



ASX ANNOUNCEMENT

Bronzewing Gold Project Lease of Bronzewing Milling Facility

30 June 2016

Highlights

- **Metaliko enters into an agreement with an independent third party for lease of the Bronzewing Mill**
- **Recommissioning and processing costs to be assumed by the Lessee**
- **Revenue to be received on a dollar-per-tonne basis for ore processed through the mill**
- **Metaliko retains the right to utilise excess throughput capacity to process its own or third party ore**
- **Further details will be provided when they become available, including the satisfaction of a number of Conditions Precedent**

Metaliko Resources Limited (**ASX: MKO**) ("Metaliko" or "the Company") is pleased to advise that it has entered into an agreement with an independent third party ("Lessee") for lease of the Bronzewing Milling Facility ("Bronzewing Mill") for a period of up to three years.

The Lessee has large tenement holdings within haulage distance of the Bronzewing Mill where reportedly significant gold resources have been defined.

Pursuant to the lease agreement, the Lessee will recommission and operate the Bronzewing Mill at its cost and pay Metaliko an agreed dollar per tonne lease fee on ore processed through the mill. It is anticipated that the Lessee will process approximately 1Mt per annum of ore feed through the mill.

Metaliko retains the right to process its own or additional third party ore through the Bronzewing Mill on a campaign basis should spare capacity be available. Based on the anticipated throughput by the Lessee significant spare capacity should be available at the 2.3Mtpa nameplate Bronzewing Mill for additional ore treatment.

The Lease Agreement includes a number of Conditions Precedent. These conditions primarily relate to plant refurbishment details and statutory approvals relating to the lease and operation of the mill by a third party. At this time it is expected that refurbishment of the Bronzewing Mill will commence during the September'16 quarter.

Metaliko regards the Lease Agreement as a significant milestone for the Company whereby the Bronzewing Mill will become operational at minimal cost to the Company and significant revenue

will be received on ore processed by the Lessee. In addition, the ability for Metaliko to process its own or third party ore provides an additional dimension to the transaction with the potential to generate considerable additional revenue through full utilisation of the Bronzewing Mill capacity once recommissioned.

Further particulars in respect of the transaction and satisfaction of the Conditions Precedent will be provided in the near future.

For further information, please contact:

Michael Ruane, Director

admin@metaliko.com.au

Office Phone +61 8 9386 9527

Investor Coverage

Recent news on Company activities can be found on the Metaliko Resources Limited website <http://www.metaliko.com.au/>

About Metaliko Resources Limited

Metaliko acquired the Yandal Project in 2014 which included the Bronzewing 2.3mtpa capacity CIP/CIL plant, associated infrastructure, historic open pit and underground mines, numerous historic resources/prospects, an extensive geological database and Yandal exploration tenements. The Yandal tenements have produced >3.5 million ounces of gold from a number of deposits with processing at the Bronzewing plant in the period 1988 – 2013.

Strong potential remains at the Yandal Project to extend existing resources and make new economic discoveries. Metaliko's immediate focus is:

- *An extensive reassessment of the historical data base.*
- *Consolidate tenement holdings - Third Parties.*
- *Commence targeted exploration programs.*
- *Exploration will be aimed at making new significant gold discoveries.*
- *Assess resources close to surface for potential early cash flow opportunities.*
- *Assess current plant inventory and identify items that are surplus to requirements.*
- *To realise the value of the existing Anthill Deposit near Kalgoorlie by either progressing to mining via JV's and toll treatment or by farm-in agreement.*

When mining and milling operations were last active over a 2.5 year period up until 2013 the Bronzewing plant operated at nameplate capacity treating ~5.3Mt of primary ore. The plant is on care and maintenance and remains in excellent condition.