



Echo Resources Limited

June 30

2016

Financial Report

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CORPORATE DIRECTORY

DIRECTORS

Barry Bolitho (Non-Executive Chairman)
Simon Coxhell (Director and Chief Executive Officer)
Anthony McIntosh (Non-executive Director)

COMPANY SECRETARY

Kate Stoney

PRINCIPAL OFFICE

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Nedlands WA 6009

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AUDITOR

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38 Station Street
Subiaco WA 6008

STOCK EXCHANGE

ASX Code: EAR

SHARE REGISTRY

Advance Share Registry
110 Stirling Highway
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REVIEW OF OPERATIONS

The Julius Gold Project

The focus of Echo's activities during the year was on advancing the 100% owned Julius Gold Project, located approximately 450 kilometres north of Kalgoorlie and 70 kilometres east of Wiluna.

Substantial works have been completed, culminating in the delivery of a maiden Mineral Resource estimate which underpinned a Scoping Study demonstrating Julius' potential to become a near-term highly profitable and low-capex gold operation.

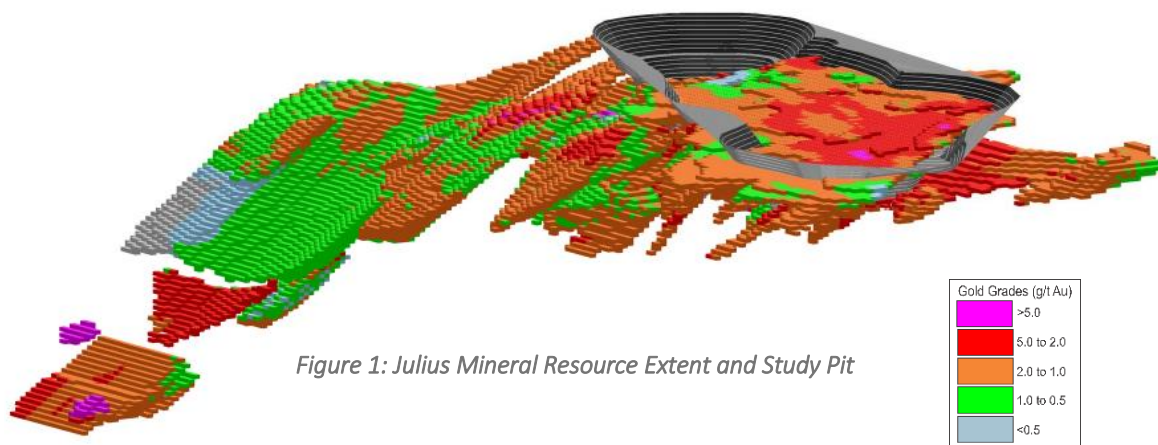
Initial Mineral Resource at Julius delivers 200,000 ounces at 2.1g/t.¹

In April 2016 the Company released an initial maiden Mineral Resource estimate for Julius¹.

JORC Category ¹	Cut-off Grade (g/t Au)	Tonnes	Grade (g/t Au)	Ounces (Au)
Indicated Resource	1.0	1.7Mt	2.31	125,513
Inferred Resource	1.0	1.3Mt	1.78	72,108
Total Mineral Resource	1.0	3.0Mt	2.08	197,621

Table 1: Julius Gold Project Mineral Resource estimate

Subsequent to completion of the initial Mineral Resource estimate further exploration was conducted at the Julius gold deposit². The program totalled 74 holes for 3,397 metres of vertical aircore drilling and was completed in the near surface zone of known gold mineralisation at Julius. A large number of significant gold intersections were returned from both the near surface laterite and at depth to the north in a high grade supergene zone located between 30-60 metres vertical depth.



The Company's focus over the next 12 months will be to better understand the lateral and vertical extent of the deposit indicated by significant gold intersections at depth and along strike, with the aim of substantially increasing defined Mineral Resources at the deposit³.

¹Refer to ASX Announcement Julius Gold Project Initial Resource Estimate dated 8 April 2016 - all material assumptions underpinning the mineral resource estimate continue to apply and have not materially changed

²Refer to ASX Announcement Further High Grade Results at Julius dated 27 May 2016 for full results

³Refer to Forward Looking Statements disclaimer

Julius Gold Project Scoping Study demonstrates excellent economics

June 2016 saw the release of the Julius Gold Project Scoping Study which demonstrated attractive economic outcomes with strong upside potential through optimised mining and additional resource drilling.

The Scoping Study was designed to test the economics of an operation focused on mining near surface, high grade open pitable resources which would be trucked to nearby toll treatment facilities for processing. The Company believes this approach will enable the delivery of near-term cashflow with reduced up front capital costs.

The key outcome from the Study suggests the mining of a total of 875,600t @ 2.6 g/t Au via open pit for the production of 68,740 ounces of gold at an estimated operating cost of \$921/ounce⁴. Significant gold resources lie outside this pit design and considerable potential exists to mine additional gold resources at Julius.

Capital costs for this approach have been estimated at \$2.9 million with Life of Mine (LOM) EBITDA of \$47 million⁴.

A gold price of \$1,600/ounce was used as the base case with work completed including:

- Pit optimisation studies and pit design work based on the optimal shells completed using typical North-Eastern Goldfields mining costs;
- Review of the positive metallurgical work completed at Julius and utilising a gold recovery of 93%;
- Preliminary scheduling considerations with an initial focus on the shallow laterite gold mineralisation followed by development of the pit targeting the high grade supergene gold mineralisation;
- Evaluation of toll milling and transport opportunities in the district; and
- Review of environmental and Native Title considerations at Julius.

Key outcomes from the Scoping Study are provided in Table 2. As is evident in Figure 1, significant Mineral Resources lie outside the study's pit design and considerable potential exists to mine additional gold at Julius as well as to optimise a number of the key study parameters.

	Base Case	High Case
Gold Price (A\$1:US\$0.75)	\$1,600/oz (US\$1,200/oz)	\$1,700/oz (US\$1,275/oz)
Resources Mined ¹	875,600t @ 2.6g/t	◀
Life of Mine (LOM) ²	<2 years	◀
LOM Strip Ratio	4.6:1	◀
LOM Gold Production ¹	68,740oz	◀
Capital Cost (pre-cashflow)	\$2.9 million	◀
LOM Revenue	\$110 million	\$117 million
All-in Sustaining Costs	A\$921/oz	◀
LOM EBITDA	\$47 million	\$54 million

Table 2: Key Julius Scoping Study Outcomes⁴

The Julius Bankable Feasibility Study is expected to be available in late 2016

In order to progress the project further the Company is focussed on timely completion of a Bankable Feasibility Study.

Infill drilling to convert Indicated Mineral Resources to Measured was recently completed results received to have date extended previous known high grade results⁴.

⁴Refer Julius Scoping Study – released by Echo to ASX 21 June 2016. All material assumptions underpinning the production targets and forecast financial information derived from the production targets set out in the announcement of 21 June 2016 continue to apply and have not materially changed. Echo has concluded it has a reasonable basis for providing these forward looking statements.

Deeper drilling has now been planned to follow up on previous high grade intersections outside of the existing Julius open pit design aiming to expand known mineralisation and define additional Mineral Resources⁵.

Recent metallurgical results have confirmed the applicability of a number of nearby toll treatment facilities with which negotiations are continuing. Julius lies approximately 80 kilometres from both the Jundee and Bronzewing process plants. Total gold recovery results from gravity plus cyanide leach were very promising and ranged from 96.7% to 99.8%.

Work is continuing toward the finalisation of the Mining Proposal and Native Title negotiations leading to the grant of the Mining Lease.

Echo has expanded its tenure to over 900km² of prime exploration acreage

During the year the Company has embarked on an aggressive acquisition path for high quality tenements which complement the Company's goal of finding million ounce gold deposits in the underexplored Yandal gold belt⁶. As a part of this the Company now holds a total of 915km² of tenements.

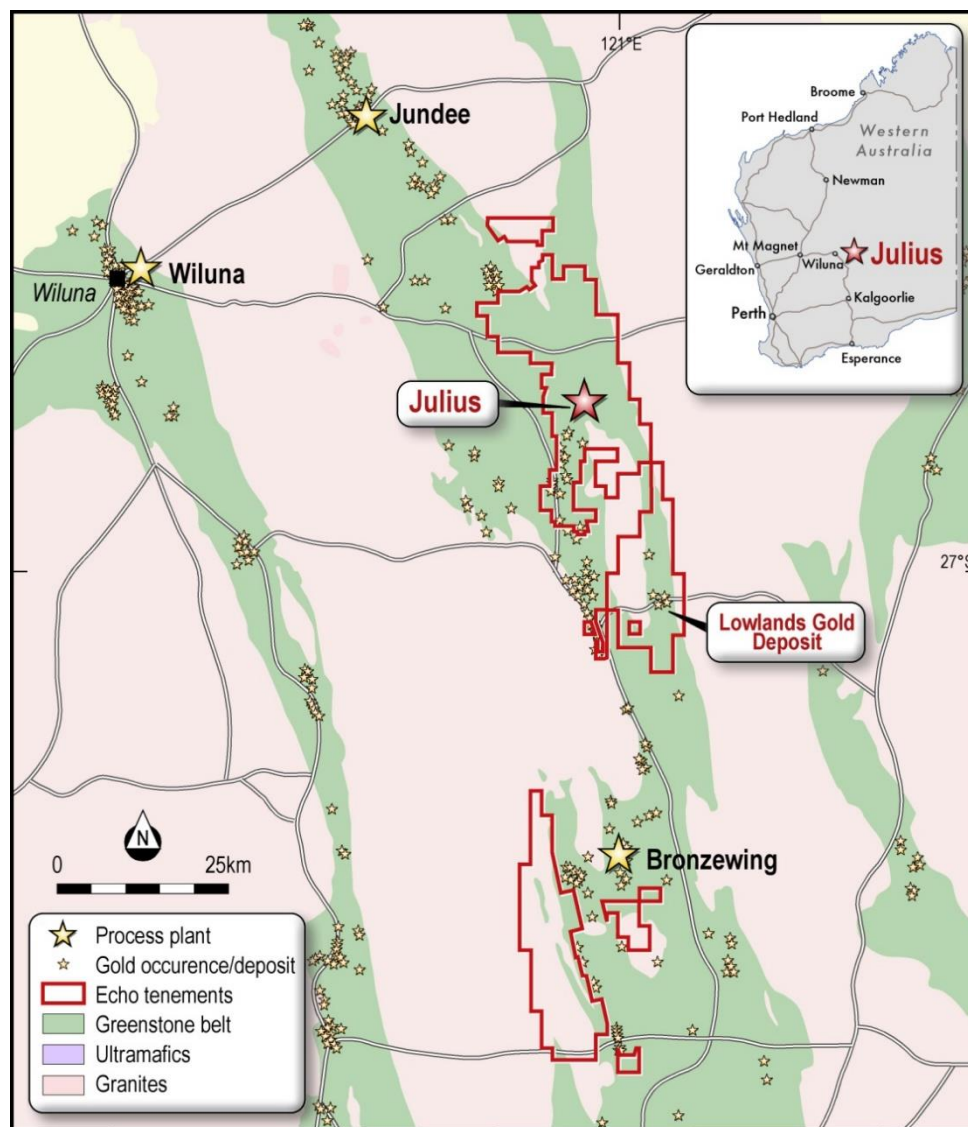


Figure 2: Echo tenement holdings

⁵Refer to Forward Looking Statements disclaimer

⁶Refer to Forward Looking Statements disclaimer

The next 12 months...

The Company is aiming to finalise the Julius Bankable Feasibility Study by 2016-end and will also target to get all contracts and approvals in place to allow the commencement of production from the deposit. In conjunction with this a number of planned drill programs will attempt to extend the known extent of Julius' known mineralisation.

In addition, a focus of upcoming drill programs will be to test a number of highly prospective targets within the Company's substantial tenement package, as well as further exploration at the recently acquired Lowlands Gold Deposit, once the tenement has been granted.

Echo will continue to identify valuable non-organic growth opportunities which complement its existing portfolio of high quality assets.

Corporate Activities

During the year the Company undertook two capital raisings to support the development and exploration of Echo's extensive tenement holdings. At year end \$3,440,121 in cash was on hand.

In February 2016 a number of Board changes were implemented by the shareholders of Echo. Dr Michael Ruane and Mr Simon Coxhell were appointed to the Board with existing Director Mr Anthony McIntosh, following the resignation of Dr Ernst Kohler and Mr Matthew Longworth.

The Board formally appointed Mr Coxhell as Chief Executive Officer of Echo on 1 July 2016 having worked diligently since his appointment to understand and document the value of Julius and the other assets of the Company. Mr Coxhell's blend of past experience ranging from exploration through to production, predominantly in the gold sector, coupled with his previous Executive Director roles will provide Echo with an ideal skillset to lead the Company through this exciting phase of growth.

On 30 May 2016 the Company strengthened its Board team with the appointment of Mr Barry Bolitho as Chairman of Echo. Mr Bolitho has over 40 years' experience as a mining professional and provides Echo with a skillset to enhance the Company's evolution from explorer to developer. He has been responsible for the commissioning and management of a number of gold mining operations, both in Western Australia and internationally. Mr Bolitho is a qualified metallurgist with a Bachelor of Applied Science and Diploma of Applied Chemistry and has gained extensive experience in the executive management of resource based companies with particular emphasis in exploration, operations, project management, administration and corporate development. He has been an executive and non-executive director of a number of ASX and TSX listed resource companies over a long period and has worked closely with financiers, brokers and analysts.

Forward Looking Statements and Disclaimers

This announcement is for information purposes only and does not constitute a prospectus or prospectus equivalent document. It is not intended to and does not constitute, or form part of, an offer, invitation or the solicitation of an offer to purchase or otherwise acquire, subscribe for, sell or otherwise dispose of any securities, or the solicitation of any vote or approval in any jurisdiction, nor shall there be any offer, sale, issuance or transfer of securities in any jurisdiction in contravention of any applicable law.

This announcement contains forward looking statements. Forward looking statements are often, but not always, identified by the use of words such as "seek", "target", "anticipate", "forecast", "believe", "plan", "estimate", "expect" and "intend" and statements that an event or result "may", "will", "should", "could" or "might" occur or be achieved and other similar expressions.

The forward looking statements in this announcement are based on current expectations, estimates, forecasts and projections about Echo and Metaliko and the industry in which they operate. They do, however, relate to future matters and are subject to various inherent risks and uncertainties. Actual events or results may differ materially from the events or results expressed or implied by any forward looking statements. The past performance of Echo or Metaliko is no guarantee of future performance.

None of Echo, Metaliko or any of their directors, officers, employees, agents or contractors makes any representation or warranty (either express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statement, except to the extent required by law.

You are cautioned not to place undue reliance on any forward looking statement. The forward looking statements in this announcement reflect views held only as at the date of this announcement.

Cautionary Statement – Scoping Study

This report includes information extracted from Echo Resources Limited ("Echo") ASX announcement dated 21 June 2016 entitled "Echo Delivers Compelling Scoping Study for Julius". The Scoping Study is based on low-level technical and economic assessments, and is insufficient to support estimation of Ore Reserves or provide assurance of an economic development case at this stage, or to provide certainty that conclusions of the Scoping Study will be realised. There is low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the production target itself will be realised.

No New Information or Data

This report contains references to Mineral Resource estimates, which have been cross referenced to previous market announcements made by Echo and Metaliko. Echo and Metaliko confirm they are not aware of any new information or data that materially affects the information included in the relevant market announcements and, in the case of estimates of Mineral Resources that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

Competent Persons Statements

The information in this report relating to Echo's exploration activities and exploration potential is based on information compiled by Mr Simon Coxhell, a Director of Echo Resources Limited, who is a member of the Australasian Institute of Mining and Metallurgy. He has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Coxhell consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

The information in this report relating to the Julius Gold Deposit Mineral Resource estimation is based on information compiled by Mr Steve Hyland, a consultant of Echo Resources Limited, who is a member of the Australasian Institute of Mining and Metallurgy. Mr Hyland has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Hyland consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

DIRECTORS' REPORT

The Directors present the following annual report on Echo Resources Limited (the Company) for the financial year ended 30 June 2016.

DIRECTORS

The names of each person who has been a Director during the year and continues in office to the date of this report are:

Barry Bolitho (Non-executive Chairman) from 30 May 2016

Simon Coxhell (Director and Chief Executive Officer) from 8 February 2016

Anthony McIntosh (Non-executive Director)

The names of each person who has been a Director during the year but no longer continues in office as at the date of this report are:

Michael Ruane (Non-executive Director) from 8 February 2016 to 30 May 2016

Ernst Kohler (Managing Director) to 8 February 2016

Matthew Longworth (Non-Executive Chairman) to 8 February 2016

INFORMATION ON CURRENT DIRECTORS

Barry Bolitho (Non-executive Chairman) BAppSc, Dip App Chem, FAusIMM- Appointed 30 May 2016

Mr Bolitho has over 40 years' experience as a mining professional. Barry has a Bachelor of Applied Science, Diploma of Applied Chemistry and is fellow of AusIMM. He has been responsible for the commissioning and management of a number of gold mining operations, both in Western Australia and internationally. He has gained extensive experience in the executive management of resource based companies with particular emphasis in exploration, operations, project management, administration and corporate development. He has been an executive and non-executive director of a number of ASX and TSX listed resource companies over a long period and has worked closely with financiers, brokers and analysts.

Other Current Directorships

Former Directorships in the last three years

Blackwood Corporation from February 2003 to February 2014

NED Cancana Resources (TSX) July 2014 to current

Simon Coxhell (Director) BSc, AusIMM—Appointed 8 February 2016

Mr Coxhell is a geologist (Bachelor of Science major in geology) with 30 years of diverse experience encompassing all aspects of the resource sector including exploration, resource development, metallurgical considerations and mining. In addition, exposure to capital markets, fund raising and significant corporate experience over the last 15 years in senior executive appointments.

Other Current Directorships

Former Directorships in the last three years

Crucible Gold Limited from October 2011 to March 2013

Anthony McIntosh (Non-executive Director) BCom, MAICD

Mr 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. Mr McIntosh holds board positions with listed and unlisted companies and brings to Echo marketing, investor relations and strategic planning skills, as well as a network of stockbroking and investment fund manager supporters.

Other Current Directorships

Former Directorships in the last three years

Style Limited from August 2012 to May 2013

COMPANY SECRETARY

Kate Stoney CPA

Ms Stoney is a CPA qualified accountant. She graduated from Edith Cowan University with a Bachelor of Business (double major in Accounting and Finance). Kate has 10 years' experience working in accounting and administration including senior positions in listed companies.

DIRECTORS' INTERESTS IN SHARES AND OPTIONS

As at the date of this report the relevant interest of each Director in the shares and options of the Company are:

	Shares		Options	
	Direct	Indirect	Direct	Indirect
Directors	2016	2016	2016	2016
Barry Bolitho	-	3,300,000	1,500,000*	-
Simon Coxhell	80,000	-	3,000,000*	-
Anthony McIntosh	-	5,371,393	1,250,000*	-

* Options granted 29 August 2016

PRINCIPAL ACTIVITY

The principal activity of the Company is exploration for mineral resources with a particular focus on Gold in the Yandal Belt region of Western Australia.

REVIEW OF OPERATIONS AND RESULTS

Details of the operations of the Company are set out in the Review of Operations on page 2.

The Company incurred an after tax operating loss of \$1,514,177 (2015: \$1,377,035).

DIVIDENDS

No dividend has been paid or recommended for the current year.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

In the opinion of the Directors, there were no other significant changes in the state of affairs of the Company that occurred during the year under review not disclosed in this report or in the financial statements.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

The Company appointed Simon Coxhell as the CEO on 1 July 2016.

On the 29 August Echo Resources Limited issued Mr Coxhell 3,000,000, Mr Bolitho 1,500,000 and Mr McIntosh 1,250,000 unlisted incentive options with a strike price of 27.5 cents expiring on 28 August 2019, full terms and details were set out in the explanatory memorandum in the notice of meeting announced 26 July 2016 and ratified by shareholders at the EGM held on the 29 August 2016.

On 29 September 2016 the Company announced a friendly off-market takeover of Metaliko Resources Limited ('Metaliko'). The Company will proceed with the acquisition of Metaliko in line with the Bid Implementation Agreement as signed by the Company and Metaliko and lodged with the ASX on 28 September 2016.

There have been no other matters or circumstances, other than that referred to in the financial statements or notes thereto, that has arisen since the end of the financial year that has significantly affected, or may significantly affect, the operations of the Company. Accordingly, this information has not been disclosed in this report.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

Likely developments in the operations of the Company are set out in the Review of Operations on page 2.

MEETINGS OF DIRECTORS

The numbers of meetings of the Company's Board of Directors held during the year ended 30 June 2016, and the numbers of meetings attended by each director were:

Name of Director	Number eligible to attend	Number attended
Mathew Longworth	6	6
Ernst Kohler	6	5
Anthony McIntosh	8	8
Michael Ruane	1	1
Simon Coxhell	2	2
Barry Bolitho	1	1

AUDIT COMMITTEE

The Company has established an Audit Committee as at 22 June 2016 that comprises the full Board of the Company. The Audit Committee did not meet during the year. This Committee is chaired by non-executive director Mr Anthony McIntosh.

ENVIRONMENTAL REGULATIONS

The Company's operations are subject to environmental regulation in respect to its mineral tenements relating to exploration activities on those tenements. No breaches of any environmental restrictions were recorded during the financial year. The Company has not yet fully reviewed the reporting requirements under the Energy Efficient Opportunities Act 2006 or the National Greenhouse and Energy Reporting Act 2007 but believes it has adequate systems in place to ensure compliance with these Acts having regard to the scale and nature of current operations.

DIRECTORS' BENEFITS

Since the date of the last Directors' Report, no Director of the Company has received, or become entitled to receive, (other than a remuneration benefit included in Note 21 to the financial statements or remuneration report), a benefit because of a contract that involved:

- (a) the Director; or
- (b) a firm of which the Director is a member; or
- (c) an entity in which the Director has a substantial financial interest (during the year ended 30 June 2016, or at any other time) with the Company; or
- (d) an entity that the Company controlled, or a body corporate that was related to the Company, when the contract was made or when the Director received, or became entitled to receive, the benefit (if any).

REMUNERATION REPORT (AUDITED)

The information provided in this remuneration report has been audited as required under Section 308 (3C) of the *Corporations Act 2001*. During the financial year there were no key management personnel other than the Directors (see page 7 for details about each Director). The names of Directors that have held office during the financial year are as follows.

Barry Bolitho	Non-executive Chairman
Simon Coxhell	Chief Executive Officer
Anthony McIntosh	Non-executive Director
Mathew Longworth	Non-executive Chairman (Removed on 8/02/2016)
Ernst Kohler	Managing Director (Removed on 8/02/2016)
Michael Ruane	Non-executive Chairman (Appointed on 8/02/2016, resigned on 30/05/2016)

Remuneration Governance

The role of the Remuneration Committee has been assumed by the full Board. The Board's policy for determining the nature and amount of remuneration for board members and senior Executives of the Company is as follows:

The objective of the Company's policy is to provide remuneration that is competitive and appropriate. The Board ensures that executive reward satisfies the following key criteria for good reward governance practices:

- (i) competitiveness and reasonableness;
- (ii) acceptability to shareholders;
- (iii) transparency; and
- (iv) capital management.

Performance, shareholder wealth and directors' and executives' remuneration

The policy of the Company is to pay remuneration of Directors in amounts in line with employment market conditions relevant in the mining industry. Minor amounts of employee fringe benefits in the form of employee meals and entertainment are provided as part of the executives' way of conducting business.

Fees and payments to non-executive directors reflect the demands which are made on, and the responsibilities of, the directors. Non-executive Directors' fees and payments are reviewed annually by the Board. The Chairman's fees are determined independently to the fees of Non-Executive Directors based on comparative roles in the external market.

The Constitution of the Company provides that non-executive Directors may collectively be paid as remuneration for their services a fixed sum not exceeding the aggregate maximum sum per annum determined by the Company in a general meeting. The current aggregate maximum is \$328,000.

The table below sets out summary information about the Company's earnings and movements in shareholder wealth for the last 5 years:

	30-Jun-16	30-Jun-15	30-Jun-14	30-Jun-13	30-Jun-12
	\$	\$	\$	\$	\$
Revenue	181,179	9,725	40,769	42,973	61,948
Net Profit /(Loss) before tax	(1,514,177)	(1,377,075)	(1,124,319)	(1,209,357)	(773,042)
Share price at year-end	0.21	0.08	0.12	0.08	0.07

Performance based remuneration

There was no performance-based remuneration paid to Directors during the financial year.

Subsequent to year end the shareholders of Echo approved the issue of incentive options to Directors. On the 29th August 2016 Echo Resources Limited issued Mr Coxhell 3,000,000, Mr Bolitho 1,500,000 and Mr McIntosh 1,250,000 unlisted incentive options with a strike price of 27.5 cents expiring on 28 August 2019 (3 years).

Voting and comments made at the Company's 2015 Annual General Meeting

The Company received 65% of "for", and 31% abstain votes on its remuneration report for the 2015 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

DETAILS OF REMUNERATION

Amounts of remuneration

Details of the remuneration paid or payable to Directors, the Key Management Personnel of the Company (as defined in AASB 124 *Related Party Disclosures*) and specified executives of the Company are set out in the following tables:

	SHORT-TERM BENEFITS	POST BENEFITS	EMPLOYMENT	LONG-TERM BENEFITS	SHARE-BASED PAYMENTS	TOTAL		
Directors	Salary and fees	Superannuation	Retirement Benefits	Annual Leave	Long Service Leave	Options	Remuneration consisting of Options	\$
Mathew Longworth (Former Non-Executive Chairman) to 8 February 2016								
2016	25,551		-	-	-	-	-	25,551
2015	39,996	-	-	-	-	-	-	39,996
Ernst Kohler ¹ (Former Managing Director) to 8 February 2016								
2016	123,077	11,692	-	11,047	2,037	-	-	147,853
2015	207,692	19,731	-	18,080	3,333	-	-	248,836
Anthony McIntosh (Non-Executive Director)								
2016	42,326	-	-	-	-	-	-	42,326
2015	35,000	-	-	-	-	-	-	35,000
Micheal Ruane (Former Non-Executive Director) from 8 February 2016 to 29 May 2016								
2016	36,603	-	-	-	-	-	-	36,603
Barry Bolitho (Non-Executive Chairman) Appointed 30 May 2016								
2016	10,000	-	-	-	-	-	-	10,000
Simon Coxhell (Chief Executive Officer) Appointed 8 February 2016								
2016	95,037	-	-	-	-	-	-	95,037
Total Remuneration Directors								
2016	332,594	11,692	-	11,047	2,037	-	-	357,370
2015	282,688	19,731	-	18,080	3,333	-	-	323,832

¹ At 30 June 2016 the company has recorded outstanding entitlements for Mr Kohler. A provision of \$160,837 for annual leave and \$36,878 for long service leave is recorded as a liability in the accounts. No other termination payments were paid or are due to Mr Kohler.

There are no other transactions with key management personnel for the year ended 30 June 2016.

USE OF REMUNERATION CONSULTANTS

During the year, the Company did not use any remuneration consultants.

SERVICE AGREEMENTS

Simon Coxhell was appointed CEO on 1 July 2016. His appointment is for a term of two years with remuneration at \$240,000 per annum. There are no other service agreements with key management personnel.

SHARE-BASED COMPENSATION

Options granted to Directors and Officers of the Company

There were no options granted to Directors and Officers of the Company during the financial year (2015: nil).

Shares issued on exercise of options

During or since the end of the financial year, the Company did not issue any ordinary shares as a result of the exercise of options.

ADDITIONAL INFORMATION

Options granted to Directors carry no dividend or voting rights.

Shareholdings of Key Management Personnel

	Balance 1 July 15	Granted as remuneration	On exercise of options	Net change Other	Balance 30 June 16
Simon Coxhell	-	-	-	80,000	80,000
Barry Bolitho	-	-	-	3,300,000	3,300,000
Anthony McIntosh	5,371,393	-	-	384,615	5,756,008
	5,371,393	-	-	3,764,615	9,136,008

Option holdings of Key Management Personnel

	Balance 1 July 15	Granted as remuneration	On exercise of options	Net change Other	Balance 30 June 16
Simon Coxhell	-	-	-	-	-
Barry Bolitho	-	-	-	-	-
Anthony McIntosh	-	-	-	-	-
	-	-	-	-	-

There were no other transactions with Directors and KMPs during the year ended 30 June 2016.

This is the end of the audited remuneration report.

INDEMNIFICATION

There are indemnities and insurances for the Directors in regard to their positions. These insure and indemnify the Directors including former Directors against certain liabilities arising in the course of their duties. The Directors have not disclosed the amount of the premiums paid as such disclosure is prohibited under the terms of the policies.

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of Court under section 237 of the *Corporations Act 2001* to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

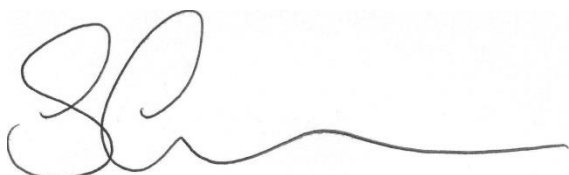
NON-AUDIT SERVICES

There were no non-audit services provided for the financial year (2015: nil). The Auditor's remuneration is disclosed in Note 19.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 12.

Signed in accordance with a resolution of the Directors and on behalf of the Board by



Simon Coxhell
Chief Executive Officer
 Perth, Western Australia
 30 September 2016

DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF ECHO RESOURCES LIMITED

As lead auditor of Echo Resources Limited for the year ended 30 June 2016, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.



Jarrad Prue
Director

BDO Audit (WA) Pty Ltd
Perth, 30 September 2016

**STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE YEAR ENDED
30 JUNE 2016**

	Note	Company 2016 \$	Consolidated 2015 \$
Revenue from continuing operations	2	14,009	9,725
Other Income	2	167,170	-
Exploration and evaluation expenses		(767,606)	(623,913)
Employee expenses		(187,967)	(309,342)
Occupancy expenses		(77,876)	(48,797)
Other expenses	2	(661,907)	(404,748)
Loss from continuing operations before income tax		<u>(1,514,177)</u>	<u>(1,377,075)</u>
Income tax benefit	3	-	-
Loss from continuing operations after income tax		<u>(1,514,177)</u>	<u>(1,377,075)</u>
Other comprehensive loss for the year, net of tax		-	-
Total comprehensive loss for the year		<u>(1,514,177)</u>	<u>(1,377,075)</u>
TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO MEMBERS OF ECHO RESOURCES LIMITED		<u>(1,514,177)</u>	<u>(1,377,075)</u>
Loss per share attributable to ordinary equity holders of the Company:			
Basic and diluted loss per share (cents)	14	(0.53)	(0.70)

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

**STATEMENT OF FINANCIAL POSITION AS AT
30 JUNE 2016**

	Note	Company 2016 \$	Consolidated 2015 \$
Current Assets			
Cash and cash equivalents	4	3,440,121	1,543,423
Trade and other receivables	5	<u>76,667</u>	<u>53,195</u>
Total Current Assets		<u>3,516,788</u>	<u>1,596,618</u>
Non-Current Assets			
Other financial assets	6	54,964	22,500
Plant and equipment	7	<u>59,809</u>	<u>62,768</u>
Non-Current Assets		<u>114,773</u>	<u>85,268</u>
Total Assets		<u>3,631,561</u>	<u>1,681,886</u>
Current Liabilities			
Trade and other payables	9	<u>435,831</u>	<u>859,616</u>
Total Current Liabilities		<u>435,831</u>	<u>859,616</u>
Total Liabilities		<u>435,831</u>	<u>859,616</u>
Net Assets		<u>3,195,730</u>	<u>822,270</u>
Equity			
Contributed equity	10	16,355,744	12,468,107
Accumulated losses	11	(13,426,456)	(11,912,279)
Options reserve	12	<u>266,442</u>	<u>266,442</u>
Total Equity		<u>3,195,730</u>	<u>822,270</u>

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2016**

	Note	Contributed Equity	Accumulated Losses	Options Reserve	Total Equity
Balance at 1 July 2015		12,468,107	(11,912,279)	266,442	822,270
Loss for the year	11		(1,514,177)		(1,514,177)
Total comprehensive loss for the year		-	(1,514,177)	-	(1,514,177)
Transaction with owners in their capacity as owners		-	-	-	-
Contributions to equity net of transactions costs	10	3,887,637	-	-	3,887,637
Balance 30 June 2016		16,355,744	(13,426,456)	266,442	3,195,730
Balance at 1 July 2014		10,377,346	(10,535,204)	266,442	108,584
Loss for the year	11	-	(1,377,075)	-	(1,377,075)
Total comprehensive loss for the year		-	(1,377,075)	-	(1,377,075)
Transaction with owners in their capacity as owners		-	-	-	-
Contributions to equity net of transactions costs	10	2,090,761	-	-	2,090,761
Balance 30 June 2015		12,468,107	(11,912,279)	266,442	822,270

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED
30 JUNE 2016**

	Note	Company 2016 \$	Consolidated 2015 \$
Cash flows from operating activities			
Interest received		14,009	21,340
Research and Development Refund		167,170	-
Payments to suppliers and employees		(769,399)	(293,621)
Payments for exploration		<u>(1,401,532)</u>	<u>(914,857)</u>
Net cash (outflow) from operating activities	4	<u>(1,989,752)</u>	<u>(1,187,138)</u>
Cash flows from financing activities			
Proceeds from issue of shares		4,086,102	2,220,226
Capital raising costs		<u>(199,652)</u>	<u>(128,279)</u>
Net cash inflow from financing activities		<u>3,886,450</u>	<u>2,091,947</u>
Net increase in cash and cash equivalents		1,896,698	904,809
Cash and cash equivalents at beginning of the year		<u>1,543,423</u>	<u>638,614</u>
Cash and cash equivalents at the end of the year	4	<u>3,440,121</u>	<u>1,543,423</u>

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

CORPORATE INFORMATION

The financial report of the Company for the year ended 30 June 2016 was authorised for issue in accordance with a resolution of the Directors on 16 September 2016. EchoResources Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian stock exchange.

The nature of the operations and principal activities of the Company are described in the review of operations.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation

These financial statements are general-purpose financial statements, which have been prepared in accordance with the requirements of the Corporations Act 2001, and Australian Accounting Standards and Interpretations. The financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

Going concern

The Directors have prepared the financial statements on the basis of going concern, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business. The Company recognises it incurred a net loss of \$1,514,177 and a net cash outflow from operating activities of \$1,989,752 in the period ending 30 June 2016 and current working capital of \$3,080,957.

The Directors are satisfied that the going concern basis of preparation is appropriate.

b) Statement of Compliance

These financial statements comply with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS), and other authoritative pronouncements of the Australian Accounting Standards Board and Australian Accounting Interpretations. Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with the International Financial Reporting Standards (IFRS).

c) Comparatives

The financial statements for the comparative period, being 30 June 2015 were prepared on a consolidated basis. During the 30 June 2015 financial year (refer note 22) Echo Resources Limited deconsolidated the dormant subsidiary. Accordingly, the current year financials are that of a single entity.

c) Critical Accounting Estimates

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances. The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts and liabilities within the next financial year are discussed below.

d) Exploration and Evaluation Expenditure

The Company has adopted the policy of expensing all exploration and evaluation expenditure in relation to its mineral tenements as incurred.

e) Property, Plant and Equipment

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation.

Depreciation is calculated on the diminishing value basis to write off the net cost of each item of property, plant and equipment over its expected useful life. Depreciation rates for motor vehicles are at 25% and for other plant and equipment, the rates range from 22.5- 40%.

Land is held at cost at the date it is acquired. As no finite useful life for land can be determined, related carrying amounts are not depreciated.

Assets that are subject to an annual depreciation charge are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount exceeds its recoverable amount.

f) Cash and cash equivalents

For purposes of the statement of cash flows, cash includes deposits at call which are readily convertible to cash on hand and which are used in the cash management function on a day-to-day basis, net of outstanding bank overdrafts.

g) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Statement of Financial Position. Cash flows are included in the Statement of Cash Flows on a gross basis.

The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

h) Trade and other payables

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the Company. Trade accounts payable are normally settled within 30 days.

i) Contributed Equity

Ordinary shares are classified as equity. Transaction costs arising on the issue of equity instruments are recognised directly in equity as a reduction of the proceeds of the equity instruments to which the costs relate.

j) Earnings per Share

(i) *Basic Earnings per Share*

Basic earnings per share is determined by dividing the operating loss after income tax by the weighted average number of ordinary shares outstanding during the financial year.

(ii) *Diluted Earnings per Share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share by taking into account amounts unpaid on ordinary shares and any reduction in earnings per share that will probably arise from the exercise of partly paid shares or options outstanding during the financial year.

k) Revenue recognition

Revenues are recognised at fair value of the consideration received net of the amount of goods and services tax (GST). Exchanges of goods or services of the same nature without any cash consideration are not recognised as revenues.

Interest income

Interest income is recognised as it accrues, taking into account the effective yield on the financial asset.

Sale of non-current assets

Gains or losses arising on the sale of non-current assets are included in profit or loss at the date control of the asset passes to the buyer, usually when an unconditional contract of sale is signed. The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal.

l) Trade and other receivables

Trade accounts receivable, amounts due from related parties and other receivables represent the principal amounts due at reporting date plus accrued interest and less, where applicable, any unearned income and provisions for doubtful accounts.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in the statement of profit or loss and other comprehensive income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectable in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of profit or loss and other comprehensive income.

m) Income Tax

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- Except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of the unused tax assets and unused tax losses can be utilized:

Except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

n) Government grants (Research and Development)

Grants from the government relating to expensed exploration and evaluation expenditure are recognised as other income.

o) Employee Benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to reporting date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at present value of the estimated future cash outflows to be made for those benefits and included in other payables.

p) Segment Reporting

Operating segments are now reported in a manner that is consistent with the internal reporting provided to the chief operating decision maker, which has been identified by the Company as the Managing Director and other members of the Board of Directors.

q) Impairment of Assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such a reversal is recognised in profit or loss unless the asset is carried at its revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

r) Fair Value Estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Company is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments.

s) Share based payments

Share-based compensation benefits are provided to employees via Echo's Employee Share Option Plan and an employee share scheme.

The fair value of options granted under the Employee Share Option Plan is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options. The fair value at grant date is independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The fair value of the options granted is adjusted to reflect market vesting conditions, but excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets).

Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate. The impact of the revision to original estimates, if any, is recognised in the statement of profit or loss and other comprehensive income with a corresponding adjustment to equity.

Shares issued under the Employee Share Option Plan to employees for no cash consideration vest immediately on grant date. On this date, the market value of the shares issued is recognised as an employee benefits expense with a corresponding increase in equity.

t) New, revised or amending Accounting Standards and Interpretations adopted

The Company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Company.

The adoption of the above standards and amendments did not result in adjustments to the amounts recognised in the financial statements and no change to the Company's accounting policy was required.

New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2016 reporting periods and have not been early adopted by the company. The company's assessment of the impact of these new standards and interpretations is set out below.

Title of standard	Nature of change	Impact	Mandatory application date/ Date adopted by company
AASB 9 Financial Instruments	<p>AASB 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities.</p> <p>Since December 2013, it also sets out new rules for hedge accounting.</p>	<p>There will be no impact on the company's accounting for financial assets and financial liabilities as the new requirements only affect the accounting for available-for-sale financial assets and the accounting for financial liabilities that are designated at fair value through profit or loss and the company does not have any such financial assets or financial liabilities.</p> <p>The new hedging rules align hedge accounting more closely with the company's risk management practices. As a general rule it will be easier to apply hedge accounting going forward. The new standard also introduces expanded disclosure requirements and changes in presentation.</p>	<p>Must be applied for financial years commencing on or after 1 January 2018.</p> <p>Application date for the company will be 30 June 2019.</p> <p>The company does not currently have any hedging arrangements in place.</p>
AASB 15 Revenue from contracts with customers	<p>An entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.</p> <p>Revenue will be recognised when control of goods or services is transferred, rather than on transfer of risks and rewards as is currently the case under IAS 18 Revenue.</p>	<p>Due to the recent release of this standard the company has not yet made an assessment of the impact of this standard.</p>	<p>Must be applied for annual reporting periods beginning on or after 1 January 2018.</p> <p>Application date for the company will be 30 June 2019.</p>
AASB 16 Leases (issued February 2016)	<p>AASB 16 eliminates the operating and finance lease classifications for lessees currently accounted for under AASB 117 Leases. It instead requires an entity to bring most leases onto its balance sheet in a similar way to how existing finance leases are treated under AASB 117. An entity will be required to recognise a lease liability and a right of use asset in its balance sheet for most leases.</p> <p>There are some optional exemptions for leases with a period of 12 months or less and for low value leases.</p> <p>Lessor accounting remains largely unchanged from AASB 117.</p>	<p>To the extent that the entity, as lessee, has significant operating leases outstanding at the date of initial application, 1 July 2019, right-of-use assets will be recognised for the amount of the unamortised portion of the useful life, and lease liabilities will be recognised at the present value of the outstanding lease payments.</p> <p>Thereafter, earnings before interest, depreciation, amortisation and tax (EBITDA) will increase because operating lease expenses currently included in EBITDA will be recognised instead as amortisation of the right-of-use asset, and interest expense on the lease liability. However, there will be an overall reduction in net profit before tax in the early years of a lease because the amortisation and interest charges will exceed the current straight-line expense incurred under AASB 117 Leases. This trend will reverse in the later years.</p> <p>There will be no change to the accounting treatment for short-term leases less than 12 months and leases of low value items, which will continue to be expensed on a straight-line basis.</p>	<p>Annual reporting periods beginning on or after 1 January 2019.</p>

NOTE 2: REVENUE AND EXPENSES

	2016 \$	2015 \$
(a) Revenue		
Bank interest received	14,009	9,725
(b) Other Income		
Research and development incentive	167,170	-
(c) Other Expenses		
Accounting/secretarial fees	9,840	35,700
Depreciation expense	2,959	894
Legal Fees	174,211	123,953
External professional fees	86,027	8,993
Other administrative expenses	388,870	235,208
	661,907	404,748

NOTE 3: INCOME TAX

The prima facie income tax expense on pre-tax accounting loss from operations reconciles to the income tax expense in the financial statements as follows:

	2016 \$	2015 \$
Accounting loss before income tax	(1,514,177)	(1,377,075)
Income tax expense calculated at 30%	(454,253)	(413,123)
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:	(13,058)	2,592
Movement in recognised temporary differences	(16,080)	(12,031)
Deferred tax assets relating to tax losses and temporary differences not recognised	483,391	422,562
Income tax expense reported in the statement of comprehensive income	-	-

The tax rate used in the above reconciliation is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law. There has been no change in this tax rate since the previous reporting period.

The Company has tax losses arising in Australia. The tax benefit of these losses of \$3,933,433 (2015: \$3,430,915) is available indefinitely for offset against future taxable profits of the companies in which the losses arose.

Prior year under/over adjustment

	2016 \$	2015 \$
Movement in recognised temporary differences	(95,304)	-
Deferred tax assets relating to tax losses and temporary differences not recognized	95,304	-
	-	-

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

	2016 \$	2015 \$
Deferred Tax Assets		
Deductible temporary differences	101,315	217,262
Tax losses	3,933,433	3,430,915
	4,034,748	3,648,177
Deferred Tax Liabilities		
Other temporary differences	(84)	(4,648)
Net deferred tax assets	4,034,664	3,643,529

The deductible temporary differences and tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilise the benefits thereof.

Net deferred tax assets have not been brought to account as it is not probable within the immediate future that tax profits will be available against which deductible temporary differences and tax losses can be recognised.

NOTE 4: CASH AND CASH EQUIVALENTS

	2016 \$	2015 \$
Cash at bank and on hand	3,440,121	1,543,423
Short-term deposits	-	-
	3,440,121	1,543,423

Bank Guarantees

The Company has no bank guarantees in 2016 (2015: nil)

Information about the Company's exposure to interest rate risk is disclosed in Note 15.

	2016 \$	2015 \$
(i) Reconciliation of loss for the year to net cash flows from operating activities		
Loss for the year	(1,514,177)	(1,377,075)
Depreciation	2,959	894
(Increase)/decrease in assets:		
Current receivables	(55,936)	185,939
Increase/(decrease) in liabilities:		
Current payables	(422,598)	3,104
Net cash from operating activities	(1,989,752)	(1,187,138)

NOTE 5: TRADE AND OTHER RECEIVABLES

	2016 \$	2015 \$
Other receivables	63,624	37,703
Prepayments	13,043	15,492
	76,667	53,195

As of 30 June 2016, trade receivables that were past due or impaired was nil (2015: nil). Information about the Company's exposure to credit risk is provided in Note 15.

NOTE 6: OTHER RECEIVABLES

	2016 \$	2015 \$
Other receivables	54,964	22,500
	54,964	22,500

NOTE 7: PROPERTY PLANT AND EQUIPMENT

	MOTOR VEHICLES	LAND & BUILDINGS	PLANT & EQUIPMENT	TOTAL
	\$	\$	\$	\$
As at 1 July 2015				
At cost	33,636	59,809	26,782	120,227
Disposal	(33,636)	-	-	(33,636)
Accumulated depreciation	-	-	(26,782)	(26,782)
Total written down amount	-	59,809	-	59,809
Reconciliation				
Opening written down value	2,631	59,809	328	62,768
Depreciation charge for the year	(2,631)	-	(328)	(2,959)
Closing written down value 2016	-	59,809	-	59,809
As at 1 July 2014				
At cost	33,636	59,809	26,782	120,227
Accumulated depreciation	(31,005)	-	(26,454)	(57,459)
Total written down amount	2,631	59,809	328	62,768
Reconciliation				
Opening written down value	3,436	59,809	417	63,662
Depreciation charge for the year	(805)	-	(89)	(894)
Closing written down value 2015	2,631	59,809	328	62,768

NOTE 8: FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amount of the following financial assets and liabilities is considered a reasonable approximation of fair value:

- Trade and other receivables
- Cash and cash equivalents
- Trade and other payables

NOTE 9: TRADE AND OTHER PAYABLES

	2016 \$	2015 \$
Trade payables	193,118	160,642
Accruals	40,094	467,495
Other payables	39,182	75,237
Provision for annual leave	163,437	156,242
	435,831	859,616

NOTE 10: CONTRIBUTED EQUITY

	2016	2015
Ordinary shares fully paid	172,618,808	139,350,431
	172,618,808	139,350,431

Movement in Share Capital

	2016	
	Number	\$
Balance at 1 July 2015	139,350,431	12,468,107
Issue of 13,935,044 ordinary fully paid shares at 6 cents each	13,935,044	836,103
Issue of 333,333 ordinary fully paid shares at 6 cents each	333,333	20,000
Issue of 38,004,663 ordinary fully paid shares at 4 cents each	19,000,000	3,230,000
Less capital raising costs		(198,466)
Balance at 30 June 2016	172,618,808	16,355,744

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. Ordinary shareholders rank behind creditors in the distribution of proceeds from the winding-up of the Company. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Movement in Share Capital

	2015	
	Number	\$
Balance at 1 July 2014	94,981,768	10,377,346
Issue of 6,364,000 ordinary fully paid shares at 11 cents each	6,364,000	700,040
Issue of 38,004,663 ordinary fully paid shares at 4 cents each	38,004,663	1,520,186
Less capital raising costs		(129,465)
Balance at 30 June 2015	139,350,431	12,468,107

Movement in Share Options

There are no options on issue at balance date.

Transaction costs arising on the issue of equity instruments are recognised directly in equity as a reduction of the proceeds of the equity instruments to which the costs relate.

Capital risk management

The Company's objectives when managing capital are to safeguard their ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or adjust the capital structure, the Company may issue new shares or reduce its capital, subject to the provisions of the Constitution and any relevant regulatory requirements.

NOTE 11: ACCUMULATED LOSSES

	2016	2015
	\$	\$
Accumulated losses at beginning of the year	(11,912,279)	(10,535,204)
Net loss for the year	(1,514,177)	(1,377,075)
Accumulated losses at end of the year	(13,426,456)	(11,912,279)

NOTE 12: OPTIONS RESERVE

	2016	2015
	\$	\$
Balance at the beginning of the year	266,442	266,442
Option expense for the year	-	-
Balance at the end of the year	266,442	266,442

Nature and purpose of reserves**Options reserve**

The options reserve is used to recognise the fair value of options issued to employees and Directors.

NOTE 13: COMMITMENTS FOR EXPENDITURE

	2016	2015
	\$	\$
(a) Operating Lease Commitments		
Non-cancellable operating lease rentals are payable as follows:		
Not later than one year	8,108	48,648
Later than one year but no later than two years	-	8,108
	8,108	56,756

The Company leases an office under a non-cancellable operating lease expiring on 31 August 2016. On renewal, the terms of the lease are renegotiated.

NOTE 14: EARNINGS PER SHARE

	2016	2015
		Cents
Basic and diluted loss per share	(0.53)	(0.70)
		Number
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic loss per share	285,436,430	197,015,625

Diluted loss per share has not been calculated as the Company made a loss for the year and the impact would be to reduce the loss per share

NOTE 15: FINANCIAL RISK MANAGEMENT

The Company's financial instruments consist of deposits with banks and accounts receivable and payable.

Overall Risk Management

The Company's activities expose it to a variety of financial risks; market risk (including fair value interest rate risk), credit risk, liquidity risk and cash flow interest rate risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company. Risk management is carried out by the Board of directors under policies approved by the Board.

Credit risk

Credit risk arises from the financial assets of the Company, which comprise cash and cash equivalents and trade and other receivables. The Company's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments.

The Company does not have any significant credit risk exposure to any single counterparty. The credit risk on liquid funds is limited because the counter party is a bank with a high credit rating.

The carrying amount of the Company's financial assets represents the maximum credit exposure. The Company's maximum exposure to credit risk at the reporting date was:

	2016	2015
	\$	\$
Cash and cash equivalents	3,440,121	1,543,423
Other receivables	63,624	37,703
Security deposits	22,500	22,500
	3,526,245	1,603,626

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

	2016	2015
Cash at bank and short-term bank deposits		
AA	3,440,121	1,543,423
	3,440,121	1,543,423

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash to meet commitments as and when they fall due. The Company's financial liabilities include other payables which are non-interest bearing and generally paid within a 60 day period. Expenses are managed on an ongoing basis, and the company will raise additional funds as and when necessary.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk is not significant and is limited to cash and cash equivalents. The company does not rely on the generation of interest to provide working capital.

Impairment losses

None of the Company's other receivables are past due (2015: nil). There is no impairment loss recognised as at 30 June 2016.

The allowance accounts in respect of other receivables are used to record impairment losses unless the Company is satisfied that no recovery of the amount owing is possible; at that point the amount is considered irrecoverable and is written off against the financial asset directly. At 30 June 2016 the Company does not have any collective impairment on its other receivables or its held-to-maturity investments (2015: nil).

Guarantees

Company policy is to provide financial guarantees only to wholly-owned subsidiaries. There is no financial guarantees amount allocated to the wholly-owned subsidiary as at 30 June 2016 (2015: nil).

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, finance leases and hire purchase contracts.

Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

At 30 June 2016, the Company held no deposits at call (2015: nil) that are expected to readily generate cash inflows for managing liquidity risk.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

30 June 2016

	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
Trade and other payables	435,831	435,831	435,831	-	-	-	-
	435,831	435,831	435,831	-	-	-	-

30 June 2015

	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
Trade and other payables	859,616	859,616	824,774	34,842	-	-	-
	859,616	859,616	824,774	34,842	-	-	-

Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Foreign Exchange

The Company operates only in Australia and therefore is not exposed to any currency risk.

Interest rate risk

Exposure arises predominantly from assets and liabilities bearing variable interest rates as the Company intends to hold fixed rate assets and liabilities to maturity. Interest rate risk is not considered to be material.

	Fixed Interest	Floating Interest	Non-Interest Bearing	Total
Financial Assets	\$	\$	\$	\$
Cash and cash equivalents	-	3,440,121	-	3,440,121
Trade and other receivables	-	-	76,667	76,667
Weighted Average Interest Rate	-	0.94%	-	-
	-	3,440,121	76,667	3,516,788
Financial Liabilities				
Trade and other payables	-	-	435,831	435,831
	-	-	435,831	435,831

Sensitivity analysis

If the interest rates had weakened/strengthened by 2% at 30 June 2016, there would be no material impact on the statement of profit or loss and other comprehensive income. There would be no effect on the equity reserves other than those directly related to statement of profit or loss and other comprehensive income movements.

Fair value estimation

All financial assets and liabilities have been recognised at the reporting date at amounts approximating their carrying value due to their short term nature.

NOTE 16: SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. The entity does not have any operating segments with discrete financial information. The Company does not have any customers, and all the Company's assets and liabilities are located within Australia.

NOTE 17: CONTINGENT LIABILITIES

The Queensland Department of Environmental and Heritage Protection issued Echo Resources Limited a Clean-up Notice; the Company executed a Deed of Settlement following execution of the Deed Echo has no further ongoing obligations or responsibilities in relation to this matter and have been cleared from any further claims from the Department of Environmental and Heritage Protection. There were no other contingent liabilities as at 30 June 2016.

NOTE 18: EVENTS OCCURRING AFTER THE REPORTING PERIOD

The Company appointed Simon Coxhell as the CEO on 1 July 2016.

On the 29 August Echo Resources Limited issued Mr Coxhell 3,000,000, Mr Bolitho 1,500,000 and Mr McIntosh 1,250,000 unlisted incentive options with a strike price of 27.5 cents expiring on 28 August 2019, full terms and details were set out in the explanatory memorandum in the notice of meeting announced 26 July 2016 and ratified by shareholders at the EGM held on the 29 August 2016.

On 29 September 2016 the Company announced a friendly off-market takeover of Metaliko Resources Limited ('Metaliko'). The Company will proceed with the acquisition of Metaliko in line with the Bid Implementation Agreement as signed by the Company and Metaliko and lodged with the ASX on 28 September 2016.

The Directors are not aware of any other matters or circumstances at the date of the report, other than those referred to in this report or the financial statements or notes thereto, that have significantly affected or may significantly affect the operations, the results of operations or the state of affairs of the Company in subsequent financial years.

NOTE 19: AUDITOR'S REMUNERATION

	2016 \$	2015 \$
Audit and review of financial statements	31,622	25,333
	<u>31,622</u>	<u>25,333</u>

NOTE 20: DIVIDENDS

There were no dividends recommended or paid during the financial years ended 30 June 2016 and 30 June 2015.

NOTE 21: RELATED PARTY TRANSACTIONS

(a) Summarised Compensation of Key Management Personnel

Summary of Directors and Key Management Personnel compensation in the following categories are as follows:

	2016 \$	2015 \$
Short-term employee benefits	332,594	282,688
Post-employment benefits	11,692	19,731
Long-term benefits	13,084	21,413
Other Remuneration	-	-
	<u>357,330</u>	<u>323,832</u>

Information regarding individual Directors and Executive compensation and equity instruments disclosures as required by the Corporations Regulation 2M.3.03 is provided in the remuneration report section of the Directors' report.

NOTE 22: INVESTMENT IN CONTROLLED ENTITIES

Affinis Pty Ltd, a dormant subsidiary, was deregistered in March 2015.

NOTE 23: SHARE BASED PAYMENTS

During the financial year ended 30 June 2016 and 30 June 2015 no share-based payments were made.

DIRECTORS' DECLARATION

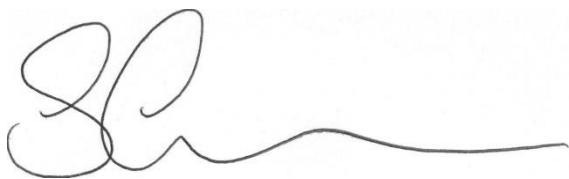
The Directors of the Company declare that:

1. The financial statements and note set out on pages 13 to 29, are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements and
 - (b) give a true and fair view of the company's financial position as at 30 June 2016 and of its performance for the year ended on that date.

In the Director's opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. The remuneration disclosures included in the Directors' report (as part of audited Remuneration Report) for the year ended 30 June 2016, comply with section 300A of the *Corporations Act 2001*.
3. The Directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A.
4. The Company has included in the notes to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by:



Simon Coxhell
Chief Executive Officer

Perth, Western Australia
30 September 2016

INDEPENDENT AUDITOR'S REPORT

To the members of Echo Resources Limited

Report on the Financial Report

We have audited the accompanying financial report of Echo Resources Limited, which comprises the statement of financial position as at 30 June 2016, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Echo Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

- (a) the financial report of Echo Resources Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the company's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 9 to 11 of the directors' report for the year ended 30 June 2016. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Echo Resources Limited for the year ended 30 June 2016 complies with section 300A of the *Corporations Act 2001*.

BDO Audit (WA) Pty Ltd



Jarrad Prue

Director

Perth, 30 September 2016

Appendix 4G

Key to Disclosures Corporate Governance Council Principles and Recommendations

Name of entity:

Echo Resources Ltd

ABN / ARBN:

34 108 513 113

Financial year ended:

30 June 2016

Our corporate governance statement⁸ for the above period above can be found at:⁹

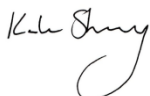
- ☒ These pages of our annual report: Addition information for Annual report, with this form pg 42 to 50
- ☐ This URL on our website:

The Corporate Governance Statement is accurate and up to date as at 30 June 2016 and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.

Date: 30 September 2016

Name of Secretary authorising lodgement: Kate Stoney



⁷ Under Listing Rule 4.7.3, an entity must lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of rule 4.10.3.

⁸ "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

⁹ Mark whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where the entity's corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ¹⁰
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT			
1.1	A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i> ... and information about the respective roles and responsibilities of our board and management (including those matters expressly reserved to the board and those delegated to management): <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

¹⁰If you have followed all of the Council's recommendations in full for the whole of the period above, you can, if you wish, delete this column from the form and re-format it.

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ¹⁰
1.5	<p>A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either:</p> <p>(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p>	<p>... the fact that we have a diversity policy that complies with paragraph (a):pg 2</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of our diversity policy or a summary of it:</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with our diversity policy and our progress towards achieving them:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraphs (c)(1) or (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraph (b):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraph (b):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ¹⁰
PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE			
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a nomination committee that complies with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a nomination committee and the processes we employ to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	<p>... our board skills matrix:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ¹⁰
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	... the names of the directors considered by the board to be independent directors: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i> ... and, where applicable, the information referred to in paragraph (b): <input type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i> ... and the length of service of each director: <input type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
2.4	A majority of the board of a listed entity should be independent directors.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY			
3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	... our code of conduct or a summary of it: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ¹⁰
PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING			
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have an audit committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
4.2	<p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
4.3	<p>A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ¹⁰
PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE			
5.1	A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	... our continuous disclosure compliance policy or a summary of it: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	... information about us and our governance on our website: <input checked="" type="checkbox"/> www.echoresources.com.au	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	... our policies and processes for facilitating and encouraging participation at meetings of security holders: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity that does not hold periodic meetings of security holders and this recommendation is therefore not applicable
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ¹⁰
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK			
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p>... the fact that board or a committee of the board reviews the entity's risk management framework at least annually to satisfy itself that it continues to be sound:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and that such a review has taken place in the reporting period covered by this Appendix 4G:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ¹⁰
7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... how our internal audit function is structured and what role it performs:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
7.4	<p>A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p>	<p>... whether we have any material exposure to economic, environmental and social sustainability risks and, if we do, how we manage or intend to manage those risks:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ¹⁰
PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY			
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a remuneration committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at [insert location]</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a remuneration committee and the processes we employ for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	<p>... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>... our policy on this issue or a summary of it:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Statement

Introduction

Since the introduction of the ASX Corporate Governance Council's Principles of Good Corporate Governance and Best Practice Recommendations ("ASX Guidelines" or "the Recommendations"), the Company has sought to adopt systems of control and accountability as the basis for the administration of corporate governance. Some of these policies and procedures are summarised in this report. Commensurate with the spirit of the ASX Guidelines, the Company has followed each Recommendation where the Board has considered the Recommendation to be an appropriate benchmark for corporate governance practices, taking into account factors such as the size of the Company, the Board, resources available and activities of the Company. Where, after due consideration, the Company's corporate governance practices depart from the Recommendations, the Board has offered full disclosure of the nature of, and reason for, the adoption of its own practice.

The Board of the Company is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

Further information about the Company's corporate governance practices is set out on the Company's website at www.echoresources.com.au. In accordance with the recommendations of the ASX, information published on the Company's website includes:

Environmental Policy

Audit Committee Charter

Board Charter

Code of Conduct for Directors, Senior Executive & Employees

Continuous Disclosure Policy

Ethics and Conduct Policy

Remuneration Committee Charter

Risk Management Statement

Shareholder Communications Policy

Directors Disclosure Obligations

Diversity Policy

Securities Trading Policy

Explanation for Departures from Best Practice Recommendations

During the 2015 financial year the Company has complied with the Corporate Governance Principles and the corresponding Best Practice Recommendations as published by the ASX Corporate Governance Council ("Corporate Governance Principles and Recommendations 3rd Edition") and has adopted the revised Principles and Significant policies and details of any significant deviations from the principles are specified overleaf.

Corporate Governance Council Recommendation 1

Lay Solid Foundations for Management and Oversight

Role of the Board of Directors

The role of the Board is to increase shareholder value within an appropriate framework which safeguards the rights and interests of the Company's shareholders and to ensure the Company is properly managed.

In order to fulfil this role, the Board is collectively responsible for promoting the success of the Company through its key functions of overseeing the management of the Company, providing overall corporate governance of the Company, monitoring the financial performance of the Company, engaging appropriate management commensurate with the Company's structure and objectives, involvement in the development of

corporate strategy and performance objectives, and reviewing, ratifying and monitoring systems of risk management and internal control, codes of conduct and legal compliance.

In complying with Recommendation 1.1 of the Corporate Governance Council, the Board has adopted a Board Charter which defines the roles and responsibilities expressly reserved to the Board and those delegated to management. A copy of the Board Charter is available on the Company's website.

Appointment and Election of Directors

The Board ensures that prior to appointing a director or recommending a new candidate for election as a director that appropriate checks are undertaken as to the person's character, experience, education, criminal record and bankruptcy history. Security holders will be provided with all relevant information in the Board's possession, relevant on a decision on whether or not to elect or re-elect a Director.

Written Agreements

The Company has a written agreement with each Director setting out the terms of their appointment.

Company Secretary

The Company Secretary is accountable directly to the Board, through the chair, on all matters to do with the proper functioning of the Board.

Diversity

The Board has adopted a diversity policy that details the purpose of the policy and the employee selection and appointment guidelines, consistent with the recommendations of the Corporate Governance Council. The Board believes that the adoption of an efficient diversity policy has the effect of broadening the employee recruitment pool, supporting employee retention, including different perspectives and is socially and economically responsible governance practice. As at 30 June 2015, no females occupy board positions however the Company Secretary is female.

The recommendations of the Corporate Governance Council relating to reporting require a Board to set measurable objectives for achieving diversity within the organisation, and to report against them on an annual basis. The Company has implemented measurable objectives as follows:

Measurable Objective	Objective Satisfied	Comment
Adoption and promotion of a Formal Diversity Policy	Yes	The Company has adopted a formal diversity policy which has been made publicly available via the ASX and the Company's website.
To ensure Company policies are consistent with and aligned with the goals of the Diversity Policy	Yes	The Company's selection, remuneration and promotion practices are merit based and as such are consistent with the goals of the Company's Diversity Policy.
To provide flexible work and salary arrangements to accommodate family commitments, study and self-improvement goals, cultural traditions and other personal choices of current and potential employees.	Yes	The Company will, where considered reasonable, and without prejudice, accommodate requests for flexible working arrangements.

To implement clear and transparent policies governing reward and recognition practices.	Yes	The Company grants reward and promotion based on merit and responsibility as part of its annual and ongoing review processes.
To provide relevant and challenging professional development and training opportunities for all employees.	Yes	The Company seeks to continually encourage self-improvement in all employees, irrespective of seniority, ability or experience, through external and internal training courses, regular staff meetings and relevant on job mentoring.

The Company supports an inclusive workplace that embraces and promotes diversity however the Board has determined that no specific measurable objectives will be established until the number of employees and level of activities of the Company increases to a level sufficient to enable meaningful and achievable objectives to be developed. The Board considers that the setting of quantitative gender based measurable targets is not consistent with the merit and ability based policies currently implemented by the Company. There is currently only one employee in the Company who is not female.

The Board will consider the future implementation of gender based diversity measurable objectives when it is more appropriate to the size and nature of the Company's operations.

Board Processes

An agenda for Board meetings is determined to ensure certain standing information is addressed and other items which are relevant to reporting deadlines and or regular review are scheduled when appropriate. The agenda is regularly reviewed by the Directors and the Company Secretary.

Evaluation of Senior Executive Performance

The Company has not complied with Recommendation 1.7 of the Corporate Governance Council as it has not undertaken a formal review of the performance of the Board and its committees, its individual Directors and senior executives for the year ended 30 June 2016.

Due to the size of the Board and the Company, the Board undertakes ad hoc self-assessments of its collective performance by way of Board discussion. As the Company progresses its current projects, the Board intends to follow established appropriate evaluation procedures. The Board as a whole assesses the performance of the chairman on an informal basis.

Corporate Governance Council Recommendation 2

Structure the Board to Add Value

Nomination Committee

The Board does not have a separate Nomination Committee comprising of a majority of independent Directors and as such does not comply with Recommendation 2.1 of the Corporate Governance Council. The selection and appointment process for Directors is carried out by the full Board. The Board considers that given the importance of Board composition it is appropriate that all members of the Board partake in such decision making. The Company does not have a Nomination Committee Charter.

Board Composition

The Constitution of the Company provides that the number of Directors shall not be less than three. There is no requirement for any shareholding qualification.

The membership of the Board, its activities and composition is subject to periodic review. The criteria for determining the identification and appointment of a suitable candidate for the Board shall include the quality

of the individual, background of experience and achievement, compatibility with other Board members, credibility within the scope of activities of the Company, intellectual ability to contribute to Board discussions and physical ability to undertake Board duties and responsibilities.

Directors are initially appointed by the Board and are subject to re-election by shareholders at the next general meeting. In any event a minimum of one third of the Directors are subject to re-election by shareholders at each general meeting.

The Directors have been chosen for their particular expertise to provide the company with a competent and well- rounded decision-making body and which will assist the company and shareholders in meeting their objectives.

The Board currently comprises three members, a Non-Executive Chairman, an Executive and a Non-Executive Director. As at August 2016, the term in office held by each Director in office at the date of this report is as follows and details of the professional skills and expertise of each of the Directors are set out in the Directors' Report.

Name	Position	Term in Office
Mr Barry Bolitho	Non-executive Chairman	Appointed 30 May 2016
Mr Simon Coxhell	Chief Executive Director	Appointed 8 February 2016
Mr Anthony McIntosh	Non-executive Director	Appointed 19 October 2012

The Directors meet frequently, both formally and informally, so that they maintain a thorough understanding of the Company's business and ensure that the Company's policies of corporate governance are adhered to.

Skills and Experience

The Board has considered the key skill sets that would be appropriate for the organisation in its present stage. Skill sets currently on the Company's Board include technical, financial, legal, managerial, corporate, and commercial.

The Board has assessed the independence of its Non-Executive Directors according to the definition contained within the ASX Corporate Governance Guidelines and has concluded that at the date of this report the current Non- Non-Executive Chairman being Mr Bolitho and Mr McIntosh meets the recommended independence criteria.

At this stage of the Group's development the Board believes that there is an appropriate mix of skills, experience, expertise and diversity on the Board. In the coming years as the Group assesses development options additional expertise may be required and at that time further consideration will be given to ensuring the Board has an appropriate mix of skills and diversity.

Roles of Chairman and Chief Executive Officer (or equivalent)

The role of Chairman was exercised by Mr Mathew Longworth (up to 8 February 2016) and Mr Micheal Ruane (8 February 2016 to 30 May 2016) during the financial year, prior to the incumbent Mr Bolitho. The Company did not have a Chief Executive Officer during the financial year Mr Coxhell was appointed CEO 1 July 2016 and accordingly the Company complies with Recommendation 2.5 of the Corporate Governance Council.

Induction program

The Company has no program for inducting new Directors however provides appropriate professional development opportunities for Directors to develop and maintain the skills and knowledge needed to perform their roles as Directors effectively.

All Directors are encouraged to attend professional education courses relevant to their roles.

Independent Professional Advice and Access to Information

Each Director has the right to access all relevant information in respect of the Company and to make appropriate enquiries of senior management. Each Director has the right to seek independent professional advice at the Company's expense, subject to the prior approval of the Chairman, which shall not be unreasonably withheld or delayed.

Corporate Governance Council Recommendation 3

Act Ethically and Responsibly

The Board actively promotes ethical and responsible decision making.

Code of Conduct

The Board has adopted a Code of Conduct that applies to all employees, executives and Directors of the Company, and as such complies with Recommendation 3.1 of the Corporate Governance Council. This Code addresses expectations for conduct in accordance with legal requirements and agreed ethical standards. A copy of the Code is available on the Company's website.

Guidelines for Trading in Company Securities

The Board has committed to ensuring that the Company, its Directors and executives comply with their legal obligations as well as conducting their business in a transparent and ethical manner. The Board has adopted a procedure on dealing in the Company's securities by Directors, officers and employees which prohibits dealing in the Company's securities when those persons possess inside information.

The guidelines also provide that the acknowledgement of the Chairman or the Board should be obtained prior to trading. In the case of a Director, acknowledgement from the entire Board must be obtained prior to trading. A summary of the Guidelines are available on the Company's website.

The Company's policy restricts, notwithstanding exceptional circumstances, the trading in Company's securities by those individuals covered by the policy to trading windows that are open for 7 calendar days commencing 24 hours following the holding of a General Meeting of the Company, the release of annual, half yearly results and quarterly reports and after any other public announcement on the ASX.

Except where the Relevant Person is in possession of unpublished price sensitive information or the Company is in possession of unpublished price-sensitive information and notifies the Relevant Person they may not trade during all or part of the trading window.

Corporate Governance Council Recommendation 4

Safeguarding Integrity in Corporate Reporting

Audit Committee

The Company has a separate Audit Committee as suggested by Recommendations 4.1 of the Corporate Governance Council. The Board has adopted an Audit Committee Charter that is available on the Company's website, and functions in accordance with this document.

The Company's policy is to appoint external auditors who clearly demonstrate quality and independence. Performance of the external auditor is reviewed annually by the Board. Audit Partner rotation is as required by the Corporations Act 2001. The external auditor is requested to attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the audit report.

Financial Reporting

The Board relies on its Directors to monitor the internal controls within the Company. Financial performance is

monitored on a regular basis by the Board, and is discussed by the Board at its Board meetings.

Before it approves the Company's financial statements for a financial period, the Board receives a declaration from the Chief Executive Officer (or equivalent) and Company Secretary that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

Corporate Governance Council Recommendation 5

Make Timely and Balanced Disclosure

Continuous Disclosure

The Board is committed to the promotion of investor confidence by providing full and timely information to all security holders and market participants about the Company's activities and to comply with the continuous disclosure requirements contained in the Corporations Act 2001 and the Australian Securities Exchange's Listing Rules. The Company has established written policies and procedures, designed to ensure compliance with the ASX Listing Rule Requirements, in accordance with Recommendation 5.1 of the Corporate Governance Council. A copy of the Company's Disclosure Policy is available on the Company's website.

Continuous disclosure is discussed at all regular Board meetings and on an ongoing basis the Board ensures that all activities are reviewed with a view to the necessity for disclosure to security holders.

In accordance with ASX Listing Rules the Company Secretary is appointed as the Company's disclosure officer.

Corporate Governance Council Recommendation 6

Respect the Rights of Security Holders

Communications

The Board fully supports security holder participation at general meetings as well as ensuring that communications with security holders are effective and clear. This has been incorporated into a formal Shareholder Communication Policy, in accordance with Recommendation 6.1 of the Corporate Governance Council. A copy of the policy is available on the Company's website.

In addition to electronic communication via the ASX website, the Company publishes all significant announcements together with all quarterly reports. These documents are available in both hardcopy on request and on the Company website at www.echoresources.com.au

Security holders have the option to receive communications from, and send communications to, the Company and its security registry electronically.

Shareholders are able to pose questions on the audit process and the financial statements directly to the independent auditor who attends the Company Annual General Meeting for that purpose.

Corporate Governance Council Recommendation 7

Recognise and Manage Risk

Risk Management Policy

The Board has not formed a separate risk management committee.

The Board has adopted a Risk Management Policy, which is available on the Company's website that sets out a framework for a system of risk management and internal compliance and control, whereby the Board monitors the day-to-day management of risk. The Board is responsible for supervising management's framework of control and accountability systems to enable risk to be assessed and managed.

Risk management and the internal control system

The Board has responsibility for identifying, assessing, treating and monitoring risks.

In order to implement the Company's Risk Management Policy, it was considered important that the Company establish an internal control regime in order to:

- Assist the Company to achieve its strategic objectives;
- Safeguard the assets and interests of the Company and its stakeholders; and
- Ensure the accuracy and integrity of external reporting.

Key identified risks to the business are monitored on an ongoing basis, and at least annually, as follows:

- Business risk management

The Company manages its activities within budgets and operational and strategic plans.

- Internal controls

The Board has implemented internal control processes typical for the Company's size and stage of development. It ensures the proper functioning of internal controls and in addition it obtains advice from the external auditors as considered necessary.

- Financial reporting

Directors approve budgets for the Company and review performance against budgets at each Board Meeting.

- Environment and safety

The Company is committed to ensuring that sound environmental management and safety practices are maintained in its exploration activities. This is achieved by training staff and ensuring that they are aware of and follow all legislative, Company and industry standards in relation to environmental management and safety practices.

The Company's risk management strategy is evolving and its development is an ongoing process. It is recognised that the level and extent of the strategy will develop with the growth of and changes in the Company's activities.

The Company has not yet developed a formal risk management and internal control system to identify and manage material business risks.

Risk Reporting

As the Board has responsibility for the monitoring of risk management it has not required a formal report regarding the material risks that have been identified and whether those risks are managed effectively therefore not complying with Recommendation 7.2 of the Corporate Governance Council. The Board believes that the Company's affairs are not of sufficient complexity to justify the implementation of a more formal system than that which is in place for identifying, assessing, monitoring and managing risk.

Material risk

Economic, Environmental and Social Sustainability Risks

The Company is focused on the discovery and exploitation of mineral deposits and operates in diverse physical environments. As a result, there is some potential for material exposure to economic, environmental and social sustainability risks.

The Company is very aware of the potential for risk in this area and is committed to ensuring that sound

environmental management and safety practices are carried out in its exploration activities.

Echo Resources' underlying goals relating to environmental sustainability are to minimise any adverse impacts upon the environment resulting from the Company's activities.

The Company's activities are conducted in a manner that minimises our environmental "footprint" as much as possible, and are conducted strictly in accordance with all necessary permits and approvals from regulators.

The Company does not believe it is of a size that warrants an internal audit function. The Board acknowledges that it is responsible for the overall internal control framework, but recognizes that no cost effective internal control system will preclude all errors and irregularities. To assist in discharging this responsibility, the Board has instigated an internal control framework that deals with:

Financial reporting - there is a comprehensive budgeting system with an annual budget, updated on a regular basis approved by the Board. Monthly actual results are reported against these budgets.

Investment appraisal - the Company has clearly defined guidelines for capital expenditure including annual budgets, detailed appraisal and review procedures, levels of authority and due diligence requirements where businesses or assets are being acquired or divested.

Quality and integrity of personnel - the Company's policies are detailed in an approved induction manual. Formal appraisals are conducted annually for all employees.

Corporate Governance Council Recommendation 8

Remunerate Fairly and Responsibly

Remuneration Committee

The Board has separate Remuneration Committee and as such complies with Recommendation 8.1 of the Corporate Governance Council. Remuneration arrangements for Directors were determined by the full Board prior to the establishment of the remuneration committee. The Remuneration Committee is responsible for setting performance criteria, performance monitors, share option schemes, superannuation, termination and retirement entitlements, and professional indemnity and liability insurance cover.

All matters of remuneration continue to be decided upon in accordance with Corporations Act requirements, by ensuring that no Director participates in any deliberations regarding their own remuneration or related issues.

Distinguish Between Executive and Non-Executive Remuneration

The Company does distinguish between the remuneration policies of its Executive and Non-Executive Directors in accordance with Recommendation 8.2 of the Corporate Governance Council.

Executive Directors of the Company may receive remuneration which may include performance based components, designed to reward and motivate, which may include the granting of share options, subject to shareholder approval and vesting conditions relating to continuity of engagement.

Non-Executive Directors receive fees agreed on an annual basis by the Board, within total Non-Executive remuneration limits voted upon by shareholders at Annual General Meetings. In the current financial year, no Non- Executive Director received share options as remuneration.

SHAREHOLDER INFORMATION

Additional information required by the ASX Listing Rules and not disclosed elsewhere in this report is set out below. The information is current as at 30 September 2016.

Shareholdings as at 30 September 2016

Substantial shareholders

The names of substantial shareholders who have notified the Company:

Shareholder name	Number of shares	Percentage
ERNST ALFRED KOHLER	23,591,135	13.65
MICHAEL RUANE GROUP	13,138,244	7.61
MR NICHOLAS ROBERT GYNGELL	10,763,631	6.24

Less than marketable parcels

Parcel	Holders	Units	Percentage
1 – 1,923	68	15,959	0.009
>1,924	556	17,802,849	99.991
Total	624	172,818,808	100

Voting rights

All ordinary shares carry one vote per share without restriction.

Unquoted securities

There are nil unquoted securities.

On-market buyback

There is no current on-market buy-back.

Statement in relation to Listing Rule 4.10.19

The Directors of Echo Resources Limited confirm in accordance with ASX Listing Rule 4.10.19 that during the financial year ended 30 June 2016, the Company has used its cash, and assets that are readily convertible to cash, in a way consistent with its business objectives.

Stock exchange listing

Quotation has been granted for the Company's Ordinary Shares.

Securities subject to escrow

There are nil securities currently subject to escrow.

Distribution of security holders

Range	Holders	Units	Percentage
1 - 1,000	63	8,720	0.005
1,001 - 5,000	71	252,030	0.146
5,001 - 10,000	64	533,744	0.309
10,001 - 100,000	283	12,252,867	7.090
> 100,000	143	159,771,447	92.450
Total	467	172,818,808	100

Twenty largest shareholders - ordinary shares

Name	Number of ordinary shares held	Percentage of capital held
MR ERNST ALFRED KOHLER	16,033,804	9.278
KELSI CHEMICALS PTY LTD	12,140,474	7.025
GASMERE PTY LTD	8,353,888	4.834
DR ERNST ALFRED KOHLER	7,498,659	4.339
MERRILLLYNCH (AUSTRALIA) NOMINEES LIMITED	7,058,900	4.085
J P MORGAN NOMINEES AUSTRALIA LIMITED (GROUP)	6,802,454	3.936
NKG NOMINEES PTY LTD <NKG FAMILY A/C>	6,000,000	3.472
MUTUAL TRUST PTY LTD	5,756,008	3.331
CITICORP NOMINEES PTY LIMITED (GROUP)	5,374,631	3.110
MR FRANCIS AMBROSE KENNEDY	4,860,000	2.812
ODINA PTY LTD <THE OPM INVESTMENT A/C>	4,050,750	2.344
NOVAC INTERNATIONAL PTY LTD <THE NINE ELEVEN INVESTMENT>	4,041,889	2.339
KITARA INVESTMENTS PTY LTD<KUMOVA FAMILY A/C>	4,031,443	2.333
MR CARLO CHIODO	3,411,573	1.974
BOLITHO MINING COMPANY PTY LTD <BMC EMPLOYEES S/F>	3,300,000	1.910
ABN AMRO CLEARING SYDNEY NOMINEES PTY LTD <CUSTODIAN A/C> (GROUP)	3,018,537	1.747
NRGY PTY LTD <NRG RETIREMENT FUND A/C>	2,864,236	1.657
WYMOND INVESTMENTS PTY LTD <DEE WHY SALES P/L SUPER A/C>	2,000,000	1.157
MR NICHOLAS ROBERT GYNGELL	1,879,395	1.087
TAURUS CORPORATE SERVICE PTY LTD	1,800,000	1.042
TOTAL	110,276,621	63.811

TENEMENTS

Location	Tenements Held	Ownership
WA Granted	P53/1515, E53/1472, M53/183, M53/186, E53/1430, M53/631, M53/1080, M53/144, M53/145, M53/721, E53/1324, M53/170, E53/1586, M53/379, M53/160, M53/434, M53/555, E53/1405, E53/1546, M53/149, M53/220, E53/1736, E53/1042, E36/810, E36/715, E36/667, E36/826 L53/203, L53/57, L53/59	100%
WA Applications	L53,204, P53/1650, P53/1561, P53/1652, P53/1653, P53/1654, P53/1655, P53/1656, P53/1657, P53/1658, P53/1659, P53/1660, P53/1661, P53/1662, P53/1663, P53/1664, P53/1665, M53/725, M53/726, M53/727, M53/728, M53/916, M53/961, M53/964, M53/965, M53,967, E36/799, E53/1830, M53/1099	
QLD	EPM14909/EPM17077	100%