



Echo Resources Limited

ACN 108 513 113

11 October 2016
ASX Announcement
ASX Code: EAR

Echo-Metaliko merger deemed fair and reasonable

HIGHLIGHTS

- The transaction is fair and reasonable for Echo shareholders
- Echo and Metaliko are a natural fit
- Merger fast-tracks development of the Julius Gold Project using the Bronzewing Gold Treatment Plant
- Potential for cost synergies.

Echo Resources Limited (“Echo” or “the Company”) is pleased to announce an Independent Expert’s Report has concluded the proposed merger with Metaliko Resources Limited (ASX: MKO) is ‘fair and reasonable’ to Echo shareholders¹.

“The Takeover Bid provides an opportunity to combine two complementary asset portfolios, creating a company of increased scale, with early production potential and a landholding that has the potential to create a sustainable producing gold miner,” the report by advisory firm BDO said.

BDO said the pathway to production for Echo’s Julius Gold Project could be significantly accelerated by utilising Metaliko’s Bronzewing processing facility, with potential for gold to be produced as soon as mid-2017. In addition the merged entity would have access to an increased landholding of approximately 1600 km² in the Yandal greenstone belt in WA, providing for substantial exploration and resource conversion potential.

Under the Takeover Bid Implementation Agreement (“Agreement”) between the two companies, Echo will acquire all the issued shares of Metaliko by way of an off-market takeover offer (“Offer”) whereby Metaliko shareholders will receive 1 new Echo share for every 2.5 Metaliko shares held².

Metaliko shareholders holding 60.36% of Metaliko’s shares have given Statements of Intention to accept the offer, in the absence of a superior proposal, and following receipt of Echo shareholder approval.

Echo requires shareholder approval to issue shares under the Offer to Mr Michael Ruane and his associates who are Metaliko shareholders. Mr Ruane is deemed to be a related party of Echo as a former director and substantial shareholder of the Company.

A general meeting of shareholders to approve the transaction will be held on 11 November 2016, and Echo has today lodged a Notice of Meeting detailing the resolutions to be considered at that meeting. A copy of the Independent Expert’s Report is attached to the Notice of Meeting.

¹ Refer to the Notice of Meeting and Independent Experts report released to ASX on 11 October 2016

² Refer to the Bid Implementation Agreement released to ASX on 29 September 2016



Echo Chief Executive Officer Mr Simon Coxhell urged shareholders to vote in favour of the transaction.

“The Independent Expert has confirmed our belief in the rationale for the merger. Following the merger we will have a clear strategy to bring Julius into production by mid next year, and if successful, we will invest the cashflow in a comprehensive exploration program across an extensive land bank in one of Australia’s most prolific gold belts. We are very excited by this opportunity and look forward to sharing the potential upside with both Echo and Metaliko shareholders.”

For further information please contact:

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Forward Looking Statements and Disclaimers

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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.

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