



Echo Resources Limited

ACN 108 513 113

27 July 2017
ASX Announcement
ASX Code: EAR

COMPLETION OF \$5 MILLION PLACEMENT

HIGHLIGHTS

- Completion of placement to raise A\$5 million
- Capital raising was heavily oversubscribed and well supported by existing shareholders, directors of the Company and a number of quality new institutional and sophisticated investors
- Funding is now in place to continue and expand Echo's Yandal exploration strategy which has already delivered excellent results over the past six months.

Echo Resources Limited (ASX: EAR) ('Echo' or the 'Company') is pleased to advise it has raised approximately A\$5 million via a heavily oversubscribed placement, enabling the continuation and expansion of the 2017 exploration program designed to delineate new deposits and increase existing gold resources and reserves across the Company's substantial tenement portfolio in the Yandal Greenstone Belt of Western Australia.

The placement of 50 million fully paid shares was made to a range of quality institutional and sophisticated investors at an issue price of \$0.10 per share ('Placement'). The Placement is being undertaken within the Company's existing capacity to issue new securities under ASX Listing Rules 7.1 and 7.1A (47,419,689 and 2,580,311 fully paid ordinary shares respectively) and will be settled on 4 August 2017 other than in respect of 1.1 million Shares subscribed for by non-executive directors which will be settled subject to shareholder approval. Argonaut Securities acted as Lead Manager to the Placement.

Echo's Chief Executive Officer Simon Coxhell said: *"We are delighted with the support we have received from investors which has allowed us to add a number of well-respected institutions to our register. We remain committed to our Yandal exploration strategy and are pleased with the results we have delivered so far in 2017. This capital raising will allow us to continue our active exploration and successful resource and reserve development programs."*

"The application of systematic, sophisticated and modern exploration techniques puts us in the perfect position to transform Echo via new gold discoveries. This has already been demonstrated by our recent exploration success, as well as the identification of a number of exciting undrilled structures known to host million-ounce orebodies in the region. I look forward to the next phase of exploration activities."

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The Yandal Strategy

Echo controls the central Yandal greenstone belt through ownership of 1,600km² of highly prospective tenement holdings as well as the 2 Mtpa Bronzewing Processing Hub.

Echo has embarked on exploration in two distinct districts, both within trucking distance of the Bronzewing Processing Hub. The Company has adopted a three-pronged approach by expanding existing high-grade resources, following up recent and historical success and using modern tools and smart geology to explore for new significant gold discoveries.

Echo's long-term vision is to build a sufficient resource and reserve base to support a transition into production via the Bronzewing Processing Hub.

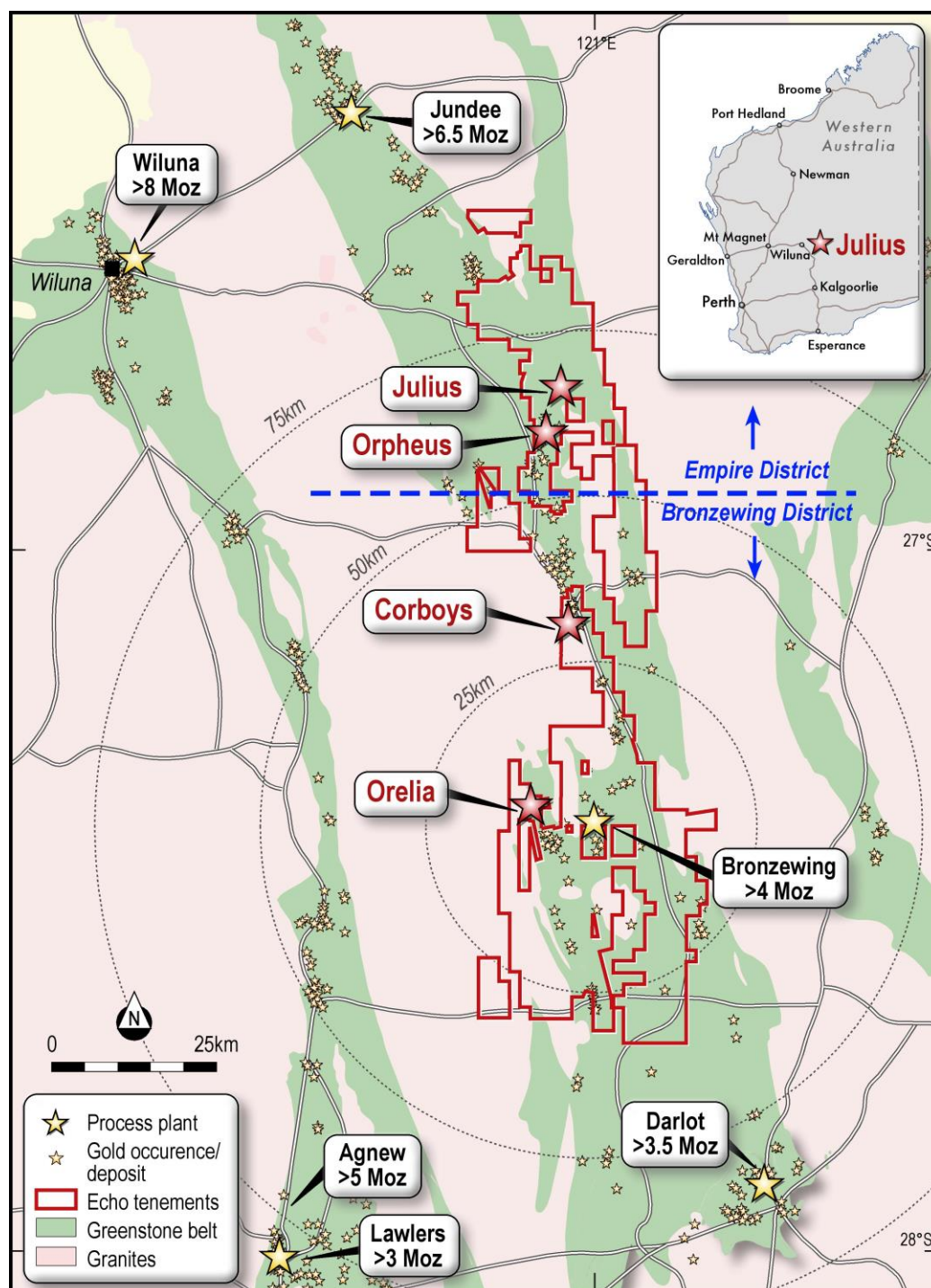


Figure 1: Echo Tenement Holdings & Key Deposits



The Bronzewing District

The Bronzewing District is an area within a 40km radius of the Bronzewing Processing Hub and contains the Orelia Gold Deposit as well as a number of other highly prospective targets. Recent work has delivered positive results from depth extension work beneath the existing Orelia open pit as well as the potential that Orelia and the nearby Calista and Cumberland gold zones are developing into a large mineralised gold system, which points to the opportunity of a “Superpit” concept.

The Orelia system has the potential to extend to great depths in the same way the nearby Lotus gold deposit was historically mined to a depth of 500 vertical metres and produced 387,000 ounces at an average grade of 5.5g/t Au (as announced to ASX on 23 November 2016).

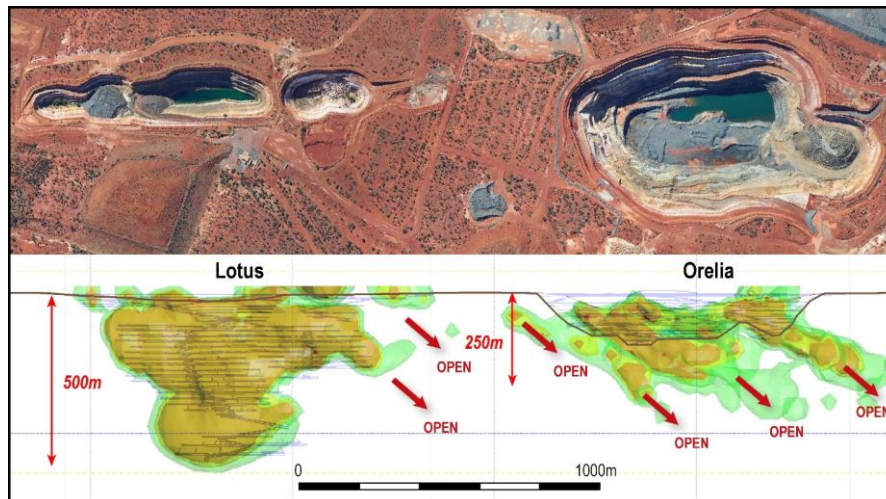


Figure 2: Lotus-Orelia Long-section with historical workings & Leapfrog geological modelling

Recent auger geochemical sampling at key areas in the Bronzewing District have also revealed two strong gold-in-soil anomalies that require follow-up testing.

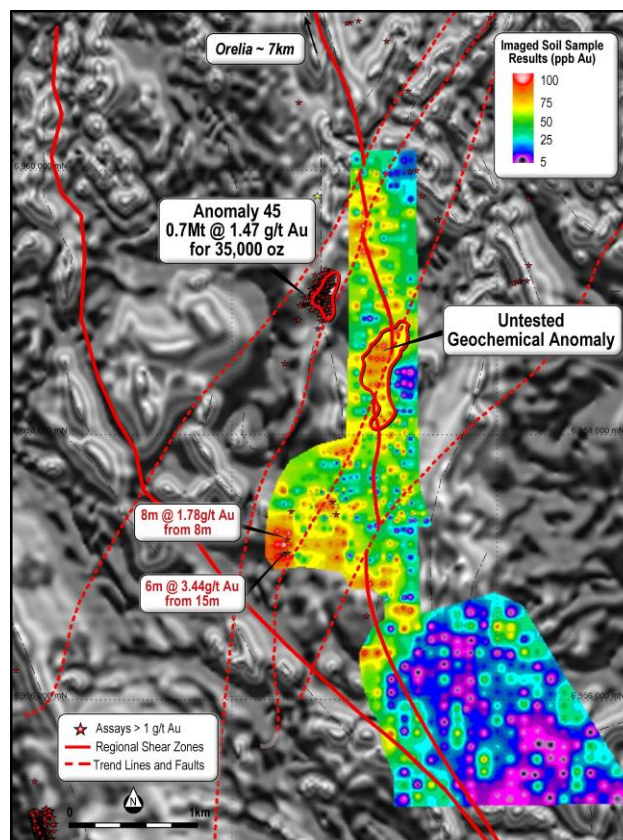


Figure 3: Gold Alley Auger Geochemistry Results



(refer to ASX Announcement dated 20/7/17 for full results)

The Empire District

The Empire District covers an area 40-80km north of the Bronzewing Processing Hub and contains the Julius Gold Deposit, which has potential to provide a key plank in production re-start following a positive Bankable Feasibility Study (BFS¹) result in January 2017. Results from recent aircore drilling at Julius have delivered outstanding results that may enable an expansion of the Julius open pit, which currently hosts a Resource of 335,000 ounces (5.2Mt @2.0g/t Au)¹.

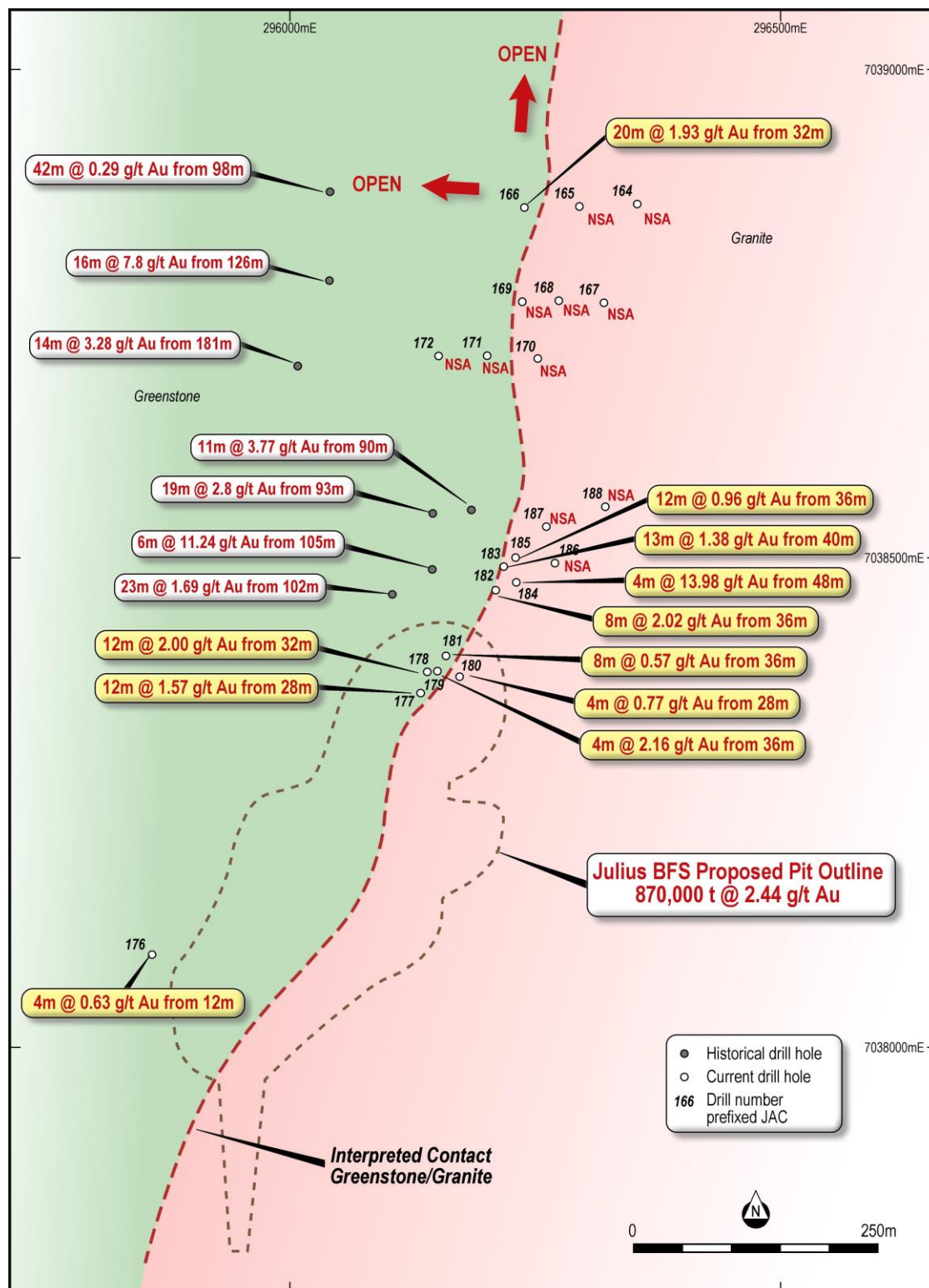


Figure 4: Julius extensional drilling and proposed BFS (Jan'17) pit outline

¹ Refer to appendix 1



(refer to ASX Announcement dated 27/6/17 for full results)

In addition, results from work at the nearby Wimbledon Prospect have highlighted the potential for another open pit mine, with mineralisation now confirmed over more than 400 metres of strike and to a vertical depth of at least 60 metres.

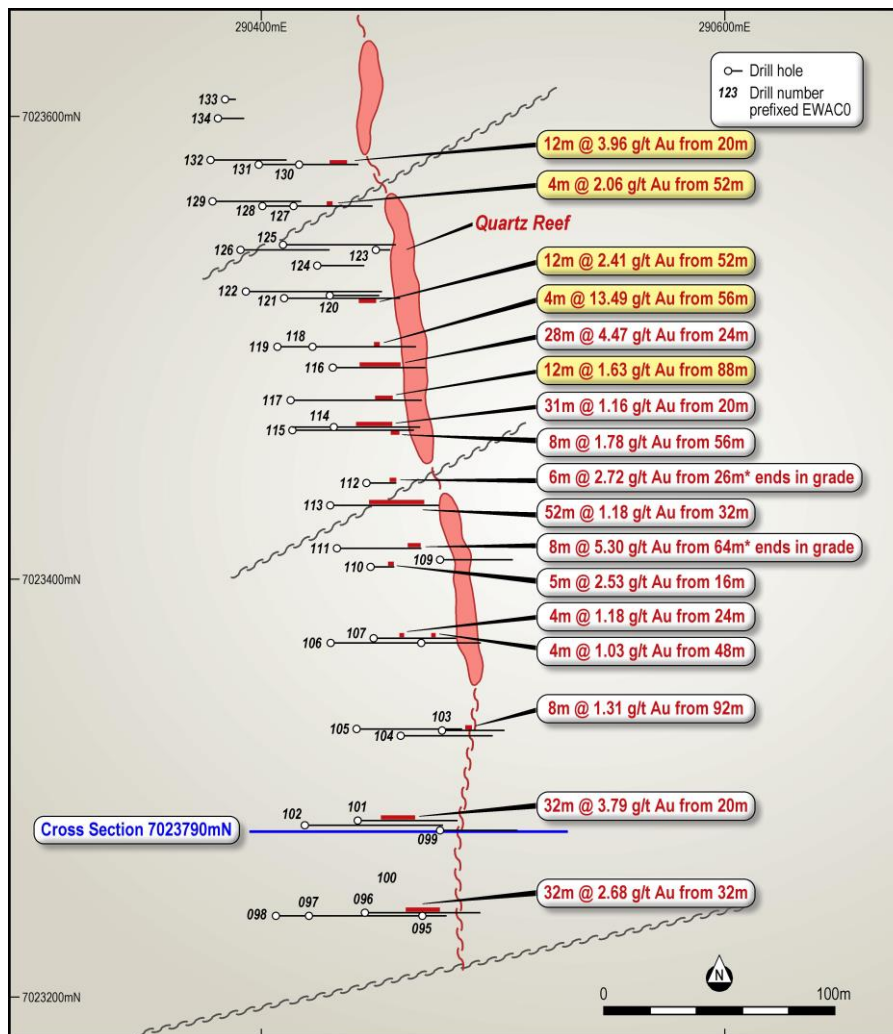


Figure 5: Wimbledon Plan View with New Holes and Key Intersections

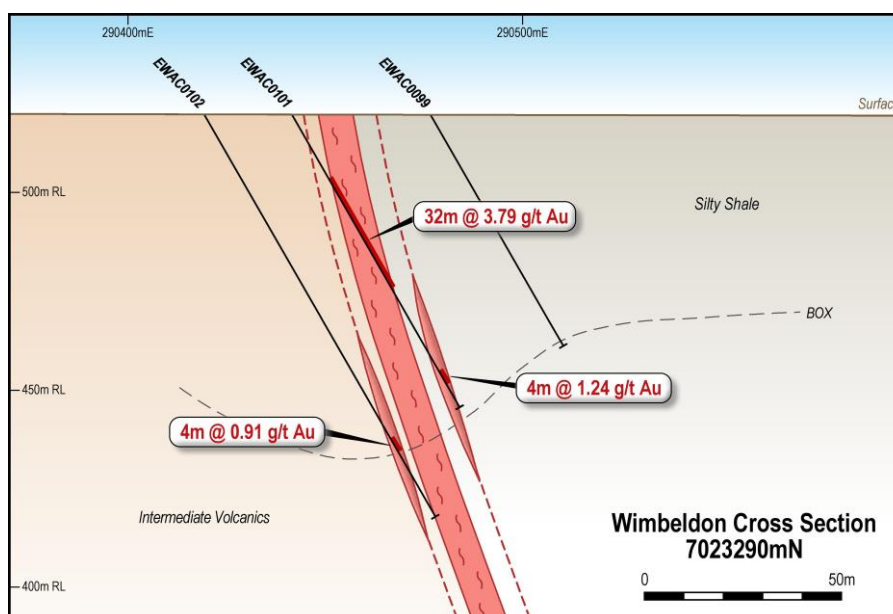




Figure 6: Wimbledon Cross-Section²

² Refer to ASX Announcement dated 24/5/17 for full results



Appendix 1: Mineral Resource & Ore Reserve Estimates

Echo Mineral Resource Estimates

Echo Mineral Resources ⁷	Measured			Indicated			Inferred			Total			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)	Owners hip	
Julius ⁴	1.8	2.1	124,227	1.6	1.3	67,789	1.8	2.5	142,991	5.2	2.0	335,007	100%	0.8
Regional ⁵							2.1	1.5	99,925	2.1	1.5	99,925	100%	0.5
Corboys ³				1.7	1.8	96,992	0.5	1.8	28,739	2.2	1.8	125,731	100%	1.0
Orelia (MKO) ²				2.3	2.4	175,306	3.3	1.6	173,493	5.6	1.9	348,799	100%	0.9
Woorana North (MKO) ²				0.3	1.4	13,811				0.3	1.4	13,811	100%	0.5
Woorana South (MKO) ²				0.1	1.0	3,129				0.1	1.0	3,129	100%	0.5
Fat Lady (MKO) ^{1,2}				0.7	0.9	19,669				0.7	0.9	19,669	70%	0.5
Mt Joel 4800N (MKO) ^{1,2}				0.2	1.7	10,643				0.2	1.7	10,643	70%	0.5
Total Mineral Resources	1.8	2.1	124,227	6.9	1.7	387,339	7.7	1.8	445,148	16.4	1.8	956,714		

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 ⁶	0.78	2.5	62,500	0.08	2	5,600	0.87	2.4	68,100	100%	0.8
Total Ore Reserves	0.78	2.5	62,500	0.08	2	5,600	0.87	2.4	68,100		

Notes:

- Resources are adjusted for Echo's 70% ownership interest
- 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.
- 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.
- 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.
- Resource estimates include Bills Find, Shady Well, Orpheus, Empire & Tipperary Well and were estimated by Golders (refer to Competent Persons Statements) in accordance with JORC Code 2004, for full details of the Mineral Resource estimates refer to the Echo Resources Limited prospectus released to ASX on 10 April 2006.
- Reserve estimated by Mr Gary McRae (refer to Competent Persons Statements) in accordance with JORC Code 2012, for full details of the Ore Reserve estimate refer to the Echo Resources Limited announcement to ASX on 18 January 2017. 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 Ore Reserve estimate in the previous announcement continue to apply and have
- Mineral Resources are inclusive of Ore Reserves.

Competent Persons' Declarations

The information in this announcement that relates to Exploration Results and previous historic drilling results, as well as the Orelia, Woorana North, Woorana South, Fat Lady and Mt Joel Mineral Resource estimates is based on information compiled by Simon Coxhell, a Director of Echo Resources and a member of the Australasian Institute of Mining and Metallurgy. He has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that they are undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Coxhell consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

The information in this report relating to Echo's Regional Mineral Resource estimates is based on information compiled by Stephen Godfrey, a full-time employee of the independent geological consulting group Golder Associates Pty Ltd. He has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Godfrey consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

The information in this report relating to Metaliko's Corboys Deposit Mineral Resource estimate is based on information compiled by Andrew James Hawker, a Competent Person who is a Member or Fellow of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mr Hawker is the Principle Geologist employed by HGS Australia. He has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Godfrey consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

The information in this report relating to the Julius Gold Deposit Mineral Resource estimation is based on information compiled by Mr Steve Hyland, a consultant of Echo Resources Limited, who is a member of the Australasian Institute of Mining and Metallurgy. Mr Hyland 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 Hyland consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

Forward Looking Statements and Disclaimers

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

This announcement contains references to exploration results, Mineral Resource and Ore Reserve estimates, all of which have been cross referenced to previous market announcements made by the Company. The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements and, in the case of estimates of Mineral Resources and Ore Reserves that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

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

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

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

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