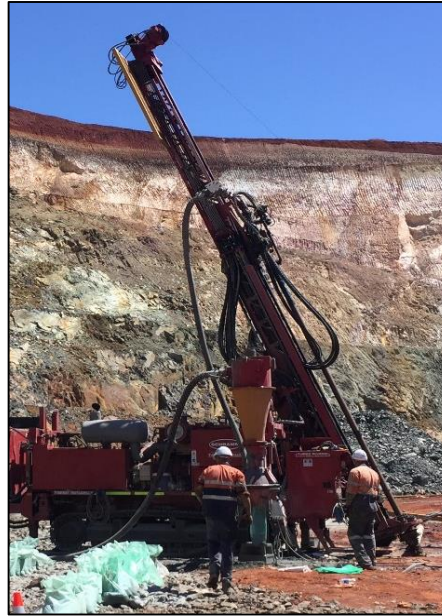
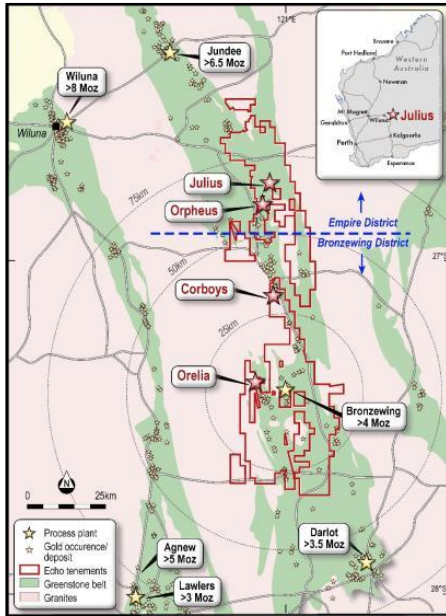
# ECHO INVESTOR HIGHLIGHTS



# OUR VISION & STRATEGY



## Establish a Large High Grade Gold Resource Base within the World Class Yandal Gold Belt<sup>1</sup>



- Consolidate a large contiguous (1,600km<sup>2</sup>) prospective tenement holding within the world class Yandal gold belt
- Secure a low-cost path to production (Bronzewing Processing Hub) ✓

- Advance existing quality brownfields targets for low cost additional resource
- Explore for large high-grade gold deposits within our prospective and underexplored tenement package using systematic analysis and smart geology

- Substantially build our resource and reserve base within the world class Yandal gold belt
- Monetise our high quality resources and reserves via the Bronzewing Processing Hub

1. Refer to Forward Looking Statements & Disclaimers

# OUR COMPANY



## Capital Structure 30 June 2017

ASX: EAR

Ordinary Shares on Issue	370.5M
Share Price <sup>1</sup>	\$0.11
Undiluted Market Capitalisation	\$40.8M
Current Cash <sup>2</sup>	\$0.96M
Liquidity (avg. shares traded per day)	379,284
1 Year Turnover	24%

## Board of Directors

Barry Bolitho – Non-Executive Chairman

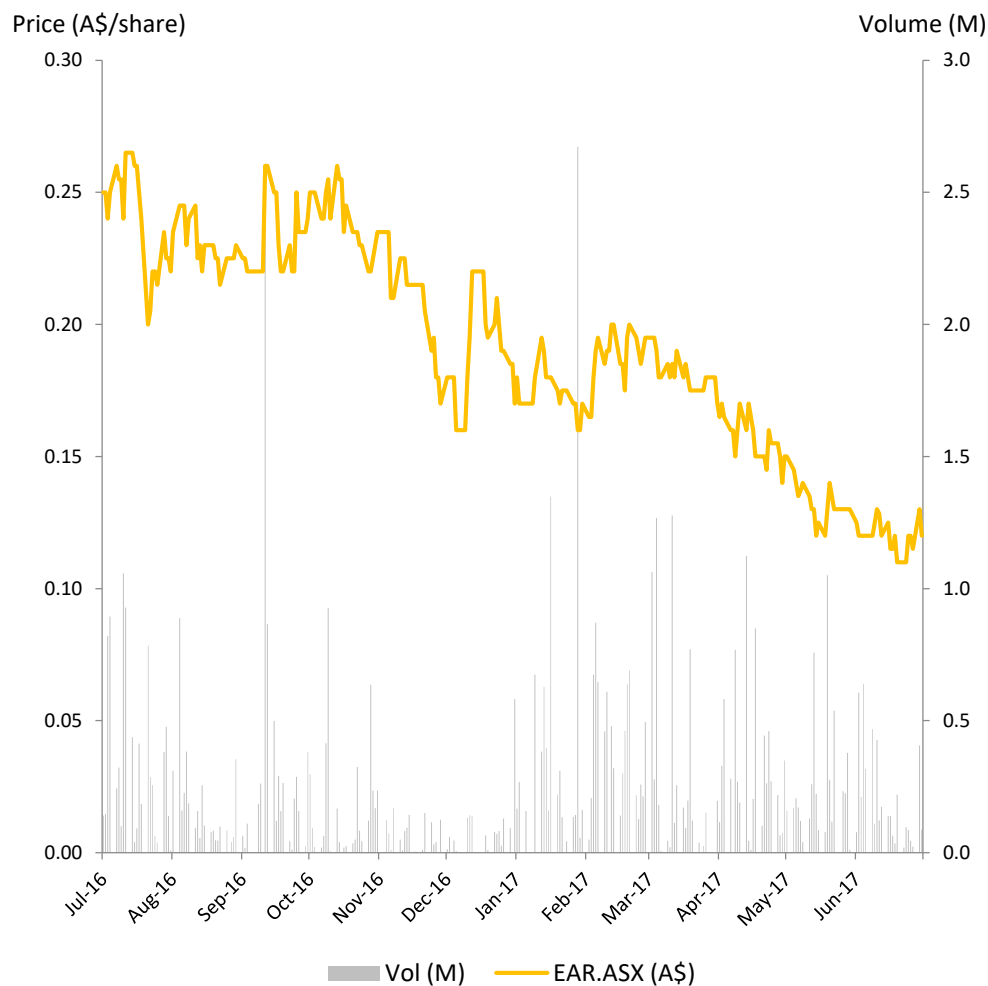
Simon Coxhell – Chief Executive Officer

Anthony McIntosh – Non- Executive Director

Mark Hanlon – Non-Executive Director

Robin Dean – Non-Executive Director

## Price History (1 Year)



1. Share price as at 24 July 2017

2. Cash balance as at 30 June 2017

Expected cash outflow in current quarter is \$0.60m for exploration and \$0.55m for working capital for a total of \$1.15m



# COMPANY OVERVIEW



## Solely focussed on our Dominant Yandal greenstone belt holding

One of Australia's most prolific gold producing greenstone belts, home to a number of million ounce gold deposits

The recent Metaliko takeover transformed Echo into the largest landholder of the underexplored central Yandal greenstone belt which has had limited exploration over the last 15 years

## Significant upside to existing Mineral Resources of 990,000 oz<sup>1</sup> to be delivered by:

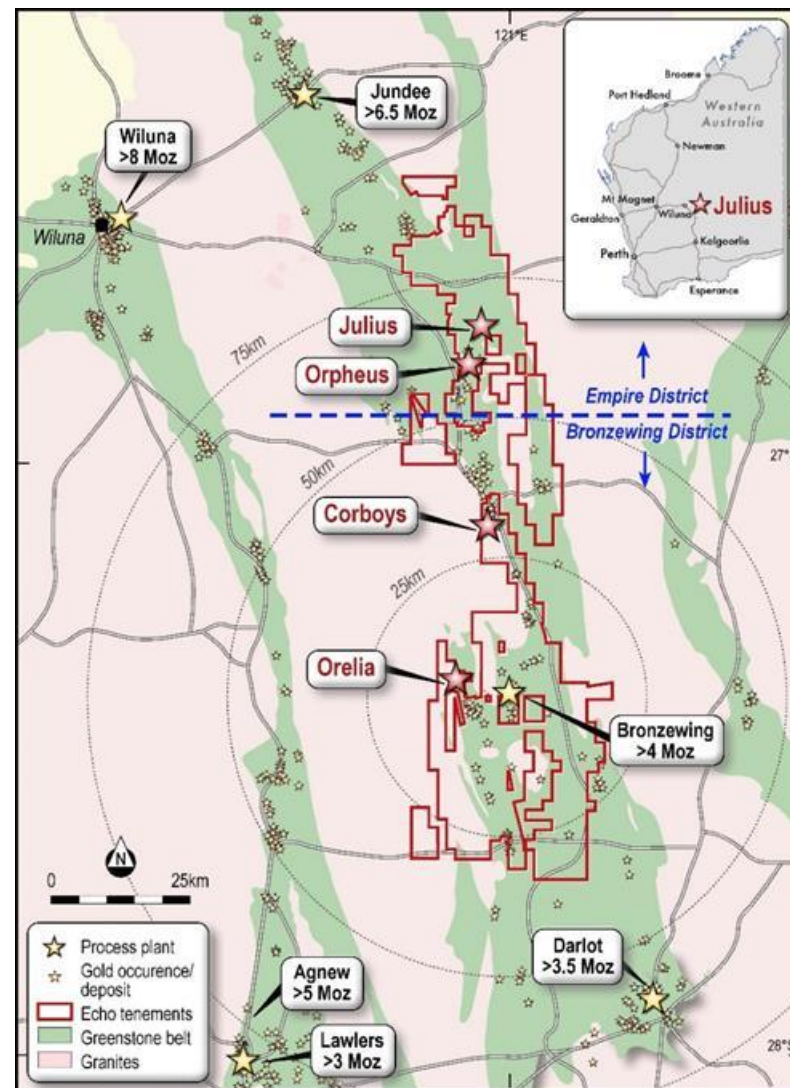
Drilling high priority Brownfield targets, excellent results from first program

Applying modern Exploration methods to discover world class high grade deposits

## Highly valuable Bronzewing Processing Hub

2 Mtpa Plant & Associated Infrastructure in place and on Care & Maintenance – replacement value of >\$120M

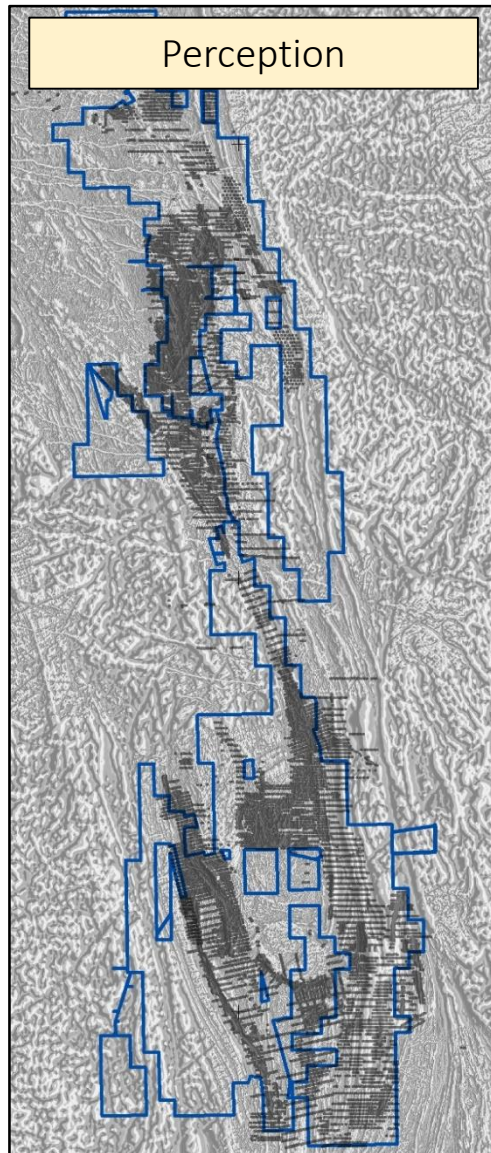
Mitigates significant hurdles of finance and construction risk faced by other junior explorers/developers



Echo Tenement Holdings and Key Gold Deposits

<sup>1</sup> Refer to Global Resource Estimates

# OVERDRILLED BUT UNDEREXPLORED



Drilling Database

## Historic Drilling

Over 150,000 drill holes for over 4 million metres of drilling

## Unconvinced of the Effectiveness

The Echo team and Southern Geoscience Consultants completed a detail review of the drilling

## Theory proven Correct

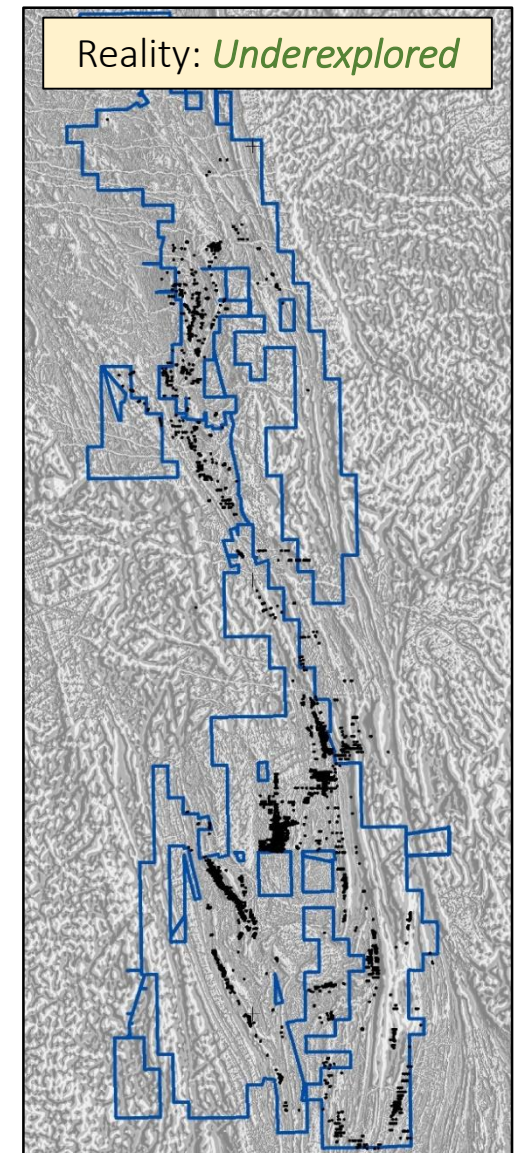
With only 7% of historical holes appear to have meaningfully tested geological structures

## Regolith masks bedrock

Complex regolith transported cover has masked underlying gold-rich Archean bedrock. The majority of holes did not test horizons that were prospective

## Meaning

Significant opportunities for NEW gold discoveries



Effective Drilling





## Modern thinking coupled with modern tools (cont)

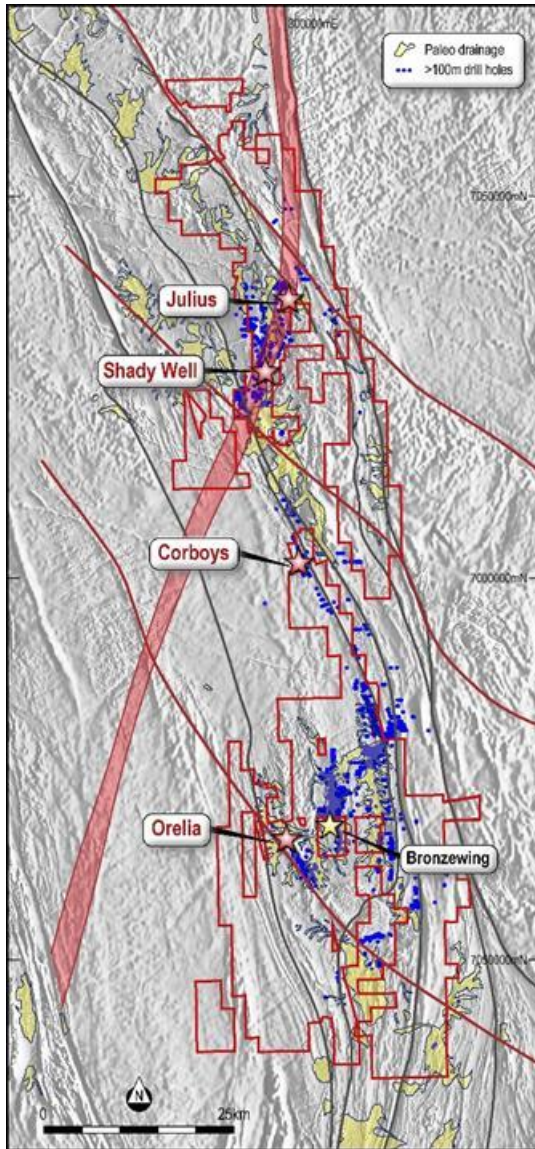
Tools at our disposal include:

- Detailed gravity and magnetic datasets with cutting edge filtering techniques (e.g. TILT derivatives, analytical signal)
- Pathfinder and whole-rock geochemical datasets
- Alteration and mineral mapping (in conjunction with CSIRO)
- A strong team of internal and external geologists that can integrate and interpret complex and varied datasets.

## Understanding the fundamental architecture is Key

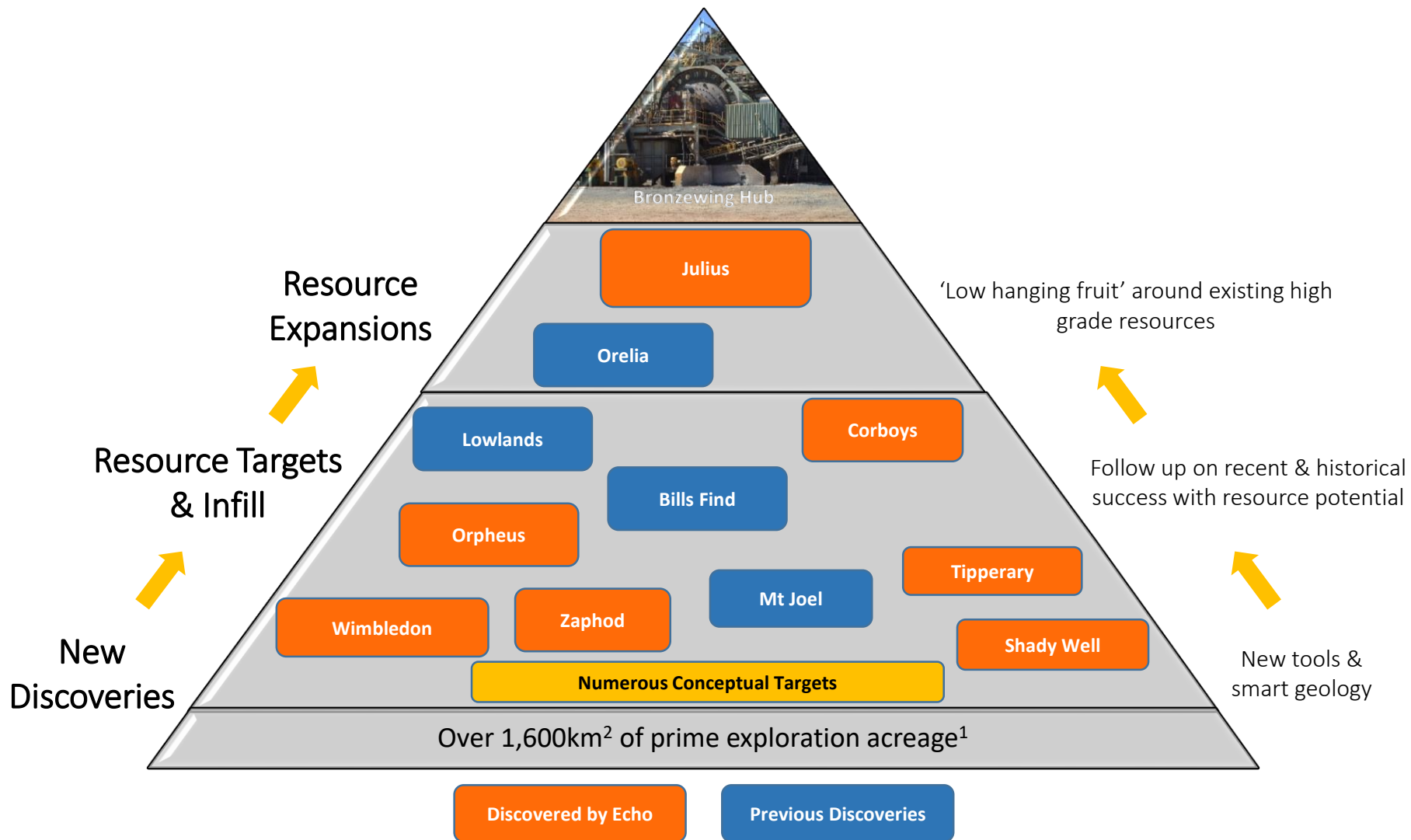
Modern geophysics highlights that the location of gold camps is controlled by structures that have been active throughout the deformation history of the belt.

Recognising these structures highlights exploration targets.



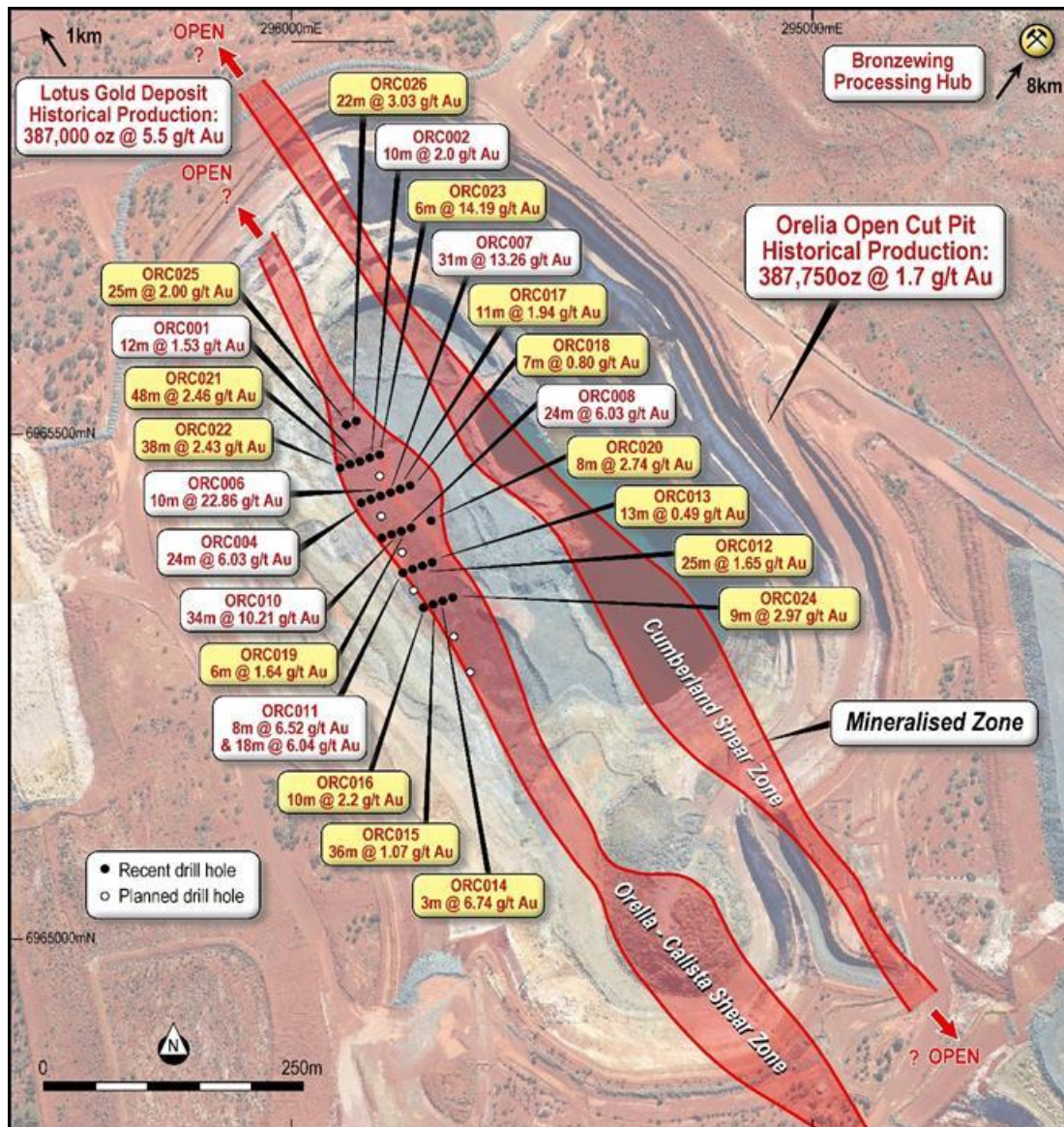
Database with Major Structures

# PROJECT PIPELINE



<sup>1</sup> Merged Echo and Metaliko tenement holdings, refer to Disclaimers & Cautionary Statements

# ORELIA 2017 EXPLORATION



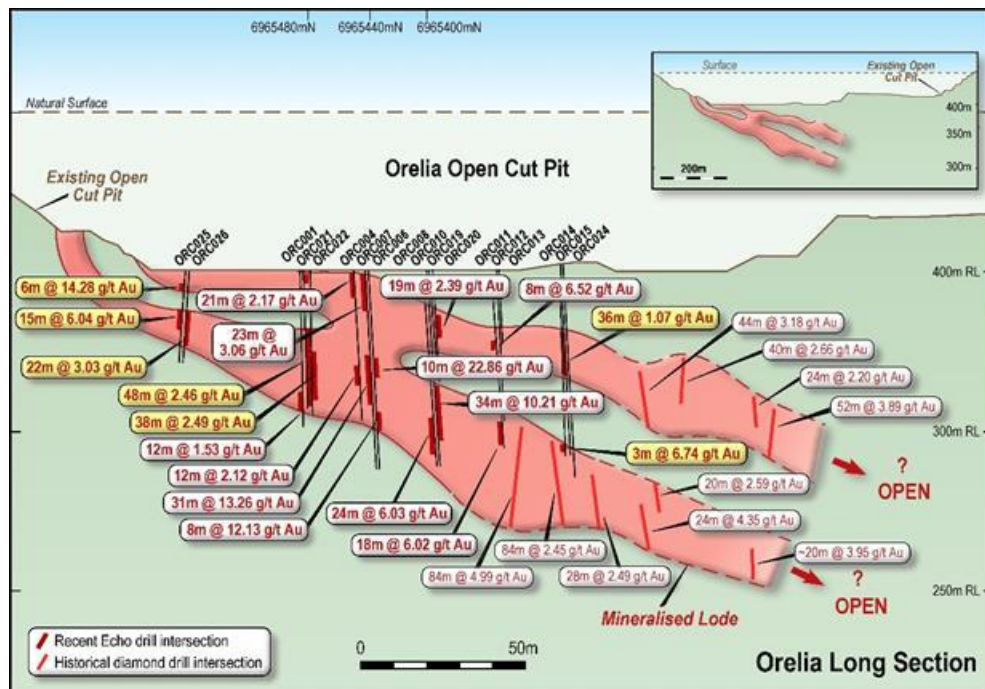
- Orelia was historically mined to 100m vertical depth and produced 387,750oz @ 1.7 g/t Au
- A substantial cutback was completed in 2012 in preparation for mining to approximately 200m before mining ceased
- Results to date have indicated that stacked high-grade mineralised lodes occur at Orelia similar to Lotus
- This interpretation and indication is forming the basis for ongoing exploration of the system

Orelia Plan View with Holes & Key Intersections<sup>1</sup>

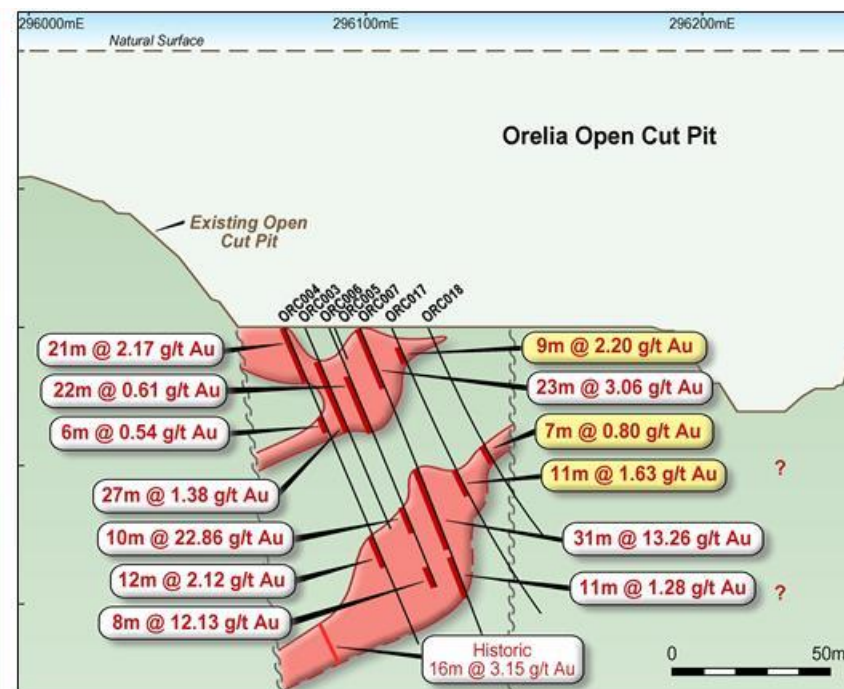
<sup>1</sup> Refer to MKO announcement 1/9/16 & EAR 17/7/17



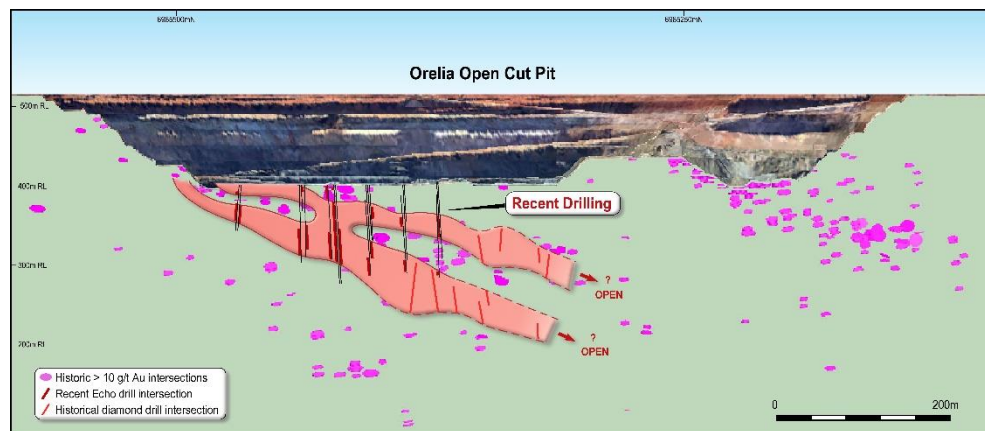
# ORELIA 2017 EXPLORATION (CONT)



Orelia Long Section



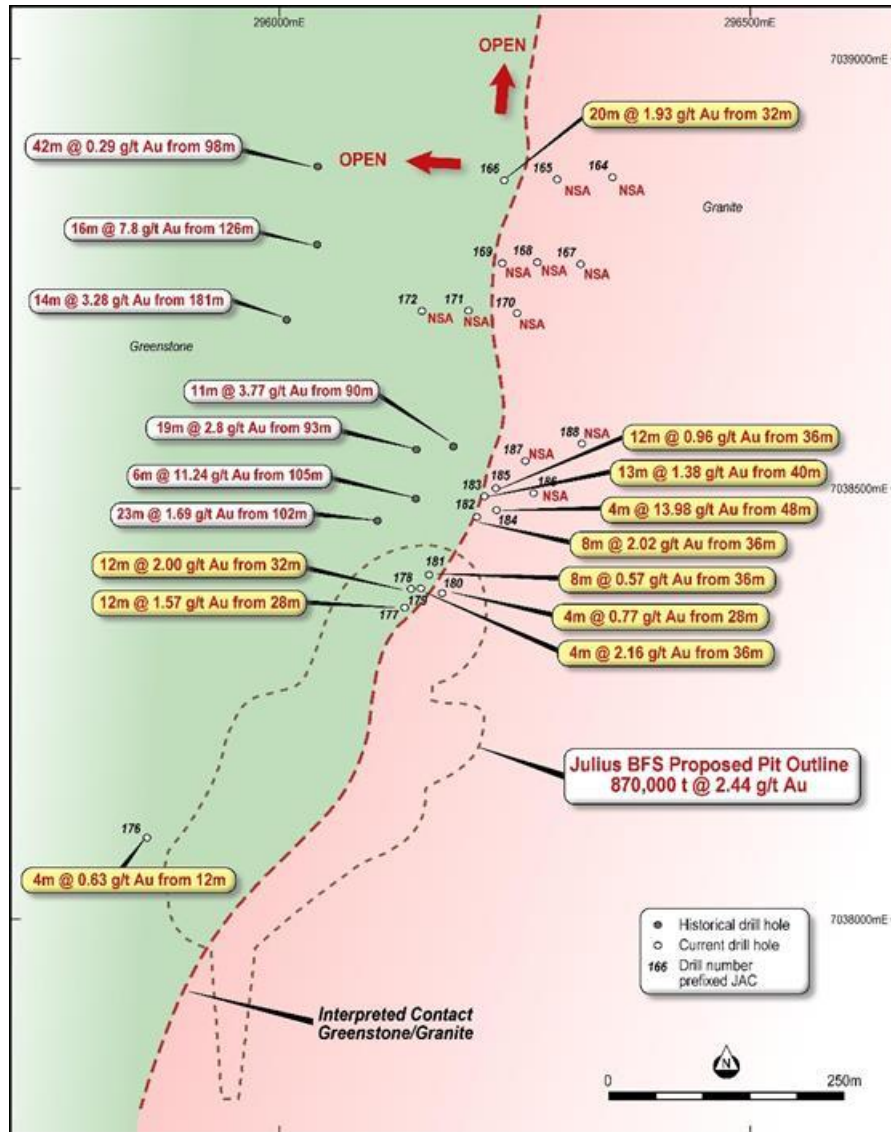
Orelia Cross-Section 6965440N



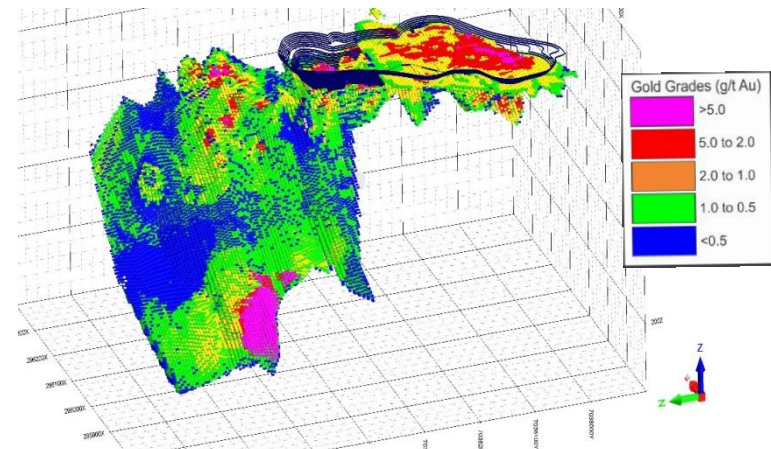
Orelia Long Section and Historical +10g/t Au Intervals by Other Parties

- Results from 26 RC holes drilled in 2017 have confirmed structural model suggestions of high-grade continuous mineralisation within south-plunging gold shoots
- Historic intervals by other parties suggest mineralisation extends at depth and along-strike

# JULIUS GOLD DEPOSIT - RESOURCE EXPANSIONS

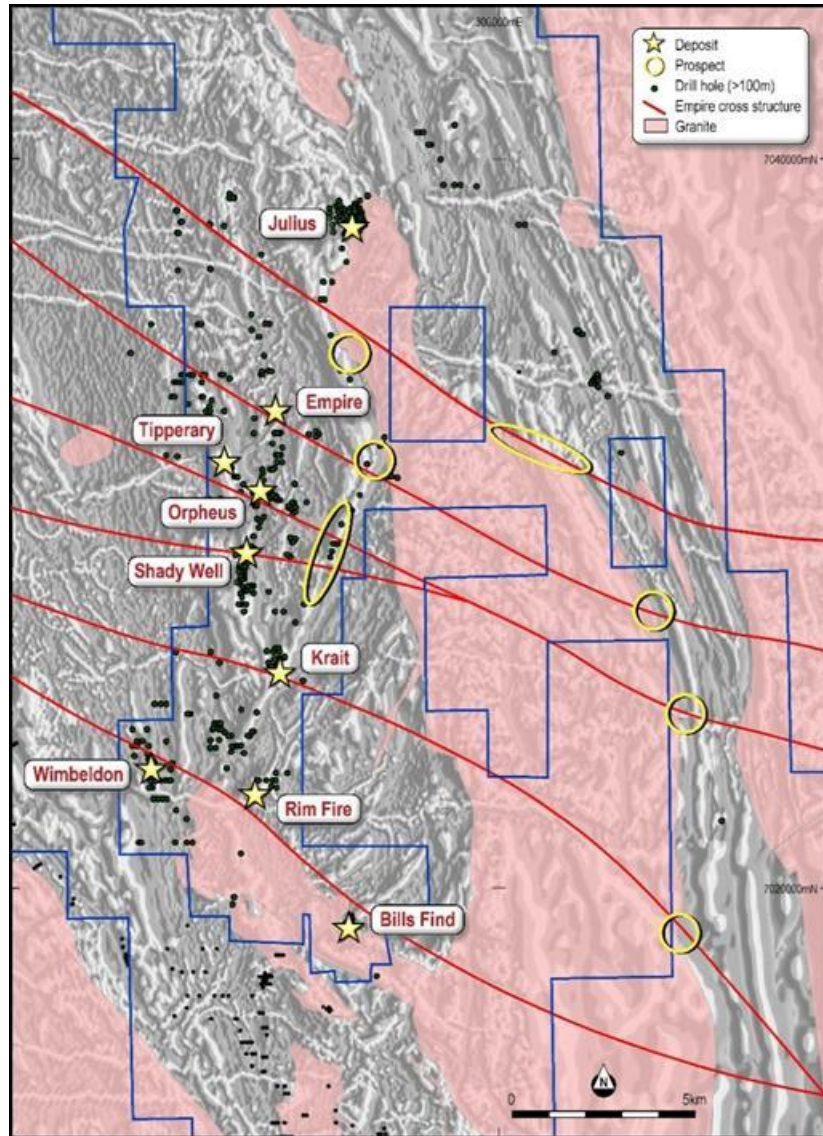
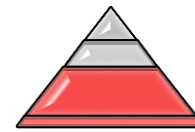


- Existing Julius resource contains 5.2Mt at 2 g/t Au for 335,000 oz<sup>1</sup>
- Infill and Resource development drilling targeted along strike and in the high grade areas of the Resource down dip suggests successful drilling in these areas will lead to continued expansion of Resources
- Other areas to the north and on the margins of the Julius granite hold promise for new gold discoveries and Resource development opportunities





# EMPIRE DISTRICT – OTHER PROSPECTS



Empire Region Historical Deposits & Exploration Targets

- Prospectivity driven by major known mineralisation controls – e.g Julius
- A number of high priority untested targets exist to be tested by auger drilling – e.g conceptual targets on the eastern margin of the granite
- Air core drilling has commenced at existing deposits west of the Empire Granite, targeting Julius-like near surface oxide deposits
- First pass air core results have been extremely encouraging<sup>1</sup>:
  - Wimbledon: 28m @ 4.47 g/t Au from 24m
  - Shady Well: 24m @ 3.24 g/t Au from 24m
  - Orpheus: 16m @ 3.43 g/t Au from 80m
  - Tipperary Well: 12m @ 2.39 g/t Au from 32m

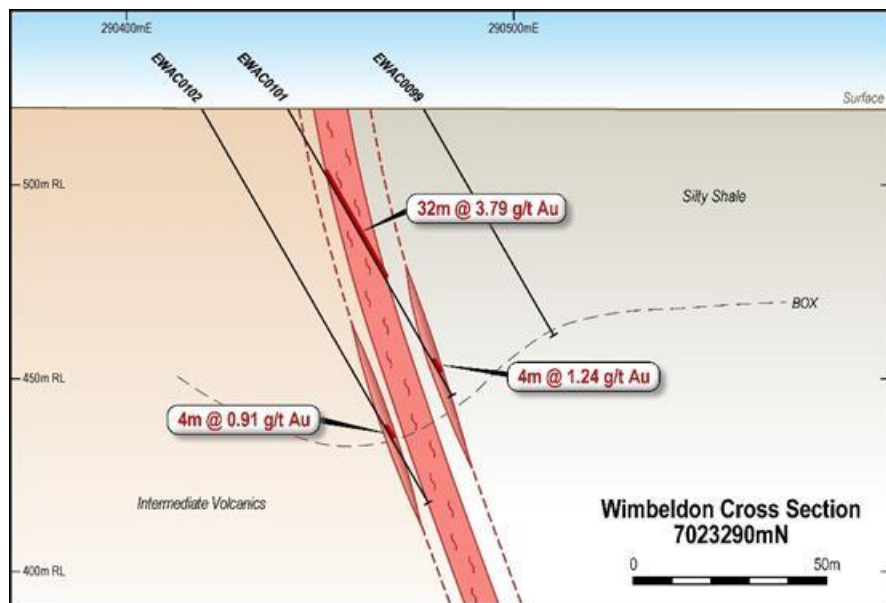
<sup>1</sup> Refer to ASX Announcement dated 10/4/6 for full details

# EMPIRE DISTRICT – RECENT RESULTS



## Wimbledon Gold Prospect

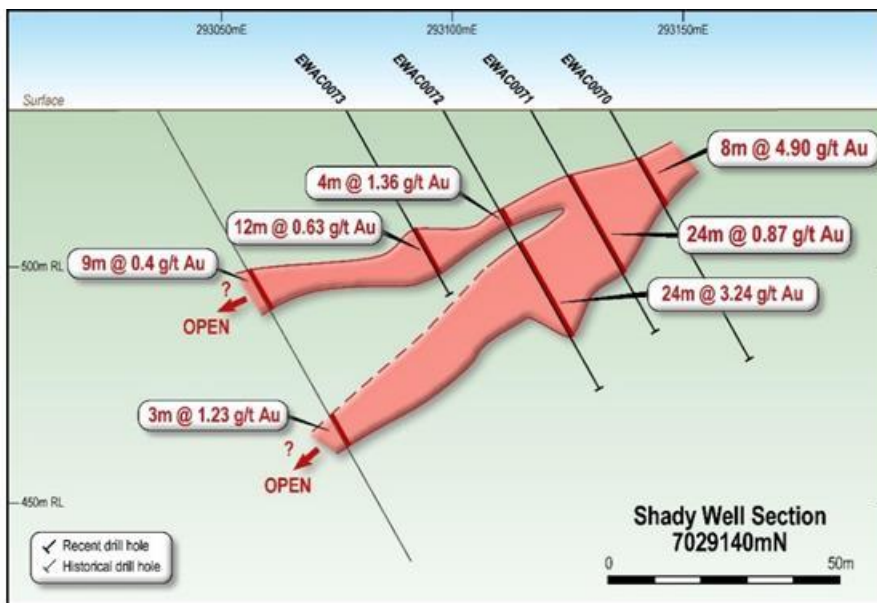
- Deeply weathered gold deposit
- Targets are blind with significant transported cover
- +400m strike and remains open to the north
- Potential remains to define another high grade oxidised deposit at Wimbledon



Wimbledon Cross-section (May'17)

## Shady Well Gold Prospect

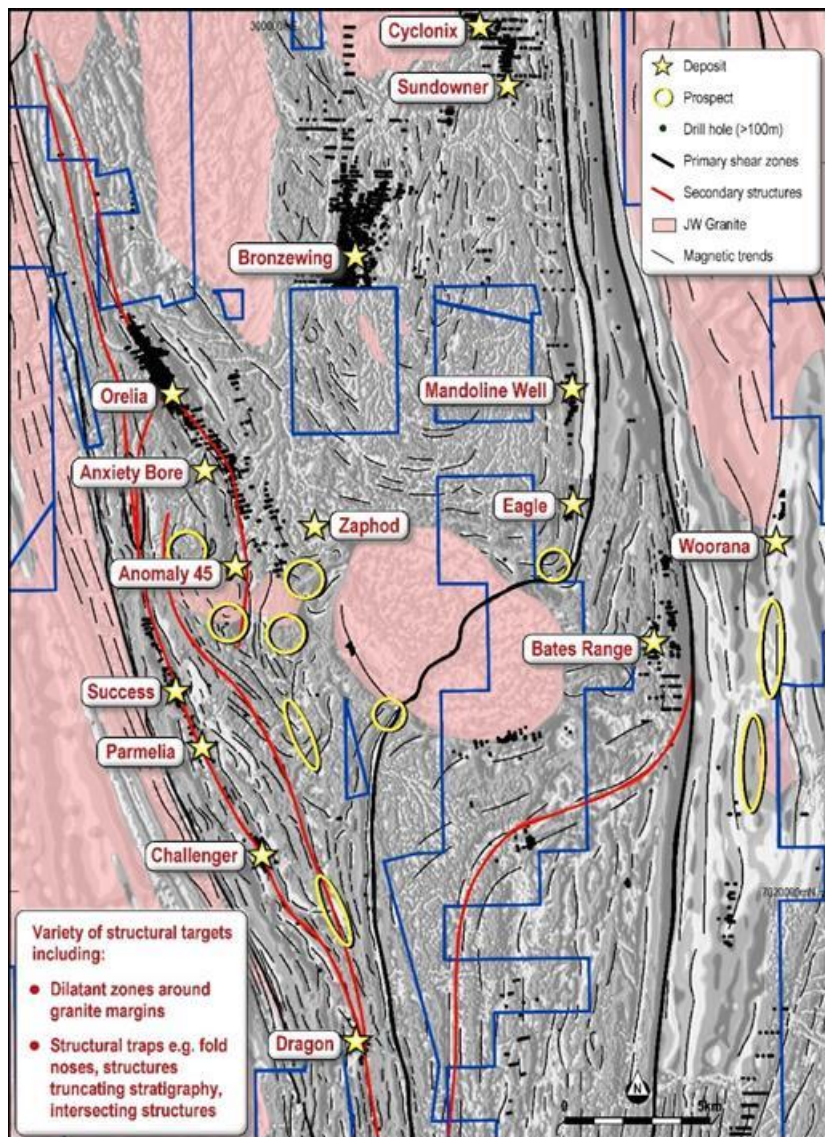
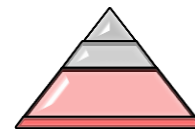
- Excellent shallow gold results from 4m
- Located on the Bungara Structure which is believed to control the Julius Gold Deposit
- Early indications suggest a high quality open-pittable deposit may be available



Shady Well Cross-section (April'17)



# EXPLORATION – BRONZEWING DISTRICT



Bronzewing Region – Existing Deposits & Effective Drilling

- Planned ongoing work to focus on large unexplored targets identified by detailed structural and lithological interpretation
- The Zaphod gold prospect is an excellent example of the under explored nature of the district; located only 8km from the Bronzewing Hub and hosting an outcropping quartz vein it was first drilled by Echo in 2016
- Historic drilling requiring follow-up at a number of targets include<sup>1</sup>:
  - Zaphod: 4m @ 13.92 g/t Au from 23m
  - Sundowner: 4m @ 14.03 g/t Au from 70m
  - Anomaly 45: 18m @ 1.44 g/t Au from 72m
  - Cyclonix: 10m @ 7.13g/t Au from 115m
- A number of high priority untested targets exist for reconnaissance drilling

<sup>1</sup> Refer to Disclaimers and Cautionary Statements and ASX Announcement dated 29 November 2016 for full results

# BRONZEWING PROCESSING HUB INFRASTRUCTURE



- Existing 2Mtpa processing plant and infrastructure that would have a replacement cost of over A\$120M<sup>1</sup>
- All infrastructure required to support restart of operations is currently in place
- Full power and water distribution infrastructure
- Operational 200 person camp and airstrip
- Significant existing haulage road network
- Large capacity fully permitted tailings storage facility
- All process plant insurance spares in inventory

Bronzewing Camp



<sup>1</sup> Echo research (based on recent public information made available by other companies), refer to ASX announcement dated 18 January 2017 for full refurbishment cost details, all material assumptions underpinning the production targets and forecast financial information derived from the production targets continue to apply and have not materially changed





# STRATEGICALLY POSITIONED FOR GROWTH



## Q2-2017

- Resource expansion drilling
- Follow-up AC drilling
- Conceptual target generation



## Q3-2017

- Empire & Bronzewing follow-up
- Conceptual targets drill tested

## Q4-2017

- RC testing of targets
- Ongoing testing of conceptual targets

## 2018

- Ongoing resource generation and definition drilling

### PRIORITISING REGIONAL EXPLORATION TO GROW RESOURCES & RESERVES

- Underexplored and Dominant land position in
- Current gold Resources of over **950,000 ounces<sup>1</sup>** with substantial upside
- **Advanced exploration methodologies** to maximise success

### NUMEROUS QUALITY BROWNFIELDS TARGETS DEMANDING FOLLOWUP

- High quality follow-up targets
- Targeting **low cost** Resource and Reserve additions
- **High grades at Orelia** – open at depth and along strike
- Julius **mineralisation controls** provide vector for additional mineralisation

### STRATEGY AND TEAM TO EXECUTE

- Quality exploration/technical team
- **Successful exploration able to be quickly monetised** via the 2Mtpa Bronzewing Processing Facility

<sup>1</sup> Refer to Forward Looking Statements and Disclaimers & Global Resource Estimates table

<sup>2</sup> Refer to ASX announcement dated 18 January 2017 – all material assumptions underpinning the production targets and forecast financial information derived from the production targets continue to apply and have not materially changed.

# COMPETENT PERSONS STATEMENTS



The information in this presentation 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 presentation 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 presentation of the matters based on the information in the form and context in which it appears.

The information in this presentation relating to Echo’s exploration activities and exploration potential at Julius and Metaliko’s Orelia (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 presentation of the matters based on the information in the form and context in which it appears.

The information in this presentation 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 presentation of the matters based on the information in the form and context in which it appears.

The information in this presentation 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 presentation of the matters based on the information in the form and context in which it appears.

The information in this presentation 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 presentation of the matters based on the information in the form and context in which it appears.



# GLOBAL MINERAL RESOURCES

## Resource & Reserve Estimates as at July 2017

### Echo Mineral Resource Estimates

Echo Mineral Resources <sup>7</sup>	Measured			Indicated			Inferred			Total			Ownership	Cut-off
	Tonnes (Mt)	Grade (g/t Au)	Ounces (Au)	Tonnes (Mt)	Grade (g/t Au)	Ounces (Au)	Tonnes (Mt)	Grade (g/t Au)	Ounces (Au)	Tonnes (Mt)	Grade (g/t Au)	Ounces (Au)		
Julius <sup>4</sup>	1.8	2.1	124,227	1.6	1.3	67,789	1.8	2.5	142,991	5.2	2.0	335,007	100%	0.8
Regional <sup>5</sup>							2.8	1.5	134,925	2.832	1.5	134,925	100%	0.5
Corboys <sup>3</sup>				1.7	1.8	96,992	0.5	1.8	28,739	2.2	1.8	125,731	100%	1.0
Orelia <sup>2</sup>				2.3	2.4	175,306	3.3	1.6	173,493	5.6	1.9	348,799	100%	0.9
Woorana North <sup>2</sup>				0.3	1.4	13,811				0.3	1.4	13,811	100%	0.5
Woorana South <sup>2</sup>				0.1	1.0	3,129				0.1	1.0	3,129	100%	0.5
Fat Lady <sup>1,2</sup>				0.7	0.9	19,669				0.7	0.9	19,669	70%	0.5
Mt Joel 4800N <sup>1,2</sup>				0.2	1.7	10,643				0.2	1.7	10,643	70%	0.5
<b>Total Mineral Resources</b>	<b>1.8</b>	<b>2.1</b>	<b>124,227</b>	<b>6.9</b>	<b>1.7</b>	<b>387,339</b>	<b>8.432</b>	<b>1.8</b>	<b>480,148</b>	<b>17.132</b>	<b>1.8</b>	<b>991,714</b>		

### Echo Ore Reserve Estimates

Echo Ore Reserves	Proved			Probable			Total			Ownership	Cut-off
	Tonnes (Mt)	Grade (g/t Au)	Ounces (Au)	Tonnes (Mt)	Grade (g/t Au)	Ounces (Au)	Tonnes (Mt)	Grade (g/t Au)	Ounces (Au)		
Julius <sup>6</sup>	0.78	2.5	62,500	0.08	2	5,600	0.87	2.4	68,100	100%	0.8
<b>Total Ore Reserves</b>	<b>0.78</b>	<b>2.5</b>	<b>62,500</b>	<b>0.08</b>	<b>2</b>	<b>5,600</b>	<b>0.87</b>	<b>2.4</b>	<b>68,100</b>		

#### Notes:

1. Resources are adjusted for Echo's 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 in 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 in 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 in 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, Anomaly 45, 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.





# RISKS & SELLING RESTRICTIONS



## SPECIFIC RISKS

### Funding

Echo is operating in a capital intensive sector. It may require additional funding, from equity and debt capital markets, to fund its future capital expenditure program or for general operating costs. There can be no guarantee that Echo will be able to source funding on commercially acceptable terms and any additional equity funding will dilute the interests of Echo Shareholders. If additional funding is unable to be obtained, Echo may be required to reduce the scope of the proposed mining operations or even realise its investment in its projects.

### Exploration

The tenement interests of Echo are at various stages of exploration. Potential investors should understand that mineral exploration, mining and development are high risk undertakings and there can be no assurance that the tenements currently held or acquired in the future will result in the discovery of an economic ore deposit. If a viable deposit is identified there is also no guarantee it can be commercially developed. There is no certainty that the proposed exploration will reveal mineable mineralisation or that such mineralisation will be commercially viable.

### Commodity price

Echo's future revenue will likely be derived largely from gold. Consequently, potential future earnings are likely to be closely tied to the price of gold. The gold price, like any commodity, is subject to price fluctuations which may have a material adverse impact upon both the value of Echo's assets and the price at which its Shares trade. These price fluctuations may be affected by a variety of factors outside the control of Echo, such as demand for minerals, forward selling by producers, production cost levels in producing regions, inflation, interest rates, and currency exchange rates.

### Operational risks

Echo's operations may be disrupted by a variety of risks and hazards which are beyond its control, including geological conditions, environmental hazards, technical and equipment failures, flooding and extended interruptions due to inclement or hazardous weather or other physical conditions, unavailability of drilling equipment, unexpected shortages of consumables or parts and equipment, fire, explosions and other incidents beyond the control of Echo.

### Foreign exchange

Revenue, profit, expenses, debt servicing requirements, assets and liabilities of Echo may be adversely exposed to fluctuations in exchange rates.

### Dependence upon key personnel

Echo has a core team of executives and senior personnel, whose loss (and Echo's failure to secure and retain additional key personnel) could impede Echo's development plans within its current estimated time frames and cost structures envisaged. The impact of such loss would be dependent upon the replacement employee's quality and time of appointment, as well as the terms of their remuneration, relative to the employee they are replacing. There is no guarantee that the key personnel of Echo will be successful in their objectives despite their considerable experience and previous success.

### Mineral resources and ore reserves

Mineral Resources and Ore Reserves are estimates of mineralisation that have reasonable prospects for eventual economical extraction in the future, as defined by the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (**JORC Code**). JORC Code compliant statements relating to Echo's Ore Reserves and Mineral Resources are estimates only. An estimate is an expression of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans or changes to the quality or quantity of Echo's Ore Reserves and Mineral Resources which may, in turn, adversely affect Echo's operations, including its ability to satisfy minimum quality specifications in off-take agreements.

### Authorisation

Interests in exploration and mining tenements are evidenced by the granting of leases or licences, which are for specific terms and carry annual expenditure and reporting conditions. There is a risk that any permit held by Echo may not be renewed in the future, that any application for a grant may be refused, or that Echo may be unable to comply with regulatory requirements to retain title to its permits or applications. If Echo is unable to renew a licence or permit Echo may suffer damage and be denied the opportunity to explore and develop mineral resources. Failure to observe Echo's obligations relating to minimum expenditure or environment or safety could prejudice Echo's right to maintain a permit for a given tenement.

### Environmental regulations

All phases of Echo's operations are subject to environmental laws, regulations and approvals. Delays in the receipt of requisite approvals, or failure to receive requisite approvals, may delay the project or adversely impact the ability to develop the graphite project. Failure to comply with environmental laws and regulations may result in the assessment of administrative, civil and criminal penalties, the imposition of remedial requirements, and the imposition of injunctions to force future compliance. Statutes and regulations require permits for drilling operations, drilling bonds and reports concerning operations. In addition, there are statutes, rules and regulations governing conservation matters. While Echo attempts to minimise these risks by conducting its operations in an environmentally responsible manner and in accordance with applicable laws and regulations, there is a risk that the environmental laws and regulations may become more onerous, making Echo's operations more expensive.



## Regulatory

Echo's activities in the precious metals industry are subject to legislation, regulation and various approvals. The introduction of new legislation or regulations, or alteration of current legislation and regulations, could have a material adverse effect on the financial performance of and current or proposed activities of Echo. In addition to regulations that effect Echo directly, changes to regulations or policies in jurisdictions where Echo has, or will have, customers, might also effect Echo's financial position or performance, particularly if such changes had the effect of reducing demand for gold.

In addition, Echo will require various licences and approvals to progress the Bronzewing mine. There is a risk that these may not be obtained, are delayed, or are subject to unsatisfactory conditions, which may have a material adverse impact on Echo.

## Contractual

Development of Echo's resources and subsequent sale of material will depend on a number of material contractual arrangements. While Echo will have contractual rights in the event of the contracting party's non-compliance, there is no guarantee that Echo will be successful in securing compliance or full performance. Failure by any other party to comply with an obligation under a contract with Echo may have a material adverse effect on Echo.

## Native title

Existing tenements held and new tenements acquired by Echo may be affected by native title claims and procedures. There is potential for a determination to be made that native title exists in relation to the land subject to a tenement held by Echo, which could adversely affect the operation of Echo's business and development activities.

In addition, a challenge may be made to a native title agreement which Echo has already entered into, which may cause Echo to incur unforeseen costs and delays in the development of the projects.

In this event, compliance with either such determination may have a material adverse effect on the position of Echo in relation to cash flows, financial performance, business development, dividend payment and share price.

## GENERAL RISKS

### Market risks

The price at which Echo Shares trade on the ASX may be determined by a range of factors including movements in local and international equity and bond markets, general investor sentiment in those markets, inflation, interest rates, general economic conditions and outlook and changes in the supply of, and demand for, exploration and mining industry securities.

The market for Echo Shares may also be affected by a wide variety of events and factors, including Echo's exploration results, recommendations by securities analysts, and the operating and trading price performance of other listed exploration and mining industry entities that investors consider to be comparable to Echo. Some of these factors could affect Echo's share price regardless of Echo's underlying operating performance.

### Taxation risks

Changes to the rate of taxes imposed on Echo (including in overseas jurisdictions in which Echo operates now or in the future) or tax legislation generally may affect Echo and its Shareholders. In addition, an interpretation of Australian tax laws by the Australian Taxation Office that differs to Echo's interpretation may lead to an increase in Echo's tax liabilities and a reduction in Shareholder returns. Personal tax liabilities are the responsibility of each individual investor. Echo is not responsible either for tax or tax penalties incurred by investors.

### Accounting standards

Australian accounting standards are set by the Australian Accounting Standards Board (AASB) and are outside Echo's control. Changes to accounting standards issued by AASB could materially adversely affect the financial performance and position reported in Echo's financial statements.

# FOREIGN SELLING RESTRICTIONS



This document does not constitute an offer of new ordinary shares (**New Shares**) of Echo in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

## Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) a "relevant person" (as defined in section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

## Hong Kong

**WARNING:** This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

## United States

This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The New Shares have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

## United Kingdom

Neither the information in this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares.

This document is issued on a confidential basis to "qualified investors" (within the meaning of section 86(7) of the FSMA) in the United Kingdom, and the New Shares may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) of the FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this document relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

# FOREIGN SELLING RESTRICTIONS



## Canada (British Columbia, Ontario and Quebec provinces)

This document constitutes an offering of New Shares only in the Provinces of British Columbia, Ontario and Quebec (the "Provinces") and to those persons to whom they may be lawfully distributed in the Provinces, and only by persons permitted to sell such New Shares. This document is not, and under no circumstances is to be construed as, an advertisement or a public offering of securities in the Provinces. This document may only be distributed in the Provinces to persons that are "accredited investors" within the meaning of NI 45-106 – Prospectus and Registration Exemptions, of the Canadian Securities Administrators.

No securities commission or similar authority in the Provinces has reviewed or in any way passed upon this document, the merits of the New Shares or the offering of New Shares and any representation to the contrary is an offence.

No prospectus has been, or will be, filed in the Provinces with respect to the offering of New Shares or the resale of such securities. Any person in the Provinces lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province. Furthermore, any resale of the New Shares in the Provinces must be made in accordance with applicable Canadian securities laws which may require resales to be made in accordance with exemptions from dealer registration and prospectus requirements. These resale restrictions may in some circumstances apply to resales of the New Shares outside Canada and, as a result, Canadian purchasers should seek legal advice prior to any resale of the New Shares.

The Company as well as its directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon the Company or its directors or officers. All or a substantial portion of the assets of the Company and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against the Company or such persons in Canada or to enforce a judgment obtained in Canadian courts against the Company or such persons outside Canada.

Any financial information contained in this document has been prepared in accordance with Australian Accounting Standards and also comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board. Unless stated otherwise, all dollar amounts contained in this document are in Australian dollars.

Statutory rights of action for damages and rescission Securities legislation in certain of the Provinces may provide purchasers with, in addition to any other rights they may have at law, rights of rescission or to damages, or both, when an offering memorandum that is delivered to purchasers contains a misrepresentation. These rights and remedies must be exercised within prescribed time limits and are subject to the defenses contained in applicable securities legislation. Prospective purchasers should refer to the applicable provisions of the securities legislation of their respective Province for the particulars of these rights or consult with a legal adviser.

The following is a summary of the statutory rights of rescission or to damages, or both, available to purchasers in Ontario. In Ontario, every purchaser of the New Shares purchased pursuant to this document (other than (a) a "Canadian financial institution" or a "Schedule III bank" (each as defined in NI 45-106), (b) the Business Development Bank of Canada or (c) a subsidiary of any person referred to in (a) or (b) above, if the person owns all the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of that subsidiary) shall have a statutory right of action for damages and/or rescission against the Company if this document or any amendment thereto contains a misrepresentation. If a purchaser elects to exercise the right of action for rescission, the purchaser will have no right of action for damages against the Company. This right of action for rescission or damages is in addition to and without derogation from any other right the purchaser may have at law. In particular, Section 130.1 of the Securities Act (Ontario) provides that, if this document contains a misrepresentation, a purchaser who purchases the New Shares during the period of distribution shall be deemed to have relied on the misrepresentation if it was a misrepresentation at the time of purchase and has a right of action for damages or, alternatively, may elect to exercise a right of rescission against the Company, provided that (a) the Company will not be liable if it proves that the purchaser purchased the New Shares with knowledge of the misrepresentation; (b) in an action for damages, the Company is not liable for all or any portion of the damages that the Company proves does not represent the depreciation in value of the New Shares as a result of the misrepresentation relied upon; and (c) in no case shall the amount recoverable exceed the price at which the New Shares were offered.

Section 138 of the Securities Act (Ontario) provides that no action shall be commenced to enforce these rights more than (a) in the case of any action for rescission, 180 days after the date of the transaction that gave rise to the cause of action or (b) in the case of any action, other than an action for rescission, the earlier of (i) 180 days after the purchaser first had knowledge of the fact giving rise to the cause of action or (ii) three years after the date of the transaction that gave rise to the cause of action. These rights are in addition to and not in derogation from any other right the purchaser may have.

Certain Canadian income tax considerations. Prospective purchasers of the New Shares should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding or disposition of the New Shares as any discussion of taxation related matters in this document is not a comprehensive description and there are a number of substantive Canadian tax compliance requirements for investors in the Provinces.

Language of documents in Canada. Upon receipt of this document, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the New Shares (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.

# FOREIGN SELLING RESTRICTIONS



## Switzerland

The New Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ("SIX") or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland.

Neither this document nor any other offering or marketing material relating to the New Shares may be publicly distributed or otherwise made publicly available in Switzerland. The New Shares will only be offered to regulated financial intermediaries such as banks, securities dealers, insurance institutions and fund management companies as well as institutional investors with professional treasury operations. Neither this document nor any other offering or marketing material relating to the New Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of New Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

This document is personal to the recipient only and not for general circulation in Switzerland.

## Luxembourg

The information in this document has been prepared on the basis that all offers of New Shares will be made pursuant to an exemption under the Directive 2003/71/EC ("Prospectus Directive"), as amended and implemented in Luxembourg, from the requirement to publish a prospectus for offers of securities. An offer to the public of New Shares has not been made, and may not be made, in Luxembourg except pursuant to one of the following exemptions under the Prospectus Directive as implemented in Luxembourg: • to any legal entity that is authorized or regulated to operate in the financial markets or whose main business is to invest in financial instruments; • to any legal entity that satisfies two of the following three criteria: (i) balance sheet total of at least €20,000,000; (ii) annual net turnover of at least €40,000,000 and (iii) own funds of at least €2,000,000 (as shown on its last annual unconsolidated or consolidated financial statements); • to any person or entity who has requested to be treated as a professional client in accordance with the EU Markets in Financial Instruments Directive (Directive 2004/39/EC, "MiFID"); or • to any person or entity who is recognised as an eligible counterparty in accordance with Article 24 of the MiFID.

## New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (**FMC Act**).

The New Shares are not being offered to the public within New Zealand other than to existing shareholders of Echo with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the FMC Act and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

Other than in the Entitlement Offer, the New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- a) is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- b) meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- c) is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- d) is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- e) is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

## Malaysia

This document may not be distributed or made available in Malaysia. No approval from the Securities Commission of Malaysia has been or will be obtained in relation to any offer of New Shares. The New Shares may not be offered or made available for purchase in Malaysia except in an exemption from the prospectus and approval requirements of Securities Commission of Malaysia