



ECHO RESOURCES LIMITED

ACN 108 513 113

NOTICE OF ANNUAL GENERAL MEETING

TIME: 2.00pm (AWST)

DATE: Thursday 30 November 2017

PLACE: The Celtic Club, 48 Ord Street, West Perth, Western Australia

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 2.00pm (AWST) on Thursday 30 November 2017 at:

The Celtic Club, 48 Ord Street, West 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 28 November 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.



Business of the Meeting

Business

The Explanatory Statement and Proxy Form which accompany and form part of this Notice, describe in more detail the matters to be considered. Please consider this Notice, the Explanatory Statement and the Proxy Form in their entirety.

Capitalised terms not otherwise defined in this Notice have the meaning given in the Explanatory Statement which accompanies this Notice. References to the “Corporations Act” are to the Corporations Act 2001 (Cth), unless the context requires otherwise.

1. Financial Report

To receive and consider the annual financial report, directors’ report and auditor’s report for the Company and its controlled entities for the year ended 30 June 2017.

Note: There is no requirement for shareholders to approve these documents.

2. Resolution 1 - Remuneration Report

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a non-binding resolution:

“That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company’s annual financial report for the financial year ended 30 June 2017.”

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement: A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the voter) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.



3. Resolution 2 – Re-election of Director – Barry Bolitho

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 14.2 of the Constitution, Listing Rule 14.4 and for all other purposes, Barry Bolitho, a Director, retires by rotation, and being eligible, is re-elected as a Director.”

4. Resolution 3 – Election of director – Mark Hanlon

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That, for the purposes of clause 14.4 of the Constitution, Listing Rule 14.4 and for all other purposes, Mark Hanlon, a Director who was appointed on 3 January 2017, retires, and being eligible, is elected as a Director.”

5. Resolution 4 – Election of director – Robin Dean

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That, for the purposes of clause 14.4 of the Constitution, Listing Rule 14.4 and for all other purposes, Robin Dean, a Director who was appointed on 3 January 2017, retires, and being eligible, is elected as a Director.”

6. Resolution 5 – Approval of Incentive Performance Rights 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 Listing Rule 7.2 (Exception 9(b)) and for all other purposes, approval is given for the Company to approve an employee incentive scheme titled the Echo Resources Limited Incentive Performance Rights Scheme and for the issue of securities under that Scheme, on the terms and conditions set out in the Explanatory Statement.”

<p>Voting Exclusion: The Company will disregard any votes cast on this Resolution by any Director, other than any Directors who are ineligible to participate in any employee incentive scheme in relation to the Company, and any associates of those Directors. 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.</p>

7. Resolution 6 – Grant of Performance Rights under Incentive Performance Rights Scheme to Director – Simon Coxhell

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That, for the purposes of Listing Rule 10.14, sections 200B and 200E of the Corporations Act and for all other purposes, approval is given for the



Company to grant 574,267 Performance Rights to Mr Simon Coxhell, a director of the Company, (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

ASX Voting Exclusion: The Company will disregard any votes cast on this Resolution by any Director, other than any Directors who are ineligible to participate in any employee incentive scheme in relation to the Company, and any associates of those Directors. 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 the proxy is either:

- (a) a member of the Key Management Personnel; or
- (b) a Closely Related Party of such a member; and

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.

8. Resolution 7 – Ratification of Prior Issue – 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 56,069,689 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.

9. Resolution 8 – Placement of Shares

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

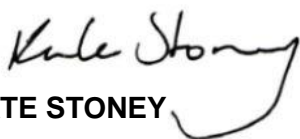
“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to that number of Shares, when multiplied by the issue price, will raise up to \$15,000,000 on the terms and conditions set out in the Explanatory Statement.”



Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed 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.

DATED: 1 November 2017

BY ORDER OF THE BOARD



KATE STONEY

COMPANY SECRETARY



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.

1. Company Financial Report, Directors' Report and Auditor's Report

The financial report, directors' report and auditor's report for the Company will be laid before the Meeting. There is no requirement for shareholders to approve these reports. The Chairman will allow a reasonable time for shareholders to ask questions about or make comments on the management of the Company. Shareholders will also be given a reasonable opportunity to ask the auditor questions about the conduct of the audit, and the preparation and content of the auditor's report, the accounting policies adopted by the Company and the independence of the auditor in relation to the conduct of the audit.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at www.echoresources.com.au

2. Resolution 1 - Adoption of the Remuneration Report

The remuneration report for the Company is set out in the Company's 2017 Annual Report. The remuneration report outlines the Company's remuneration framework and the remuneration outcomes for the financial year the subject of the remuneration report for the Board and Key Management Personnel.

The Chairman will allow a reasonable opportunity for Shareholders to ask questions about, or make comments on, the remuneration report at the meeting.

Under the Corporations Act if, at two consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report, then a further resolution (**Spill Resolution**) may be required to be considered at the second annual general meeting as to whether a further meeting be convened to put certain Directors to re-election. The Directors to be put to re-election are those Directors, other than the Managing Director, who were Directors when the resolution to make the directors report (considered at the later annual general meeting) was passed.

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the requirement for a Spill Resolution will not arise at this Meeting irrespective of the outcome of the vote on Resolution 1.

If you are appointing the Chair as your proxy, please note that the proxy form accompanying this Notice expressly authorises the Chair to vote any undirected proxies in favour of Resolution 1 even though the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Accordingly, if you are appointing the Chair as your proxy and do not wish your proxy to vote in favour of Resolution 1, you will need to mark "against" or "abstain" where indicated in the proxy form in relation to Resolution 1.



3. Resolution 2 – Re-election of Director – Barry Bolitho

Clause 14.2 of the Constitution requires that at the Company's annual general meeting in every year, one-third of the Directors for the time being, or, if their number is not a multiple of 3, then the number nearest one-third (rounded upwards in case of doubt), shall retire from office, provided always that no Director (except a Managing Director or a Director retiring under clause 14.4 of the Constitution) shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election.

The Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots.

A Director who retires by rotation under clause 14.2 of the Constitution is eligible for re-election.

The Company currently has 5 Directors, 2 of which are retiring under clause 14.4 of the Constitution, and accordingly 1 must retire.

Barry Bolitho, the Director longest in office since his last election, retires by rotation and seeks re-election.

Mr Bolitho has over 40 years' experience as a mining professional. He has been responsible for the commissioning and management of a number of gold mining operations, both in Western Australia and internationally. He has gained extensive experience in the executive management of resource based companies with particular emphasis in exploration, operations, project management, administration and corporate development. He has been an executive and non-executive director of a number of ASX and TSX listed resource companies over a long period and has worked closely with financiers, brokers and analysts.

4. Resolution 3 – Election of director – Mark Hanlon

Clause 14.4 of the Constitution allows the Directors to appoint at any time a person to be a Director as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Any Director so appointed holds office only until the next following annual general meeting and is then eligible for election but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Mr Mark Hanlon, appointed by the Board as a Director on 3 January 2017, will retire in accordance with clause 14.4 of the Constitution at the Meeting and, being eligible seeks election.

Mr Hanlon has over ten years of experience in the resources and resource services sector as well as over ten years' experience in commercial and merchant banking. He has a broad background of senior executive experience across a wide range of industries including mining, mining services. He has most recently been the Finance Director of ENK plc and previously held the position or equivalent position of CFO with listed companies such as Century Drilling and International Contract Manufacturing Limited. He holds a Bachelor of Business in Finance and Accounting and a Master of Business in Banking and Finance.



5. Resolution 4 – Election of director – Robin Dean

Clause 14.4 of the Constitution allows the Directors to appoint at any time a person to be a Director as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Any Director so appointed holds office only until the next following annual general meeting and is then eligible for election but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Mr Robin Dean, appointed by the Board as a Director on 3 January 2017, will retire in accordance with clause 14.4 of the Constitution at the Meeting and, being eligible seeks election.

Mr Dean holds a Bachelor of Economics degree from the University of Western Australia he has had over 30 years' experience in banking, project finance and commodity hedging. Mr Dean has been CEO of a number of public companies including St Barbara Mines Limited and been instrumental in the funding and development of numerous significant mining projects throughout Australia.

6. Resolution 5 – Approval of Incentive Performance Rights Scheme

Resolution 5 seeks Shareholders approval for the adoption of the employee incentive scheme titled the Echo Resources Limited Incentive Performance Rights Scheme (**IPRS**) in accordance with ASX Listing Rule 7.2 (Exception 9(b)).

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 7.2 (Exception 9(b)) sets out an exception to ASX Listing Rule 7.1 which provides that issues under an employee incentive scheme are exempt for a period of 3 years from the date on which shareholders approve the issue of securities under the scheme as an exception to ASX Listing Rule 7.1.

If Resolution 5 is passed, the Company will be able to grant Performance Rights under the IPRS to Eligible Participant over a period of 3 years without impacting on the Company's ability to issue up to 15% of its total ordinary securities without Shareholder approval in any 12 month period.

No securities have previously been issued under the IPRS.

The objective of the IPRS is to attract, motivate and retain key employees and it is considered by the Company that the adoption of the IPRS and the future grant of Performance Rights under the IPRS will provide selected Eligible Participant with the opportunity to participate in the future growth of the Company.

Any future grants of Performance Rights under the IPRS to a related party or a person whose relationship with the company or the related party is, in ASX's opinion, such that approval should be obtained will require additional Shareholder approval under ASX Listing Rule 10.14 at the relevant time. For this reason, the Company is also seeking approval under Resolution 7 for the grant of Performance Rights to the Managing Director Mr Simon Coxhell pursuant to the IPRS.

A summary of the key terms and conditions of the IPRS is set out in Schedule 1.



A copy of the IPRS can be sent to Shareholders upon request to the Company Secretary Kate Stoney + 61 (8) 9389 8726. Shareholders are invited to contact the Company if they have any queries or concerns.

7. Resolution 6 – Grant of Performance Rights under Incentive Performance Rights Scheme to Director – Mr Simon Coxhell

7.1 General

The Company has agreed, subject to obtaining Shareholder approval, to grant 574,267 Performance Rights to Director Mr Simon Coxhell (or his nominee) (**Eligible Participant**) pursuant to the Scheme on the terms and conditions set out below.

Chapter 2E of the Corporations Act requires that 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 Directors (other than Mr Simon Coxhell who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the proposed grant of the Performance Rights to Mr Simon Coxhell because the agreement to grant the Performance Rights, reached as part of the remuneration package for Mr Simon Coxhell, is considered reasonable remuneration in the circumstances and was negotiated on an arm's length basis.

In addition, 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.

7.2 Technical information required by ASX Listing Rule 10.14

Pursuant to and in accordance with ASX Listing Rule 10.15, the following information is provided in relation to the proposed grant of Performance Rights to the Eligible Participant:

- (a) the related party is Mr Simon Coxhell and he is a related party by virtue of being a Director;
- (b) the maximum number of Performance Rights to be granted to the Eligible Participant (or his nominee) is 574,267;
- (c) the Performance Rights will be granted to the Eligible Participant no later than 12 months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Performance Rights will be granted on one date;



- (d) the Performance Rights will be granted for nil consideration. Accordingly, no funds will be raised from the grant of the Performance Rights;
- (e) the Performance Rights will be granted under the Scheme. Refer to Schedule 1 for a summary of the terms of the Scheme;
- (f) refer to Schedule 2 for a summary of the terms of the Performance Rights;
- (g) the value of the Performance Rights and the valuation methodology is set out in Schedule 3;
- (h) no securities have previously been issued under the Scheme nor has the Scheme previously been adopted by Shareholders;
- (i) no loan will be provided relating to the acquisition of the Performance Rights or any Shares to be issued upon conversion of the Performance Rights; and
- (j) all Directors are entitled to participate in the Scheme. The current Directors are Messrs Simon Coxhell, Barry Bolitho, Anthony McIntosh, Robin Dean and Mark Hanlon. However, at the current time the Company does not intend to make an offer to the Directors other than Simon Coxhell. Accordingly, approval is being sought only for the offers to Simon Coxhell.

Approval pursuant to ASX Listing Rule 7.1 is not required for the grant of the Performance Rights to the Eligible Participant as approval is being obtained under ASX Listing Rule 10.13. Accordingly, the grant of the Performance Rights to Mr Simon Coxhell (or his nominee) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

7.3 Performance Hurdles

There are 4 tranches of Performance Rights the subject of Resolution 6.

The vesting hurdles are set out in Part A of Schedule 2.

As per Schedule 2, the performance hurdle of Tranche 4 of the Performance Rights are linked to any future increases in the Company's Mineral Resource.

As at the date of this Notice of Meeting the Company's current Mineral Resources are:

	Tonnes (Mt)	Grade (g/t Au)	Ounces (Au)
Measured	1.8	2.1	124,227
Indicated	18.7	2.0	1,192,033
Inferred	6.9	1.8	406,655
Total Mineral Resources	27.4	2.0	1,722,915

7.4 Sections 200B and 200E of the Corporations Act

Mr Simon Coxhell occupies a managerial or executive office with the Company within the meaning of section 200AA of the Corporations Act.

Section 200B of the Corporations Act generally provides that, subject to specific exceptions, Shareholder approval is required for the giving of benefits to a person



occupying a managerial or executive office with the Company in connection with their retirement from a managerial or executive office. The term 'benefits' is widely defined and may include the early vesting or acceleration Performance Rights or waiver of exercise or forfeiture conditions or performance hurdles.

The Scheme, and the terms and conditions of grant of the Performance Rights under the Scheme to Mr Simon Coxhell (or his nominee), contain a number of provisions which may operate to entitle Mr Simon Coxhell (or their Nominees) to an early vest of Performance Rights earlier and/or in different circumstances than might otherwise be the case in connection with their ceasing to hold a managerial or executive office with the Company. Some of the relevant provisions in the Scheme (or terms and conditions) are subject to the Board exercising their discretion to allow such exercise (whether by waiving conditions of exercise or extending the period for exercise or otherwise).

Accordingly, the retirement benefit that may be given under the Scheme is waiver of exercise conditions, performance hurdles or other conditions or early vesting of Performance Rights in certain circumstances (or extension of time to vest Performance Rights) including upon termination of employment or office with the Company due to resignation, redundancy, retirement, permanent incapacity or death or where a takeover bid is made for the Shares in the Company.

The value of any such benefits which may be given to Mr Simon Coxhell cannot presently be ascertained but matters, events and circumstances that will, or are likely to, affect the calculation of that value include:

- (a) the number Performance Rights held by the participant;
- (b) the number of Performance Rights that vest early;
- (c) the price of Shares on the ASX on the date of calculation;
- (d) the status of any vesting conditions or other conditions for Performance Rights at the time of ceasing to hold a managerial or executive office with the; and
- (e) the participant's length of service and reasons for ceasing to hold a managerial or executive office with the Company.

Shareholder approval is sought under section 200E of the Corporations Act to the giving of any benefit to Mr Simon Coxhell (or his nominee) in connection with their future cessation of office or position with the Company under the terms of the Scheme (or terms and conditions of grant) in relation to the Performance Rights, including as a result of any future exercise of a discretion by the Board under the terms of the Scheme or the terms and conditions of the Performance Rights.

Mr Simon Coxhell have advised they have no current intention to resign their positions with the Company.

7.5 Voting Prohibition – Section 200E of the Corporations Act

In accordance with sections 200E(2A) and (2B) of the Corporations Act no votes on Resolution 6 may be cast by Mr Simon Coxhell or any associate of Mr Simon Coxhell. This restriction does not prevent Mr Simon Coxhell or associate voting on the Resolution as proxy for another person which specifies how the proxy holder is to vote.



8. Resolution 7 – ratification of prior issue – Shares

8.1 General

On 25 October 2017, the Company announced a placement of 68,181,818 Shares at an issue price of \$0.22 per Share to raise approximately \$15,000,000 (**Placement Shares**).

56,069,689 of these Shares were issued under the Company's placement capacity under ASX Listing Rule 7.1.

Resolution 8 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of 56,069,689 of the Placement 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 the issue of 56,069,689 of the Placement Shares, 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.

8.2 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) 56,069,689 Shares were issued;
- (b) the issue price was \$0.22 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 Canaccord Genuity (Australia) Limited, Euroz Securities Limited and BW Equities Pty Ltd. None of these subscribers are related parties of the Company; and
- (e) the funds raised from this issue will be used for development of the Company's Yandal Gold Project and for general working capital.

9. Resolution 8 – Placement – Shares

9.1 General

Resolution 8 seeks Shareholder approval for the issue of up to that number of Shares, when multiplied by the issue price, will raise up to \$15,000,000 (**Placement**).



The Company does not intend to conduct another placement. However, approval is being sought in case the market conditions are conducive to conducting another placement in the 3 months following the Annual General Meeting.

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.

The effect of Resolution 8 will be to allow the Company to issue the Shares pursuant to the Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

9.2 **Technical information required by ASX Listing Rule 7.1**

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Placement:

- (a) the maximum number of Shares to be issued is up to that number of Shares which, when multiplied by the issue price, equals \$15,000,000;
- (b) the Shares will be issued no later than 3 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 Shares will occur on the same date;
- (c) the issue price will be not less than 80% of the average market price for Shares calculated over the 5 days on which sales in the Shares are recorded before the day on which the issue is made or, if there is a prospectus, over the last 5 days on which sales in the securities were recorded before the date the prospectus is signed;
- (d) the Directors will determine to whom the Shares will be issued but these persons will not be related parties of the Company;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) the Company intends to use the funds raised from the Placement towards for development of the Company's Yandal Gold Project and for general working capital.

9.3 **Dilution**

The closing market price for Shares on 24 October 2017 was \$0.265. The lowest issue price (i.e. maximum discount) of not less than 80% of this market price would be \$0.215 per Share.

Accordingly, set out below is a worked example of the number of Shares that may be issued under Resolution 8 based on an assumed issue price of \$0.215, \$0.265 and \$0.315.



Assumed issue price	Maximum number of Shares which the Company could issue (rounded up to the nearest whole number) pursuant to Resolution 8	Current Shares on issue as at the date of this Notice	Increase in the number of Shares on issue assuming the Company issued the maximum amount pursuant to Resolution 8	Dilution effect on existing Shareholders
\$0.215	69,767,442	488,646,414	558,413,856	12.5%
\$0.265	56,603,774	488,646,414	545,250,188	10.4%
\$0.315	47,619,048	488,646,414	536,265,462	8.9%

Note

The above table assumes the shares the subject of the placement announced to ASX on 25 October 2017 have been issued.

Assuming no Options are exercised or other Shares issued and the maximum number of Shares as set out in the worked example above are issued, the number of Shares on issue would increase from 488,646,414 (being the number of Shares on issue as at the date of this Notice assuming the shares the subject of the placement announced to ASX on 25 October 2017 have been issued) to 558,413,856 and the shareholding of existing Shareholders would be diluted by 12.5%.

The Company notes that the above workings are an example only and the actual issue price may differ. This will result in the maximum number of Shares to be issued and the dilution percentage to also differ.



GLOSSARY

In this Explanatory Statement (and the Notice of Meeting) the following terms will bear the following meanings, unless the context otherwise requires:

\$ means Australian dollars.

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

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 or **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 and where relevant the Chair for the relevant part 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).

Director means a director of the Company.

Explanatory Statement means the explanatory statement accompanying the 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.

Meeting means the annual general meeting of Shareholders convened by this Notice.

Mineral Resource means a mineral resource for the purposes of the 2012 edition of The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

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

Performance Right means performance rights granted under the Scheme.

Proxy Form means the proxy form accompanying the Notice.

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

Scheme means the Echo Resources Limited Incentive Performance Rights Scheme.

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

Shareholder means a holder of a Share.

Tranche 1 has the meaning given in Schedule 2.

Tranche 2 has the meaning given in Schedule 2.

Tranche 3 has the meaning given in Schedule 2.

Tranche 4 has the meaning given in Schedule 2.

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



Schedule 1 – Summary of the Terms and Conditions of the Incentive Performance Rights Scheme

A. Offers

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

- (i) the number of Performance Rights offered;
- (ii) the vesting conditions or restriction conditions attaching to the Performance Rights;
- (iii) the period during which the offer must be accepted; and
- (iv) any other terms and conditions applicable to the offer.

B. Eligibility

The following persons are eligible to participate in the Scheme:

- (i) directors of any Group Company;
- (ii) full or part time employees of any Group Company;
- (iii) casual employees of any Group Company working, or reasonably expected to work, approximately 40% or more of a comparable full-time position;
- (iv) 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
- (v) 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.

C. Conditions

The Board may impose conditions to the vesting of a Performance Right, or restrictions to the trading or disposal of Shares issued upon vesting of a Performance Right, 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.

D. General terms of Performance Rights

- (i) **(Grant Price):** Performance Rights will be granted for nil consideration.
- (ii) **(Non-transferable):** Performance Rights are non-transferable. However, upon the death of the participant the Performance Rights may be transferred to their legal representative.



- (iii) **(Quotation):** The Performance Rights will not be quoted on the ASX. However, the Company will apply for quotation of Shares issued upon vesting of Performance Rights.
- (iv) **(Rights attaching to Shares):** Shares issued upon vesting of Performance Rights 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 Performance Rights.
- (v) **(Reorganisation of Capital):** If at any time the capital of the Company is reorganised, the terms and number of the Performance Rights may be changed by the Company in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.
- (vi) **(Overriding restrictions):** No Performance Right may be offered, granted or vested and no Share may be issued on exercise of any Performance Right if to do so would contravene the ASX Listing Rules or any other applicable law.

E. Lapsing of Performance Rights

Unvested Performance Rights will generally lapse on the relevant expiry date. However, Performance Rights will also lapse earlier:

- (i) if the eligible participant ceases to be an eligible participant where the relevant Group company has terminated their engagement for cause;
- (ii) 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;
- (iii) 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 Performance Rights are unconditional, otherwise 6 months) from that event or the relevant Performance Right expiry date;
- (iv) if the Performance Rights holder purports to transfer, assign, mortgage, charge or otherwise dispose of or encumber a Performance Right or hedge an Performance Right in a manner not permitted by the Scheme; or
- (v) 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.

F. Plan Limit

The Company must have reasonable grounds to believe, when making an offer, that the number of Shares to be received on vesting of Performance Rights 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.

G. 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.



Schedule 2 – Terms and Conditions of Performance Rights

General

- A. Mr Simon Coxhell (or his nominee) is to be offered 574,267 Performance Rights in three different categories as follows:
- (a) 95,712 Performance Rights with a term of 3 years from the date of grant each of which will entitle the holder to a fully paid ordinary Share if the price of the Company's Shares increases by more than 50% than the price of Shares on the date of grant of the Performance Rights (**Tranche 1**);
 - (b) 95,711 Performance Rights with a term of 3 years from the date of grant each of which will entitle the holder to a fully paid ordinary Share if the price of the Company's Shares increases by more than 62.5% than the price of Shares on the date of grant of the Performance Rights (**Tranche 2**);
 - (c) 95,711 Performance Rights with a term of 3 years from the date of grant each of which will entitle the holder to a fully paid ordinary Share if the price of the Company's Shares increases by more than 75% than the price of Shares on the date of grant of the Performance Rights (**Tranche 3**); and
 - (d) 287,133 Performance Rights with a term of 3 years from the date of grant each of which will entitle the holder to a fully paid ordinary Share if the Company's current aggregate Mineral Resource (inclusive of inferred, indicated and measured resources) (**Resource**) should increase by 100% proving that if upon the Expiry Date the Resource has increased but by an amount which less than 100%, then the holder will be entitled to exercise that number of fully paid ordinary shares that is the pro-rata equivalent of the increase of the Resource. For example, if the Resource increases by 25% in the period leading up to the Expiry Date, then the holder will be entitled to exercise 25% of this class of Performance Rights (**Tranche 4**).
- B. The above Performance Rights will expire at 5.00 pm Western Standard Time on the date 3 years after the date of grant (**Expiry Date**) (although the Performance Rights may lapse earlier than this date in accordance with the terms of the Scheme).

Lapse of Performance Rights

- C. Each Performance Right entitles the Holder to subscribe for one Share on exercise of the Performance Right subject to any vesting conditions.
- D. Unvested Performance Rights will generally lapse on the relevant expiry date. However, Performance Rights will also lapse earlier:
- (i) if the eligible participant ceases to be an eligible participant where the relevant Group company has terminated their engagement for cause;
 - (ii) 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;
 - (iii) 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 Performance Rights are unconditional, otherwise 6 months) from that event or the relevant Performance Right expiry date;



- (iv) if the Performance Rights holder purports to transfer, assign, mortgage, charge or otherwise dispose of or encumber a Performance Right or hedge an Performance Right in a manner not permitted by the Scheme; or
- (v) 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.

Performance Rights Issued under the Company's Incentive Performance Rights Scheme

- E. The Performance Rights are issued under, and are subject to, the Company's Incentive Performance Rights Scheme. Terms and expressions defined in the Scheme will bear the same meaning in these terms and conditions, unless the context otherwise requires.

Notice of exercise

- F. Performance Rights may only be exercised by notice in writing to the Company which is signed by the Holder and delivered to the registered office of the Company.

Issue of certificates

- G. With 10 Business Days of receipt of an exercise notice, the Board must acquire or allot and issue the number of Shares specified in the notice to the Holder.

Allotment of Shares

- H. All Shares allotted upon the exercise of Performance Rights will be credited as fully paid and will be of the same class and rank equally in all respects with other Shares, and, in particular, entitle their holders to participate fully in:
 - (a) dividends declared by the Company after the date of allotment; and
 - (b) all issues of securities offered to holders of Shares where entitlements to participate in those issues are determined by reference to a record date after the date of allotment of Shares allotted upon the exercise of Performance Rights.

Quotation on ASX

- I. If existing Shares are officially quoted by ASX, the Company must apply for official quotation by ASX of all Shares allotted pursuant to the exercise of Performance Rights not later than 10 Business Days after the date of allotment.
- J. The Company will not apply to have the Performance Rights granted under the Scheme quoted on ASX or any other stock exchange and the Performance Rights will not be quoted on ASX or any other stock Exchange.

New issues

- K. There are no participating rights or entitlements inherent in the Performance Rights and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Performance Rights without exercising the Performance Rights prior to the relevant record date.



Rights Issues and Bonus issues

- L. A Performance Right does not confer the right to a change in the number of underlying Shares over which the Performance Right can be exercised.

Reorganisation of capital

- M. If at any time the capital of the Company is reorganised, the terms and number of the Performance Rights may be changed by the Company in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.

Restrictions

- N. A Performance Right is not transferable, assignable or able to be otherwise disposed or encumbered subject to the terms of the Scheme.



Schedule 3 - Valuation of Performance Rights

Using the Black & Scholes pricing model that incorporates a trinomial valuation and a Monte Carlo simulation and based on the assumptions set out below, the Related Party Performance Rights were ascribed the following value range:

Assumptions:				
	Tranche 1 - Share Price Increase of 50%	Tranche 2 - Share Price Increase of 62.5%	Tranche 3 - Share Price Increase of 75%	Tranche 4 - Resource Increase
Valuation Model	Trinomial	Trinomial	Trinomial	Black Scholes
Valuation date	23 October 2017	23 October 2017	23 October 2017	23 October 2017
Market price of Shares	26.5 cents	26.5 cents	26.5 cents	26.5 cents
Indicative barrier price	39.75 cents	43.0625 cents	46.375 cents	N/A
Exercise price	Nil	Nil	Nil	Nil
Expiry date (length of time from issue)	3 years	3 years	3 years	3 years
Risk free interest rate	2.1 %	2.1 %	2.1 %	2.1 %
Volatility (discount)	80 %	80 %	80 %	80 %
Indicative value per Related Party Performance Rights	24 cents	23.4 cents	22.8 cents	26.5 cents
Number of Performance Rights	95,712	95,712	95,712	287,133
Total Value of Related Party Performance Rights	\$22,971	\$22,396	\$21,822	\$76,090

Note: The valuation ranges noted above are not necessarily the market prices that the Related Party Performance Rights could be traded at and they are not automatically the market prices for taxation purposes.



PROXY FORM

PROXY FORM - ANNUAL 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 Annual General Meeting of the Company (Meeting) to be held at 2.00pm (WST) on Thursday 30 November 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 1, 5 and 6: 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 1, 5 and 6, 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	Approval of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	Re-election of Director – Barry Bolitho	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	Election of Director – Mark Hanlon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	Election of Director – Robin Dean	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	Approval of Incentive Performance Rights Scheme	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6	Issue of Performance Rights to Simon Coxhell	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7	Ratification of Prior Issue – Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8	Approval of Placement	<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 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:

Signed: _____

Signed: _____

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

Director or Sole Director and Secretary

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:
 - (c) post to Echo Resources Limited, PO Box 1099 West Perth WA 6872; or
 - (d) facsimile to the Company on facsimile number +61 8 9467 2896; or
 - (e) email to the Company at kate@echoresources.com.au,

so that it is received not later than 48 hours before the meeting

Proxy forms received later than this time will be invalid.