

16 October 2019

NORTHERN STAR ACQUIRES CONTROL OF ECHO RESOURCES

Three of Echo's Independent Directors and the MD have left the Echo Board; Two Northern Star representatives appointed as Echo Non-Executive Directors

HIGHLIGHTS

- Northern Star has acquired 59.3% of Echo
- Echo shareholders are urged to accept the Offer without delay
- Offer due to close at 7.00pm (Sydney time) on 28 October 2019

Northern Star Resources Limited ("**Northern Star**") (ASX: NST) refers to its recommended cash takeover offer of A\$0.33 per share for all of the issued shares of Echo Resources Limited ("**Echo**") (the "**Offer**"), as set out in Northern Star's Bidder's Statement dated 5 September 2019 ("**Bidder's Statement**").

Northern Star acquires control of Echo

Northern Star is pleased to advise that, as at the close of business on 15 October 2019, Northern Star has, through a combination of its pre-existing stake, acceptances of the Offer and on-market acquisitions, acquired a relevant interest in 59.3% of the Echo shares. Accordingly, with the Offer being unconditional, Northern Star has acquired control of Echo.

In accordance with the provisions of the Bid Implementation Agreement dated 26 August 2019 between Northern Star and Echo ("**BIA**"), the nominees of Northern Star, being Ryan Gurner (Northern Star's Chief Financial Officer) and Sarah Curnow (Northern Star's Legal Counsel and Assistant Company Secretary), have been appointed to the Board of Echo, and the remaining Echo directors, with the exception of Alan Thom, have tendered their resignation.

The Echo Company Secretary remains Kate Stoney.

Further, as provided for in the BIA, the employment of the Managing Director of Echo, Mr Victor Rajasooriar, has terminated, as has the employment of certain other head office personnel. Northern Star takes the opportunity to thank these personnel for their service. As noted in the BIA and the Bidder's Statement, Northern Star has committed to honour all statutory and contractual entitlements of the departing personnel.

Mr John Zimmerman, Echo's Registered Manager, has been appointed as interim Chief Executive Officer.

As disclosed in Echo's announcement to ASX dated 8 October 2019, all the outgoing directors of Echo have accepted the Offer in respect of the Echo shares they previously held or controlled.

Northern Star will, through its nominees on the Echo Board, ensure that interim arrangements are in place for the efficient management of the Echo business pending completion of the Offer, and to determine the appropriate long-term management arrangements for Echo, following completion of the review noted in section 10.2(b) of the Bidder's Statement.

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The Offer was extended on 14 October 2019 and is due to close at 7:00pm (Sydney time) on 28 October 2019¹.

Reasons to ACCEPT the Offer

In light of these developments, Echo shareholders are encouraged to **ACCEPT the Offer without further delay**. As previously announced, Northern Star will pay the cash consideration due to accepting shareholders within seven business days of valid acceptance of the Offer.

Northern Star takes the opportunity to reiterate the following reasons why Echo shareholders should **ACCEPT** the Offer:

- The Offer is **Unconditional**.
- Northern Star now controls Echo, meaning that the likelihood of a counterbidder emerging with a superior proposal is low.
- If Echo shareholders do not accept the Offer, they will be exposed to a variety of other risks including a risk that the Echo share price may fall after the Offer closes.

Echo shareholders who do not accept the Offer prior to close will not be paid the cash consideration under the Offer, unless Northern Star is entitled to proceed to compulsory acquisition in accordance with Part 6A.1 of the Corporations Act (in which case they will receive that consideration, but at a later date than if they accepted the Offer).

Echo shareholders should be aware that if Northern Star is not entitled to proceed to compulsory acquisition in accordance with Part 6A.1 of the Corporations Act, if Echo continues to be listed on the ASX following the Offer, then the decrease in the number of Echo shares available for ASX trading may have a material adverse effect on their liquidity and market value.

Furthermore, depending on the level of acceptances received and other matters, the Board of Echo may determine to delist Echo from the ASX², in which case it may become more difficult for Echo shareholders to sell their Echo shares.

Echo Options and Performance Rights

Echo and Northern Star have entered into Option Cancellation Deeds with all remaining holders of Echo Options (totalling 4,500,000 options in aggregate) for the cancellation of those options, and will now proceed to completion under those Deeds, on the terms described in section 10.4 of the Bidder's Statement.

In accordance with their terms, a total of 21,750,000 performance rights issued by Echo to certain executives under the Echo Resources Limited Performance Rights scheme have vested and may be exercised by the holders into shares in Echo, which, in turn, may be accepted into the Offer.

Further Information

For further information regarding the Offer, please refer to the Bidder's Statement and Echo's Target's Statement dated 17 September 2019 which were sent to Echo shareholders and are available on the ASX.

¹ Subject to any further extension in accordance with the Corporations Act.

² Removal from the official list is at the discretion of the ASX and may be subject to conditions imposed by ASX, including Echo shareholder approval.

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Full details on how to accept the Offer are set out in section 13.3 of the Bidder's Statement. If there are any further question on how to accept the Offer, please call the Northern Star Offer Information Line on 1300 657 159 (within Australia) or +61 1300 657 159 (international) between 8.30am and 7.00pm (Sydney time) on Business Days.

Yours faithfully



BILL BEAMENT
Executive Chairman
Northern Star Resources Limited

Investor Relations Enquiries:

Luke Gleeson
Northern Star Resources Limited
T: +61 8 6188 2103
E: lgleeson@nsrltd.com

Media Enquiries:

Paul Armstrong
Read Corporate
T: +61 8 9388 1474
E: paul@readcorporate.com.au