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ASX Announcement

SHAREHOLDER UPDATE

On the 8th February 2016 a general meeting of Echo Resources Limited (the "Company"; ASX:EAR) passed resolutions replacing Directors Dr Ernst Kohler and Mr Mat Longworth with Dr Michael Ruane and Mr Simon Coxhell. The resolutions were passed by a large majority of shareholder votes. After a number of months of uncertainty it is now expected that the Company can have a cohesive plan and a clear path forward for advancing its prospective gold projects.

However, the new Board has encountered difficulty in obtaining access to the Company's records and exploration database. This material was previously in the possession and control of Dr Kohler and held at the Company's registered office.

The Company has repeatedly requested that Dr Kohler provide this material, but these requests have been ignored.

The Company recently obtained access to the Company's registered office by having the locks replaced. However, upon entry it was discovered that the material was not in the office.

The data relating to the recent reverse circulation drilling completed at Julius in late December 2015 and early January 2016 is not available. The Company understands that a total of 6 holes for 1934 metres were drilled and four metre composite samples have been analysed. However, the information which is required to compile and validate the program (including analytical results) is not currently in the possession of the Company.

The Company is currently seeking legal advice in relation to these matters and the steps required to recover the material to enable the Company to carry on with its business and exploration activities at a time of high gold prices.

A review of the finances of the Company indicated a poor cash position. An urgent share placement has been undertaken to enable the Company to move forward. Subscribers are thanked for their support of the fundraising which saw \$836,102 raised before costs. The placement represented 10% of the existing fully paid capital of the Company and was issued under its Listing Rule 7.1 15% placement capacity.

Section 249D Notice: Dr Ernst Kohler

The Company advises that it received a notice from Dr Kohler requesting a meeting of Echo Resources Ltd shareholders pursuant to Sections 203D and 249D of the *Corporations Act 2001* (Cth) seeking removal of Dr Michael Ruane, Mr Simon Coxhell and Mr Anthony McIntosh as Directors of the Company.

On legal advice the Company had advised Dr Kohler that the notice was invalid in the form presented and invited Dr Kohler to resubmit his request for a General Meeting in the prescribed manner. To date no new request has been received from Dr Kohler.

Further information will be provided as it comes to hand.

Michael Ruane
Director