

ECHO RESOURCES LIMITED

ACN 108 513 113

FIRST SUPPLEMENTARY BIDDER'S STATEMENT

1. IMPORTANT INFORMATION

This document is a supplementary bidder's statement (**Supplementary Bidder's Statement**) issued by Echo Resources Limited (ACN 108 513 113) (**Echo** or the **Company**) under section 643 of the *Corporations Act 2001* (Cth) (**Corporations Act**) and is supplementary to the bidder's statement dated and lodged with the Australian Securities and Investments Commission (**ASIC**) on 4 November 2016 (**Original Bidder's Statement**) in relation to the off-market takeover offer by the Company for all of the fully paid ordinary shares in the capital of Metaliko Resources Limited (ACN 120 974 567) (**Metaliko**) (**Takeover Offer**).

This Supplementary Bidder's Statement was lodged with ASIC on 12 December 2016. Neither ASIC nor any of its officers takes any responsibility for the contents of this Supplementary Bidder's Statement.

This Supplementary Bidder's Statement must be read together with the Original Bidder's Statement. If there is a conflict between the Original Bidder's Statement and this Supplementary Bidder's Statement, this Supplementary Bidder's Statement will prevail. Unless the context otherwise requires, terms defined in the Original Bidder's Statement have the same meaning in this Supplementary Bidder's Statement.

Please consult your legal, financial or other professional adviser if you do not fully understand the contents of this Supplementary Bidder's Statement.

A copy of this Supplementary Bidder's Statement will be available on the Company's website (www.echoresources.com.au).

2. EXTENSION OF TAKEOVER OFFER

As announced to the ASX on 12 December 2016, the Company has extended the closing date for the Takeover Offer to 5.00pm (WST) on Tuesday, 10 January 2017.

Consequently, the date the Company must give notice of the status of the defeating conditions of the Takeover Offer (as required by section 630(2) of the *Corporations Act*) is now Tuesday 3 January 2017.

3. WITHDRAWAL RIGHT

ASIC has, by letter dated 7 December 2016, raised concerns with the Company that, based on its enquiries to date, it is of the view that the Company indirectly solicited shareholder intention statements from Metaliko Shareholders who together hold more than 20% of Metaliko's Shares, which may have breached section 606 of the Act and may have precluded the opportunity for a competing proposal to the Takeover Offer to arise.

ASIC has advised that it considers this to be unacceptable in the circumstances and that the Company should take all necessary steps to ensure the Company

no longer has the benefit of any agreement, arrangement or understanding with Metaliko shareholders that provided statements of intention to accept the Takeover Offer that may have been entered into in contravention of the Act.

To address these concerns, the Company has agreed with ASIC to vary the Takeover Offer (which is hereby varied) to provide Metaliko Shareholders who have accepted the Takeover Offer (including those Metaliko Shareholders who provided a statement of intention to accept the Takeover Offer in the absence of a superior proposal) a right to withdraw their acceptance (**Withdrawal Right**).

ASIC has made a declaration amending the application of the Corporations Act to allow the Company to offer the Withdrawal Right.

Metaliko Shareholders who have accepted the Takeover Offer and who wish to exercise their Withdrawal Right should notify the Company by the **earlier** of:

- (a) 7 days before the Takeover Offer closes (currently the Takeover Offer is scheduled to close on 10 January 2017 so this date is currently 3 January 2017); and
- (b) 14 Days after the date the Takeover Offer is declared unconditional (the Takeover Offer has not been declared unconditional as at the date of this Supplementary Bidder's Statement).

The Withdrawal Right terminates on the first to occur of the above dates.

Metaliko Shareholders who wish to exercise their Withdrawal Right can do so by giving a written notice to Echo (**Withdrawal Notice**) before the Withdrawal Right terminates (**Withdrawal Period**).

A Withdrawal Notice by a Metaliko Shareholder withdrawing their acceptance of the Takeover Offer must:

- (a) if the Metaliko Shareholder's Shares are in a CHESS Holding:
 - (i) be in the form of a Valid Originating Message Transmitted to ASX Settlement by the Controlling Participant for that CHESS Holding in accordance with Rule 14.16.1 of the ASX Settlement Operating Rules and specifies the number of Metaliko Shares to be released from the Subposition; or
 - (ii) be in the form of a notice in writing to Echo setting out the information that Echo requires to enable it to transmit a Valid Message to ASX Settlement on behalf of the Metaliko Shareholder in accordance with Rule 14.6.5 of the ASX Settlement Operating Rules; and
- (b) in any other case, be in writing to Echo.

A Withdrawal Notice that is in writing to Echo must be sent to:

Echo Resources Ltd
Metaliko Resources Limited Takeover
159 Stirling Highway
Nedlands WA 6009

or be emailed to admin@echoresources.com.au.

In order to assist with the processing of withdrawals, the Withdrawal Notice should identify the full name of the withdrawing Metaliko Shareholder, provide the Metaliko Shareholder's SRN or HIN (as applicable) as well as the other information specified above.

If a Metaliko Shareholder is legally entitled to give, and does give, a Withdrawal Notice within the Withdrawal Period, then within 14 days after the day on which the Metaliko Shareholder gives the Withdrawal Notice, Echo will:

- (a) return to the Metaliko Shareholder any documents that were sent by the Metaliko Shareholder to Echo with the acceptance of the Takeover Offer; and
- (b) if the Metaliko Shareholder's shares are in a CHESS Holding, transmit a Valid Message that authorises the release of the relevant shares from the Offer Accepted Subpositions in which the shares have been reserved in accordance with Rule 14.16.3 or 14.16.5 of the ASX Settlement Operating Rules (as appropriate).

If you would like to exercise your right to withdraw your acceptance and you would like further information, please contact your legal, financial or other professional adviser or telephone Echo on +61 (08) 9389 8726 or by emailing admin@echoresources.com.au.

In this document, words defined in the ASX Settlement Operating Rules have the same meaning unless the context requires otherwise.

Metaliko Shareholders who have already accepted the Takeover Offer and who do not wish to exercise their Withdrawal Right are not required to take any further action.

If you have any questions regarding the Withdrawal Right, please contact Echo on +61 (08) 9389 8726, or your professional financial advisor.

4. DIRECTOR'S AUTHORISATION

This Supplementary Bidder's Statement has been approved by a resolution passed by the Directors of Echo.



**Signed for and on behalf of
Echo Resources Limited
Barry Bolitho
Director**