



15 May 2015

Dear Shareholder,

### **Fully Underwritten Non-Renounceable Rights Issue**

On 14 May 2015 Echo Resources Limited (ACN 108 513 113) (**Company**) announced a fully underwritten rights issue to raise approximately \$1.52 million before costs (**Rights Issue**).

Net proceeds of the Rights Issue in conjunction with the existing cash reserves of the Company will be used to advance the exploration on the Company's projects, reduce debt and for working capital.

Patersons Securities Limited (**Underwriter**) has agreed to lead manage and fully underwrite the Rights Issue. The Underwriter will be paid \$30,000 and an underwriting fee of 5% of the underwritten amount.

The Directors are pleased to provide support for the Rights Issue and confirm their intention to participate in the Rights Issue for their full entitlement.

The Rights Issue is on the basis of 3 new shares for every 8 existing shares held on the Record Date (see attached timetable) by shareholders with a registered address in Australia or New Zealand (**Eligible Shareholders**) at an issue price of \$0.04 per new share.

An offer document for the Rights Issue has been announced on ASX on 14 May 2015 and is also available on the Company's website. The Company will mail the offer document and accompanying personalised entitlement and acceptance form (**Entitlement and Acceptance Form**) to Eligible Shareholders following the Record Date.

The Company has decided that it is unreasonable to extend the Rights Issue offer to shareholders with a registered address outside Australia or New Zealand as at the Record Date (**Ineligible Shareholder**). If you are an Ineligible Shareholder, the purpose of this letter is to inform you that no offer is being made to you and the offer document will not be sent to you.

Eligible Shareholders should consider the offer document in deciding whether to acquire new shares under the Rights Issue and will need to complete the Entitlement and Acceptance Form to take up their entitlement.

New shares to be issued under the Rights Issue will rank equally with existing shares. The Company has applied to ASX for the new shares to be quoted. Fractional entitlements will be rounded up to the nearest whole number.

The capital structure of the Company following the Offer is as follows:

Shares	Number
Existing shares	101,345,768
New shares offered under the Rights Issue	38,004,663
<b>Total shares following the Offer</b>	<b>139,350,431</b>

The indicative timetable for the Offer is as below:

Event	Date
ASX announcement and Appendix 3B	14 May 2015
Letter to shareholders	15 May 2015
Ex-date	18 May 2015
Record date to determine entitlement ( <b>Record Date</b> )	20 May 2015
Offer document with Entitlement and Acceptance Form dispatched	25 May 2015
Offer opens for receipt of applications	25 May 2015
Closing date for acceptances ( <b>Closing Date</b> )	3 June 2015
Deferred settlement trading	4 June 2015
Notify ASX of shortfall	9 June 2015
Issue of new shares	11 June 2015
Dispatch of shareholding statements	12 June 2015
Normal trading of new shares expected to commence	12 June 2015

The Directors may extend the Closing Date by giving at least 3 business days' notice to ASX prior to the closing date, subject to the Listing Rules and Corporations Act. As such the date the new shares are expected to commence trading on ASX may vary.

Yours sincerely

N. Mathew Longworth  
Chairman  
Echo Resources Limited