ASX ANNOUNCEMENT

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INSTITUTIONAL PLACEMENT TO RAISE $15M

- **Placement to raise up to $15 million at $0.13 per Share, a 7.1% discount to the last traded price**
- **Eligible Shareholders able to participate in a Share Purchase Plan to raise up to $3 million, also priced at $0.13 per Share**
- **Echo's largest shareholder Northern Star Resources Limited intends to subscribe for up to $3.4 million of the Placement (comprised of $2.5 million T1 and $0.9 million T2)**
- **Proceeds will be used to fund working capital and applied to Echo's multi-pronged exploration strategy designed to:**
  - **Quickly and efficiently establish additional ore sources to the Yandal Gold Project's life of mine plan;**
  - **Lift annual production significantly above 100koz; and**
  - **Extend mine life and leverage existing infrastructure.**

Echo Resources Limited (ASX: EAR) ('**Echo**' or the '**Company**') is pleased to announce the launch of a capital raising to support the Company's exploration growth strategy at the Yandal Gold Project ('**Project**') The capital raising is comprised of a two tranche placement to raise up to $15 million ('**Placement'**) and a Share Purchase Plan to existing eligible shareholders to raise up to $3 million ('**SPP'**).

Placement

The Placement will be undertaken in two tranches:

- The first tranche will be fully underwritten and will result in the issue of approximately 87 million Shares at $0.13 per share (to raise approximately $11.3m) ('**Tranche 1**' or '**T1'**) and will be completed using Echo's existing placement capacity under ASX Listing Rules 7.1 and 7.1A. It is anticipated that settlement will occur on or about 9 May 2019 with the new Shares to be issued shortly afterwards; and
- The second tranche is not underwritten and will result in the issue of up to approximately 28 million Shares at $0.13 per share (to raise approximately $3.7m) ('**Tranche 2**' or '**T2'**). It will be completed subject to obtaining shareholder approval at a General Meeting scheduled for 10 June 2019. The General Meeting scheduled for 10 May 2019 is now cancelled and new resolutions will be put to this new General Meeting.

ASX ANNOUNCEMENT
2 May 2019

ASX CODE
EAR

KEY ASSETS
- Julius
- Orelia
- Bronzewing Hub

DIRECTORS

Victor Rajasooriar
Managing Director and CEO

Barry Bolitho
Non-Executive Chairman

Robin Dean
Non-Executive Director

Mark Hanlon
Non-Executive Director

Anthony McIntosh
Non-Executive Director

Alan Thom
Non-Executive Director

Kate Stoney
Company Secretary

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Eligible institutional investors with registered addresses in the offering jurisdictions will be invited to participate in the Placement, which is being conducted between Thursday, 2 May 2019 and Friday, 3 May 2019.

Canaccord Genuity (Australia) Ltd is acting as sole underwriter to Tranche 1 and Joint Lead Manager to the Placement. Euroz Securities Limited is also acting as Joint Lead Manager to the Placement. Sternship Advisers is acting as Corporate Adviser to the Placement.

The new fully paid, ordinary shares ('**Shares**') will be issued at a price of $0.13 each, a 7.1% discount to the last traded price of the Company's shares prior to the trading halt of 2 May 2019, and a 12.8% discount to the volume weighted average market price over the last five trading days prior to 2 May 2019.

Echo's largest shareholder, Northern Star Resources Limited (ASX:NST) ('**Northern Star**'), has confirmed its intention to subscribe for up to $3.4 million Shares in the Placement to retain their current percentage ownership of 22.55%, provided that shareholder approval for Tranche 2 of the Placement is obtained at the General Meeting scheduled for 10 June 2019. If shareholder approval is not obtained, Northern Star will only participate in Tranche 1 of the Placement and subscribe for $2.5 million of Shares, to retain their current percentage ownership of 22.55%.

Echo Managing Director and CEO Mr. Victor Rajasooriar said: *"The decision to raise additional capital now is a strong signal of Echo's commitment to accelerate the recently outlined exploration strategy at the Yandal Gold Project, which aims to unlock further value from our underexplored but very prospective tenement package. We greatly appreciate the support we've received from investors for this growth strategy, including from our major shareholder Northern Star, who intend to participate in the placement and SPP."*

Details of the growth strategy are contained in Echo's ASX announcement entitled Exploration Growth Strategy released on 29 April 2019 and in the Investor Presentation released today, 2 May 2019, in conjunction with this announcement.

Assuming full take up of the Placement, at its completion the Company will have approximately 666.3 million Shares on issue.

An indicative timetable for the Placement and SPP is set out in Appendix 1. The timetable remains subject to change at the Company's discretion, subject to compliance with applicable laws.

Use of Funds

Funds raised under the Placement and the SPP will provide the Company with sufficient cash reserves required for its ongoing initiatives over the medium term and will be used to:

- Fund exploration strategy (approximately $12 million);
  - **Greenfields** - 64,000m of drilling ($6 million) targeting the Hadrian Trend, Mt Joel (70%) Project Area and other regional exploration;
  - **Brownfields** - 12,000m of drilling ($4 million) targeting structural repetitions of the Bronzewing and Lotus Deposits; and
  - **Advanced Projects** – 15,000m of drilling ($2 million) targeting the advanced Mt Joel Projects (70%) including Taipan, Adder and Tiger as well as the Corboys deposit.
- Provide working capital and costs of the Placement and SPP (approximately $3 million).
- Up to $3 million proceeds received from the SPP will be applied to further exploration activities at the Yandal Gold Project.

Share Purchase Plan

The SPP aims to raise up to $3 million and will enable existing eligible shareholders to participate in the capital raising at the same issue price as the Placement and without incurring any brokerage fees or other transaction costs.

Eligible shareholders (being those holders of fully paid and partly paid shares with an address in Australia or New Zealand as at 5.00pm WST on 1 May 2019) will have the opportunity to apply for up to $15,000 worth of Shares in the Company. If an eligible shareholder holds Shares as a 'custodian' (as that term is defined in ASIC Class Order [CO 09/425]), the offer under the SPP will be made to the 'custodian' and, subject to a number of conditions, the 'custodian' will have the discretion to extend the offer to the relevant beneficiaries.

Further details on the SPP including an offer document and an application form are expected to be mailed to eligible Echo shareholders 14 May 2019.

For further information:

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Chief Executive Officer
Echo Resources Ltd

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APPENDIX 1 – INDICATIVE TIMETABLE

Key Event	Date
Record Date for Eligibility to Participate in the SPP (5.00pm WST)	Wednesday 1 May 2019
Trading Halt, Launch of Capital Raising and Investor Presentation	Thursday 2 May 2019
Trading Halt lifted, Announcement of completion of Capital Raising and Echo Shares resume trading	Monday 6 May 2019
Notice of General Meeting sent to shareholders (NOM)	Friday 10 May 2019
Issue of Tranche 1 Placement Shares	Friday 10 May 2019
Dispatch of SPP Offer Documents	Tuesday 14 May 2019
SPP Acceptance Period Opens	Tuesday 14 May 2019
SPP Acceptance Period Closes	Friday 7 June 2019
General Meeting for Shareholders to consider approval for Tranche 2 Placement Shares	Monday 10 June 2019
Issue of Tranche 2 Placement Shares	Friday 14 June 2019
Issue of Shares under SPP	Friday 14 June 2019

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