

ASX ANNOUNCEMENT

KEY POINTS

- **Echo Receives Strong Interest from Leading Debt Financiers for Yandal Gold Project**
- **Corporate Update**

Echo Resources Limited (**Echo** or **the Company**) is pleased to provide an update regarding debt finance for its 100% owned Yandal Gold Project (**Yandal Project**).

Project Finance Update

Echo has received a number of strong debt financing offers from a group of Tier 1 resource banks to develop the Yandal Project. The offers provide financing solutions ranging up to \$45 million of conventional debt and contain attractive terms for the development cost.

The estimated total capital and preproduction cost for the development of the Yandal Project is \$39.3m¹.

The Company, in conjunction with its debt adviser PCF Capital Group, will now undertake a full assessment of the indicative offers received and shortlist preferred groups to undertake further due diligence over the coming 3 months.

The 100% Echo owned processing plant and infrastructure at the Yandal Project means that the project development cost is low and, as a result, the Company could fund 100% of the development through debt financing.

The Company's priority is to avoid shareholder dilution associated with the development of the Yandal Project.

Yandal Project Optimisation

Over the coming months Echo will continue to optimise and value add the Yandal Project and its robust economics. Opportunities include optimising the mining and processing schedule, reducing the processing plant unit costs, reduction of mining costs, significant tax losses and the inclusion of additional open cut mineralisation in the first three years of the mine plan.

This optimisation program is aligned to conclude ahead of the ongoing project finance process.

Exploration

Echo is also completing a comprehensive review of the extensive exploration opportunities within its Yandal tenements. The potential targets include near-surface mineralisation which could be exploited by open cut mining, plus deeper high-grade targets. Importantly, the Yandal Greenstone Belt in which Echo has a major tenement area has the potential to continue delivering exceptional deeper gold grades along with impressive underground tonnages.

Echo is very confident of improving the future project economics by growing the resource and reserve base with both open cut and underground mineralisation.

1. ASX Release August 6th 2018. "Yandal Gold Project Bankable Feasibility Study"

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17 September 2018

ASX CODE

EAR

KEY ASSETS

- Julius
- Orelia
- Bronzewing Hub

DIRECTORS

Barry Bolitho
Non-Executive Chairman

Simon Coxhell
Managing Director and Chief Executive Officer

Anthony McIntosh
Non-Executive Director

Mark Hanlon
Non-Executive Director

Robin Dean
Non-Executive Director

Kate Stoney
Company Secretary

REGISTERED OFFICE

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Echo Chairman, Mr Barry Bolitho commented: *“We are really pleased to have received such strong indicative debt financing proposals for the Yandal Project which underlines its robust financial metrics. We look forward to the successful finalisation of debt financing in late 2018.*

“I am very confident that we will also be able to further improve the Project’s economics. The potential to further optimise the Yandal Project and to drive additional open cut ounces into Stage 1 over the coming months offers additional upside to what are already sector-leading forecast rates of return from the first stage of the Project.”

Executive Management Changes

The Echo Board advises that it has accepted the resignation of Managing Director, Mr Simon Coxhell.

Echo Chairman, Mr Barry Bolitho, has assumed an executive leadership position (see appendix 1 for summary of material terms of Director’s agreement) as a global search for an appropriate candidate for Managing Director role is undertaken. This person will have responsibility for driving the next leg of Echo’s growth towards future project development, production, exploration success and profitability.

Mr Coxhell will continue to work with Mr Bolitho and the Echo management team in the near term to ensure an orderly leadership transition.

Commenting on the management transition, Mr Bolitho, said: *“I would like to take this opportunity, on behalf of the Board, to thank Echo’s outgoing Managing Director, Mr Simon Coxhell. Simon joined Echo as an Executive Director in February 2016 when the market capitalisation of the Company was circa \$11 million. Simon has applied himself assiduously and has been instrumental in driving Echo and the Yandal Project to its current, highly advanced position. His passion for the Yandal Project and its eventual development has been greatly appreciated. We will work closely with Simon to ensure a smooth leadership transition and sincerely wish him well with his future endeavours.”*

APPENDIX 1: SUMMARY OF MATERIAL TERMS OF DIRECTOR'S AGREEMENT

Item	Details
Commencement	17 September 2018
Remuneration	Director's Fee: \$60,000 per annum Remuneration for duties performed outside the scope of usual Director's duties: \$2,000 per day

Note: Mr Bolitho's services are engaged under an agreement with Bolitho Mining Company Pty Ltd, an entity associated with Mr Bolitho.