



# Echo Resources Limited

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ASX Announcement

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## **A\$15M FULLY UNDERWRITTEN PLACEMENT ECHO LOCKS IN A\$15 MILLION TO STEP-UP YANDAL GOLD PUSH**

- Fully underwritten placement at 22 cents to raise A\$15 million
- Strong global institutional interest following Echo's exploration success
- Capital raising allows Echo to continue building its quality Yandal reserve and resource base

Echo Resources Limited (ASX: EAR) ('Echo' or the 'Company') is poised to take its Yandal Gold Belt exploration push to the next level after raising A\$15 million in a fully underwritten placement.

The placement of 68,181,818 new fully paid ordinary shares was made to institutional and sophisticated investors at an issue price of \$0.22 per share ('Placement'). The issue price represents a 3.7% discount to the 10-day volume weighted average price of shares up to and including 20 October 2017. The Placement is being undertaken within the Company's existing capacity to issue new securities under ASX Listing Rule 7.1 and 7.1A (56,069,689 and 12,112,129 fully paid ordinary shares respectively) and is not subject to shareholder approval. Canaccord Genuity (Australia) Limited was Sole Underwriter and Bookrunner, Euroz Securities Limited was Joint Lead Manager and BW Equities acted as a broker to the issue. The Placement shares are expected to be issued on 1 November 2017.

Echo plans to apply at least \$10 million of funds raised into exploration, including resource and reserve development, brownfields and greenfields exploration, with \$5 million earmarked for project development studies and general working capital. The Company has delivered outstanding exploration success this year across its highly strategic 1600km<sup>2</sup> in the world class Yandal Greenstone Belt in WA, a prospective region which is home to several million-ounce gold deposits.

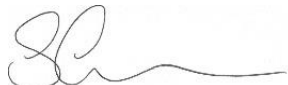
In less than 18 months the Company has progressed from a maiden Mineral Resource estimate to a global Resource base of 1.7 million ounces of gold (27.4Mt at 2.0g/t), with 90% in the indicated category and numerous deposits open at depth and along strike. A 20,000m drilling program is ongoing, building on recent success at:

- Zaphod, a high grade greenfields discovery
- Orelia, substantial extensions which delivered a 1.1-million-ounce resource
- Julius, discovery of additional mineralization following a large step-out
- Wimbeldon, Shady Well, Lowlands, high quality extensions with resource potential.

A central plank of Echo's strategy is its simple, low-cost development pathway through the 100% owned 2Mtpa Bronzewing Processing Hub. Studies by Echo have shown that restarting Bronzewing would take just six months and cost less than \$20 million once the Company decides it has a sufficient high-quality reserve base to underpin a launch into production.

Echo's Chief Executive Officer, Simon Coxhell said: *"This raising has allowed us to welcome a number of well-respected international and domestic institutions to the register and we thank them for their support. This raising gives us significant firepower for our systematic exploration activities as we explore for new gold deposits, build our quality reserve base and move closer to production."*

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## ABOUT ECHO

### *The Yandal Strategy*

Echo's vision is to build a sufficient Resource and reserve base to support a transition into production via the Bronzewing Processing Hub whilst also using cutting edge geophysical and geochemical datasets to identify and test genuine greenfields targets searching for the next undiscovered gold deposit.

Echo controls the central Yandal greenstone belt through 100% ownership of 1,600km<sup>2</sup> 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 Bronzewing. 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 uncover new significant gold discoveries. Echo is in an enviable position whereby it has a strong project pipeline ranging from prospective greenfields projects, numerous untested geochemical gold targets plus advanced Resources such as Orelia and Julius which are currently being converted to quality reserves.

### *The Bronzewing District*

The Bronzewing district is an area within a 40km radius of Bronzewing 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. A development option incorporating a "Superpit" concept followed by the possible establishment of a higher grade underground mining opportunity is envisaged. The latest Orelia Resource estimate of 15.9Mt at 2.1g/t Au for 1.1 Million ounces supports this concept and operating scenario.

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 from 2.2Mt at 5.5g/t Au<sup>1</sup>.

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

### *The Empire District*

The Empire District covers an area 40-80km north of the Bronzewing Processing Hub and contains the Julius gold deposit, which will provide a key plank in any production re-start following a positive Bankable Feasibility Study result in January 2017. Results from recent aircore drilling at Julius have delivered highly encouraging results located to the north 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)<sup>2</sup>.

In addition, results from work at the nearby Wimbledon and Shady Well Prospects have highlighted the potential for new open pit operations. At the Tipperary gold prospect, located between Wimbledon and Julius, drilling has highlighted a large low-grade gold system and coupled to historical drilling have outlined gold mineralisation over 300 metres of strike length.

The 2H-2017 exploration drilling program has commenced with aircore, RC and diamond drilling underway to explore for new gold deposits and evaluate known gold systems with the aim of adding to the current gold Resources and ultimately economic reserves.

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<sup>1</sup> Refer to MKO Announcement dated 1 September 2016

<sup>2</sup> Refer to Appendix 1



## Forward Looking Statements

This announcement 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.

## Competent Persons' Declarations

The information in this report relating to Resource Estimation is based on information compiled by Mr Lynn Widenbar, a consultant of Echo Resources Limited, who is a member of the Australasian Institute of Mining and Metallurgy. The information in this announcement that relates to Exploration Results and metallurgical considerations is based on information compiled by Simon Coxhell, a Director of Echo Resources and a member of the Australasian Institute of Mining and Metallurgy. Both have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that they are undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Widenbar and Mr Coxhell consents to the inclusion in the report of the matters based on the information in the form and context in which it appears

## Appendix 1: Mineral Resource & Ore Reserve Estimates

### Echo Mineral Resource Estimates

Echo Mineral Resources <sup>7</sup> (Ownership, Cut-off)	Measured Grade			Indicated Grade			Inferred Grade			Total Grade		
	Tonnes (Mt)	(g/t Au)	Ounces (Au)	Tonnes (Mt)	(g/t Au)	Ounces (Au)	Tonnes (Mt)	(g/t Au)	Ounces (Au)	Tonnes (Mt)	(g/t Au)	Ounces (Au)
Julius <sup>4</sup> (100%, 0.8)	1.8	2.1	124,227	1.6	1.3	67,789	1.8	2.5	142,991	5.2	2.0	335,007
Regional <sup>5</sup> (100%, 0.5)							2.8	1.5	134,925	2.8	1.5	134,925
Corboys <sup>3</sup> (100%, 1.0)				1.7	1.8	96,992	0.5	1.8	28,739	2.2	1.8	125,731
Orelia <sup>4</sup> (100%, 1.0)				14.1	2.2	980,000	1.8	1.7	100,000	15.9	2.1	1,080,000
Woorana North <sup>2</sup> (100%, 0.5)				0.3	1.4	13,811				0.3	1.4	13,811
Woorana South <sup>2</sup> (100%, 0.5)				0.1	1.0	3,129				0.1	1.0	3,129
Fat Lady <sup>1,2</sup> (70%, 0.5)				0.7	0.9	19,669				0.7	0.9	19,669
Mt Joel 4800N <sup>1,2</sup> (70%, 0.5)				0.2	1.7	10,643				0.2	1.7	10,643
<b>Total Mineral Resources</b>	<b>1.8</b>	<b>2.1</b>	<b>124,227</b>	<b>18.7</b>	<b>2.0</b>	<b>1,192,033</b>	<b>6.9</b>	<b>1.8</b>	<b>406,655</b>	<b>27.4</b>	<b>2.0</b>	<b>1,722,915</b>

### Echo Ore Reserve Estimates

Echo Ore Reserves (Ownership, Cut-off)	Prove Grade			Probable Grade			Total Grade		
	Tonnes (Mt)	(g/t Au)	Ounces (Au)	Tonnes (Mt)	(g/t Au)	Ounces (Au)	Tonnes (Mt)	(g/t Au)	Ounces (Au)
Julius <sup>6</sup> (100%, 0.8)	0.78	2.5	62,500	0.08	2.0	5,600	0.87	2.4	68,100
<b>Total Ore Reserves</b>	<b>0.78</b>	<b>2.5</b>	<b>62,500</b>	<b>0.08</b>	<b>2.0</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. Echo is not aware of any new information or data that materially affects the information included the previous announcement, and all material assumptions and technical parameters underpinning mineral resource estimates in the previous announcement continue to apply and have not materially changed.

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

4. Resources estimated by Mr Lynn Widenbar (refer to Competent Persons Statements) in accordance with JORC Code 2012, for full details of the Mineral Resource estimate refer to the Echo Resources Limited announcement to ASX on 23 November 2016 & 7 September 2017. Echo Resources Limited is not aware of any new information or data that materially affects the information included the previous announcement, and all material assumptions and technical parameters underpinning mineral resource estimates in the previous announcement continue to apply and have not materially changed.

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

6. Reserve estimated by Mr Gary McRae (refer to Competent Persons Statements) in accordance with JORC Code 2012, 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 the previous announcement, and all material assumptions and technical parameters underpinning Ore Reserve estimate in the previous announcement continue to apply and have not materially changed.

7. Mineral Resources are inclusive of Ore Reserves.