

10 May 2019

Company Announcements Platform  
Australian Securities Exchange  
Level 4, 20 Bridge Street  
Sydney NSW 2000

## **CLEANSING NOTICE, APPENDIX 3B AND ASX LISTING RULE 3.10.5A DISCLOSURES**

Echo Resources Limited (**Echo** or the **Company**, ASX: EAR), is pleased to advise that settlement of Tranche 1 of the \$15 million placement announced on 2 May 2019 (**Placement**) has been completed.

Accordingly, 87,281,047 fully paid ordinary shares (**Shares**) have today been issued to unrelated qualified, institutional, sophisticated and professional investors under the Company's Listing Rule 7.1 placement capacity (35,823,173 Shares) and Listing Rule 7.1A additional placement capacity (51,457,874 Shares) after receiving approximately \$11,346,536 (before costs) in proceeds.

The Shares are in a class of securities quoted on the Australian Securities Exchange (**ASX**).

### **Notice pursuant to section 708(5)(e) of the Corporations Act 2001**

The *Corporations Act 2001* (Cth) (**Act**) restricts the on-sale of securities issued without disclosure, unless the sale is exempt under 708 or 708A of the Act. By giving this notice, the Shares noted above will fall within the exemption in section 708A(5) of the Act.

As required by section 708A(6) of the Corporations Act, the Company gives notice under section 708(5)(e) of the Act that:

- (a) the Shares were issued without disclosure to investors under Part 6D.2 of the Corporations Act;
- (b) as at the date of this notice, the Company has complied with the provisions of Chapter 2M of the Corporations Act as they apply to the Company and section 674 of the Act; and
- (c) as at the date of this notice there is no excluded information for the purposes of section 708A(7) and (8) of the Corporations Act, required to be disclosed by the Company pursuant to section 708(6)(e) of the Corporations Act.

### **Disclosure under ASX Listing Rules 7.1A.4(b) and 3.10.5A**

In accordance with Listing Rules 7.1A.4(b) and 3.10.5A, the Company advises as follows in relation to the Shares:

- (a) The Company issued a total of 87,281,047 Shares of which 51,457,874 Shares were issued under the Company's additional placement capacity under Listing Rule 7.1A. The issue of the Shares under Listing Rule 7.1A resulted in the following dilution to existing Shareholders:
- (i) 550,942,372 Shares were on issue prior to the issue of the Shares;
  - (ii) the number of Shares on issue following the issue of the Shares under Listing Rule 7.1A is 602,400,246 (or 638,223,419 including the Shares issued under Listing Rule 7.1);
  - (iii) the percentage of voting dilution following the issue of the Shares under Listing Rule 7.1A is 8.5% (or 13.7% including the Shares issued under Listing Rule 7.1).
- (b) The Board resolved to proceed with the Placement, having given consideration to the expediency of a share placement and advice from external advisers. The Company intends to proceed with a share purchase plan under which Shareholders may acquire up to \$15,000 worth of Shares each at the same issue price as under the Placement, being \$0.13 per Share.
- (c) Tranche 1 of the Placement was underwritten by Canaccord Genuity (Australia) Limited (**Canaccord**), with an underwriting fee payable equal to 1.40% of the gross dollar amount raised by the issue of the Shares.
- (d) Canaccord, as Joint Lead Manager to the Placement, will receive a selling fee equal to 4.70% of the amount raised by the issue of the Shares less any amounts subscribed by Northern Star Resources (**Canaccord Selling Fee**). From this fee, Canaccord will pay Euroz Securities Limited, who it appointed as Joint Lead Manager, a 2.0% selling fee on the same amount (ie Canaccord will retain a 2.7% selling fee). Sternship Advisers Pty Ltd (**Sternship**), as corporate advisor to the Placement, will be paid a fee equal to the lesser of 1% of the gross Placement proceeds and an amount that, together with the Canaccord Selling Fee, equals 6% of the gross Placement proceeds. Sternship will also be paid a capital raising fee of 3% of any Placement proceeds it introduces subject to the 6% cap not being exceeded.

Yours faithfully



Kate Stoney  
**COMPANY SECRETARY**

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

# Appendix 3B

## New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Echo Resources Limited

ABN

34 108 513 113

We (the entity) give ASX the following information.

### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

- |   |   |                                       |
|---|---|---------------------------------------|
| 1 | +Class of +securities issued or to be issued  | Fully Paid Ordinary Shares (Shares)   |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued   | 87,281,047 Fully Paid Ordinary Shares |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Fully Paid Ordinary Shares            |

+ See chapter 19 for defined terms.

4	<p>Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	<p>Yes – the Shares will be quoted and will rank equally with other ordinary shares under the ASX Code EAR</p>
5	Issue price or consideration	\$0.13 per Share (total consideration of \$11,346,536)
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	<p>Shares issued to institutional and sophisticated investors pursuant to the share placement announced 2 May 2019.</p> <p>Proceeds of the placement will be used to fund the Company's exploration strategy, and provide working capital (including cost of the placement).</p>
6a	<p>Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>Yes</p>
6b	The date the security holder resolution under rule 7.1A was passed	22 November 2018
6c	Number of +securities issued without security holder approval under rule 7.1	35,823,173
6d	Number of +securities issued with security holder approval under rule 7.1A	51,457,874

+ See chapter 19 for defined terms.

6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	N/A	
6f	Number of +securities issued under an exception in rule 7.2	N/A	
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	Yes – issue price of \$0.13 per Share is a 15% discount to the 15 trading day VWAP to 2 May 2019.	
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A	
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	Refer to Annexure 1	
7	+Issue dates  Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.  Cross reference: item 33 of Appendix 3B.	10 May 2019	
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	Number	+Class
		638,223,419	Fully paid ordinary shares

+ See chapter 19 for defined terms.

	Number	+Class
9	Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	
	5,750,000	Unlisted options exercisable at \$0.275 on or before 28 August 2019
	5,000,000	Unlisted options exercisable at \$0.275 on or before 12 January 2020
	1,500,000	Unlisted options exercisable at \$0.20 on or before 16 February 2020
	5,000,000	Unlisted options exercisable at \$0.275 on or before 17 September 2019
	2,500,000	Unlisted options exercisable at \$0.275 on or before 20 April 2020
	2,000,000	Unlisted options exercisable at \$0.275 on or before 26 March 2021
	1,000,000	Unlisted options exercisable at \$0.315 on or before 9 May 2021
	500,000	Unlisted options exercisable at \$0.20 on or before 19 August 2021
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	No policy

+ See chapter 19 for defined terms.

## Part 2 - Pro rata issue

11	Is security holder approval required?	N/A
12	Is the issue renounceable or non-renounceable?	N/A
13	Ratio in which the +securities will be offered	N/A
14	+Class of +securities to which the offer relates	N/A
15	+Record date to determine entitlements	N/A
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17	Policy for deciding entitlements in relation to fractions	N/A
18	Names of countries in which the entity has security holders who will not be sent new offer documents  <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	N/A
19	Closing date for receipt of acceptances or renunciations	N/A
20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/A

+ See chapter 19 for defined terms.

25	If the issue is contingent on security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	N/A
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A
32	How do security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	<sup>+</sup> Issue date	N/A

<sup>+</sup> See chapter 19 for defined terms.

### Part 3 - Quotation of securities

*You need only complete this section if you are applying for quotation of securities*

34 Type of <sup>+</sup>securities  
(tick one)

(a) ☒ <sup>+</sup>Securities described in Part 1

(b) ☐ All other <sup>+</sup>securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

#### Entities that have ticked box 34(a)

#### Additional securities forming a new class of securities

*Tick to indicate you are providing the information or documents*

35 ☐ If the <sup>+</sup>securities are <sup>+</sup>equity securities, the names of the 20 largest holders of the additional <sup>+</sup>securities, and the number and percentage of additional <sup>+</sup>securities held by those holders

36 ☐ If the <sup>+</sup>securities are <sup>+</sup>equity securities, a distribution schedule of the additional <sup>+</sup>securities setting out the number of holders in the categories  
1 - 1,000  
1,001 - 5,000  
5,001 - 10,000  
10,001 - 100,000  
100,001 and over

37 ☐ A copy of any trust deed for the additional <sup>+</sup>securities

---

<sup>+</sup> See chapter 19 for defined terms.

**Entities that have ticked box 34(b)**

38	Number of +securities for which +quotation is sought					
39	+Class of +securities for which quotation is sought					
40	<p>Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>					
41	<p>Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another +security, clearly identify that other +security)</p>					
42	Number and +class of all +securities quoted on ASX (including the +securities in clause 38)	<table border="1"> <thead> <tr> <th>Number</th> <th>+Class</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> </tr> </tbody> </table>	Number	+Class		
Number	+Class					

+ See chapter 19 for defined terms.

### Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here

  
Company Secretary

Date:

10 May 2019

Print name: Kate Stoney

---

+ See chapter 19 for defined terms.

## Appendix 3B – Annexure 1

### Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

#### Part 1

Rule 7.1 – Issues exceeding 15% of capital	
<b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>	
<b>Insert</b> number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	488,646,414
<b>Add</b> the following: <ul style="list-style-type: none"> <li>Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2</li> <li>Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval</li> <li>Number of partly paid +ordinary securities that became fully paid in that 12 month period</li> </ul> <b>Note:</b> <ul style="list-style-type: none"> <li>Include only ordinary securities here – other classes of equity securities cannot be added</li> <li>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</li> <li>It may be useful to set out issues of securities on different dates as separate line items</li> </ul>	24,432,321 Shares (issued 23/01/19) 1,500,000 Shares (issued 20/02/19)
<b>Subtract</b> the number of fully paid +ordinary securities cancelled during that 12 month period	Nil
<b>“A”</b>	514,578,735

+ See chapter 19 for defined terms.

<b>Step 2: Calculate 15% of “A”</b>	
<b>“B”</b>	0.15 <i>[Note: this value cannot be changed]</i>
<b>Multiply “A” by 0.15</b>	77,186,810
<b>Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used</b>	
<b>Insert</b> number of <sup>+</sup> equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued: <ul style="list-style-type: none"> <li>• Under an exception in rule 7.2</li> <li>• Under rule 7.1A</li> <li>• With security holder approval under rule 7.1 or rule 7.4</li> </ul> <b>Note:</b> <ul style="list-style-type: none"> <li>• <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i></li> <li>• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	5,000,000 unlisted options (issued on 14/05/18) 36,363,637 Shares (issued on 17/12/18) 35,823,173 Shares (issued on 10/5/19)
<b>“C”</b>	<b>77,186,810</b>
<b>Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1</b>	
<b>“A” x 0.15</b> <i>Note: number must be same as shown in Step 2</i>	77,186,810
<b>Subtract “C”</b> <i>Note: number must be same as shown in Step 3</i>	77,186,810
<b>Total [“A” x 0.15] – “C”</b>	Nil <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

## Part 2

<b>Rule 7.1A – Additional placement capacity for eligible entities</b>	
<b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>	
<b>“A”</b> <i>Note: number must be same as shown in Step 1 of Part 1</i>	514,578,735
<b>Step 2: Calculate 10% of “A”</b>	
<b>“D”</b>	0.10 <i>Note: this value cannot be changed</i>
<b>Multiply “A” by 0.10</b>	51,457,874
<b>Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used</b>	
<b>Insert</b> number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A <i>Notes:</i> <ul style="list-style-type: none"> <li>• This applies to equity securities – not just ordinary securities</li> <li>• Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</li> <li>• Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</li> <li>• It may be useful to set out issues of securities on different dates as separate line items</li> </ul>	51,457,874
<b>“E”</b>	51,457,874

+ See chapter 19 for defined terms.

<b>Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A</b>	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	51,457,874
<b>Subtract “E”</b> <i>Note: number must be same as shown in Step 3</i>	51,457,874
<b>Total</b> [“A” x 0.10] – “E”	Nil <i>Note: this is the remaining placement capacity under rule 7.1A</i>

---

+ See chapter 19 for defined terms.