

ECHO RESOURCES
LIMITED

www.echoresources.com.au

ACN 108 513 113

Notice of General Meeting Proxy Form and Explanatory Statement

**THE DIRECTORS CONSIDER THE RESOLUTIONS ARE NOT IN THE
BEST INTERESTS OF THE COMPANY OR THE VAST MAJORITY OF
SHAREHOLDERS AND RECOMMEND THAT SHAREHOLDERS
VOTE**

AGAINST

ALL RESOLUTIONS AT THIS GENERAL MEETING

Date of Meeting
18 February 2015

Time of Meeting
10.00am (AWST)

Place of Meeting
CWA House, 1176 Hay Street, West Perth, Western Australia

This Notice of Meeting and Explanatory Statement should be read in its entirety.

If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser without delay.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company on (61 8) 9362 4806 or 0412 633 173.

LETTER TO SHAREHOLDERS

Dear Shareholder,

This is to notify you of a General Meeting that is scheduled for Wednesday, 18 February 2015 at CWA House, 1176 Hay Street, West Perth commencing at 10.00am (WST).

The Meeting is being held as one of the Company's Shareholders, Kesli Chemicals Pty Ltd (**Kesli**), a company controlled by Dr Michael Ruane, is seeking to replace the three existing Directors of the Company with three of its nominees. Kesli is the registered holder of 14,833,799 Echo shares (with a voting power of 14.64 percent).

The Kesli nominees are all Directors of Metaliko Resources Limited (**Metaliko**; ASX Code: MKO), of which Dr Ruane is Managing Director and the largest shareholder.

A formal Notice of Meeting has been lodged with the ASX and accompanies this letter. The issues that will be before you at the Meeting are extremely important and have significant implications for the future of the Company and your investment.

This letter outlines the reasons why your current Directors are recommending that you:

REJECT ALL OF THE RESOLUTIONS AT THE MEETING

If you are unable to attend the Meeting, you are encouraged to complete and return the enclosed Proxy Form by 10.00am (WST) on Monday, 16 February 2015.

WHY YOU SHOULD NOT SUPPORT A CHANGE OF LEADERSHIP

Your current Directors believe that, in seeking this Meeting, Kesli is proposing to take Board control of your Company and its promising Julius Gold Discovery (Julius) without making a formal takeover offer and paying Echo shareholders a control premium. Kesli seeks to replace all three of your current Directors with three alternative nominees, Dr Michael Ruane, Mr Peter Hunt and Mr Robin Dean.

The Kesli nominees are three of the five Directors of Metaliko, and consequently represent a majority of the Metaliko Board. The proposed directors cannot be considered independent Directors, nor independent of Metaliko. Metaliko recently purchased the closed Bronzewing Mine (**Bronzewing**) located approximately 75 km south of Julius. Michael Ruane is the Managing Director and largest shareholder of Metaliko.

Michael Ruane has previously been in contact with Echo Board members with joint venture proposals for Julius and Bronzewing. These proposals were unanimously rejected by the Echo Board as they were not in the best interest of the majority of Echo shareholders.

The current Directors of the Company believe Michael Ruane and Kesli are now seeking to remove the existing Echo Directors and replace them with three Directors of Metaliko. The Board considers that the motive behind the requisition is so that the Metaliko board can gain control of Echo to assist Metaliko's objectives to gain access to the Julius gold mineralization (subject to compliance with the statutory and fiduciary duties of directors). The Board believes that the combination of Julius and Bronzewing is not in the best interests of the majority of Echo Shareholders.

The current Directors believe that the change of your Board is not in the best interests of Echo Shareholders, for the following reasons:

Resolutions 1, 2 and 3 – Removal of Dr Ernst Kohler, Mr Mathew Longworth and Mr Anthony McIntosh as Directors of the Company

Kesli has called for Echo shareholders to consider the removal of the current Board and Management members Ernst Kohler (Managing Director), Mathew Longworth (Non-executive Chairman) and Anthony McIntosh (Non-executive Director).

Dr Kohler, a Chartered Professional (Geology) with the AusIMM, led Echo through its IPO, and is a major Shareholder of the Company. Dr Kohler discovered the Julius gold mineralization for Echo. He has been a practising geologist for 25 years and has held senior exploration and mining roles with Great Central Mines Limited (GCM) and Normandy Mining Limited (Normandy) at the Jundee and Bronzewing gold mines in the Yandal Gold Province. At Jundee, Dr Kohler was closely involved in the discovery, delineation and extraction of multi-million ounce gold ore-bodies. Dr Kohler has been involved with exploration projects, especially for gold, at all levels from grass roots to resource-reserve definition, to mine planning, to open cut and underground production. He is the principal author of scientific papers and book chapters dealing with the Jundee and Bronzewing gold deposits, and brings to Echo extensive knowledge of geology and mineralization potential of the Yandal Gold Province.

Mr Longworth, who has been on the Board since October 2012, is a geologist with over 28 years' experience across exploration, project evaluation/development, operations and corporate management. Mr Longworth manages a national mining consultancy, specialising in resource estimation, feasibility studies, mine design and development. In previous roles as Exploration Manager with gold focused top tier companies in Kalgoorlie, Mathew led teams responsible for the discovery of two multi-million ounce gold deposits currently in production.

Mr McIntosh, who has also been a Director since October 2012, manages a large portfolio of investments including both listed and unlisted companies, as well as rural, residential and commercial properties.

Your current Directors have also shown they have very real "skin in the game" by putting their own money into the Company. Dr Kohler, in particular, has provided significant financial support for the Company over recent years.

Resolutions 3, 4 and 5 – Appointment of Mr Michael Ruane, Mr Peter Hunt and Mr Robin Dean as Directors of the Company

Resolutions 3, 4 and 5 cover a call for shareholders to consider the election of three Kesli nominees, Dr Michael Ruane, Mr Peter Hunt and Mr Robin Dean to the Echo Board.

The Kesli nominees are all Directors of Intermin Resources Limited (Intermin; ASX Code: IRC) as well as three of the five Directors of Metaliko. They consequently represent of majority of the Intermin and Metaliko boards. Michael Ruane is the largest shareholder of Metaliko with a relevant (direct and indirect) interest of approximately 27 percent of the voting power in Metaliko.

Metaliko recently purchased the closed Bronzewing gold mine, which has not had a successful mining history over the last decade. The previous two owners of Bronzewing were put into administration as a result of mining problems at the mine in 2008 and 2013.

Echo's Directors have independently assessed Bronzewing and are of the opinion that Bronzewing is a high risk project with little or no prospect of an economic return for Echo shareholders.

Michael Ruane has expressed a keen interest in Julius, and has previously been in contact with Echo with a proposal for a joint venture at Bronzewing. The Echo Board unanimously rejected this joint venture proposal because the Directors of Echo did not believe it was in the best interests of Echo shareholders.

The Echo Board believes that Michael Ruane, having failed to convince the Echo Board that his deficient proposal for Julius and Bronzewing is in the best interest of the majority of Echo shareholders, is now attempting to use Kesli to take control of the Echo Board on behalf of Metaliko.

If Kesli is successful with its proposed resolutions, then Kesli will have taken control of Echo and Julius, without making a formal takeover offer and paying Echo shareholders any consideration, let alone a control premium. Effectively, this means that Metaliko will be in control of Echo and Julius without having paid a single dollar to current Echo shareholders.

If elected (and the directors the subject of Resolutions 1 to 3 are removed), Kesli will have sole board control of Echo, the Company's promising Julius project and working capital, and its future.

The current Echo Board do not believe that Messer's Ruane, Hunt and Dean have suitable corporate track records given the share price performance of Metaliko and Intermin over a number of years. As further set out on pages 13 to 15, judging from the share price performance of Intermin and Metaliko since Metaliko debuted on the ASX on 6 October 2010, the Echo Board considers Echo's performance to be superior to these companies.

The Metaliko share price has fallen by more than 80 percent from the IPO issue price of 20 cents per share to a last traded price of 3.5 cents per share (as at 9 January 2015).

At the same time, the number of Metaliko fully paid ordinary shares on issue has increased more than nine fold from 33,143,833 shares to 307,209,994 shares. By comparison, the number of Echo shares on issue has risen from 66,064,290 on 6 October 2010 shares to 101,345,768 shares.

The Intermin share price has fallen by 70 percent from 16 cents per share on 6 October 2010 to a last traded price of 4.7 cents per share (as at 9 January 2015).

The Board also considers that the Kesli nominees may not have sufficient time to commit to the challenging role of taking Echo forward and delivering shareholder value. In particular, Dr Ruane, who is an executive Director of three ASX-listed companies, as well as a Director of Kesli, Tyson Resources Pty Ltd and Heartlink Limited, is now proposing to also be a Director of another ASX-listed company.

In conclusion, the Echo Directors consider that Kesli is being opportunistic and believe Kesli's motivation of taking board control with a shareholding of only 14.64 percent is not in the best interests of Echo Shareholders other than Kesli and Michael Ruane, and their related entities. Kesli is seeking to take board control of Echo without making a formal takeover offer or paying Echo shareholders consideration, let alone a premium for this control.

If you vote in favour of the Resolutions and Kesli is successful:

- (a) Echo will have no independent directors;
- (b) The Nominee Directors of Kesli will be conflicted in any consideration of the Julius project or the Yandal belt tenements based on their conflicting positions on the Metaliko Board;

- (c) Directors of Kesli and Metaliko will be in control of Echo and its promising Julius discovery;
- (d) Echo will lose significant knowledge of the Company's history, assets and operations which rest with your current directors; and
- (e) Echo will lose access to significant knowledge about the geology of the Yandal Gold Province held by Dr. Kohler.

Resolution 7 – Removal of any other directors - INVALID

Kesli has called for any person holding, or claiming to hold, the office as a director of the Company at the time this resolution is being put to shareholders be removed as a director of the Company (other than the nominees the subject of Resolutions 4 to 6 if they are elected as directors).

The Board has been advised that this Resolution 7 to be invalid at law, and accordingly, will not be putting it forth for consideration at the meeting.

The directors of Echo consider the resolutions proposed by Kesli are not in the best interests of the Company and the vast majority of shareholders and recommend shareholders vote AGAINST all resolutions at this shareholder's meeting.

A summary of recent exploration results from Julius can be found in the Explanatory Statement attached to this notice, as well as on the ASX website (www.asx.com.au) and on Echo's website (www.echoresources.com.au).

We look forward to sharing in the future success of the Company with you and to receiving your vote rejecting the resolutions proposed by Kesli.

Yours sincerely

Mathew Longworth
Chairman

TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The General Meeting of the Shareholders to which this Notice of Meeting relates will be held on Wednesday, 18 February 2015 at CWA House, 1176 Hay Street, West Perth commencing at 10.00am (WST).

YOUR VOTE IS IMPORTANT

The business of the General Meeting affects your Shareholding and your vote is important.

VOTING IN PERSON

To vote in person, attend the General Meeting on the date and at the place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return:

In Person	By Mail	By Facsimile
14 Emerald Terrace West Perth, WA 6005	PO Box 389 West Perth, WA 6872	(61 8) 9322 7211

Please note that the Proxy Form must be received by the Company not later than 10.00am (WST) on Monday, 16 February 2015.

Proxy Forms received later than this time will be invalid.

ENTITLEMENT TO ATTEND AND VOTE

In accordance with the Corporations Act, the Company has determined that the Shareholding of each person for the purpose of determining entitlements to attend and vote at the Meeting will be the entitlement of that person set out in the Company's share register as at 4:00pm (WST) on Monday, 16 February 2015.

Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

NOTICE OF GENERAL MEETING

Notice is given that a General Meeting of the Shareholders of Echo Resources Limited (**Echo** or **Company**) will be held on Wednesday, 18 February 2015 at CWA House, 1176 Hay Street, West Perth commencing at 10.00am (WST) to consider, and if thought fit, to pass the Resolutions set out below.

Terms used in this Notice of General Meeting and accompanying Explanatory Statement are defined in the glossary to this document.

The Explanatory Statement which accompanies and forms part of this Notice of General Meeting describes the matters to be considered at the General Meeting.

AGENDA

Resolutions 1 – 6 are to be considered at the General Meeting following their proposal in a requisition notice to call a general meeting received by the Company under section 249D of the *Corporations Act 2001* (Cth) (**Corporations Act**), from Kesli Chemicals Pty Ltd (**Kesli**), being a Shareholder with at least 5 percent of the votes that may be cast at the Meeting.

ITEM 1 – REQUISITION NOTICE

To consider the notice received by the Company from Kesli under section 249D of the Corporations Act to requisition the Company to hold this Meeting.

ITEM 2 – RESOLUTIONS

1 RESOLUTION 1 – REMOVAL OF ERNST KOHLER AS A DIRECTOR

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

That, Mr Ernst Kohler, being a Director of the Company, be removed as a Director of the Company, with effect from the conclusion of the Meeting.

2 RESOLUTION 2 – REMOVAL OF MATHEW LONGWORTH AS A DIRECTOR

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

That, Mr Mathew Longworth, being a Director of the Company, be removed as a Director of the Company, with effect from the conclusion of the Meeting.

3 RESOLUTION 3 – REMOVAL OF ANTHONY MCINTOSH AS A DIRECTOR

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

That, Mr Anthony McIntosh, being a Director of the Company, be removed as a Director of the Company, with effect from the conclusion of the Meeting.

4 RESOLUTION 4 – APPOINTMENT OF MICHAEL RUANE AS A DIRECTOR

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

That, Mr Michael Ruane be appointed as a Director of the Company, with effect from the conclusion of the Meeting.

5 RESOLUTION 5 – APPOINTMENT OF PETER HUNT AS A DIRECTOR

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

That, Mr Peter Hunt be appointed as a Director of the Company, with effect from the conclusion of the Meeting.

6 RESOLUTION 6 – APPOINTMENT OF ROBIN DEAN AS A DIRECTOR

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

That, Mr Robin Dean be appointed as a Director of the Company, with effect from the conclusion of the Meeting.

EXPLANATORY STATEMENT

The Explanatory Statement accompanying this Notice of Meeting is incorporated in and comprises part of this Notice of Meeting.

Shareholders are specifically referred to the glossary in the Explanatory Statement which contains definitions of capitalised terms used both in this Notice of Meeting and the Explanatory Statement.

ORDINARY RESOLUTIONS

All Resolutions are ordinary resolutions. This means that, to be passed, the Resolution needs the approval of a simple majority of votes cast by Shareholders entitled to vote on the Resolution.

PROXIES

Please note that:

- (a) a Shareholder entitled to attend and vote at the General Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a Shareholder; and
- (c) a Shareholder entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

- (d) The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

CORPORATE REPRESENTATIVE

A Shareholder that is a corporation may appoint an individual to act as its representative to vote at the Meeting in accordance with Section 250D of the Corporations Act. The appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the Certificate is enclosed with this Notice of Meeting. Prior to the Meeting, send the Certificate to PO Box 389, West Perth, WA 6872 or fax the Certificate to (61 8) 9322 7211.

ENQUIRIES

Shareholders are invited to contact the Company on (61 8) 9362 4806 or 0412 633 173 if they have any queries in respect of the matters set out in this document.

BY ORDER OF THE BOARD OF DIRECTORS

Krystel Kirou
Company Secretary

Dated: 12 January 2015

IMPORTANT NOTE

All Resolutions have been proposed by Kesli Chemicals Pty Ltd pursuant to section 249D of the Corporations Act.

The Resolutions have NOT been endorsed by and are NOT supported by the Directors.

The Directors have set out their recommendations on the Resolutions in the Explanatory Statement attached to this Notice of Meeting.

Shareholders are urged to read the Explanatory Statement carefully prior to voting or submitting their Proxy Forms.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the General Meeting.

The purpose of this Explanatory Statement is to provide Shareholders with information which is material to a decision on how to vote on the Resolutions in the accompanying Notice of General Meeting.

This Explanatory Statement should be read in conjunction with the Notice of General Meeting preceding this Explanatory Statement. Capitalised terms in this Explanatory Statement are defined in the glossary to this document.

If you have any questions regarding the matters set out in this Explanatory Statement or the preceding Notice of General Meeting, please contact the Company, your stockbroker or other professional adviser.

ITEM 1 - REQUISITION NOTICE

BACKGROUND

Echo has received two notices from Kesli requesting that the Directors of Echo convene a general meeting under section 249D of the *Corporations Act 2001* (Cth) ("Corporations Act") to consider the removal of all current Echo Directors and the appointment of Michael Ruane, Peter Hunt and Robin Dean as Directors of Echo.

The Directors of Kesli are Michael Ruane and Irene Margaret Ruane. On 21 November 2014 and 24 November 2014, Kesli purchased 13,503,387 Echo shares representing 13.32 percent of Echo's issued share capital.

Kesli had purchased 4,503,387 shares (4.44 percent of the issued capital of the Company) off-market at 10 cents per share on 21 November 2014, and 9,000,000 shares (8.88 percent of the issued capital of the Company) at a price of 10.5 cents per share on 24 November 2014 in an after-market trade through Bell Potter Securities.

Prior to these purchases, Kesli was the registered holder of only 150,000 Echo shares, representing less than 0.15 percent of Echo's issued capital.

Kesli is presently the registered holder of 14,833,799 Echo shares (with a voting power of 14.64 percent).

Echo made an ASX announcement on 25 November 2014 outlining the significant changes in Echo shareholdings. On 27 November 2014, Echo's shares reached an intra-day high of 18.5 cents per share.

On 26 November 2014, Michael Ruane lodged a Form 603 "*Notice of initial substantial holder*" notice which disclosed that the Michael Ruane Group (Kesli; Intermin; Heartlink Limited) had become a substantial holder of Echo on 24 November 2014 with a relevant interest of 15,648,674 shares and voting power of 15.44 percent.

The Echo Board has for some time now been aware that Michael Ruane has a keen interest in the Echo's 100 percent owned Julius Gold Discovery which is located in the highly prospective Yandal Gold Province in central Western Australia.

Echo has previously received proposals from Michael Ruane and Cobra Mining Limited (**Cobra**) in relation to Julius and the closed Bronzewing mine, which is located approximately 75km south of Julius. Bronzewing, which has had a troublesome recent mining history, is now owned by Metaliko, of which Michael Ruane is the Managing Director and largest shareholder. Peter Hunt and Robin Dean are also Directors of Metaliko.

The proposals from Michael Ruane and Cobra were considered by the Echo Directors to be deficient and were unanimously rejected as they were not considered by the Echo Board to be in the best interest of the majority of Echo shareholders.

On 27 November 2014, the Company received a notice pursuant to section 249D of the Corporations Act (**Purported Requisition Notice**) from Kesli, requesting that the Company hold a general meeting of Shareholders to consider resolutions to remove the three current Directors (Mr Ernst Kohler, Mathew Longworth and Anthony McIntosh and appoint three new Directors nominated by Kesli (Mr Michael Ruane, Peter Hunt and Robin Dean) (**Nominee Directors**).

As announced to ASX on 15 December 2014, the Directors determined that the Purported Requisition Notice was invalid for the purposes of convening a meeting of Shareholders under section 249D of the Corporations Act, on the basis that Kesli was not at that time the registered holder of at least 5 percent of the votes that may be cast at a meeting of members.

On 18 December 2014, the Company was served with revised documents from Kesli seeking to requisition a Shareholder's meeting under section 249D of the Corporations Act to consider the same resolutions as set out in the Purported Requisition Notice (**Revised Requisition Notice**).

In compliance with section 249D of the Corporations Act, and pursuant to this Notice of Meeting, the Directors have called this General Meeting for the purpose of Shareholders considering the resolutions set out in the Revised Requisition Notice.

The costs of convening and holding the General Meeting requested by Kesli will be paid by the Company and not Kesli.

Shareholders should note that the General Meeting is not being convened voluntarily by the Board and the Resolutions to remove the three current Directors and appoint three new Directors nominated by Kesli have not been proposed and are not supported by the Board.

The Directors recommend Shareholders vote **AGAINST** each Resolution.

MEMBER'S STATEMENT

Kesli has provided a statement pursuant to section 249P of the Corporations Act which it has requested the Company provide to all Shareholders (**Member's Statement**).

In accordance with its statutory obligations, the Company has attached a copy of the Member's Statement as Annexure A to this Notice of Meeting.

The Company is not responsible for the content of the Member's Statement (including whether such statement is in compliance with all applicable law) and the Member's Statement does not form part of this Notice of Meeting.

ECHO BOARD RESPONSE TO THE REVISED REQUISITION NOTICE

THE DIRECTORS OPPOSE EACH OF THE RESOLUTIONS

FOR THE FOLLOWING REASONS

BACKGROUND TO THE JULIUS GOLD DISCOVERY

The Board considers that Julius may be the most exciting greenfields gold find in the Yandal Gold Province since the late 1990's. The Yandal Province is among Australia's largest goldfields, hosting several multi-million ounce gold deposits, including those at Jundee (Northern Star Resources), Darlot (Gold Fields) and Thunderbox (Saracen Mineral Holdings).

Julius is a virgin gold discovery with no surface expression or historical mining activity. The lack of previous mining means the high-grade cores of the mineralized structures at Julius are intact. This is a significant benefit to the potential exploitation of this discovery.

Echo has completed 365 drill holes at Julius, for a total of more than 35,300m of drilling. The bulk of this drilling was undertaken during 2011 to 2014 when funding became available after the worst of the Global Financial Crisis had passed.

The gold lodes at Julius are located under transported cover within weathered and fresh, hydrothermally altered mafic and ultramafic rocks adjacent to a mineralized granodiorite body. In plan view, based on the current drill pattern, the envelope of gold mineralized and hydrothermally altered rocks at Julius extends at least 1.5km along strike and 1km across strike. The hydrothermally altered and gold mineralized rocks at Julius may extend at depth beneath large-scale bismuth pathfinder geochemical anomalies that cover an area of at least 4km by 2km to the west and south of the main Julius drilling area. This area presently lacks systematic reverse circulation and diamond core drilling coverage designed to test for blind gold lodes. Notable selected recent gold drilling intercepts at Julius have included:

5m @ 21.6 g/t Au from 235m *including* **3m @ 35.0 g/t Au** from 235m

14m @ 3.5 g/t Au from 76m *including* **5m @ 6.9 g/t Au** from 76m

19.1m @ 8.1 g/t Au from 49m *including* **5m @ 21.7 g/t Au** from 54m

8m @ 8.9 g/t Au from 52m *including* **2m @ 29.7 g/t Au** from 53m

20m @ 9.9 g/t Au from 38m *including* **5m @ 21.6 g/t Au** from 48m

7m @ 35.0 g/t Au from 276m *including* **4m @ 59.7 g/t Au** from 276m

6m @ 6.6 g/t Au from 38m *including* **2m @ 13.5 g/t Au** from 38m

24m @ 2.7 g/t Au from 8m *including* **4m @ 11.7 g/t Au** from 28m*

8m @ 5.8 g/t Au from 64m *including* **4m @ 10.9 g/t Au** from 64m*

**Denotes preliminary composite sample intercept. The drilling information is extracted from ASX announcements by the Company on 29 November 2013, 28 April 2014, 19 June 2014 and 27 November 2014. Please refer to these announcements and Echo's website (www.echoresources.com.au) for further details of these drilling results, as well as geological maps, cross-sections and rock photographs. Some of this information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.*

Echo's drilling programs at Julius during 2013 and 2014 continued to locate new mineralized structures, as well as extensions to known gold lodes. Recent drilling has shown that high-grade gold mineralisation may be present down-plunge to the northwest of the main Julius drilling area.

Metallurgical testwork suggests that the Julius mineralisation may be amenable to processing by conventional carbon-in-leach or carbon-in-pulp processing methods incorporating a gravity recovery circuit.

Echo has undertaken extensive geological and structural re-logging of the drill samples, surveys of the drill holes, and rock density studies in preparation for a 2012 JORC Code compliant mineral resource estimate at Julius. Under relevant legislation in Western Australia, applications for Mining Leases over Julius may only be able to be made once a resource estimate has been completed to the satisfaction of the Department of Mines and Petroleum.

Several entities, besides Kesli and Michael Ruane, have expressed an interest in the exploration and mining potential of Julius.

CHANGE OF CONTROL OF YOUR COMPANY WITH NO PREMIUM

If successful, Kesli will have gained control of the Echo Board with three nominees comprising the Board. The Kesli nominees are three of the five Directors of Metaliko, and consequently represent a majority of the Metaliko Board.

Your current Directors believe that Kesli's nominees will be conflicted and not independent due to Kesli and Metaliko's interest in gaining control of the Julius gold mineralisation. On 19 November 2014, Metaliko, which owns the closed Bronzewing mine, released a presentation which stated that it *"needs to clearly define gold resources of adequate magnitude and grade prior to any recommencement of mining operations"* at Bronzewing.

Your current Directors believe that, in seeking this Meeting, Kesli may be proposing to take Board control of your Company so that Metaliko can gain access to the Julius gold mineralization, and that this is not in the best interests of the majority of Echo Shareholders.

The current Directors are also of the opinion that Kesli is attempting to take control of Echo from a minimal shareholding position, without making a formal takeover offer for Echo, thereby depriving Echo shareholders of a control premium.

WHAT DO WE KNOW ABOUT KESLI?

The Directors of Kesli are Michael Ruane and Irene Margaret Ruane.

Kesli is the registered holder of 14,833,799 Echo shares (with a voting power of 14.64 percent). The majority of these shares were purchased on 21 November 2014 and 24 November 2014.

On the day prior to the receipt of the first s249D notice from Kesli, Kesli was the registered holder of only 150,000 Echo shares, representing less than 0.15% of issued capital of the Company.

On 26 November 2014, Michael Ruane lodged a Form 603 *"Notice of initial substantial holder"* notice in which it was disclosed that the Michael Ruane Group (Kesli; Intermin; Heartlink Limited) had become a substantial holder of Echo on 24 November 2014 with a relevant interest of 15,648,674 shares and voting power of 15.44 percent.

WHAT DO WE KNOW ABOUT THE THREE KESLI NOMINEES?

Michael Ruane, Peter Hunt and Robin Dean are Directors of Metaliko and Intermin.

The Echo Directors consider the share price performance, capital structure and capital discipline of Echo under the current Board to have outperformed Metaliko and Intermin.

Share price performance is a key measure of performance of a Company, notwithstanding the mixture of external factors that will influence the market value of all companies. This has particularly been the case since 2008 with the Global Financial Crisis, and the more recent collapse of commodity prices. The US dollar denominated gold price has fallen from approximately US\$1,880 per ounce in August 2011 to US\$1,220 per ounce today, with lows of around US\$1,140 per ounce during November 2014, which coupled with the fall in price of other major commodities, such as iron and coal, has negatively impacted on investor sentiment for mining stocks, particular those with market capitalisations of less than \$50 million.

The performance of Echo against Metaliko and Intermin can be assessed on the basis of Figures 1 and 2, which show the share prices of all three companies since Metaliko debuted on the ASX on 6 October 2010.

Examination of the share price performance of Echo, Metaliko and Intermin shows that:

- Echo's share price has risen at times by more than 300 percent, and is currently 64 percent higher than its share price on 6 October 2010 (when Metaliko debuted on the ASX).
- Metaliko's share price has fallen from the IPO issue price of 20 cents per share to a last traded price of 3.5 cents per share (as at 9 January 2015), a fall of more than 80 percent. When Michael Ruane and Robin Hunt were appointed Directors of Metaliko on 28 June 2012, the Metaliko share price was 4.5 cents per share.
- Intermin's share price has fallen from 16 cents per share on 6 October 2010 to a last traded price of 4.7 cents per share (as at 9 January 2015), a fall of 70 percent.

Over the same period, the number of fully paid ordinary shares on issue by Metaliko has increased more than nine fold from 33,143,833 shares to 307,209,994 shares. By comparison, the number of Echo shares has risen from 66,064,290 shares on 6 October 2010 to 101,345,768 shares.

FIGURE 1: Echo, Metaliko and Intermin Share Price in cents per share since Metaliko listed on 6 October 2010 to 9 January 2015

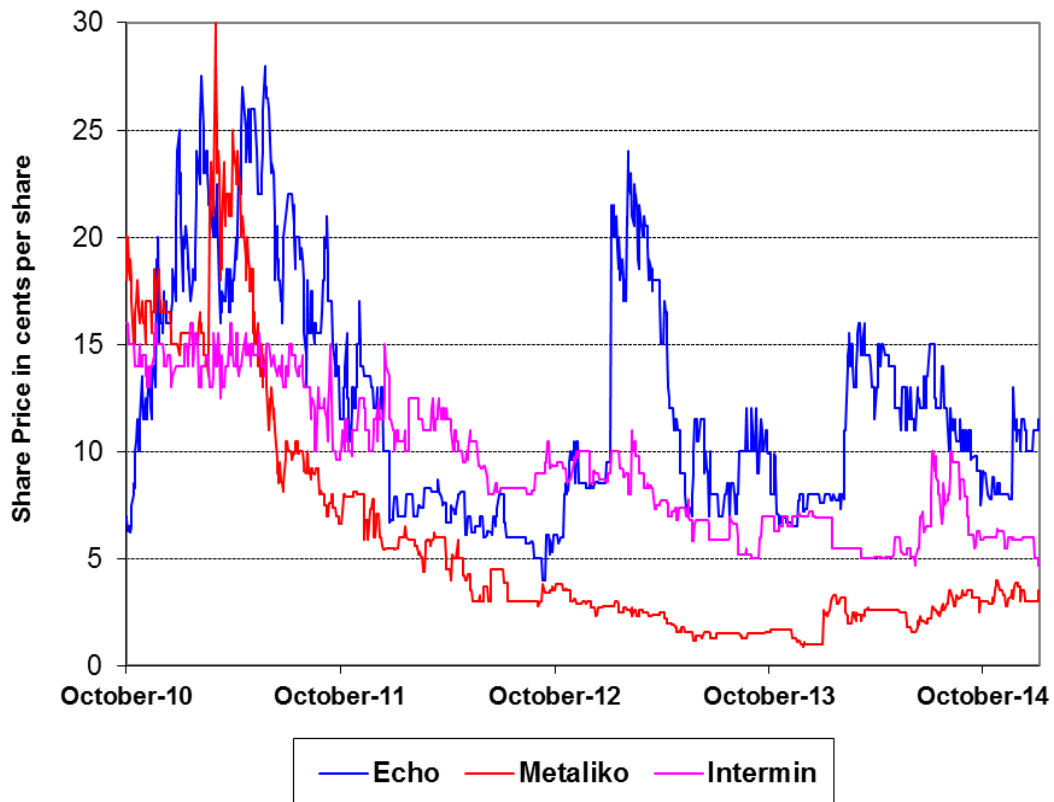
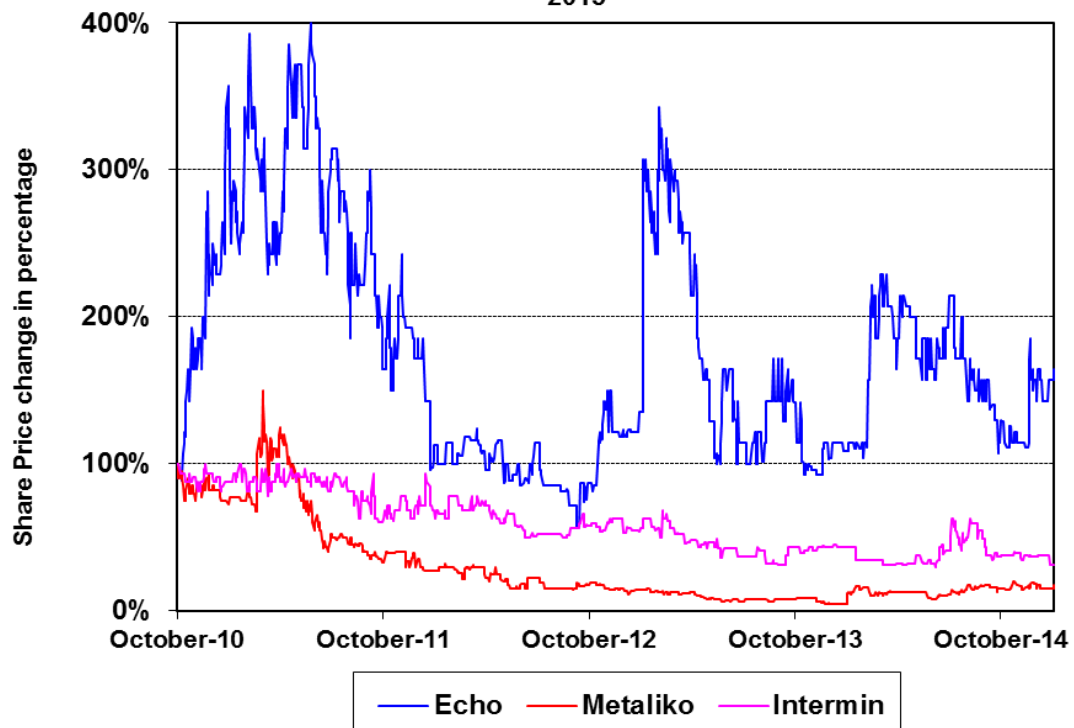


FIGURE 2: Echo, Metaliko and Intermin Share Price changes in percentages since Metaliko listed on 6 October 2010 to 9 January 2015



The current Echo Board has a strong technical and financial skill set with significant corporate experience.

Echo's Managing Director and Chairman are both seasoned exploration and mining geologists, with extensive gold discovery track records in the Yandal Gold Province and Kalgoorlie region of Western Australia.

Dr Kohler was intimately involved in exploration and mining at Jundee and Bronzewing when these mines were operated by Great Central Mines Limited (GCM) and Normandy Mining Limited (Normandy). He has accumulated nearly two decades of detailed knowledge about the geology and mineralization potential of the Yandal Gold Province. At Jundee, Dr Kohler was closely involved in the discovery, delineation and extraction of multi-million ounce gold ore-bodies.

Mr Longworth has led exploration teams responsible for discovery of two multi-million ounce gold deposits currently in production in the Kalgoorlie region. He manages a national, tier one mining consultancy specialising in resource estimation, mine design, mineral processing, feasibility studies, development and valuation. He is directly involved in project development across multiple commodities and jurisdictions on a day to day basis.

Given that Kesli is seeking to remove all of the current Directors, including the Chairman and Managing Director, with Directors who are executives and on the Boards of other ASX-listed companies, the existing Directors are of the opinion that the proposed Directors may not have not have sufficient time to manage Echo if they are appointed, and this will create a substantial risk for Shareholders.

In particular, Michael Ruane is an executive Director of three ASX-listed companies (Metaliko, Intermin and Reward Minerals Limited), as well as a Director of Kesli, Tyson Resources Pty Ltd and Heartlink Limited. Michael Ruane is now proposing to be a Director of another ASX-listed company.

WHAT DO WE KNOW ABOUT METALIKO?

Metaliko was admitted to the official list of the ASX on 1 October 2010, and debuted on 6 October 2010. On 28 June 2012, Metaliko announced a new Board including Michael Ruane and Peter Hunt. Robin Dean was appointed as a Director of Metaliko on 3 October 2012. The two remaining Directors of Metaliko, Min Yang and Geoff Baker, were appointed to the Metaliko Board on 25 August 2014. Dr Ruane is Metaliko's Managing Director.

On 7 January 2014, Metaliko announced that it had reached agreement with the administrator of Navigator Resources Limited (Navigator) to acquire all of the shares in Navigator Bronzewing Pty Ltd which owns the Bronzewing Gold Project.

On 24 February 2014, Metaliko lodged a Prospectus for a 5 for 2 renounceable rights issue to raise up to approximately \$6.9 million for the Bronzewing purchase. The rights issue price was set at 3 cents per new share, and was partly underwritten by Tyson Resources Pty Ltd (**Tyson**), a company whose Directors are Michael Ruane and Irene Margaret Ruane. The Metaliko share price in the week prior to the lodgement of the prospectus ranged from 2 cents per share to 2.3 cents per share. On 28 March 2014, Metaliko announced that it had received acceptances for 56,864,681 shares (\$1,705,940) with a shortfall of 174,421,424 shares (\$5,232,642). On 2 April 2014, Metaliko announced that the underwriter had terminated its obligations under the underwriting agreement, and that Metaliko was unable to raise sufficient funds to meet the minimum subscription, further that Metaliko had terminated the purchase agreement for Bronzewing.

On 19 June 2014, Metaliko lodged another Prospectus for a 2 for 1 renounceable rights issue to raise up to approximately \$5.5 million for the purchase of Bronzewing under revised terms. The rights issue price was again set at 3 cents per new share, and was partly underwritten by Tyson. The Metaliko share price during the fortnight prior to the lodgement of the Prospectus ranged from 1.6c per share to 2.1 cents per share (a substantial discount to the rights issue offer price). On 17 July 2014, Metaliko announced that it had received acceptances for 44,288,740 shares (\$1,328,665) with a shortfall of 140,740,023 shares (\$4,222,200).

The Echo Board notes that both 2014 rights issues by Metaliko were undertaken at an issue price of 3c per share which was significantly higher than the Metaliko share price prior to the rights issue announcement. In the Board's opinion, this is not the preferred practice for rights issues which are usually priced at a discount to the prevailing share price in order to encourage all shareholders in a company to subscribe for new shares.

On 27 June 2014, Metaliko announced that it had settled the purchase of Bronzewing using loan funds provided by Michael Ruane and Tyson.

Metaliko currently has 307,209,994 shares and 450,000 options on issue. The last traded Metaliko share price is 3.5c per share, giving the Company a Market Capitalization of approximately \$10.7 million. A presentation announcement lodged by Metaliko on the ASX on 19 November 2014 shows that the company has a debt of approximately \$893,000.

On 17 December 2014, Metaliko disclosed that Michael Ruane had a relevant interest in 83,502,822 Metaliko securities (approximately 27 percent of the voting power) held through Michael Ruane, Kesli, Tyson and Heartlink Limited.

WHAT DO WE KNOW ABOUT BRONZEWING?

Bronzewing is located approximately 75km south of Julius as the crow flies, and about 90km by road. Mining operations commenced in 1994, initially under the ownership of GCM, then Normandy (later Newmont Mining Corporation). During the later phases of mine ownership by GCM and Normandy, significant problems were experienced at Bronzewing, including problems with resource and reserve estimations, as well as difficulties in achieving sufficient processing plant through-put. Newmont ceased mining at Bronzewing in 2004.

Bronzewing was acquired by View Resources Limited (**View**) in 2004. View commenced open-cut and underground mining in 2007. View was put into administration as a result of mining problems at Bronzewing in 2008.

In 2009, Navigator purchased Bronzewing from the administrators of View. Navigator commenced open-cut mining at Bronzewing in 2010. Navigator was placed into voluntary administration in March 2013 as a result of mining problems at Bronzewing.

WHAT IS ECHO'S VIEW OF BRONZEWING?

Ernst Kohler and Mathew Longworth have independently undertaken a number of technical reviews of the Bronzewing mine over the last 15 years. Ernst Kohler has personal knowledge of the Bronzewing mine having worked there when the mine was operated by Normandy. Dr Kohler has also reviewed most of the smaller gold deposits and prospects surrounding Bronzewing, and has published scientific papers dealing with the geology the Bronzewing gold deposits.

Echo has undertaken reviews of the Bronzewing mine for a potential purchase by Echo of a 100 percent interest in the project and tenements. The reviews included assessments of the 20-year old Bronzewing processing plant and the potential for this plant to be used to treat any economic Julius gold mineralization in the event that Echo decided to proceed with mining at Julius. Echo has inspected Bronzewing to assess the mine workings, processing plant and other infrastructure.

Echo's reviews outlined significant issues that needed to be addressed by Echo (if the Company purchased Bronzewing) prior to the recommencement of mining and processing at Bronzewing including:

- improving the reliability of the Bronzewing resource and reserve estimates;
- limited exploration potential for the discovery and delineation of new gold deposits of sufficient quality, grade and tonnage on the Bronzewing tenements;
- the need to undertake repairs and equipment upgrades to the Bronzewing processing plant; and
- concerns about environmental liabilities at Bronzewing.

The Board of Echo took the view that Bronzewing was an unacceptably high risk project, and accordingly, the Board unanimously decided not to make an offer to purchase Bronzewing because it was not considered to be in the best interest of Echo shareholders.

The Board also took the view that the treatment of all of the Julius gold mineralization, except for the highest grade material, through the Bronzewing plant was unlikely to be economically viable because of the costs of trucking and rehandling. Treating the Julius mineralization through Bronzewing would also result in the sterilization of significant tonnages of lower-grade gold mineralized material which was not of sufficient grade to enable economic trucking and rehandling to a processing plant located more than 90km away by road.

The Board was, and still is, of the view that the most appropriate location for a processing plant is at Julius, and that there are a number of options that need to be considered in due course to ensure the best economic outcome for the project and Echo's shareholders. These include:

- the construction of a new processing plant that employs the latest technological improvements and can be custom built to optimally treat the Julius mineralization;
- the purchase of a second-hand processing plant to be relocated to Julius (noting that there are other second-hand processing plants available besides the 20-year old Bronzewing plant); or
- toll treatment through the operating Jundee processing plant which is located 50km north of Julius (Note: the Jundee processing plant is not owned by Echo).

On 6 January 2015, the Directors of Echo unanimously restated their view that Bronzewing is a high risk project with little or no prospect of an economic return for Echo shareholders.

WHY ARE MICHAEL RUANE, KESLI AND METALIKO INTERESTED IN JULIUS?

Echo has been approached at various times by Michael Ruane on behalf of Cobra, Kesli, Metaliko and Intermin for discussions about Julius. Michael Ruane is a Director of Kesli, Metaliko and Intermin, and it is the view of Echo's Directors that Michael Ruane may be using these three companies to obtain a controlling interest in Julius on behalf of Metaliko and himself as a substantial shareholder of Metaliko.

On 19 November 2014, Metaliko released an ASX announcement which contained a presentation entitled “*Metaliko Resources Limited – Establishing a North-Eastern Goldfields Alliance*”. Slide 4 in the presentation states that Metaliko “*has acquired a 2.3 MTPA gold plant*” which “*could provide a “central processing hub” for the highly prospective South Yandal Gold Belt*”. Further, Slide 4 states that Metaliko “*needs to clearly define gold resources of adequate magnitude and grade prior to any recommencement of mining operations*”.

It is the view of Echo’s Directors that Metaliko owns a 20-year old gold processing plant with not much to put through it at this point in time, and that Metaliko now wishes to gain access to the Julius gold mineralization.

HAVE THERE BEEN PREVIOUS APPROACHES TO ECHO BY MICHAEL RUANE?

Echo has had several approaches from Michael Ruane.

Approach by Michael Ruane in 2012.

In November 2012, Michael Ruane contacted Ernst Kohler by telephone to discuss his ideas for a joint venture over Bronzewing and Julius. During that conversation, Michael Ruane asked Ernst Kohler to bring Echo to him in order to put Julius together with Bronzewing. Dr Kohler explained to Michael Ruane that he and Echo had assessed Bronzewing several times, and that Echo had decided not to proceed with any investment at Bronzewing because Echo considered that mining was not economically viable, which was the reason why the Board believed View and Navigator ended up in administration.

Dr Kohler also told Michael Ruane that he had assessed the exploration potential of the Bronzewing tenements several times, and that, in his opinion, it was unlikely that a new exploration discovery of sufficient grade, tonnage and proximity to the Bronzewing plant could be made within a minimum 2 year period, even with a highly skilled and well-funded exploration team. During the telephone conversation, Michael Ruane acknowledged that, without further work, the Bronzewing resources and reserves were unlikely to support economic mining, and that he was going to focus on exploring the Bronzewing tenements. Ernst Kohler discussed the proposal by Michael Ruane with the two other Echo Directors who agreed that it was not in the interests of Echo shareholders to proceed with a venture at Bronzewing.

Approaches by Cobra and Michael Ruane in 2011 to 2013.

During 2011, Echo was approached by Cobra with a proposal for a joint venture gold mining operation at Julius. The Cobra proposal was not accepted by Echo because the terms were not at all satisfactory.

On 29 October 2013, Anthony McIntosh received an email from Michael Ruane with a written proposal for a joint venture at Bronzewing between Echo and Cobra. The proposal required Echo to expend \$10.5 million to earn an initial 51 percent interest in the Bronzewing mine. The Echo Board unanimously rejected the Cobra joint venture proposal because Echo had already decided that Bronzewing was not suitable for Echo, and it was not in the best interests of Echo’s shareholders for Echo to invest money in Bronzewing.

Approaches by representatives of Michael Ruane during capital raising in 2014

The Members Statement by Kesli makes mention of an offer of \$1 million by Intermin to Echo in September 2014.

From April 2014 to September 2014, Echo held discussions with investors and broking firms wishing to invest money into Echo. At no stage during this period, did Michael Ruane, Kesli or Intermin approach Echo with a capital raising proposal.

On 9 September 2014, the Echo Board resolved to undertake a share placement to two entities that wished to invest approximately \$700,000 at a price of 11 cents per share, a 10 percent premium to the previous trading days closing share price. The Board resolved to place Echo into a trading halt while the capital raising was undertaken, with a pre-defined offer closing time to ensure compliance with ASX trading halt and continuous disclosure rules.

While the Company was in trading halt, Anthony McIntosh advised Mathew Longworth and Ernst Kohler that certain brokers had an unknown investor, possibly associated with Michael Ruane, who wanted to invest \$1 million dollars in Echo. However, no application money was received by Echo by the closing time of the offer. The Echo Board unanimously agreed to reject all applications for Echo shares without application money at the offer closing time to enable Echo to come out of trading halt on market open the next day. No application money was ever received by Echo from Intermin or Michael Ruane.

Discussion between Michael Ruane and Mathew Longworth in December 2014

On 15 December 2014, Michael Ruane made telephone contact with Echo's Chairman, Mathew Longworth to discuss the rejection of Kesli's first s249D notice. During that conversation, Michael Ruane informed Mathew Longworth that:

- Metaliko did not discuss resources and reserves for Bronzewing publicly because it was unlikely that these resources and reserves could be mined.
- Metaliko needed the Julius mineralization in order to commence processing operations at Bronzewing.
- Kesli had lodged the s249D notice to stop Echo making placements to friendly parties.

WHAT IS MOTIVATING KESLI TO SEEK THIS EFFECTIVE CHANGE OF CONTROL OF YOUR COMPANY?

It is the Directors' view that the motivation for the spill of the current Board is simply to effect a change of control of Echo (through Board control) without proceeding with a formal takeover offer to all Echo Shareholders, thereby taking control of the Company's assets, and particularly Julius, from a minimal shareholding position.

By installing three of Kesli's own nominated Directors, Kesli is seeking to gain control of the Board and effectively control the Company's activities and assets, including cash reserves, whilst holding less than a 15 percent direct interest.

The Kesli nominees are all Directors of Metaliko, which the Board believes wishes to gain access to the Julius gold mineralization because there are not presently resources of adequate magnitude and grade at Bronzewing for Metaliko to recommence mining.

As outlined above, Echo has previously received, and rejected, proposals from Michael Ruane and Cobra in relation to Julius and Bronzewing. The proposals were unanimously

rejected by the Echo Board because they were not in the best interests of the majority of Echo shareholders.

The Board is of the view that significant exploration and delineation work will need to be undertaken by Metaliko to locate and define gold resources of adequate magnitude and grade prior to any recommencement of mining operations at Bronzewing. The Echo Board has strong reservations about the ability of Metaliko to undertake and fund this work given the difficult market conditions for junior gold stocks, and the past corporate history of Bronzewing. Even if the work is undertaken, the Echo Board is of the view that it is uncertain that any new resources discovered and delineated will be of adequate magnitude and grade for recommencement of mining at Bronzewing.

The Board is of the view that Michael Ruane and Metaliko would like to gain a controlling interest in Echo and Julius in order to improve the prospects for Metaliko and Metaliko's shareholders.

WHAT ARE THE IMPLICATIONS OF HAVING METALIKO DIRECTORS IN CONTROL OF ECHO?

If elected, the proposed Nominee Directors would not be independent of Metaliko and related parties of Metaliko, and they would be conflicted in considering any Echo activities in the Yandal belt including Julius. There being no Independent Directors on Echo's Board, the business of Echo could not be considered from a non-conflicted perspective, and this is not in the best interest of Echo Shareholders.

The Nominee Directors have a statutory and fiduciary duty to act in the interests of Metaliko shareholders. It is the existing Directors opinion, that there is a significant risk to the majority of Echo shareholders, that the Nominee Directors, who represent a majority of the Board of Metaliko, and, in particular Michael Ruane, who is the largest shareholder of Metaliko, may not, or may not be able to, act in the best interest of Echo's shareholders due to this conflict.

YOUR CURRENT DIRECTORS ARE BETTER SKILLED TO LEAD THE COMPANY INTO THE FUTURE

Echo's current Directors and management team is an experienced group of mining executives with sound technical, corporate and financial skills tempered and tested through times of success and also adversity.

The Board considers that the existing Directors have the necessary skills and experiences to lead the Company into the future, with a proven track record which includes having:

- driven Echo's IPO
- made a significant gold discovery at Julius, and a second gold discovery at Zaphod
- successfully managed Echo during the ravages of the Global Financial Crisis and the more recent collapses in the prices of major commodities, including gold
- undertaken a significant amount of exploration drilling at Julius without diluting Echo's long-term shareholders
- demonstrated strong discipline to protect the capital structure of Echo to ensure that dilution to Echo's shareholders is kept to a minimum

Your Directors have demonstrated sound judgment by not investing Echo's funds into high risk projects with little or no prospect of an economic return to Echo shareholders, such as the Bronzewing mine.

REMOVAL OF DIRECTORS WILL CAUSE LOSS

The Directors consider that the removal of the existing Directors will cause a loss of:

- substantial industry experience and corporate knowledge of the Company, the Yandal Gold Province and the gold exploration and mining industry;
- detailed knowledge of the Company's assets and the operating requirements; and
- important relationships which have been established over time with key stakeholders, contractors, potential financiers and strategic partners.

The Directors consider that the loss of such knowledge, experience and relationships at Board level will severely hinder the ability of the Company to successfully pursue its strategic goal of becoming a gold producer.

Given that Kesli is seeking to remove all three of the existing Directors, including the Chairman and Managing Director, and having regard to the matters set out above and elsewhere in this Explanatory Statement, the existing Directors are of the opinion that the Nominee Directors will have neither the time nor technical mining expertise to effectively manage the Company if they are appointed and this may create a substantial risk for Shareholders. There is a concern that the possible outcome of the General Meeting may result in a void at management level that could prevent the Company from rebuilding Shareholder value through the maintenance and development of the Company's assets.

The Directors believe that Shareholder value will be best increased by having a stable Board and management team with the time and experience necessary to properly explore the Julius gold system and other exploration targets on Echo's tenements.

THE CURRENT BOARD HAS A COMPREHENSIVE STRATEGY AND PLAN FOR JULIUS AND THE FUTURE OF THE COMPANY. IN CONTRAST KESLI APPEAR TO WANT TO TAKE CONTROL OF ECHO TO ENABLE KESLI AND METALIKO SHAREHOLDERS TO GAIN ACCESS TO THE JULIUS MINERALISATION WITHOUT MAKING A TAKEOVER OFFER FOR ECHO

Your Board's strategy includes:

- a focus on the Company's highly prospective Yandal Gold Province tenement holdings, which include Julius and Zaphod Prospect
- undertaking further exploration and delineation drilling at Julius
- undertaking further metallurgical and rock property studies, including geotechnical studies
- preparing a 2012 JORC compliant mineral resource estimate for Julius within 9 months
- applying for a Mining Lease over Julius and negotiating a suitable access and compensation agreement with the traditional owners
- completing a comprehensive prefeasibility study leading to a 2012 JORC compliant ore reserve statement for Julius
- undertaking an economic assessment of Julius to assess the optimum open-cut and underground mining methods, infrastructure requirements and processing plant options (which may include the purchase and relocation of a suitable second-hand processing plant to Julius; or a toll treating arrangement; or the construction of a new processing plant incorporating the latest technological advancements at Julius)
- preparing a mine plan for Julius
- securing appropriate funding to construct and develop a mining operation at Julius.

BEWARE OF CONSEQUENCES OF A SUCCESSFUL BOARD SPILL

If Kesli is successful in gaining control of the Board of Echo then Directors of Kesli and Metaliko will be in control of Echo's future, and Metaliko will have gained access to the Julius gold mineralization without having made a formal takeover offer and paying Echo shareholders any consideration, let alone a control premium.

It is also the current Directors view that should Kesli be successful in gaining control of the Board, then the prospect of other, technically and financially capable corporate entities making a takeover bid for Echo may have been significantly reduced.

**THEREFORE, THE DIRECTORS URGE SHAREHOLDERS TO THINK
COMMERCIALY ABOUT THEIR BEST CHANCE TO INCREASE THE VALUE OF
THEIR INVESTMENT IN THE COMPANY BY OPPOSING THE KESLI MOTIONS**

BY VOTING

AGAINST

ALL RESOLUTIONS AT THIS SHAREHOLDER MEETING.

ITEM 2 - RESOLUTIONS

1 RESOLUTIONS 1 TO 3 – REMOVAL OF MR ERNST KOHLER, MR MATHEW LONGWORTH AND MR ANTHONY MCINTOSH AS DIRECTORS OF THE COMPANY

1.1 Background

Kesli has nominated the following Directors be removed at the General Meeting:

- (a) Mr Ernst Kohler (Managing Director);
- (b) Mr Mathew Longworth (Non-executive Chairman); and
- (c) Mr Anthony McIntosh (Non-executive Director).

Each of the Directors is highly credentialed, having extensive experience in the mining industry, possessing various skills considered to be of value to the Company, and significant involvement with the Company's business and a demonstrated understanding of the issues facing Echo.

Information on the experience and capabilities of each of the Directors the subject of Resolutions 1 to 3 are included below.

1.2 Current Directors

Dr Ernst Kohler – Managing Director

Dr Ernst Kohler (BSc (Hons First Class), PhD(Geology), MBA, MAusIMM (CPGeo)) is a registered Chartered Professional Geologist with the Australasian Institute of Mining and Metallurgy. From 1996 to 2001 Dr Kohler held senior exploration and mining roles with Great Central Mines Limited and Normandy Mining Limited at the Jundee and Bronzewing gold mines in Yandal Belt, WA. At Jundee, Dr Kohler was closely involved in the discovery, delineation and extraction of multi-million ounce gold ore-bodies. Dr Kohler has been involved with exploration projects, especially for gold, at all levels from grass roots to resource-reserve definition, to mine planning, to open cut and underground production. Prior to joining Echo, he worked with CSIRO as Business Development Manager and Group Leader, Gold and Nickel Exploration Under Cover. He is the principal author of scientific papers and book chapters dealing with the Jundee and Bronzewing gold deposits, and brings to Echo extensive knowledge of geology and mineralization potential of the Yandal Gold Province.

Mr Mathew Longworth – Non-executive Chairman

Mathew Longworth is a geologist with over 28 years' experience across exploration, project evaluation/development, operations and corporate management. He has previously held Exploration Director and Executive Director roles. Currently he consults to, and manages, a top tier national mining consultancy which specialises in resource estimation, feasibility studies, mine design, processing, development, operations and valuation. Mr Longworth recently worked as a mining analyst with a boutique investment fund. He also provides valuation and due diligence advice to companies, private equity funds and financial institutions. Mathew has a strong track record of discovery and generating value for shareholders. He combines Board level experience with a strong technical and commercial background. Mathew is a

member of the Australasian Institute of Mining and Metallurgy (AusIMM) and Australian Institute of Company Directors.

Mr Anthony McIntosh – Non-executive Director

Anthony McIntosh holds a Bachelor of Commerce Degree from Bond University and manages a portfolio of investments including both listed and unlisted companies, as well as rural, residential and commercial properties. Anthony brings to Echo marketing, investor relations and strategic planning skills, as well as a network of stockbroking and investment fund manager supporters.

1.3 Board recommendation

The Board does not support the removal of the current Directors and recommends that Shareholders vote **AGAINST** Resolutions 1 to 3.

The Chairman of the Meeting intends to vote all undirected proxies **against** Resolutions 1 to 3.

2 RESOLUTIONS 4 TO 6 – APPOINTMENT OF MR MICHAEL RUANE, MR PETER HUNT AND MR ROBIN DEAN AS DIRECTORS OF THE COMPANY

2.1 Background

Kesli has nominated the following persons be appointed as Directors at the General Meeting:

- (a) Dr Michael Ruane;
- (b) Mr Peter Hunt; and
- (c) Mr Robin Dean.

2.2 Kesli Nominees

Dr Michael Ruane

Please refer to the Member Statement by Kesli.

Mr Peter Hunt

Please refer to the Member Statement by Kesli.

Mr Robin Dean

Please refer to the Member Statement by Kesli.

2.3 Board recommendation

The Board does not support the appointment of the Kesli nominees as directors and recommends that Shareholders vote **AGAINST** Resolutions 4 to 6.

The Chairman of the Meeting intends to vote all undirected proxies **against** Resolutions 4 to 6.

GLOSSARY

In this Explanatory Statement, the following terms have the following unless the context otherwise requires:

ASIC	Australian Securities and Investments Commission.
ASX	ASX Limited or the securities market operated by ASX Limited, as the context requires.
Board	board of Directors.
Chairman	chairman of the General Meeting.
Company or Echo	Echo Resources Limited ACN 108 513 113
Corporations Act	<i>Corporations Act 2001</i> (Cth).
Director	director of the Company
Explanatory Statement	the explanatory statement that accompanies this Notice of General Meeting.
JORC Code	The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves
Meeting or General Meeting	the general meeting convened by this Notice of General Meeting.
Notice of General Meeting or Notice of Meeting	this notice of General Meeting.
Proxy Form	the proxy form enclosed with this Notice of General Meeting.
Resolution	resolution contained in this Notice of General meeting.
Share	fully paid ordinary share in the capital of the Company.
Shareholder	holder of a Share in the Company.
WST	Australian Western Standard Time.

PROXY FORM

Shareholder Details

Name:

.....

Address:

.....

Contact Telephone No:

.....

Contact Name (if different from above):

.....

Step 1. Appoint a Proxy to Vote on Your Behalf

I/We being a Shareholder/s of Echo Resources Limited and entitled to attend and vote hereby appoint

☐

The Chairman
of the Meeting
(mark with an 'X')

OR

Write here the name of the person you are appointing if this person is **someone other than** the Chairman of the Meeting.

or failing the person named, or if no person is named, the Chairman of the Meeting, as my/our proxy to attend and act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the Chairman sees fit) at the General Meeting of Echo Resources Limited to be held on Wednesday, 18 February 2015 at CWA House, 1176 Hay Street, West Perth commencing at 10.00am (WST) and at any adjournment of that General Meeting.

Step 2. Items of Business

Voting directions to your proxy – please mark ☒ to indicate your directions

Resolution 1	Removal of Ernst Kohler as a Director
Resolution 2	Removal of Mathew Longworth as a Director
Resolution 3	Removal of Anthony McIntosh as a Director
Resolution 4	Appointment of Michael Ruane as a Director
Resolution 5	Appointment of Peter Hunt as a Director
Resolution 6	Appointment of Robin Dean as a Director

For	Against	Abstain*
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

*If you mark the Abstain box for a Resolution, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

Appointment of a second proxy (see instructions overleaf)

If you wish to appoint a second proxy, state the % of your voting rights applicable to the proxy appointed by this form

%

THE DIRECTORS CONSIDER THE RESOLUTIONS ARE NOT IN THE BEST INTERESTS OF THE COMPANY OR THE VAST MAJORITY OF SHAREHOLDERS AND RECOMMEND THAT SHAREHOLDERS VOTE AGAINST ALL RESOLUTIONS AT THIS SHAREHOLDERS' MEETING

PLEASE SIGN HERE This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented

Individual or Shareholder 1

**Sole Director and
Sole Company Secretary**

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

HOW TO COMPLETE THIS PROXY FORM

Your Name and Address

Please print your name and address as it appears on your holding statement and the Company's share register. If Shares are jointly held, please ensure the name and address of each joint Shareholder is indicated. Shareholders should advise the Company of any changes. Shareholders sponsored by a broker should advise their broker of any changes. Please note, you cannot change ownership of your securities using this form.

Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a Shareholder of the Company.

Votes on Resolutions

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each Resolution. All your Shareholding will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any Resolution by inserting the percentage or number of Shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given Resolution, your proxy may vote as he or she chooses. If you mark more than one box on a Resolution your vote on that Resolution will be invalid.

If you direct your proxy how to vote validly in accordance with these instructions and your proxy fails to either attend the Meeting or vote on any directed Resolution, the Chairman of the Meeting is taken to have been appointed as the proxy for the purposes of voting on that Resolution at the Meeting and must vote in accordance with your proxy.

Intermediaries are required to forward the meeting materials to non-registered beneficial shareholders and provide them with a voting instruction form for completion which the intermediary must follow.

Voting entitlements

In accordance with the Corporations Act, the Company has determined that the Shareholding of each person for the purpose of determining entitlements to attend and vote at the Meeting will be the entitlement of that person set out in the Company's share register as at 4:00pm (WST) on Monday, 16 February 2015. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

Voting in person

A Shareholder that is an individual may attend and vote in person at the Meeting. If you wish to attend the Meeting, please bring the attached proxy form to the Meeting to assist in registering your attendance and number of votes. Please arrive 15 minutes prior to the start of the Meeting to facilitate this registration process.

A Shareholder that is a corporation may appoint an individual to act as its representative to vote at the Meeting in accordance with Section 250D of the Corporations Act. The appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the Certificate is enclosed with this Notice of Meeting.

Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the Company Secretary on (61 8) 9322 2700 or you may photocopy this form.

To appoint a second proxy you must on each Proxy Form state (in the appropriate box) the percentage of your voting rights which are the subject of the relevant proxy. If both Proxy Forms do not specify that percentage, each proxy may exercise half your votes. Fractions of votes will be disregarded.

Signing Instructions

You must sign this form as follows in the spaces provided:

Individual:	where the holding is in one name, the holder must sign.
Joint Holding:	where the holding is in more than one name, all of the Shareholders should sign.
Power of Attorney	to sign under Power of Attorney, you must have already lodged this document with the Company's share registry. If you have not previously lodged this document for notation, 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, this form must be signed by that person. If the company (pursuant to Section 204A of the Corporations Act) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

Lodging your proxy form

This Proxy Form (and any Power of Attorney under which it is signed) must be received at the address given below not later than 48 hours before the commencement of the Meeting being no later than 10.00am (WST) on Monday, 16 February 2015. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

In Person	By Mail	By Facsimile
14 Emerald Terrace West Perth, WA 6005	PO Box 389 West Perth, WA 6872	(61 8) 9322 7211

CERTIFICATE OF APPOINTMENT OF CORPORATE REPRESENTATIVE

Shareholder Details

This is to certify that by a resolution of the directors of:

..... (Company),
Insert name of Shareholder Company

the Company has appointed:

.....,
Insert name of corporate representative

in accordance with the provisions of section 250D of the *Corporations Act 2001* (Cth), to act as the body corporate representative of that Company at the general meeting of the members of Echo Resources Limited to be held on Wednesday, 18 February 2015 at CWA House, 1176 Hay Street, West Perth commencing at 10.00am (WST) and at any adjournments of that general meeting.

DATED 2015

Please sign here

Executed by the Company)
in accordance with its constituent documents)

.....
Signed by authorised representative

.....
Signed by authorised representative

.....
Name of authorised representative (print)

.....
Name of authorised representative (print)

.....
Position of authorised representative (print)

.....
Position of authorised representative (print)

Instructions for Completion

- Insert name of appointing Shareholder Company and the name or position of the appointee corporate representative (e.g. "John Smith" or "each director of the Company").
- Execute the Certificate following the procedure required by your Constitution or other constituent documents.
- Print the name and position (e.g. director) of each authorised company officer who signs this Certificate on behalf of the Company.
- Insert the date of execution where indicated.
- Prior to the Meeting, send the Certificate to PO Box 389, West Perth, WA 6872 or fax the Certificate to (61 8) 9322 7211.

Statement by the requisitioner regarding resolutions to remove the current directors of Echo and appoint Messrs Ruane, Hunt and Dean as directors of the Company.

Who called the shareholders' meeting?

The meeting was called by Kesli Chemicals Pty Ltd ("Kesli") which owns 14.64% of Echo Resources Limited's ("Echo") fully paid ordinary capital.

Why was the shareholders meeting called?

The meeting was requisitioned because Kesli is concerned about Echo's past performance, in particular its inability to successfully delineate resources and develop the Julius Project.

Accordingly, a number of resolutions have been proposed:

- | | |
|---|--|
| 1. Remove Ernst Kohler as a director | 4. Appoint Michael Ruane as a director |
| 2. Remove Matthew Longworth as a director | 5. Appoint Peter Hunt as a director |
| 3. Remove Anthony McIntosh as a director | 6. Appoint Robin Dean as a director |
| | 7. Remove any other directors |

Who are the proposed directors?

The proposed directors are experienced resources executives and directors of Metaliko Resources Limited ("Metaliko", ASX:MKO) which owns the Bronzewing Gold Project ("Bronzewing") in the Yandal gold belt.

Dr Michael Ruane

Dr Ruane has over 30 years' experience in the mining industry and has managed gold operations in Western Australia and the Northern Territory. He is currently a director of Reward Minerals Limited, Metaliko and Intermin Resources Limited ("Intermin").

Mr Peter Hunt

Mr Hunt is a Chartered Accountant and an experienced mining industry executive. He has held a number of listed company Board positions and is currently the Chairman of Intermin and Metaliko.

Mr Robin Dean

Mr Dean has over 30 years' business experience. He has been CEO of a number of public companies including St Barbara Mines Limited and is currently a director of Metaliko and Intermin.

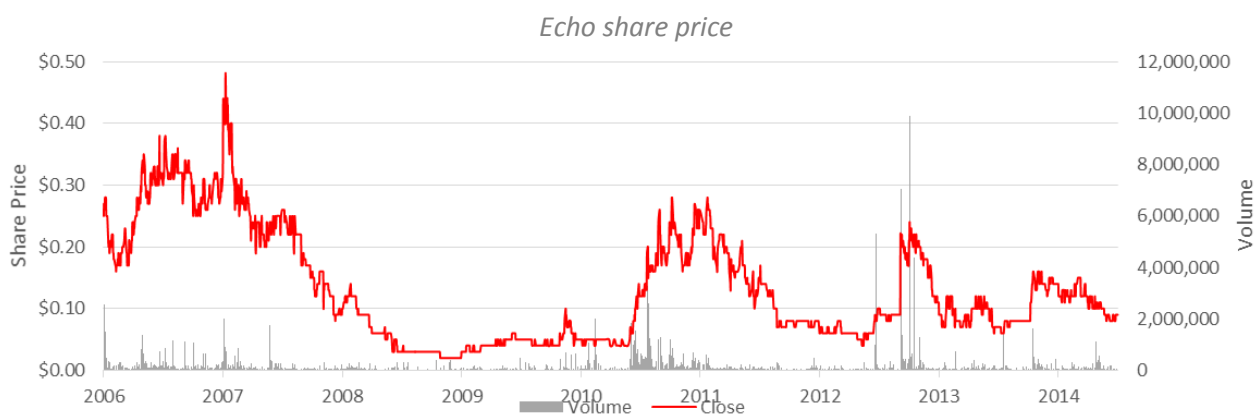
What are our concerns about the performance of the current Echo board?

Since listing over 8 years ago Echo has NOT released any new gold resources.

Echo listed in May 2006 raising \$6M and with Dr Kohler as MD.

Echo identified Julius as a promising prospect at the time of listing and announced significant drilling results from Julius on 4 August 2006.

Over the past 8 years the company has released only periodic exploration results. Lack of progress and news flow has contributed to the company's poor share price performance and inability to raise funds at optimum price levels.



	Movement Since Listing (8/5/2006–5/12/2014)
Echo Share Price	-61.4%
ASX All Ordinaries Index	+8.49%
ASX Gold Index	+3.24%

Exploration levels are inadequate to realise project potential

The level of exploration by Echo since listing has been inadequate to realise potential of its exploration tenements.

In the period 2006–2014 Echo spent over \$10,000,000. Based on direct expenditure levels; holding, admin and salary costs represent over 50% of the company's expenses including over \$1,500,000 in salary paid or payable to Dr Kohler.

Exploration levels need to dramatically increase to ensure promising targets can be assessed within reasonable timeframes and to reduce indirect costs to an acceptable level.

Previous attempts by Kesli to add value for Echo Shareholders

In November 2012 Intermin, an entity associated with Kesli, acquired a substantial shareholding in Echo and advised Echo that an opportunity existed to purchase the Bronzewing Gold Plant, 75km away, at low cost for the treatment of ore from the Julius Project.

Dr Kohler, on behalf of Echo, rejected this opportunity. In the following 12 months Echo's share price dropped from 22 cents to 8 cents where it has largely remained.

In September 2014 Intermin offered \$1 million at 11 cents in the placement by Echo at that time. This offer was refused by Dr Kohler and the placement was reduced to \$700,000 less costs leaving the Company with insufficient funds to effectively advance its projects and a debt owing to Dr Kohler of over \$400,000.

Metaliko recently raised \$5.5 million and acquired Bronzewing for \$4 million. Bronzewing includes a 2.3Mtpa gold plant in excellent condition with a \$50+ million replacement value.

Background to the current requisitioned meeting of members

Recently Kesli acquired 14.64% of Echo's securities.

Following the purchase Kesli lodged the notice requisitioning the shareholders meeting to consider a change of Echo's board, proposing the appointment of Messrs Ruane, Hunt and Dean.

The requisitioner would prefer an orderly board transition by agreement with the current Echo board. However, in view of past events such an outcome was regarded as unlikely.

What are our objectives if the resolutions are passed?

Our aim is to proceed with early development and establish positive cashflows for Echo by:

- Defining gold mineralisation at the Julius Project to JORC resource status within 12 months.
- Applying for Mining Leases over Julius immediately.
- Establishing adequate Reserves at Julius and complete a Mining Proposal for Project development.
- Negotiating an ore treatment agreement enabling the mining of any economic gold resources.
- Securing funding for mine development.

What should Echo shareholders do?

We trust that Echo shareholders will appreciate and support this opportunity for a **change to a highly experienced Board and Management team which will deliver** on near term exploration and development goals.

Shareholders should consider the following questions:

1. Has Echo adequately advanced its projects since listing over 8 years ago?
2. Why has Echo not established/announced any JORC defined gold resources?
3. Why has Echo not applied for Mining Leases over the Julius Project area considering granting can take several years?
4. Given the cost of a 1+Mtpa gold plant will be in excess of \$50 million and permitting for plant and tailings sites may require several years; how will near term production be achieved?
5. Which management team has the ability to move the company through development and deliver significant returns to Echo shareholders?

Support the change of Management to Messrs Ruane, Hunt and Dean:

- Complete the proxy form **VOTING IN FAVOUR** of all resolutions.
- **Appoint one of the proposed directors as your proxy.**
- **Return the proxy form as soon as possible** using the methods outlined in the notice of meeting.

For further information contact +61 (0)411 166 301