



**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

TIME: 10am (WST)

DATE: Monday, 8 February 2016

PLACE: Seasons Hotel Perth – Arabella Room
37 Pier Street
Perth WA 6000

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 (08) 9362 4806 or 0412 633 173.

LETTER TO SHAREHOLDERS

Dear Shareholder,

This is to notify you of a General Meeting that is scheduled for Monday, 8 February 2016 at the Seasons Hotel Perth, Arabella Room, 37 Pier Street, 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 Michael Ruane, is seeking to replace the two existing Directors of the Company with two of its nominees. On 4 November 2015, Michael Ruane gave notice that Kesli was the registered holder of 13,885,487 Echo shares (with a voting power of 9.96 percent).

Michael Ruane is Managing Director and the largest shareholder of Metaliko Resources Limited (**Metaliko**; ASX Code: MKO) which owns the dormant Bronzewing Gold Mine.

It is the view of Echo's Directors that Metaliko does not have sufficient gold resources to recommence mining at Bronzewing. Because of this, Michael Ruane and Metaliko wish to gain access to Echo's Julius gold mineralization so that Metaliko might be closer to recommencing mining and ore processing at Bronzewing.

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 Saturday, 6 February 2015.

WHY YOU SHOULD NOT SUPPORT A CHANGE OF LEADERSHIP

Kesli is seeking to replace Echo's Chairman Mathew Longworth and Managing Director Ernst Kohler with two alternative nominees, Michael Ruane and Simon Coxhell.

This is the second time that Kesli has sought a meeting to remove Echo Directors. During February 2015, Kesli's attempt to unseat the Echo Board was defeated.

Your current Directors believe that, in seeking this latest Meeting, Kesli and Michael Ruane are 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.

Michael Ruane is the Managing Director and largest shareholder of Metaliko. Metaliko owns the closed Bronzewing Mine (**Bronzewing**) located approximately 75km south of Julius. Simon Coxhell has undertaken geological work for Metaliko. The proposed directors cannot be considered independent Directors, nor independent of Metaliko.

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

During July 2015, Michael Ruane made offers to purchase Echo shares owned by Ernst Kohler at a significant premium to the prevailing market price so as to enable Michael Ruane to take control of Echo. These offers were rejected by Ernst Kohler.

At the general meeting of Echo in August 2015, Michael Ruane, Kesli and their associated entities voted in favour of retaining Mathew Longworth and Ernst Kohler as Directors of Echo. Now it appears that Michael Ruane and Kesli wish to remove Mathew Longworth and Ernst Kohler as Directors of Echo.

During October 2015, Michael Ruane, Kesli and their associated entities sold their Echo shares to AXF Resources Pty Ltd at a price of 15 cents per share.

On 4 November 2015, Michael Ruane and Kesli announced that they had re-purchased 13,472,801 shares in Echo. Following these purchases, Michael Ruane made further offers to purchase Echo shares owned by Ernst Kohler at a significant premium. These offers were also not accepted by Ernst Kohler.

The current Directors of the Company believe that Michael Ruane and Kesli are now seeking to take control of Echo's Board to assist Metaliko's objectives to gain access to the Julius gold mineralization (subject to compliance with the statutory and fiduciary duties of directors) without making a formal takeover offer for Echo's shareholders to consider.

The current Directors believe that the change of your Board is not in the best interests of Echo Shareholders.

Resolutions 1 and 2 – Appointment of Michael Ruane and Simon Coxhell as Directors of the Company

Resolutions 1 and 2 call for Shareholders to consider the election of the Kesli nominees, Mr Michael Ruane and Mr Simon Coxhell as Directors of the Company.

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 he has previously been in contact with Echo with joint venture proposals for Julius and Bronzewing. The Echo Board unanimously rejected the joint venture proposals because the Directors of Echo did not believe the proposals were in the best interests of Echo shareholders.

Michael Ruane has made several offers to purchase Echo shares owned by Ernst Kohler so as to enable Michael Ruane and Kesli to take control of Echo. When Michael Ruane became aware that Ernst Kohler did not wish to sell his shares without a full takeover bid for Echo, Kesli lodged the 203D and subsequently 249D notices.

The Echo Board believes that Michael Ruane, having failed to purchase a controlling interest in Echo from Ernst Kohler, and having failed to convince the Echo Board that his deficient proposals for Julius and Bronzewing are 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 Kesli 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 3 to 4 are removed), Kesli will have board control of Echo, the Company's promising Julius project and working capital, and its future.

Resolutions 3 and 4 – Removal of Mathew Longworth and Ernst Kohler as Directors of the Company

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

Mathew 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.

Ernst Kohler, a Chartered Professional (Geology) with the AusIMM, led Echo through its IPO, and is the largest 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 and Dr Kohler have 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.

In conclusion, the Echo Directors consider that Kesli is being opportunistic and believe Kesli's motivation of taking board control without making a takeover offer for Echo 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 any consideration, let alone a premium for this control.

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

- (a) Michael Ruane will be conflicted in any consideration of the Julius project or the Yandal belt tenements based on his conflicting positions on the Metaliko Board;
- (b) Echo will lose significant knowledge of the Company's history, assets and operations which rest with Ernst Kohler and Mathew Longworth; and

- (c) Echo will lose access to significant knowledge about the geology of the Yandal Gold Province held by Ernst Kohler.

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 at 10am WST on Monday, 8 February 2016 at Seasons Hotel Perth – Arabella Room, 37 Pier Street, Perth WA 6000.

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 at 992 Albany Highway, East Victoria Park WA 6101
- By post to 992 Albany Highway, East Victoria Park WA 6101
- By facsimile to +61 8 9355 3264

Please note that the Proxy Form must be received by the Company not later than 10am (WST) on Saturday, 6 February 2016.

Proxy Forms received later than this time will be invalid.

ENTITLEMENT TO ATTEND AND VOTE

The Company may specify a time, not more than 48 hours before the Meeting, at which a “snap-shot” of Shareholders will be taken for the purposes of determining Shareholder entitlements to vote at the General Meeting.

The Company’s Directors have determined that all Shares of the Company that are quoted on ASX at 4:00pm (WST) on Saturday, 6 February 2016 shall, for the purposes of determining voting entitlements at the General Meeting, be taken to be held by the persons registered as holding the Shares at that time.

NOTICE OF GENERAL MEETING

Notice is given that a General Meeting of the Shareholders of Echo Resources Limited (**Echo** or **Company**) will be held at Seasons Hotel Perth – Arabella Room, 37 Pier Street, Perth WA 6000 on Monday 8 February 2016 commencing at 10am (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 1-4 are to be considered at the General Meeting following the proposed requisition notice to call a general meeting received by the Company under section 249D of the Corporations Act from Kelsi Chemicals Pty Ltd.

ITEM 1 – REQUISITION NOTICES

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

ITEM 2 – RESOLUTIONS

1 RESOLUTION 1 – APPOINTMENT OF MICHEAL RUANE AS A DIRECTOR

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

That, pursuant to and in accordance with the Company's constitution and for all other purposes, Michael Ruane, having consented to act, be and is hereby appointed as a director of the Company.

2 RESOLUTION 2 – APPOINTMENT OF SIMON COXHELL AS A DIRECTOR

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

That, pursuant to and in accordance with the Company's constitution and for all other purposes, Simon Coxhell, having consented to act, be and is hereby appointed as a director of the Company.

3 RESOLUTION 3 – 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, pursuant to section 203D of the Corporations Act, Mr Mathew Longworth be and is hereby removed as a director of the Company.

4 RESOLUTION 4 – 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, pursuant to section 203D of the Corporations Act, Mr Ernst Kohler be and is hereby removed as a director of the Company.

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.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

CORPORATE REPRESENTATIVE

Any corporate Shareholder who has appointed a person to act as its corporate representative at the meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company and/or registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative. An appointment of corporate representative form is enclosed if required.

ENQUIRIES

Shareholders are invited to contact the Company on +61 8 9362 4806 or mobile 041 263 3173 should they have any queries in respect of the matters set out in this document.

BY ORDER OF THE BOARD OF DIRECTORS

Kate Stoney
Company Secretary
Echo Resources Limited

Dated: 7 January 2016

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

On 11 December 2015, Echo received a notice 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 appointment of Michael Ruane and Simon Coxhell as Directors of Echo, and the removal of Mathew Longworth and Ernst Kohler as Directors of Echo.

This is the second time that Kesli has sought a meeting to remove Echo Directors. During February 2015, Kesli's attempt to unseat the Echo Board was defeated.

On 4 November 2015, Michael Ruane lodged a Form 603 "*Notice of initial substantial holder*" notice which disclosed that Kelsi had become a substantial holder of Echo on 2 November 2015 with a relevant interest of 13,885,487 shares and voting power of 9.96 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 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 owned by Metaliko, of which Michael Ruane is the Executive Director and largest shareholder.

Michael Ruane's proposals 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.

During July 2015 and again in November 2015, Michael Ruane made offers to purchase Echo shares owned by Ernst Kohler at a significant premium to the prevailing market price so as to enable Michael Ruane to take control of Echo. These offers were rejected by Ernst Kohler. In December 2015, when Michael Ruane became aware that Ernst Kohler did not wish to sell his shares without a full takeover bid for Echo, Kesli lodged the 203D and subsequently 249D notices.

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 two current Directors and appoint two 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 not provided a statement pursuant to section 249P of the Corporations Act.

ECHO BOARD RESPONSE TO THE 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. Notable selected drilling intercepts have included:

23m @ 19.9 g/t Au from 40m, including **11m @ 40.2 g/t Au**
19.1m @ 8.1 g/t Au from 49m, including **5m @ 21.7 g/t Au**
5m @ 21.6 g/t Au from 235m, including **3m @ 35.0 g/t Au**
2m @ 13.0 g/t Au from 187m to EOH, including **1m @ 21.6 g/t Au**
7m @ 35.0 g/t Au from 276m, including **4m @ 59.7 g/t Au**
8m @ 2.3 g/t Au from 293m, including **1m @ 5.8 g/t Au**
2m @ 18.0 g/t Au from 192m, including **1m @ 22.6 g/t Au**
8m @ 8.9 g/t Au from 52m, including **2m @ 29.7 g/t Au**
20m @ 9.9 g/t Au from 38m, including **5m @ 21.6 g/t Au**
10m @ 9.4 g/t Au from 43m, including **2m @ 31.9 g/t Au**
8m @ 5.4 g/t Au from 91m, including **1m @ 34.6 g/t Au**

The drilling information has been extracted from ASX announcements made by the Company during 2013-2015. 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 commenced a follow-up drilling program at Julius during December 2015. This drilling program is expected to be completed during January 2016.

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

CHANGE OF CONTROL OF YOUR COMPANY WITH NO PREMIUM

If Kesli is successful in replacing Ernst Kohler and Mathew Longworth with Michael Ruane and Simon Coxhell, then Kesli will have gained control of the Echo Board.

Michael Ruane is the Executive Director and largest shareholder of Metaliko, which owns the closed Bronzewing mine. Your current Directors believe that, in seeking this Meeting, Michael Ruane and Kesli may be proposing to take Board control of your Company so that Metaliko can gain access to the Julius gold mineralization.

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 was the underwriter of Metaliko's rights issue announced on 18 September 2015.

At the general meeting of Echo in August 2015, Michael Ruane, Kesli and their associated entities voted in favour of retaining Mathew Longworth and Ernst Kohler as Directors of Echo. Now it appears that Michael Ruane and Kesli wish to remove Mathew Longworth and Ernst Kohler as Directors of Echo.

During October 2015, Michael Ruane, Kesli and their associated entities sold their Echo shares to AXF Resources Pty Ltd at a price of 15 cents per share.

On 4 November 2015, Michael Ruane lodged a Form 603 "Notice of initial substantial holder" notice in which it was disclosed that Kesli had again become a substantial holder of Echo on 2 November 2015 with a relevant interest of 13,885,487 shares and voting power of 9.96 percent.

WHAT DO WE KNOW ABOUT METALIKO AND BRONZEWING

Michael Ruane is the Managing Director of Metaliko (ASX Code: MKO). On 10 December 2015, Metaliko disclosed that Michael Ruane had a relevant direct and indirect interest in 132,035,712 Metaliko securities (approximately 29.9 percent of the voting power).

During 2014, Metaliko announced that it had reached agreement with the administrator of Navigator Resources Limited (Navigator) to acquire the closed Bronzewing Gold Mine.

Bronzewing is located approximately 75km south of Julius. Mining commenced at Bronzewing in 1994, under the ownership of Great Central Mines (GCM) and 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 in 2004. View commenced mining in 2007, but was put into administration as a result of mining problems at Bronzewing in 2008.

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

Following its purchase of Bronzewing in 2014, Metaliko stated that it *“needs to clearly define gold resources of adequate magnitude and grade prior to any recommencement of mining operations”* at Bronzewing.

On 24 September 2015, Metaliko announced that the Mineral Resources at Bronzewing only totalled 700,300 tonnes at an average grade of 2.17 g/t Au for approximately 48,900 ounces of gold.

It is the view of Echo’s Directors that Metaliko does not have sufficient gold resources to recommence mining and ore processing at Bronzewing.

Echo’s Directors believe that Metaliko wishes to gain access to the Julius gold mineralization in order for Metaliko to be closer to potentially recommencing mining at Bronzewing.

It is also the opinion of the Echo Directors that even if Metaliko is successful in accessing the Julius gold mineralization, there is no certainty of mining or ore processing commencing at Bronzewing in the near future.

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

The Echo Board believes that Michael Ruane and Metaliko wish 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.

HAVE THERE BEEN PREVIOUS APPROACHES TO ECHO BY MICHAEL RUANE?

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

During July 2015 and November 2015, Michael Ruane made offers to purchase Echo shares owned by Ernst Kohler at a significant premium to the prevailing market price so as to enable Michael Ruane to take control of Echo. These offers were rejected by Ernst Kohler because Michael Ruane did not appear to have the intention to make a full takeover bid for Echo.

The Directors of Echo note that it was after Ernst Kohler did not accept Michael Ruane's share purchase offers that the 203D and subsequently the 249D notices were lodged by Kesli.

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

The Echo Board believes that Michael Ruane, having failed to purchase a controlling interest in Echo from Ernst Kohler, and having failed to convince the Echo Board that his deficient proposals for Julius and Bronzewing are in the best interest of the majority of Echo shareholders, is again attempting to use Kesli to take control of the Echo Board on behalf of Metaliko.

It is the Directors' view that the motivation for the current Kesli proposed resolutions 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 two of Kesli's own nominated Directors, and the removal of Mathew Longworth and Ernst Kohler, Kesli is seeking to gain control of the Board and effectively control the Company's activities and assets, including cash reserves.

The Board is of the view that Michael Ruane, Kesli 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 KESLI AND MICHAEL RUANE IN CONTROL OF ECHO?

Michael Ruane is a Director of Kesli and Metaliko, and he is also a substantial shareholder of Kesli and Metaliko.

Given his role as the Managing Director of Metaliko, Michael Ruane has a statutory and fiduciary duty to act in the interests of Metaliko shareholders. Given this role, it is the existing Echo Directors opinion, that if Michael Ruane is elected to the Echo Board, that he may not be able to deliberate, consider and vote upon all material Echo board matters due to his conflicting duties and business interests in Metaliko.

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

Mathew Longworth and Ernst Kohler are experienced mining executives with sound technical, corporate and financial skills tempered and tested through times of success and also adversity. Both Directors have extensive gold discovery track records in the Yandal Gold Province and Kalgoorlie region of Western Australia.

Ernst 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, Ernst Kohler was closely involved in the discovery, delineation and extraction of multi-million

ounce gold ore-bodies. Ernst Kohler discovered the Julius gold mineralization for Echo, and he is Echo's largest shareholder.

Mathew 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.

The Board considers that Mathew Longworth and Ernst Kohler 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

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.

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
- 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 AND 2 – APPOINTMENT OF DR MICHAEL RUANE AND MR SIMON COXHELL AS DIRECTORS OF THE COMPANY

1.1 Background

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

- (a) Dr Michael Ruane; and
- (b) Mr Simon Coxhell.

1.2 Biographies

No biographies have been provided by Kesli.

1.3 Board recommendation

The Echo Board does not support the appointment of Michael Ruane and Simon Coxhell as directors and recommends that Shareholders vote **AGAINST** Resolutions 1 and 2.

The Chairman of the Meeting intends to vote all undirected proxies **against** Resolutions 1 and 2.

2. RESOLUTIONS 3 AND 4 – REMOVAL OF MR MATHEW LONGWORTH AND DR ERNST KOHLER AS DIRECTORS OF THE COMPANY

2.1 Background

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

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

Each of the above 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 3 and 4 are included below.

2.2 Biographies

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.

Dr Ernst Kohler – Managing Director

Dr Ernst Kohler (BSc (Hons First Class), PhD(Geology), MBA, MAusIMM (CPGeo)), MAIG 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.

2.3 Board recommendation

The Echo Board does not support the removal Mathew Longworth and Ernst Kohler and recommends that Shareholders vote **AGAINST** Resolutions 3 and 4.

The Chairman of the Meeting intends to vote all undirected proxies **against** Resolutions 3 and 4.

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.
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 Monday, 8 February 2016 at Seasons Hotel Perth – Arabella Room, 37 Pier Street, Perth WA 6000 commencing at 10am (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

		For	Against	Abstain*
Resolution 1	Appointment of Michael Ruane as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Appointment of Simon Coxhell as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Removal of Mathew Longworth as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Removal of Ernst Kohler as a Director	<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

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.

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 Saturday, 6 February 2016. 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 telephoning the Company on (08) 9362 4806 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 10am WST on Saturday, 6 February 2016. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

In Person	By Mail	By Facsimile
992 Albany Highway, East Victoria Park WA 6101	992 Albany Highway, East Victoria Park WA 6101	+61 8 9355 3264

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 Monday, 8 February 2016 commencing at 10am WST and at any adjournments of that general meeting.

DATED 2016

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.
- The Certificate may be:
 - sent or delivered to the registered office of the Company at 992 Albany Highway, East Victoria Park WA 6101, or faxed to the Company at +61 8 9355 3264 prior to the Meeting; or
 - lodged at registration desk on the day of the Meeting.