ECHO RESOURCES LIMITED ACN 108 513 113

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 11:00am (WST)

DATE: Friday, 11 November 2016

PLACE: Meeting Room (Level 2),

CWA House, 1176 Hay Street,

West Perth, WA 6005

In relation to Resolution 5 in this Notice of Meeting, the Independent Expert has determined the issue of the Consideration Shares to the Ruane MKO Shareholders is **FAIR AND REASONABLE** to the non-associated Shareholders in the Company.

The business of the Meeting affects your shareholding and your vote is important.

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 4:00pm on Wednesday, 9 November 2016.

BUSINESS OF THE MEETING

AGENDA

1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2016 together with the declaration of the directors, the director's report, the Remuneration Report and the auditor's report.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2016."

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR ANTHONY MCINTOSH

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of clause 13.2 of the Constitution, ASX Listing Rule 14.5 and for all other purposes, Mr Anthony McIntosh, a Director, retires by rotation, and being eligible, is re-elected as a Director."

4. RESOLUTION 3 – APPROVAL OF 10% PLACEMENT CAPACITY

To consider and, if thought fit, to pass the following resolution as a **special** resolution:

"That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to that number of Equity Securities equal to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in ASX

EAR - Notice of 2016 AGM FINAL

Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the issue of Equity Securities under this Resolution and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company will not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

5. RESOLUTION 4 – ADOPTION OF INCENTIVE OPTION SCHEME

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 7.2 (Exception 9(b)) and for all other purposes, approval is given for the Company to adopt an employee incentive scheme titled 'Incentive Option Scheme' and for the issue of securities under that Scheme, on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any Director except one who is ineligible to participate in any employee incentive scheme in relation to the Company, and any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

6. RESOLUTION 5 – APPROVAL UNDER ASX LISTING RULE 10.1

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 10.1 and for all other purposes, approval is given for:

- (a) the Company to acquire up to 133,757,304 fully paid, ordinary shares in the capital in Metaliko Resources Limited (ACN 120 974 567) (MKO Shares) held by the Ruane MKO Shareholders (Ruane MKO Shares) in accordance with the Takeover Bid; and
- (b) the Company to issue up to 53,502,922 Shares (**Consideration Shares**) to the Ruane MKO Shareholders in consideration for the acquisition

from them of the Ruane MKO Shares in accordance with the Takeover Bid.

on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a Ruane MKO Shareholder and any associate of that party (or those parties). However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, if it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Independent Expert's Report: Shareholders should carefully consider the report prepared by the Independent Expert for the purpose of the Shareholder approval required under ASX Listing Rule 10.1. The Independent Expert's Report comments on the fairness and reasonableness of the transaction the subject of this Resolution to the non-associated Shareholders. The Independent Expert has determined the issue of the Consideration Shares to the Ruane MKO Shareholders is **fair and reasonable** to the non-associated Shareholders in the Company.

Dated: 11 October 2016

By order of the Board

Barry Bolitho Director

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9389 8726.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2016 together with the declaration of the directors, the directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at http://echoresources.com.au/index.php/investors/financial-reports.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

2.2 Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

2.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR ANTHONY MCINTOSH

3.1 General

ASX Listing Rule 14.5 provides that an entity which has directors must hold an election of directors at each annual general meeting. An entity must have at least one director stand for election or re-election at each annual general meeting. As the Company is not having a new director stand for election and no director is due to stand for re-election under ASX Listing Rule 14.4, the Company is required to select at least one of its directors to stand for re-election.

The Constitution sets out the requirements for determining which Directors are to retire by rotation at an annual general meeting.

Mr Anthony, who has served as a director since 19 December 2012 and was last re-elected on 30 November 2015, retires by rotation and seeks re-election.

3.2 Qualifications and other material directorships

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 has held board positions with listed and unlisted companies. Mr McIntosh has extensive experience in investment marketing, investor relations and strategic planning and a strong and well-established network of stockbroking and investment fund managers.

Mr McIntosh currently holds no other material directorships.

3.3 Independence

If elected the board considers Mr McIntosh will be an independent director.

3.4 Board recommendation

The Board supports the re-election of Mr McIntosh and recommends that Shareholders vote in favour of Resolution 2.

4. RESOLUTION 3 – APPROVAL OF 10% PLACEMENT CAPACITY – SHARES

4.1 General

ASX Listing Rule 7.1A provides that an Eligible Entity (as defined below) may seek shareholder approval by special resolution passed at an annual general meeting to have the capacity to issue up to that number of Equity Securities (as defined below) equal to 10% of its issued capital (10% Placement Capacity) without using that company's existing 15% annual placement capacity granted under ASX Listing Rule 7.1.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

As at the date of this Notice, the Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of less than \$300,000,000.

An Equity Security is a share, a unit in a trust, a right to a share or unit in a trust or option, an option over an issued or unissued security, a convertible security, or, any security that ASX decides to classify as an equity security.

Any Equity Securities issued under the 10% Placement Capacity must be in the same class as an existing class of quoted Equity Securities.

As at the date of this Notice, the Company currently has one (1) class of quoted Equity Securities on issue, being the Shares (ASX Code: EAR).

If Shareholders approve Resolution 3, the number of Equity Securities the Company may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2.

Resolution 3 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 3 for it to be passed.

4.2 Technical information required by ASX Listing Rule 7.1A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 3:

(a) Minimum Price

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in section 4.2(a)(i), the date on which the Equity Securities are issued.

(b) Date of Issue

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

(i) 12 months after the date of this Meeting; and

(ii) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking) (after which date, an approval under Listing Rule 7.1A ceases to be valid),

(10% Placement Capacity Period).

(C) Risk of voting dilution

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 3 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the basis of the market price of Shares and the number of Equity Securities on issue as at 29 September 2016 (and assuming the 53,502,922 Shares the subject of Resolution 5 are issued).

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Number of Shares on Issue	Dilution				
(Variable	Issue Price	\$0.13	\$0.26	\$0.39	
'A' in ASX Listing Rule 7.1A2)	(per Share)	50% decrease in Issue Price	Issue Price	50% increase in Issue Price	
226,321,730	Shares issued - 10%				
(Current Variable A)	voting dilution	22,632,173 Shares	22,632,173 Shares	22,632,173 Shares	
	Funds raised	\$2,942,182	\$5,884,365	\$8,826,547	
339,482,595 (50% increase in Variable A)	Shares issued - 10% voting dilution	33,948,260 Shares	33,948,260 Shares	33,948,260 Shares	
	Funds raised	\$4,413,274	\$8,826,547	\$13,239,821	
452,643,460 (100%	Shares issued - 10% voting				
increase in Variable A)	dilution	45,264,346 Shares	45,264,346 Shares	45,264,346 Shares	
	Funds raised	\$5,884,365	\$11,768,730	\$17,653,095	

^{*}The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-

rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table above uses the following assumptions:

- 1. There are currently 226,321,730 Shares on issue comprising:
 - (a) 172,818,808 existing Shares as at the date of this Notice of Meeting; and
 - (b) 53,502,922 Shares which will be issued if Resolution 5 is passed at this Meeting and the Takeover Bid is successfully completed.
- 2. The issue price set out above is the closing price of the Shares on the ASX on 29 September 2016.
- 3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
- 4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1 or 7.1 A.
- 5. The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
- 6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
- 7. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
- 8. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- 9. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(d) Purpose of Issue under 10% Placement Capacity

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

- (i) as cash consideration in which case the Company intends to use funds raised for the acquisition of new resources, assets and investments (including expenses associated with such an acquisition), continued expenditure on the Company's current assets and general working capital etc; or
- (ii) as non-cash consideration for the acquisition of new resources assets and investments, continued expenditure on the Company's current assets and general working capital in such circumstances the Company will provide a valuation of the non-cash consideration as required by listing Rule 7.1A.3.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

(e) Allocation policy under the 10% Placement Capacity

The recipients of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

Further, if the Company is successful in acquiring new resources, assets or investments, it is likely that the recipients under the 10% Placement Capacity will be vendors of the new resources, assets or investments.

(f) Previous approval under ASX Listing Rule 7.1A

The Company previously obtained approval from its Shareholders pursuant to ASX Listing Rule 7.1A at its annual general meeting held on 30 November 2015 (**Previous Approval**).

The Company has issued 12,565,812 Shares pursuant to the Previous Approval.

During the 12 month period preceding the date of the Meeting, being on and from 11 November 2015, the Company also issued a further 20,902,565 Shares and 5,750,000 Options which represents approximately 19.13% of the total diluted number of Equity Securities on issue in the Company on 11 November 2015, which was 139,350,431.

Further details of the issues of Equity Securities by the Company during the 12 month period preceding the date of the Meeting are set out in Schedule 1.

(g) Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it must give to ASX:

- (i) a list of the recipients of the Equity Securities and the number of Equity Securities issued to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
- (ii) the information required by Listing Rule 3.10.5A for release to the market.

4.3 Voting Exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 3.

5. RESOLUTION 4 – APPROVAL OF INCENTIVE OPTION SCHEME

Resolution 4 seeks Shareholders approval for the adoption of the employee incentive scheme titled Incentive Option Scheme (**Scheme**) in accordance with ASX Listing Rule 7.2 (Exception 9(b)).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period. ASX Listing Rule 7.2 (Exception 9(b)) sets out an exception to ASX Listing Rule 7.1 which provides that issues under an employee incentive scheme are exempt for a period of 3 years from the date on which shareholders approve the issue of securities under the scheme as an exception to ASX Listing Rule 7.1.

If Resolution 4 is passed, the Company will be able to issue Shares under the Scheme to eligible participants over a period of 3 years without impacting on the Company's ability to issue up to 15% of its total ordinary securities without Shareholder approval in any 12 month period.

Shareholders should note that no Shares have previously been issued under the Scheme.

The objective of the Scheme is to attract, motivate and retain key employees and it is considered by the Company that the adoption of the Scheme and the future issue of Shares under the Scheme will provide selected employees with the opportunity to participate in the future growth of the Company.

A material feature of the Scheme is the issue of Shares pursuant to the Scheme may be undertaken by way of provision of a non-recourse, interest free loan to be used for the purposes of subscribing for the Shares based on a price that will be not less than the volume weighted average price at which Shares were traded on the ASX over the 10 trading days up to and including the date of acceptance of the offer.

Any future issues of Shares under the Scheme to a related party or a person whose relation with the company or the related party is, in ASX's opinion, such that approval should be obtained will require additional Shareholder approval under ASX Listing Rule 10.14 at the relevant time.

A summary of the key terms and conditions of the Scheme is set out in Schedule 2. In addition, a copy of the Scheme is available for review by Shareholders at the registered office of the Company until the date of the Meeting. A copy of the Scheme can also be sent to Shareholders upon request to the Company

Secretary (+61 8 9389 8726). Shareholders are invited to contact the Company if they have any queries or concerns.

7. BACKGROUND TO RESOLUTION 5

7.1 Takeover Bid

As announced to the ASX on 29 September 2016, the Company has entered into a bid implementation agreement (**BIA**) with Metaliko Resources Limited (ACN 120 974 567) (**Metaliko** or **MKO**) under which the Company has agreed to make an off-market takeover offer (**Offer**) to MKO Shareholders to acquire 100% of MKO Shares on issue in accordance with Chapter 6 of the Corporations Act (**Takeover Bid**). A copy of the BIA was released to the ASX on 29 September 2016.

Under the BIA, the Company has agreed to offer MKO Shareholders one (1) Share for every 2.5 MKO Shares in consideration for the acquisition of their MKO Shares.

If all MKO Shareholders accept the Takeover Bid, the Company will issue a total of 176,645,731 Shares and, assuming no other Shares are issued, the Company will have a total of 349,464,539 Shares on issue.

If the Takeover Bid is successfully completed (ie the Company receives acceptances for at least 90% of all MKO Shares on issue):

- (a) EAR will seek to compulsorily acquire 100% of MKO and delist it from the ASX, with EAR and MKO shareholders holding approximately 49.6% and 50.4% respectively of the enlarged Company; and
- (b) the Company will appoint two Non-Executive Directors nominated by MKO, being Mr Robin Dean and Mr Mark Hanlon, to create a 5 Director Board. Existing Echo Chairman, Barry Bolitho, will remain as Chairman of the merged entity, Mr Simon Coxhell will remain as Managing Director and CEO and Mr Anthony McIntosh will remain as a non-executive Director.

The MKO board has unanimously recommended the Offer in the absence of a superior offer, while MKO shareholders holding 60.36% of MKO's Shares have given statements of intention to accept the Offer in the absence of a superior proposal and following Shareholders approving Resolution 5.

Based on the Company's closing share price of \$0.22 on the ASX on 27 September 2016, the last trading day before the Takeover Bid was announced, the Takeover Bid values MKO at approximately \$38.9 million or \$0.088 per MKO Share. This represents a premium of approximately:

- (a) 24% to the last closing price on the ASX of MKO Shares of \$0.071 on 27 September 2016; and
- (b) 38% to the 20-day volume weighted average market price (VWAP) of MKO Shares on the ASX of \$0.066 to 27 September 2016.

7.2 Rationale for the Takeover Bid

The combined entity will create a strong emerging gold exploration company with potential for near term production and positive cashflow with excellent exploration upside in one of the premier Australian gold provinces.

The figure below indicates the location of the Company and MKO's tenements, and the Bronzewing gold mill owed by MKO.

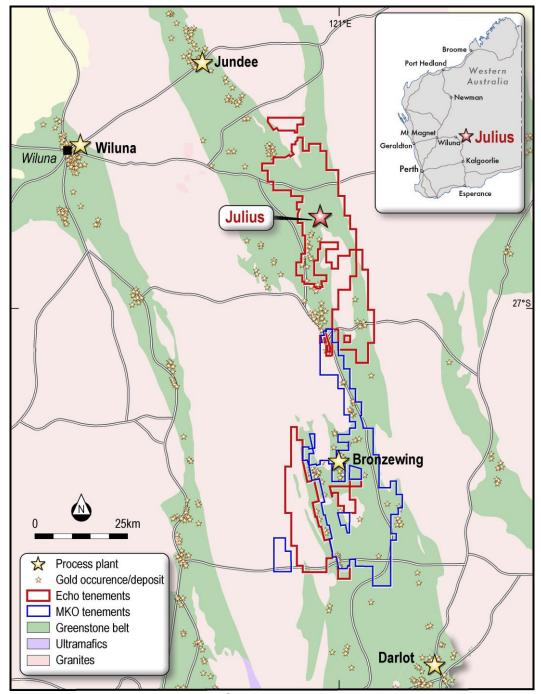


Figure 1: Combined tenement map

Key reasons for the Company to make the Takeover Bid include that:

- (a) it provides potential for a rapid and modest-cost pathway to production for the Company's Julius gold deposit by utilising MKO's 2 Mtpa Bronzewing processing facility;
- (b) it potentially allows Julius deposit to be brought into production as soon as mid 2017;
- (c) the Echo Julius Scoping Study indicated that the Julius stage 1 + 2 open pit would generate an EBITDA of \$47m (A\$1,600/oz Au) via toll

treatment¹ (the high case indicated EBIDTA of \$54m with A\$1,700/oz Au). Utilizing the Bronzewing mill may increase the EBITDA;

- (d) the combined company will hold contiguous tenements along 130km of the Yandal greenstone belt which represents the largest contiguous land holding between the operating Darlot and Jundee gold mines;
- (e) for the Company's shareholders, the merger provides a clearer potential pathway to near-term gold production removing the requirement for securing toll treating arrangements; and
- (f) for MKO shareholders, the merger provides exposure to high quality mineral resources and additional highly prospective tenements.

The Bronzewing facility is in good condition and has capacity to treat approximately 2.0 Mtpa of ore via 2 stage crushing, a 3.5 MW SAG mill, gravity circuit plus leach and CIL. Other infrastructure includes a 240-person camp, borefields, large capacity tailings facility plus other associated infrastructure including an airstrip. In a five year period to 2003, Great Central Mines produced an average of 260,000 ounces of gold per annum from Bronzewing with maximum production of 311,000 ounces in 2001.

7.3 Bid Implementation Agreement

In accordance with the BIA, the Offer will be subject to typical conditions, including:

- (a) a 90% minimum acceptance condition, which (at any time prior to the Company receiving acceptances representing 80% of MKO Shares) can only be waived with the consent of MKO;
- (b) no prescribed occurrence (as defined in the BIA) occurring in relation to MKO:
- (c) no material adverse change (as defined in the BIA) occurring in respect of MKO;
- (d) no material acquisitions, disposals or new commitments being undertaken by MKO;
- (e) the Company obtaining shareholder approval under ASX Listing Rule 10.1 to issue Shares under the Offer to Mr Michael Ruane and his associates who are MKO Shareholder; and
- (f) other customary conditions as set out in the BIA, including no regulatory intervention which (among other things) restrains or prohibits the Offer.

¹ Refer 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.

The BIA otherwise contains terms, conditions and restrictions which are customary for an agreement of its nature.

7.4 EAR Shareholder Approval

The Offer under the Takeover Bid will be subject to certain conditions, which are set out in Schedule 3 of this Notice. These include a condition that Shareholders approve, for the purposes of ASX Listing Rule 10.1, the acquisition of MKO Shares held by Mr Michael Ruane and certain of his Associates (**Ruane MKO Shareholders**) and the issue of Shares to the Ruane MKO Shareholders in consideration for the acquisition of their MKO Shares in accordance with the Takeover Bid (the **EAR Shareholder Approval**).

The EAR Shareholder Approval is being sought under Resolution 5 of this Notice.

If the EAR Shareholder Approval is not obtained, the Takeover Bid will not succeed unless MKO agrees to waive the EAR Shareholder Approval condition.

The Company's Board unanimously recommend that Shareholders vote **IN FAVOUR** of Resolution 5.

8. RESOLUTION 5 - APPROVAL UNDER ASX LISTING RULE 10.1

8.1 General

As outlined in Section 7.1 the Company has entered into the BIA with MKO under which the Company has agreed to make the Offer to acquire 100% of the MKO Shares held by the MKO Shareholders by way of the Takeover Bid.

8.2 ASX Listing Rules 10.1

ASX Listing Rule 10.1 states that an entity must ensure that neither it, nor any of its child entities, acquires a substantial asset from, or disposes of a substantial asset to, any of the following persons without the approval of holders of the entity's ordinary securities:

- (a) a related party of the entity;
- (b) a child entity of the entity;
- (c) a substantial holder of the entity, if the person and the person's associates have a relevant interest, or had a relevant interest at any time in the 6 months before the transaction, in at least 10% of the total votes attached to the voting securities in the entity; or
- (d) an associate of a person referred to in paragraph (a) to (c); or a person who's relationship with the entity or a reason referred to in (a) to (c) above is such that, in ASX opinion, the transaction should be approved by security holders.

Related Party and Substantial Holder

Mr Michael Ruane is the current managing director of MKO and, together with certain Associates, currently holds 133,757,304 MKO Shares with an aggregate voting interest of 30.29%.

Mr Ruane is also former director of the Company who resigned on 30 May 2016. As this occurred within the last 6 months, he is deemed to be a related party of

the Company for the purposes of the ASX Listing Rules and section 228 of the Corporations Act.

In addition, prior to 12 July 2016, Mr Ruane and his Associates were, together, substantial shareholders of the Company, holding in aggregate 19,557,398 Shares with a voting power of 11.35%.

Mr Ruane together with his Associates, currently holds 11,990,474 Shares with a total voting interest of 6.93%.

Under the Takeover Bid, Mr Ruane and his Associates who hold MKO Shares will be offered 1 new Share for every 2.5 MKO Shares held as at the register date set by Company.

Substantial Asset

For the purposes of ASX Listing Rule 10.1, an asset is substantial if its value, or the value of the consideration for it is, or in ASX's opinion is, 5% or more of the equity interests of the entity as set out in the latest accounts given to ASX under the ASX Listing Rules.

The equity interests of the Company as set out in the latest accounts given to ASX under the ASX Listing Rules (being for the full year ending 30 June 2016) were \$3,195,730.

The value of the 133,757,304 MKO Shares to be acquired from Mr Ruane and his Associates under the Takeover Bid (assuming they all accept the Offer), based on the closing price of MKO Shares on 27 September 2016 on the ASX of \$0.071 per MKO Share, and one Share being offered for every 2.5 MKO Shares, is a total of approximately \$9,496,769.

The value of the 53,502,922 Shares to be offered to Mr Ruane and his Associates to acquire these MKO Shares under the Takeover Bid, based on the closing price of Shares on 27 September 2016 on the ASX of \$0.22 per Share, and one Share being offered for every 2.5 MKO Shares, is a total of approximately \$11,770,643.

Therefore, the value of the 133,757,304 MKO Shares that EAR is seeking to acquire from Mr Ruane and his Associates, and the value of the 53,502,922 Shares to be offered to Mr Ruane and his Associates to acquire these MKO Shares under the Takeover Bid, are both more than 5% of the equity interests of the Company as set out in the latest accounts given to ASX under the ASX Listing Rules and involve the acquisition of, and disposal of, substantial assets (being the acquisition and disposal of MKO Shares and Shares respectively).

Requirement for Shareholder Approval

The acquisition of MKO Shares from Mr Ruane and his Associates, and the issue of Shares in consideration for that acquisition, therefore require Shareholder approval under ASX Listing Rule 10.1.

Resolution 5 seeks Shareholder approval for the purpose of ASX Listing Rule 10.1 to allow the Company to acquire up to 133,757,304 MKO Shares held by Mr Michael Ruane and his Associates, and to issue up to 53,502,922 Shares to Mr Ruane and his Associates in accordance with the Takeover Bid.

If the Takeover Bid is successfully completed, Mr Ruane and his Associates will together own a total of 65,493,396 Shares, which will equate to a shareholding of

18.9% (assuming no other Shares are issued by the Company apart from under the Takeover Bid).

8.3 Independent Expert's Report

ASX Listing Rule 10.10.2 requires a notice of meeting containing a resolution under ASX Listing Rule 10.1 to include a report on the transaction from an independent expert.

The Independent Expert's Report set out in Schedule 4 sets out a detailed independent examination of the proposed Takeover Bid to enable non-associated Shareholders to assess the merits and decide whether to approve the issue of up to 53,502,922 Shares in consideration for the acquisition of up to 133,757,304 MKO Shares held by Mr Ruane and his Associates.

The Independent Expert's Report enclosed with this Notice of Meeting concludes that it is **fair and reasonable** to the non-associated Shareholders.

Shareholders are urged to carefully read the Independent Expert's Report to understand its scope, the methodology of the valuation and the sources of information and assumptions made.

8.4 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act requires that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of Shares to Mr Ruane and his Associates, because the Shares are being issued on the same terms as are being offered to all MKO Shareholders under the Takeover Bid, which were negotiated on an arms' length terms basis.

8.5 ASX Listing Rule 10.11

ASX Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

The Directors consider that ASX Listing Rule 10.12 exception 5 applies to the proposed issue of the Shares to Mr Ruane and his Associates, and consequently Shareholders' approval is not sought under ASX Listing Rule 10.11.

GLOSSARY

\$ means Australian dollars.

10% Placement Capacity has the meaning given in Section 4.1.

Announcement Date has the meaning as set out in the BIA.

Annual General Meeting or **Meeting** means the meeting convened by the Notice.

ASIC means the Australian Securities & Investments Commission.

Associates has the meaning given under the Corporations Act for the purposes of Chapter 6 of the Corporations Act.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

BIA means the bid implementation agreement entered into by the Company and MKO on 28 September 2016.

Bidder's Statement means the bidder's statement to be lodged with ASIC by the Company in respect of the Takeover Bid.

Board and **EAR Board** means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Company or EAR means Echo Resources Limited (ACN 108 513 113).

Consideration Shares means up to 53,502,922 Shares to be issued to the Ruane MKO Shareholders in accordance with the Takeover Bid.

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current directors of the Company.

EAR Shareholder Approval means the Shareholder approval sought pursuant to Resolution 5 of this Notice.

Eligible Entity means an entity that, at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means the explanatory statement accompanying the Notice.

Independent Expert means BDO Corporate Finance (WA) Pty Ltd.

Metaliko or **MKO** means Metaliko Resources Limited (ACN 120 974 567).

MKO Share means a fully paid ordinary share in the capital of MKO.

MKO Shareholder means a reguistered holder of MKO Shares.

Notice or **Notice** of **Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Offer means the offers to all MKO Shareholders in respect of all of their MKO Shares on the terms of the BIA and otherwise in accordance with all applicable provisions of the Corporations Act.

Offer period has the meaning as set out in the BIA.

Ordinary Securities has the meaning set out in the ASX Listing Rules.

Proxy Form means the proxy form accompanying the Notice.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Ruane Associates means Tyson Resources Pty Ltd and Kesli Chemicals Pty Ltd <Ruane Super Fund Account>.

Ruane MKO Shareholders means Mr Michael Ruane and the Ruane Associates.

Ruane MKO Shares means 133,757,304 MKO Shares held by the Ruane MKO Shareholders.

Section means a section of the Explanatory Statement.

Share or **EAR Share** means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.

Takeover Bid means the Company's proposed acquisition of 100% of the issued capital in MKO from the MKO Shareholders by way of an off-market takeover to be implemented in accordance with Chapter 6 of the Corporations Act.

Variable A means "A" as set out in the formula in ASX Listing Rule 7.1A(2).

WST means Western Standard Time as observed in Perth, Western Australia.

SCHEDULE 1 - ISSUES OF EQUITY SECURITIES SINCE 11 NOVEMBER 2015

Date	Quantity	Class	Recipients	Issue price and discount to Market Price (if applicable) ¹	Form of consideration		
Issue –	13,935,044	Shares ²	Clients of BW	\$0.06	Amount raised = \$836,103		
25/02/16			Equities Pty Ltd	Discount of 45.45%	Amount spent = \$836,103		
Appendix 3B - 25/02/16				(Share price 25/02/16 \$0.110)	Use of funds Advance the Company's exploration programmes and for working capital		
Issue –	333,333	Shares ²	CandM Co Pty	\$0.06	Amount raised = \$20,000		
09/03/16			Ltd Discount of 58.62%		Amount spent = \$20,000		
Appendix 3B – 25/05/16				(Share price 09/03/16 \$0.145)	Use of funds Advance the Company's exploration programmes and for working capital		
Issue –	19,000,000	Shares ²	Clients of BW	\$0.17	Amount raised = \$3,230,000		
26/05/16			Equities Pty Ltd	Discount of 12.82%	Amount spent = \$1,324,050		
Appendix 3B - 26/05/15	26/05/16 \$0.195)						Use of funds Advance the Company's exploration programmes and for working capital
					Amount remaining = \$1,905,950		
					Proposed use of remaining funds ⁴ Advance the Company's exploration programmes and for working capital		
Issue – 12/07/16	200,000	Shares ²	Nearology Pty Ltd	No issue price (non-cash consideration)	Consideration: Remuneration for consultancy services provided to the Company		
Appendix 3B - 13/07/16				Consideration	Current value ⁵ = \$51,000		
Issue – 29/08/16	5,750,000	Unquoted Options ³	Directors	No issue price,	Incentive Options issued to directors of the Company.		
Appendix 3B - 29/08/16					Current value ⁵ = \$1,466,250		

Notes:

- 1. Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.
- 2. Fully paid ordinary shares in the capital of the Company, ASX Code: EAR (terms are set out in the Constitution).
- 3. Unquoted Options, exercisable at \$0.275 each, on or before 28 August 2019. The full terms and conditions were disclosed in the notice of meeting for the shareholder meeting held on 29 August 2016.
- 4. This is a statement of current intentions as at the date of this Notice. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.

5. In respect of quoted Equity Securities the value is based on the closing price of the Shares (\$0.255) on the ASX on 30 September 2016. In respect of unquoted Equity Securities the value of Options is measured using the Black & Scholes option pricing model. Measurement inputs include the Share price on the measurement date, the exercise price, the term of the Option, the impact of dilution, the expected volatility of the underlying Share (based on weighted average historic volatility adjusted for changes expected due to publicly available information), the expected dividend yield and the risk free interest rate for the term of the Option. No account is taken of any performance conditions included in the terms of the Option other than market based performance conditions (i.e. conditions linked to the price of Shares).

SCHEDULE 2 - SUMMARY OF TERMS OF INCENTIVE OPTION SCHEME

(a) Offers

The Board may from time to time make an offer of Options to an eligible participant under the Scheme. The offer will specify:

- (i) the number of Options offered;
- (ii) the exercise price and expiry date of the Options;
- (iii) the period during which the offer must be accepted;
- (iv) any conditions attaching to the exercise of the Options and any transfer restrictions on the underlying Shares (once issued); and
- (v) any other terms and conditions applicable to the offer.

(b) Eligibility

The following persons are eligible to participate in the Scheme:

- (i) directors of any Group Company;
- (ii) full or part time employees of any Group Company;
- (iii) casual employees of any Group Company working, or reasonably expected to work, approximately 40% or more of a comparable full time position;
- (iv) contractors of any Group Company where the individual performing the work is working, or reasonably expected to work, approximately 40% or more of a comparable full time position; and
- (v) a person who is to become one of the above.
- (vi) Subject to Board approval, an offer may be renounced by an Eligible Participant in favour of immediate family members, a company whose shareholders comprise only the eligible participant or immediate family members, or a corporate trustee of a self-managed superannuation fund in which the eligible participant is a director of the trustee.

(c) Conditions

The Board may impose conditions to the exercise of an Option, or restrictions to the trading or disposal of Shares issued upon exercise an Option, which conditions must be set out in the relevant offer document. The Board may, in its discretion, waive any such Conditions by notice in writing to the relevant participant.

(d) General terms of Options

- (i) (Grant Price): Options will be granted for nil consideration.
- (ii) (Non-transferable): Options are non-transferable. However, upon the death of the participant the Options may be transferred to their legal representative.
- (iii) (**Quotation**): The Options will not be quoted on the ASX. However, the Company will apply for quotation of Shares issued upon exercise of Options.

- (iv) (Rights attaching to Shares): Shares issued upon exercise of Options will rank equally with fully paid ordinary shares in the capital of the Company subject to any restriction conditions specified in the offer for the Options.
- (v) (Reorganisation of Capital): If at any time the capital of the Company is reorganised, the terms and number of the Options may be changed by the Company in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.
- (vi) (Overriding restrictions): No Option may be offered, granted or exercised and no Share may be issued on exercise of any Option if to do so would contravene the ASX Listing Rules or any other applicable law.

(e) Lapsing of Options

Unexercised Options will generally lapse on the relevant expiry date. However, Options will also lapse earlier:

- (i) if the eligible participant ceases to be an eligible participant where the relevant Group company has terminated their engagement for cause;
- (ii) if the eligible participant ceases to be an eligible participant (other than termination of engagement by the Company for cause), on the date 30 days later or such longer period as determined by the Board;
- (iii) if the eligible participant ceases to be an eligible participant due to their death, retirement or they suffer total and permanent disability or are made redundant, on the earlier of 3 months (if the Options are unconditional, otherwise 6 months) from that event or the relevant Option expiry date;
- (iv) if the Optionholder purports to transfer, assign, mortgage, charge or otherwise dispose of or encumber an Option or hedge an Option in a manner not permitted by the Scheme; or
- (v) by notice from the Board if the eligible participant acts fraudulently or dishonestly, is grossly negligent, demonstrates serious and wilful misconduct or causes a material adverse effect on the Company's reputation.

(f) Plan Limit

The Company must have reasonable grounds to believe, when making an offer, that the number of Shares to be received on exercise of Options offered under the offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made at any time during the previous 3 year period under an employee incentive scheme covered by ASIC Class Order 14/1000, or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the offer.

(g) Administration of the Scheme

The Board may appoint a committee for the administration and management of the Scheme. The decision of the Board as to the interpretation, effect or application of the Scheme will be final.

SCHEDULE 3 - TAKEOVER BID CONDITIONS

- (a) (90% minimum acceptance condition): At the end of the period during which the Offer is open for acceptance (Offer Period), the Company and its Associates must have a Relevant Interest (as defined under the Corporations Act) in more than 90% (by number) of all of the MKO Shares both on an undiluted and on a fully diluted basis. This condition cannot be waived by the Company, where the Company has a Relevant Interest of less than 80% of MKO Shares, without the prior written consent of MKO;
- (b) (no Regulatory Action): That between the date the Takeover Bid is announced (Announcement Date) and the end of the Offer Period:
 - (i) there is not in effect any preliminary or final decision, order or decree issued by a Regulatory Authority (as defined in the BIA); and
 - (ii) no application is made to any Regulatory Authority (other than by the Company or its subsidiaries), or action or investigation is announced, threatened or commenced by a Regulatory Authority,

in consequence of, or in connection with, the Offer (other than a determination by ASIC or the Takeovers Panel in exercise of the powers and discretions conferred by the Corporations Act), which:

- (iii) restrains or prohibits (or if granted could restrain or prohibit), or otherwise materially adversely impacts on, the making of the Offer or the completion of any transaction contemplated by the Offer (whether subject to conditions or not) or the rights of the Company in respect of MKO and the MKO Shares to be acquired under the Offer; or
- (iv) requires the divestiture by the Company of any MKO Shares, or the divestiture of any assets of MKO or its Related Bodies Corporate (as defined in the Corporations Act), the Company or its Related Bodies Corporate or otherwise;
- (c) (no Metaliko Material Adverse Changes): There not occurring a Metaliko Material Adverse Change (as defined in the BIA) during the Offer Period;
- (d) (no material acquisitions, disposals or new commitments): Except for any proposed transaction publicly announced by MKO before the Announcement Date or disclosed in writing to the Company or its Representatives prior to the Announcement Date, or as required or permitted by the BIA, or with the prior approval of the Company (which approval must not be unreasonably withheld or delayed), none of the following events occurs during the period from the Announcement Date to the end of the Offer Period:
 - (i) a member of the Metaliko Group (as defined in the BIA) acquires, offers to acquire or agrees to acquire one or more companies, businesses or assets (or any interest in one or more companies, businesses or assets) for an amount in aggregate greater than \$250,000 or makes an announcement in relation to such an acquisition, offer or agreement;
 - (ii) a member of the Metaliko Group disposes of, offers to dispose of or agrees to dispose of one or more companies, businesses or assets (or any interest in one or more companies, businesses or assets) for an amount, or in respect of which the book value is, in aggregate, greater

- than \$250,000 or makes an announcement in relation to such a disposition, offer or agreement;
- (iii) a member of the Metaliko Group enters into, or offers to enter into or agrees to enter into, any agreement, joint venture, partnership, farm-in agreement, management agreement or commitment which would require expenditure, or the foregoing of revenue, by MKO and/or its subsidiaries of an amount which is, in aggregate, more than \$250,000 other than in the ordinary course of business, or makes an announcement in relation to such an entry, offer or agreement; and
- (iv) a member of the Metaliko Group materially varies, amends, or modifies any Material Contract (as defined in the BIA);
- (e) (no material litigation) There is no litigation, claim, action or proceeding pending or in progress or threatened against or relating to any member of the Metaliko Group during the Offer Period that does or is reasonably likely to constitute a Metaliko Material Adverse Change (as defined in the BIA);
- (f) (no Metaliko Prescribed Occurrences): There not occurring a Metaliko Prescribed Occurrence (as defined in the BIA) during the Offer Period;
- (g) (no change of control rights): After the Announcement Date and before the end of the Offer Period, no person exercises or purports to exercise, or states an intention to exercise, any rights under any provision of any agreement or other instrument to which a member of the Metaliko Group is a party, or by or to which a member of the Metaliko Group or any of its assets may be bound or be subject, which results, or could result, to an extent which is material in the context the Metaliko Group taken as a whole, in:
 - (i) any monies borrowed by a member of the Metaliko Group being or becoming repayable or being capable of being declared repayable immediately or earlier than the repayment date stated in such agreement or other instrument;
 - (ii) any such agreement or other instrument being terminated or modified or any action being taken or arising thereunder;
 - (iii) the interest of a member of the Metaliko Group in any firm, joint venture, trust, corporation or other entity (or any arrangements relating to such interest) being terminated or modified; or
 - (iv) the business of a member of the Metaliko with any other person being adversely affected,

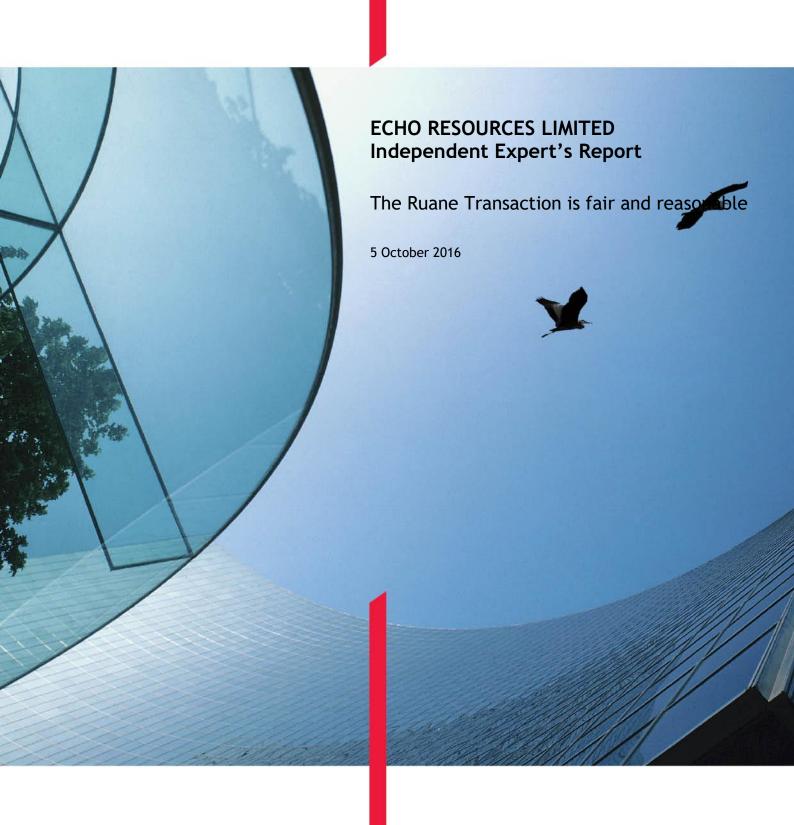
as a result of the acquisition of MKO Shares by the Company except for any rights under any provision of any agreement or other instrument disclosed in writing to the Company or its Representatives prior to the Announcement Date;

- (h) (non-existence of certain rights): That no person has any right (whether subject to conditions or not) as a result of the Company acquiring MKO Shares to:
 - (i) acquire, or require a member of the Metaliko Group to dispose of, or offer to dispose of, any material asset of a member of the Metaliko Group; or
 - (ii) terminate or vary or exercise any right under any Material Contract with a member of the Metaliko Group,

- except for any rights under any provision of any agreement or other instrument disclosed in writing to the Company or its Representatives or otherwise publicly announced by MKO prior to execution of the BIA; and
- (i) (Shareholder Approval): That the EAR Shareholders approve the issue of EAR Shares under the Takeover Bid in consideration for the acquisition of MKO Shares held by Mr Michael Ruane and his Associates for the purposes of Listing Rule 10.1 (the EAR Shareholder Approval). This condition cannot be waived with Metaliko's prior approval.

SCHEDULE 4 - INDEPENDENT EXPERT'S REPORT

EAR - Notice of 2016 AGM FINAL







Financial Services Guide

5 October 2016

BDO Corporate Finance (WA) Pty Ltd ABN 27 124 031 045 ('we' or 'us' or 'ours' as appropriate) has been engaged by Echo Resources Limited ('Echo' or 'the Company') to provide an independent expert's report on the issue of shares in Echo to Mr Michael Ruane and his associates and in consideration receive shares in Metaliko Resources Limited ('Metaliko') ('Ruane Transaction').

Financial Services Guide

In the above circumstances we are required to issue to you, as a retail client, a Financial Services Guide ('FSG'). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensees.

This FSG includes information about:

- Who we are and how we can be contacted;
- The services we are authorised to provide under our Australian Financial Services Licence, Licence No. 316158:
- Remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
- Any relevant associations or relationships we have; and
- Our internal and external complaints handling procedures and how you may access them.

Information about us

BDO Corporate Finance (WA) Pty Ltd is a member firm of the BDO network in Australia, a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International). The financial product advice in our report is provided by BDO Corporate Finance (WA) Pty Ltd and not by BDO or its related entities. BDO and its related entities provide services primarily in the areas of audit, tax, consulting and financial advisory services.

We do not have any formal associations or relationships with any entities that are issuers of financial products. However, you should note that we and BDO (and its related entities) might from time to time provide professional services to financial product issuers in the ordinary course of business.

Financial services we are licensed to provide

We hold an Australian Financial Services Licence that authorises us to provide general financial product advice for securities to retail and wholesale clients.

When we provide the authorised financial services we are engaged to provide expert reports in connection with the financial product of another person. Our reports indicate who has engaged us and the nature of the report we have been engaged to provide. When we provide the authorised services we are not acting for you.

General Financial Product Advice

We only provide general financial product advice, not personal financial product advice. Our report does not take into account your personal objectives, financial situation or needs. You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice.

Financial Services Guide



Page 2

Fees, commissions and other benefits that we may receive

We charge fees for providing reports, including this report. These fees are negotiated and agreed with the person who engages us to provide the report. Fees are agreed on an hourly basis or as a fixed amount depending on the terms of the agreement. The fee payable to BDO Corporate Finance (WA) Pty Ltd for this engagement is approximately \$25,000.

Except for the fees referred to above, neither BDO, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of this report.

Other Assignments

BDO Audit (WA) Pty Ltd is the appointed Auditor of Echo Resources Limited. We do not consider that this impacts on our independence in accordance with the requirements of Regulatory Guide 112 'Independence of Experts'. We have completed a conflict search of BDO affiliated organisations within Australia. This conflict search incorporates all Partners, Directors and Managers of BDO affiliated organisations. We are not aware of any circumstances that, in our view, would constitute a conflict of interest or would impair our ability to provide objective assistance in this matter. BDO Audit (WA) Pty Ltd has performed work for Echo Resources Limited over the past two years for a collective fee of \$71,314.

Remuneration or other benefits received by our employees

All our employees receive a salary. Our employees are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report. We have received a fee from Echo Resources Limited for our professional services in providing this report. That fee is not linked in any way with our opinion as expressed in this report.

Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

Complaints resolution

Internal complaints resolution process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing addressed to The Complaints Officer, BDO Corporate Finance (WA) Pty Ltd, PO Box 700 West Perth WA 6872.

When we receive a written complaint we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical, and not more than 45 days after receiving the written complaint, we will advise the complainant in writing of our determination.

Referral to External Dispute Resolution Scheme

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Financial Ombudsman Service ('FOS'). FOS is an independent organisation that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial service industry. FOS will be able to advise you as to whether or not they can be of assistance in this matter. Our FOS Membership Number is 12561. Further details about FOS are available at the FOS website www.fos.org.au or by contacting them directly via the details set out below.

Financial Ombudsman Service GPO Box 3 Melbourne VIC 3001

Toll free: 1300 78 08 08 Facsimile: (03) 9613 6399

Email: info@fos.org.au

Contact details

You may contact us using the details set out on page 1 of the accompanying report.



TABLE OF CONTENTS

1.	Introduction	1
2.	Summary and Opinion	1
3.	Scope of the Report	3
4.	Outline of the Ruane Transaction	5
5.	Profile of Echo	6
6.	Profile of Metaliko Resources	10
7.	Economic analysis	15
8.	Industry analysis	16
9.	Valuation approach adopted	18
10.	Valuation of the Metaliko shares to be acquired from Michael Ruane and his associates	20
11.	Valuation of the Echo shares to be issued to Michael Ruane and his associates	27
12.	Is the Ruane Transaction fair?	30
13.	Is the Ruane Transaction reasonable?	31
14.	Conclusion	33
15.	Sources of information	33
16.	Independence	34
17.	Qualifications	34
18.	Disclaimers and consents	35

Appendix 1 - Glossary and copyright notice

Appendix 2 - Valuation Methodologies

Appendix 3 - Independent Technical Assessment and Valuation Report prepared by CSA Global Pty Ltd © 2016 BDO Corporate Finance (WA) Pty Ltd



38 Station Street Subiaco, WA 6008 PO Box 700 West Perth WA 6872 Australia

5 October 2016

The Directors Echo Resources Limited 159 Stirling Highway Nedlands, WA 6009

Dear Directors

INDEPENDENT EXPERT'S REPORT

Introduction 1.

On 29 September 2016, Echo Resources Limited ('Echo' or 'the Company') announced it had entered into a bid implementation agreement ('BIA') with Metaliko Resources Limited ('Metaliko') under which the Company has agreed to make an off-market takeover offer to acquire 100% of Metaliko shares on issue for consideration of one Echo share for every 2.5 Metaliko shares ('the Takeover Bid').

An independent expert's report is required by Australian Securities Exchange ('ASX') Listing Rule 10.1 because Michael Ruane, a current director of Metaliko, who together with certain associates, currently holds 30.29% of the issued capital of Metaliko, is a former director of Echo who resigned within the last six months prior to the announcement of the Takeover Bid (resigned 30 May 2016), and still holds 7.61% of the issued capital of Echo. For the purposes of ASX Listing Rule 10.1, Michael Ruane is considered to be a related party.

The independent expert's report is required solely in relation to the acquisition of the 133,757,304 Metaliko shares held by Michael Ruane (and associates) and the issue of 53,502,922 Echo shares to Michael Ruane (and associates) ('Ruane Transaction'), which comprises part of the overall Takeover Bid.

Summary and Opinion

2.1 Purpose of the report

The directors of Echo have requested that BDO Corporate Finance (WA) Pty Ltd ('BDO') prepare an independent expert's report ('our Report') to express an opinion as to whether or not the Ruane Transaction is fair and reasonable to the non-associated shareholders of Echo ('Shareholders') in order to assist the Shareholders in their decision whether to approve the Ruane Transaction.



2.2 Approach

Our Report has been prepared having regard to Australian Securities and Investments Commission ('ASIC') Regulatory Guide 111 'Content of Expert's Reports' ('RG 111') and Regulatory Guide 112 'Independence of Experts' ('RG 112').

In arriving at our opinion, we have assessed the terms of the Ruane Transaction as outlined in the body of our Report. We have considered:

- how the value of the Echo shares to be issued to Michael Ruane and his associates following the implementation of the Takeover Bid compare to the value of the Metaliko shares to be received by Echo in consideration.;
- the likelihood of a superior alternative transaction being available to Echo shareholders;
- other factors which we consider to be relevant to the Shareholders in their assessment of the Ruane Transaction; and
- the position of Shareholders should the Ruane Transaction not proceed.

2.3 Opinion

We have considered the terms of the Ruane Transaction as outlined in the body of our Report and have concluded that the Ruane Transaction is fair and reasonable to Shareholders.

2.4 Fairness

In section 12 we determined that the value of the Echo shares to be issued to Michael Ruane and his associated as consideration under the Takeover Bid compare to the value of the Metaliko shares to be acquired from Michael Ruane and his associates, as detailed below:

	D-6	Low	Preferred	High
	Ref	\$m	\$m	\$m
Value of the Metaliko shares on a minority basis, to be acquired from Michael Ruane and his associates	10.3	1.74	2.72	3.75
Value of the Echo shares on a minority basis, to be issued to Michael Ruane and his associates	11.1	1.61	2.62	3.69

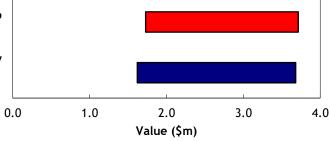
Source: BDO analysis

The above valuation ranges are represented graphically below:

Valuation Summary

Value of the Metaliko shares on a minority basis, to be acquired from Michael Ruane and his associates

Value of the Echo Resources shares on a minority basis, to be issued to Michael Ruane and his associates



Source: BDO analysis



In accordance with RG 111, the value of the consideration (the shares Michael Ruane and his associates hold in Metaliko) is greater than the value of the financial benefit (the shares to be issued to Michael Ruane and his associates in Echo). The above pricing indicates that this is the case for the Ruane Transaction and therefore, in the absence of any other relevant information the Ruane Transaction is fair for Shareholders.

2.5 Reasonableness

We have considered the analysis in section 13 of this report, in terms of both

- advantages and disadvantages of the Ruane Transaction; and
- other considerations, including the position of Shareholders if the Ruane Transaction does not proceed and the consequences of not approving the Ruane Transaction.

In our opinion, the position of Shareholders if the Ruane Transaction is approved is more advantageous than the position if the Ruane Transaction is not approved. Accordingly, in the absence of any other relevant information we believe that the Ruane Transaction is reasonable for Shareholders.

The respective advantages and disadvantages considered are summarised below:

ADVANTAGES AND DISADVANTAGES				
Section	Advantages	Section	Disadvantages	
13.1.1	The Ruane Transaction is fair	13.2.1	Dilution of existing Shareholders' interests	
13.1.2	Echo and Metaliko are a natural fit			
13.1.3	Fast-tracks development of the Julius Gold Project			
13.1.4	Potential for cost synergies			
13.1.5	Bronzewing Gold Treatment Plant			

Other key matters we have considered include:

Section	Description
13.3	Alternative Proposal
13.4	Consequences of not approving the Ruane Transaction

3. Scope of the Report

3.1 Purpose of the Report

ASX Listing Rule 10.1 requires that a listed entity must obtain shareholders' approval before it acquires or disposes of a substantial asset, when the consideration to be paid for the asset or the value of the asset being acquired or disposed constitutes more than 5% of the equity interest of that entity at the date of the last audited accounts. Based on the audited accounts as at 30 June 2016, the value of the consideration paid for Metaliko is approximately 50% of the equity interest of Echo.



Listing Rule 10.1 applies where the vendor or acquirer of the relevant assets is a related party of the listed entity.

Michael Ruane, a current director of Metaliko, who together with certain associates, currently holds 30.29% of the issued capital of Metaliko, is a former director of Echo who resigned within the last six months prior to the announcement of the Takeover Bid (resigned 30 May 2016), and still holds 7.61% of the issued capital of Echo. For the purposes of ASX Listing Rule 10.1, Michael Ruane is considered to be a related party.

Listing Rule 10.10.2 requires the Notice of Meeting for shareholders' approval to be accompanied by a report by an independent expert expressing their opinion as to whether the transaction is fair and reasonable to the shareholders, whose votes are not to be disregarded in respect of the transaction, being the non-associated shareholders of Echo.

Accordingly, an independent expert report is required for the Ruane Transaction. The report should provide an opinion by the expert stating whether or not the terms and conditions in relation thereto are fair and reasonable to non-associated shareholders of Echo.

3.2 Regulatory guidance

Neither the Listing Rules nor the Corporations Act defines the meaning of 'fair and reasonable'. In determining whether the Ruane Transaction is fair and reasonable, we have had regard to the views expressed by ASIC in RG 111 which provides guidance as to what matters an independent expert should consider to assist security holders to make informed decisions about transactions.

RG 111 suggests that, where an expert assesses whether a related party transaction is 'fair and reasonable' for the purposes of ASX Listing Rule 10.1, this should not be applied as a composite test—that is, there should be a separate assessment of whether the transaction is 'fair' and 'reasonable', as in a control transaction. An expert should not assess whether the transaction is 'fair and reasonable' based simply on a consideration of the advantages and disadvantages of the proposal.

We do not consider the Ruane Transaction to be a control transaction. As such, we have used RG 111 as a guide for our analysis but have considered the Ruane Transaction as if it were not a control transaction.

3.3 Adopted basis of evaluation

RG 111.58 states where the proposed transaction consists of an asset acquisition by the entity, it is 'fair' if the value of the financial benefit being offered by the entity to the related party is equal to or less than the value of the assets being acquired. Where the financial benefit given by the entity is securities in the entity and the consideration is securities in another entity held by a related party, the value of the entity's securities should be compared to the value of the securities it is purchasing.

Here the financial benefit that is being given by Echo is shares in Echo and the consideration for those shares is the shares that Michael Ruane and his associates currently hold in Metaliko.

Accordingly the Ruane Transaction is fair if the value of the consideration (the shares Michael Ruane and his associates hold in Metaliko) is greater than the value of the financial benefit (the shares to be issued to Michael Ruane and his associates in Echo). This comparison should be made assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm's length.



RG 111 states that when considering the value of the securities which are the subject of the offer in a control transaction the expert should consider this value inclusive of a control premium. However, as stated in Section 3.2 we do not consider that the Ruane Transaction is a control transaction. As such, we have not included a premium for control when considering the value of Echo shares following the Takeover Bid or the value of Metaliko shares. The consideration is in the form of scrip and RG 111 states that when this is the case then the expert should consider this value on a minority interest basis.

Further to this, RG 111 states that a transaction is reasonable if it is fair. It might also be reasonable if despite being 'not fair' the expert believes that there are sufficient reasons for security holders to accept the offer in the absence of any higher bid.

Having regard to the above, BDO has completed this comparison in two parts:

- A comparison between the value of the Echo shares to be issued to Michael Ruane and his associates and the value of the Metaliko shares to be acquired from Michael Ruane and his associates (fairness see section 12 'Is the Ruane Transaction Fair?'); and
- An investigation into other significant factors to which Shareholders might give consideration, prior to approving the resolution relating to the Ruane Transaction, after reference to the value derived above (reasonableness - see Section 13 'Is the Ruane Transaction Reasonable?').

This assignment is a Valuation Engagement as defined by Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services' ('APES 225').

A Valuation Engagement is defined by APES 225 as follows:

'an Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Valuer is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Valuer at that time.'

This Valuation Engagement has been undertaken in accordance with the requirements set out in APES 225.

4. Outline of the Ruane Transaction

On 29 September 2016, Echo announced it had entered into a bid implementation agreement with Metaliko under which the Company has agreed to make an off-market takeover offer to acquire 100% of Metaliko shares on issue for consideration of one Echo share for every 2.5 Metaliko shares.

Following successful implementation of the Takeover Bid, Metaliko is expected to become a wholly owned subsidiary of Echo, with current Echo and Metaliko shareholders holding 49.5% and 50.5%, respectively of the enlarged entity. On 10 August 2016, Echo announced that the Company had entered into a purchase agreement to acquire a 70% interest in four exploration licenses from Sorrento Resources Pty Ltd. As part of the consideration, the Company will issue 1,000,000 Echo shares to Sorrento Resources Pty Ltd, which will result in the current Echo and Metaliko shareholders holding 49.6% and 50.4%, respectively of the enlarged entity, following the successful implementation of the Takeover Bid.

As part of the Takeover Bid, current director of Metaliko Michael Ruane (and associates), will receive 53,502,922 Echo shares and as consideration will transfer to Echo the 133,757,304 Metaliko shares currently held by Michael Ruane (and associates). For the purpose of ASX Listing Rule 10.1, Michael Ruane is considered to be a related party as he is a current director at Metaliko, who together with certain



associates, currently holds 30.29% of the issued capital of Metaliko, and resigned as a director of Echo within the last six months prior to the announcement of the Takeover Bid (resigned 30 May 2016), and still holds 7.61% of the issued capital of Echo.

In order for the Takeover Bid to proceed, Echo must obtain shareholder approval under ASX Listing Rule 10.1 to issue Echo shares under the Ruane Transaction to Michael Ruane and his associates.

5. Profile of Echo

5.1 History and Overview

Echo is a mineral exploration company incorporated on 25 March 2004 and listed on the ASX on 9 May 2006. The Company's primary focus is the Julius Gold Deposit located in the Yandal Greenstone Belt. The current board of directors comprise:

- Mr Simon Coxhell, Chief Executive Officer;
- Mr Barry Bolitho, Chairman and;
- Mr Anthony McIntosh, Non-Executive Director.

Since its inception, Echo has been engaged in the discovery and development of gold, copper and nickel deposits, with the shift towards gold over recent times. Echo's key projects are located in Western Australia.

5.2 Recent corporate events

On 11 March 2016, Echo announced it had applied for a mining lease over the Julius gold mineralisation and surrounding area. The mining lease covers around 745 hectares and is large enough to accommodate a large open pit, associated waste dumps and mining infrastructure.

On 19 May 2016, the Company announced that it had raised \$3.23 million at 17c per share in a placement to institutional and sophisticated investors, meaning Echo had \$3.5 million in cash to support future resources definition and mine development activities.

On 10 August 2016, the Company announced it had entered into a purchase agreement to acquire a 70% beneficial interest in four exploration licences. The tenement applications cover an additional 215 km² of Yandal exploration ground, and are located adjacent to the existing Yandal tenement holdings, creating a Yandal Greenstone Belt exploration area of around 915 km². The Company acquired the interests from Sorrento Resources Pty Ltd.

5.3 Key Projects

The Company holds a tenement package in the Yandal province covering an area of 915 km² ('the Yandal Gold Project'). The Yandal Gold Project is located in the northern part of the Eastern Goldfields and hosts the Julius Gold Project as well as multiple highly prospective targets. The Company's primary focus is to progress the Julius Gold Project towards near term production.

Julius Gold Project

The Julius Gold Project is located 450 kilometres north of Kalgoorlie, and is in close proximity to the operating Jundee Gold Mine, Wiluna Gold Mines and the Bronzewing Gold Mine.



A Scoping Study was completed in June 2016, demonstrating a highly profitable mining operation based on the current resource. The Scoping Study was based on the ore from the Julius Gold Deposit being toll-treated by a third party within 100 km of the mine.

Following the results of the Scoping Study, the Company has commenced works towards the completion of a Bankable Feasibility Study ('BFS'), with a primary focus to upgrade the existing Indicated Resources to Measured Resources. Echo anticipates that it will deliver a final BFS by the end of 2016, with the potential for first production by mid-2017.

Further detail on Echo's projects can be found in Appendix 3.

5.4 Historical Balance Sheet

Statement of Financial Position	Audited as at 30-Jun-16 \$	Audited as at 30-Jun-15 \$	Audited as at 30-Jun-14 \$
CURRENT ASSETS			
Cash and cash equivalents	3,440,121	1,543,423	638,614
Trade and other receivables	76,667	53,195	236,634
TOTAL CURRENT ASSETS	3,516,788	1,596,618	875,248
NON-CURRENT ASSETS			
Other financial assets	54,964	22,500	25,000
Plant and equipment	59,809	62,768	63,662
TOTAL NON-CURRENT ASSETS	114,773	85,268	88,662
TOTAL ASSETS	3,631,561	1,681,886	963,910
CURRENT LIABILITIES			
Trade and other payables	272,394	703,374	721,794
Provision for annual leave	163,437	156,242	133,532
TOTAL CURRENT LIABILITIES	435,831	859,616	855,326
TOTAL LIABILITIES	435,831	859,616	855,326
NET ASSETS	3,195,730	822,270	108,584
EQUITY			
Contributed equity	16,355,744	12,468,107	10,377,346
Accumulated losses	(13,426,456)	(11,912,279)	(10,535,204)
Options reserve	266,442	266,442	266,442
TOTAL EQUITY	3,195,730	822,270	108,584

Source: Echo's audited financial statements for the year ended 30 June 2014, 30 June 2015 and 30 June 2016.

We note that for the year ended 30 June 2015, Echo's auditor issued an emphasis of matter paragraph in the audit report. The auditor outlined the existence of a material uncertainty which may cast significant doubt about Echo's ability to continue as a going concern which was stated to be dependent on the future successful raising of necessary funding. We note that during the year to 30 June 2016 the Company issued 14,268,377 ordinary fully paid shares at \$0.06 each and 19,000,000 ordinary fully paid shares at \$0.17 each to raise a total of \$4,086,102 (net of capital raising costs).

We note the following in relation to Echo's Consolidated Balance Sheet:



- Cash and cash equivalents increased significantly from the balance at 30 June 2015 largely as a result of the capital raising (referred to above);
- Trade receivables comprise other receivables and prepayments.
- Trade and other payables comprises the following as at 30 June 2016:

Trade and other payables	Audited as at 30-Jun-16 \$
Trade payables	193,118
Accruals	40,094
Other payables	39,182
Total	272,394

5.5 Historical Statement of Comprehensive Income

Statement of Comprehensive Income	Audited for the year ended 30-Jun-16 \$	Audited for the year ended 30-Jun-15 \$	Audited for the year ended 30-Jun-14 \$
Revenue			
Revenue from continuing operations	14,009	9,725	40,769
Other Income	167,170	-	185,781
Expenses			
Exploration and evaluation expenditure	(767,606)	(623,913)	(655,883)
Employee expenses	(187,967)	(309, 342)	(404,881)
Occupancy expenses	(77,876)	(48,797)	(46,042)
Other expenses	(661,907)	(404,748)	(244,063)
Loss before income tax	(1,514,177)	(1,377,075)	(1,124,319)
Income tax benefit		-	-
Loss from continuing operations after income tax	(1,514,177)	(1,377,075)	(1,124,319)
Total comprehensive loss for the year	(1,514,177)	(1,377,075)	(1,124,319)

Source: Echo's audited financial statements for the year ended 30 June 2014, 30 June 2015 and 30 June 2016

We note the following in relation to Echo's Consolidated Statement of Income:

- Revenue from continuing operations comprises bank interest received.
- Other income of \$167,170 for the year ended 30 June 2016 comprised research and development incentive.
- Other expenses for the years to 30 June 2015 and 2016 comprised the following:

Other expenses	Audited for the year ended 30-Jun-16 \$	Audited for the year ended 30-Jun-15 \$
Depreciation expense	2,959	894
Legal fees	174,211	123,953
External professional fees	86,027	8,993
Other administrative expenses	398,710	270,908
Total	661,907	404,748



5.6 Capital Structure

The share structure of Echo as at 21 September 2016 is outlined below:

	Number
Total ordinary shares on issue	172,818,808
Top 20 shareholders	110,425,483
Top 20 shareholders - % of shares on issue	63.90%
Source: Advanced Share Registry	

The range of shares held in Echo as at 21 September 2016 is as follows:

Range of Shares Held	Number of Ordinary Shareholders	Number of Ordinary Shares	Percentage of Issued Shares (%)
1 - 1,000	64	9,471	0.01%
1,001 - 5,000	70	247,673	0.14%
5,001 - 10,000	63	534,832	0.31%
10,001 - 100,000	282	12,094,962	7.00%
100,001 - and over	143	159,931,870	92.54%
TOTAL	622	172,818,808	100.00%

Source: Advanced Share Registry

The ordinary shares held by the most significant shareholders as at 21 September 2016 are detailed below:

Name	Number of Ordinary Shares Held	Percentage of Issued Shares (%)
Mr Ernst Kohler	16,033,804	9.28%
Kesli Chemicals Pty Ltd	11,990,474	6.93%
Gasmere Pty Ltd	8,353,888	4.83%
Dr Ernst Kohler	7,498,659	4.34%
Subtotal	44,026,825	25.38%
Others	128,791,983	74.62%
Total ordinary shares on Issue	172,818,808	100.00%

Source: Advanced Share Registry

The most significant option holders of Echo as at 21 September 2016 are outlined below:

Name	Number of	Exercise Price	
Name	Options	(S)	Expiry Date
Coxrocks Pty Ltd	3,000,000	.28	28/08/2019
Bolitho Mining Pty Ltd	1,500,000	.28	28/08/2019
Mutual Trust	1,250,000	.28	28/09/2019
Total Number of Options	5,750,000		
Cash Raised if Options Exercised	1,581,250		

Source: Echo management



Profile of Metaliko Resources

6.1 History

Metaliko is an Australian gold exploration company that officially listed on the ASX on 6 October 2010 with a focus on advanced stage gold exploration projects and further potential discoveries. Metaliko's preference is to focus on developments with well-known gold fields. The current board of directors comprises:

- Mr Geoff Baker, Non-Executive Director;
- Mr Robin Dean, Non-Executive Director;
- Mr Peter Hunt, Non-Executive Chairman;
- Mr Michael Ruane, Executive Director;
- Ms Min Yang, Non-Executive Director; and
- Ms Min Yang Alternate Director.

Metaliko completed the acquisition of its core project, the Yandal Gold Project located in the North Eastern Goldfields of Western Australia on 27 June 2014. Between the late 1980s and the early 2000s explorers discovered a number of gold deposits within the Yandal area.

6.2 Recent Corporate Events

On 22 March 2016 the Company announced that Intermin Resources Limited ('Intermin') acquired 100% interest in the Kalgoorlie - Menzies divestment package from Metaliko Resources Ltd. The tenement package consisted of 4 Exploration Licences, 56 Prospecting Licences, 1 Miscellaneous License and 5 Mining Leases covering 141km². Metaliko was issued 5,000,000 fully paid ordinary shares in Intermin for the transaction. During September 2016, Metaliko sold these Intermin shares for \$542,652.

On 30 June 2016 Metaliko announced that an independent third party, Bullseye Mining Limited ('Bullseye') had entered into an agreement to lease the Bronzewing Gold Treatment Plant for up to three years. Under the agreement Bullseye will recommission and operate the Bronzewing Gold Treatment Plant at its own cost and pay the Company an agreed dollar per tonne lease fee on the ore processed through the Bronzewing Gold Treatment Plant. The lease agreement is subject to a number of conditions precedent, which primarily relate to plant refurbishment and statutory approval relating to the lease and operation of the Bronzewing Gold Treatment Plant by a third party.

6.3 Key Projects

Yandal Gold Project

Metaliko purchased the Yandal Project on 27 June 2014, located in the North Eastern Goldfields of Western Australia. The project area hosts extensive historic resources and the Company is currently conducting a review to determine the economic significance of each area.

The Yandal Project includes the Bronzewing Gold Treatment Plant, a 220 room village, associated production infrastructure, project tenements and contained historic gold resources. The Yandal Project was purchased from administrators of Navigator Resources in 2014. Metaliko's strategy is to define new "Brownfields" resources to ensure that ore of commercially realistic grades is on hand for processing at the Company's 100% owned Bronzewing Gold Treatment Plant. The Bronzewing Gold Treatment Plant is a



standard gold processing plant and is currently on care and maintenance. The nameplate capacity for the Bronzewing Gold Treatment Plant is 2.3 million tons per annum.

Anthill Project

The Anthill Project is situated on a junction of Zulekia Shear, which is located in the vicinity of a number of gold mines currently in production, approximately 50km north-west of Kalgoorlie. In order to focus on the advancement of the YGP, the Company chose to close out operations of the majority of the Kalgoorlie Gold Project sites in March 2016, leaving this as the sole Kalgoorlie project for Metaliko.

Further information on Metaliko's projects can be found in Appendix 3.

6.4 Historical Balance Sheet

Statement of Financial Position	Audited as at 30-Jun-16 \$	Audited as at 30-Jun-15 \$	Audited as at 30-Jun-14 \$
CURRENT ASSETS			
Cash and cash equivalents	838,508	1,161,396	60,118
Trade and other receivables	99,191	230,162	196,873
Other assets	252,327	277,735	554,423
TOTAL CURRENT ASSETS	1,190,026	1,669,293	811,414
NON-CURRENT ASSETS			
Property, plant and equipment	1,895,328	2,368,457	2,972,194
Capitalised exploration and evaluation expenditure costs	6,404,850	7,543,735	6,741,936
Other assets	500,000	-	25,000
TOTAL NON-CURRENT ASSETS	8,800,178	9,912,192	9,739,130
TOTAL ASSETS	9,990,204	11,581,485	10,550,544
CURRENT LIABILITIES			
Trade and other payables	334,900	692,073	283,109
Borrowings		393,662	3,558,860
TOTAL CURRENT LIABILITIES	334,900	1,085,735	3,841,969
TOTAL LIABILITIES	334,900	1,085,735	3,841,969
NET ASSETS	9,655,304	10,495,750	6,708,575
EQUITY			
Issued capital	19,431,590	16,438,027	10,360,943
Reserves	1,477,861	1,477,861	1,477,861
Accumulated losses	(11,254,147)	(7,420,138)	(5,130,229)
TOTAL EQUITY	9,655,304	10,495,750	6,708,575

Source: Metaliko's audited financial statements for the year ended 30 June 2014, 30 June 2015 and 30 June 2016

We note the following in relation to Metaliko's Consolidated Statement of Financial Position:

• During the year to 30 June 2016 Metaliko issued 12,748,133 shares at \$0.003 in a private placement and 88,322,686 shares at \$0.003 in a rights issue to raise \$2,993,563 net of capital raising costs.



Trade and other receivables comprise the following:

Trade and other receivables	Audited as at 30-Jun-16 \$	Audited as at 30-Jun-15 \$
Accrued interest	28	197
Other receivables - GST refundable	44,638	90,947
Prepaid insurance	17,188	52,048
Other debtor - prepayments	961	954
Other debtor	26,376	66,016
Security bonds	10,000	20,000
Total	99,191	230,162

• Other current assets comprise the following:

Other current assets	Audited as at 30-Jun-16 \$	Audited as at 30-Jun-15 \$
Spare parts and consumables	250,000	275,000
Unexpired borrowing & interest costs	2,327	2,735
Total	252,327	277,735

 Property plant and equipment comprises mainly the Bronzewing Gold Treatment Plant as summarised below.

Property, plant and equipment at net book value	Audited as at 30-Jun-16 \$	Audited as at 30-Jun-15 \$
Bronzewing Gold Treatment Plant and equipment	1,862,220	2,335,884
Other - office equipment, field equipment, motor vehicles	33,108	32,573
Total	1,895,328	2,368,457

• Capitalised exploration and evaluation expenditure costs comprise the following:

Capitalised exploration and evaluation expenditure costs	Audited as at 30-Jun-16 \$	Audited as at 30-Jun-15 \$
Opening balance	7,543,735	6,741,936
Proceeds from disposal of tenements	(375,000)	-
Loss from disposal of tenements	(970,347)	-
Current year expenditure	2,327,806	2,294,254
Expenditure written off	(2,121,344)	(1,492,455)
Total	6,404,850	7,543,735

• Other non-current assets comprise financial assets available for sale, being the fair value of shares in Intermin, a listed company. We note that Metaliko sold all of its shares in Intermin in September 2016 for \$542,652, however this has had no material impact on Metaliko's net assets.



Trade and other payables relate to the following:

Trade and other payables	Audited as at 30-Jun-16 \$	Audited as at 30-Jun-15 \$
Deposits - share subscriptions	-	301,444
Trade creditors	239,789	267,466
Accrued expenses	61,580	86,600
Employee entitlements	24,987	24,097
Other payables	8,544	12,466
Total	334,900	692,073

6.5 Historical Statement of Comprehensive Income

Statement of Comprehensive Income	Audited for the year ended 30-Jun-16 \$	Audited for the year ended 30-Jun-15 \$	Audited for the year ended 30-Jun-14 \$
Revenue			
Revenue from ordinary activities	25,338	36,518	24,342
Net increase in fair value on financial assets at fair value through profit or loss	125,000	-	-
Other income	173,161	256,645	46,360
Expenses			
Depreciation	(481,445)	(603,737)	(9,442)
Capitalised exploration & evaluation expenditure written off	(2,121,344)	(1,492,455)	(29,000)
Administration expenses	(113,365)	(123,101)	(73,519)
Consultant expenses and professional costs	(119,088)	(99,484)	(72,287)
Employee and contractors expenses	(265,561)	(214,410)	(192,897)
Occupancy expenses	(44,383)	(43,244)	(40,772)
Travel expenses	(331)	(2,443)	(411)
Interest expense	(36,906)	-	-
Investor relations and marketing expenses	(4,738)	(4,198)	(3,589)
Loss on disposal of mining tenements	(970, 347)	-	-
Other expenses	-	-	(950)
Loss from continuing operations before income tax	(3,834,009)	(2,289,909)	(352,165)
Income tax benefit	-	-	-
Loss from continuing operations after income tax	(3,834,009)	(2,289,909)	(352,165)
Total comprehensive loss for the year	(3,834,009)	(2,289,909)	(352,165)

Source: Metaliko's audited financial statements for the year ended 30 June 2014, 30 June 2015 and 30 June 2016

We note the following in relation to Metaliko's Consolidated Statement of Income:

- Revenue from ordinary activities comprises interest revenue.
- Net increase in financial assets at fair value relates to the change in value of the shares held in Intermin.
- Other income relates to fuel tax credits and various expense reimbursements.



• Capitalised exploration & evaluation expenditure is written off in accordance with Metaliko's accounting policies relating to the carry forward of costs in the statement of financial position.

6.6 Capital Structure

The share structure of Metaliko as at 21 September 2016 is outlined below:

	Number
Total ordinary shares on issue	441,614,328
Top 20 shareholders	351,680,872
Top 20 shareholders - % of shares on issue	79.64%
Source: Security Transfer Registrars	

The range of shares held in Metaliko as at 21 September 2016 is as follows:

Range of Shares Held	Number of Ordinary Shareholders	Number of Ordinary Shares	Percentage of Issued Shares (%)
1 - 1,000	15	2,884	0.00%
1,001 - 5,000	16	69,601	0.02%
5,001 - 10,000	106	1,014,801	0.23%
10,001 - 100,000	327	14,375,235	3.26%
100,001 - and over	159	426,151,807	96.50%
TOTAL	623	441,614,328	100.00%

Source: Security Transfer Registrars

The ordinary shares held by the most significant shareholders as at 21 September 2016 are detailed below:

Name	Number of Ordinary Shares Held	Percentage of Issued Shares (%)
Kesli Chemicals Pty Ltd	66,288,529	15.01%
Tyson Resources Pty Ltd	63,069,093	14.28%
ASF Resources (WA) Pty Ltd	45,000,000	10.19%
Brispot Nominees Pty Ltd	33,015,298	7.48%
Subtotal	207,372,920	46.96%
Others	234,241,408	53.04%
Total ordinary shares on Issue	441,614,328	100.00%

Source: Security Transfer Registrars



7. Economic analysis

Global outlook

The global economy has continued to grow, however at a slower rate than expected. Conditions have become challenging for a number of emerging market economies, while many advanced economies have seen conditions better over the past year. China's growth rate has continued to slow, although recent activities by Chinese policymakers tend to be favouring economic growth.

Australia

With the support of domestic demand and exports the Australian economy seems to be continuing its growth, despite a large fall in business investment. Throughout 2015, overall GDP growth seemed to pick up, along with an increasingly healthy labour market. Continual growth is expected in Australia throughout 2016, however at a more moderate pace. Labour market signs have been mixed of late, but are consistent with a modest pace of expansion in employment in the short term. The inflation rate remains low in Australia and given the low growth in labour costs, this is expected to continue for some time. As such, the Reserve Bank of Australia ('RBA') decided to keep the cash rate unchanged at a record low of 1.50% in September 2016.

Brexit

Britain's recent exit from the European Union has increased uncertainty in global financial markets and consequently impacted negatively on stock markets around the world. The US\$2.8tn aggregate fall in the global stock markets on 24 June 2016 was the largest fall ever suffered and the drop in the value of British Pound Sterling on 24 June 2016 was the largest seen since 1992. The aftershocks of the vote have exacerbated an already poor economic environment in Europe, but the full impact of the result has probably yet to be seen. The reactions will continue to be felt until the political situation and follow up in the United Kingdom and at European Union level develop sufficiently to offer stability and, most importantly, certainty.

Commodity prices

Commodity prices have increased recently, however they are still much lower than that of a few years ago with terms of trade remaining much lower than it has been in recent years. Prices tend to rely on demand, in particular from the Chinese industrial sector, along with the response to changes in supply.

Due to low oil prices, producers of bulk commodities have in general been reducing their cost of production, as oil is an important input for the transportation of these commodities. However, the ability for these producers to continue to reduce their costs is limited and may result in companies exiting the market.

Low trade from the Australian economy will lead to tough market conditions, along with weak global commodity prices. This may be partially offset by the uncertainty created in global financial markets by Britain's exit from the European Union, which has had a positive impact on gold prices.

Financial markets

Financial markets have continued to operate relatively well. The uncertainty about global economic outlook and policy settings tend to have participants spooked and Britain's exit from the European Union has further reduced the markets risk appetite. However, funding costs for high-quality borrowers remains low as monetary policy around the world continues to be accommodative.



Interest rates

Credit is recording moderate growth overall. Low interest rates are acting to support borrowing, spending and domestic demand. Financial institutions are taking a more cautious approach to lending into certain segments, with supervisory measures within the housing market strengthening lending standards. Dwelling prices are beginning to rise and growth in lending for housing has subdued.

Australian dollar

The Australian dollar has appreciated recently, despite its noticeable declines against the US dollar over the past year. This in part reflects rises in commodity prices, along with monetary developments globally having a positive impact. Due to current economic circumstances, a strengthening exchange rate could complicate the adjusting economy.

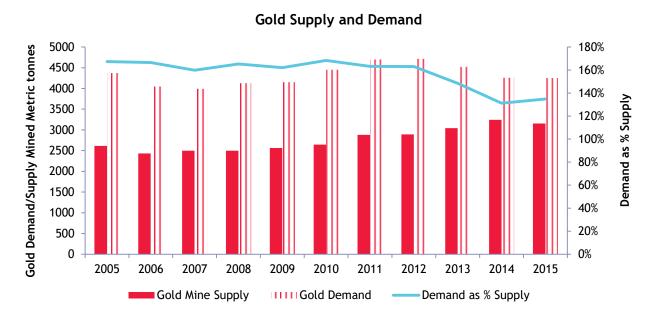
Source: www.rba.gov.au Statement by Glenn Stevens, Governor: Monetary Policy Decision 6 September 2016.

8. Industry analysis

8.1 Gold

Gold is both a commodity and an international store of monetary value. Once mined, gold continues to exist indefinitely, often melted down and recycled to produce alternative or replacement products. This characteristic means that gold demand is supported by mine production, gold recycling and central bank selling.

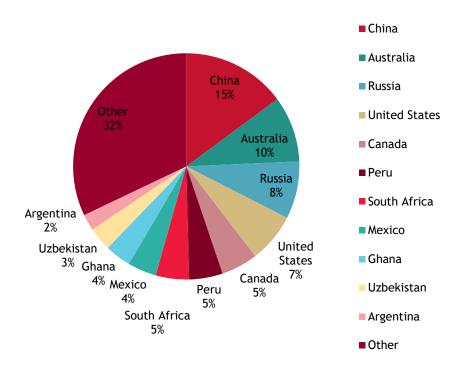
As illustrated in the chart below, gold mine production was approximately 3,155t in 2015 and gold consumption was 4,252t. Demand for gold has consistently exceeded supply over the last 10 years, and the escalated level of economic and financial uncertainty during recent years has caused investors to move capital from risky assets to gold assets, which are perceived to be a good store of monetary value. As a result, total gold demand as a percentage of total gold supply has reached a high of 168% in 2010.



Source: Bloomberg and BDO analysis



Until the late 1980's, South Africa produced approximately half of the total gold produced. More recently however, gold production has become geographically segmented with production dominated by China, Australia, Russia and the United States.



Global Gold Production - 2015

Source: Bloomberg and BDO analysis

8.2 Gold Prices

The price of gold fluctuates on a daily basis depending on global demand and supply factors. The softening of gold prices from 2013 to 2015 is reflective of the recovery of global economic conditions. The value of gold peaked at US\$1,900 per ounce on September 2011. This peak was largely caused by the debt market crisis in Europe, but it was also driven by the Standard and Poor's downgrade of the US credit rating. This sent global stock markets tumbling and a flood of investors towards safer havens such as gold.

Prices contracted in December 2011 reaching a low of US\$1,545 per ounce followed by a recovery in 2012, reaching US\$1,790 per ounce on 4 October 2012. Gold prices were on a steady decline over 2013 and 2014. Throughout 2015 golf prices averaged US\$1,160 per ounce, ranging from a low of US\$1,051 per ounce on 17 December 2015 to a high of US\$1,302 per ounce on 22 January 2015. Since then, the gold price has benefited from global uncertainty, along with Britain's exit from the European Union. This has seen the price of gold reach its highest levels in almost two years, with the price of gold at 26 September 2016 being US\$1,338 per ounce.





Source: Bloomberg, Consensus Economics and BDO analysis

According to Consensus Economics, gold prices are forecast to ease slightly in the short to medium term, after having climbed 25% in the year to date, as upward pressure on prices is set to ease. However, support for gold will continue to come from safe haven demand, economic uncertainty caused by the Brexit vote, low bond yields and slowing of the Chinese economy.

9. Valuation approach adopted

There are a number of methodologies that can be used to value a business or the shares in a company. The principal methodologies which can be used are as follows:

- Capitalisation of future maintainable earnings ('FME');
- Discounted cash flow ('DCF');
- Quoted market price basis ('QMP');
- Net asset value ('NAV'); and
- Market based assessment.

Different methodologies are appropriate in valuing particular companies, based on the individual circumstances of that company and available information. A summary of each of these methodologies is outlined in Appendix 2.

We have chosen to make our assessment based on the comparison between the value of the Echo shares to be issued to Michael Ruane and his associates and the value of the Metaliko shares to be acquired from Michael Ruane and his associates.

Since this is not a control transaction, we are able to make the comparison on the same basis pre and post and are not required to make the comparison between the value prior on a controlling basis and the value post on a minority interest basis.



9.1 Valuation of a the Metaliko shares to be acquired from Michael Ruane and his associates

In our assessment of the value of the Metaliko shares to be acquired from Michael Ruane and his associates, we have chosen to employ the following methodologies:

- NAV method, as our primary method, which estimates the market value of a company by assessing
 the value of the assets and liabilities of the company; and
- QMP method, as our secondary method, which represents the value that a shareholder may receive for a share if sold on the market.

We have chosen these methodologies for the following reasons:

- The NAV methodology is the most appropriate to consider given that Metaliko Resources is an exploration company and its core value is in the exploration assets that it holds. We have instructed CSA Global Pty Ltd ('CSA Global') to act as independent specialists and provide an independent market valuation of the Company's material exploration assets in accordance with the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets 2015 ('Valmin Code'). CSA Global's full report is found in Appendix 3. We have considered this in the context of Metaliko's other assets and liabilities on a NAV basis;
- The QMP approach is relevant because Metaliko's shares are listed on the ASX. This means there is a regulated and observable market where the Company's shares can be traded. However, in order for the QMP methodology to be considered appropriate, the Company's shares should be liquid and the market should be fully informed as to its activities. We have considered these factors in section 10.2 of Our Report;
- Metaliko does not generate regular trading income. Consequently there are no historical profits
 that could be used to represent future earnings. This means the FME valuation methodology is not
 appropriate; and
- Metaliko has no foreseeable future net cash inflows and therefore the application of the DCF valuation approach is not suitable. Under RG111, it is only considered appropriate to use a DCF valuation methodology where reserves are present.

9.2 Valuation of the Echo shares to be issued to Michael Ruane and his associates

In determining the value the Echo shares to be issued to Michael Ruane and his associates, we undertook a valuation of Echo following the successful implementation of the Takeover Bid.

In our assessment of the value of an Echo share following the Takeover Bid, we have chosen to employ the Sum-of-Parts method, as our primary method, which estimates the market value of a company by separately valuing each asset and liability then aggregating their fair market values; and

We will utilise the Sum-of-Parts method to determine the value of an Echo share following the implementation of the Takeover Bid by considering the following elements:

- the value of Metaliko prior to the implementation of the Takeover Bid (as above);
- the value of Echo prior to the implementation of the Takeover Bid as for Metaliko we have instructed CSA Global to act as independent specialists and provide an independent market valuation of Echo material exploration assets in accordance with the Valmin Code. CSA Global's full report is found in Appendix 3. We have considered this in the context of Echo's other assets



and liabilities on a NAV basis. We have also considered a QMP valuation of Echo prior to the Takeover Bid;

- a consideration of whether there are any synergistic benefits arising from combining the operations of Echo and Metaliko; and
- the number of Echo shares on issue which will include the existing shares and the shares to be issued to Metaliko shareholders upon completion of the Takeover Bid.

10. Valuation of the Metaliko shares to be acquired from Michael Ruane and his associates

10.1 Net Asset Valuation of a Metaliko share

The value of Metaliko's assets on a going concern basis is reflected in our valuation below:

838,508 99,191 252,327	838,508 99,191 252,327	838,508 99,191	838,508
99,191 252,327	99,191	ŕ	838,508
252,327	,	99.191	
	252 327	//, //	99,191
4 400 037	LJL, JLI	252,327	252,327
1,190,026	1,190,026	1,190,026	1,190,026
1,895,328	2,358,790	2,858,790	3,358,790
6,404,850	3,700,000	7,000,000	10,000,000
500,000	500,000	500,000	500,000
8,800,178	6,558,790	10,358,790	13,858,790
9,990,204	7,748,816	11,548,816	15,048,816
334,900	334,900	334,900	334,900
334,900	334,900	334,900	334,900
334,900	334,900	334,900	334,900
9,655,304	7,413,916	11,213,916	14,713,916
-	23%	20%	17%
9,655,304	5,708,715	8,971,133	12,212,550
441,614,328	441,614,328	441,614,328	441,614,328
0.022	0.013	0.020	0.028
	1,190,026 1,895,328 6,404,850 500,000 8,800,178 9,990,204 334,900 334,900 334,900 9,655,304 - 9,655,304 441,614,328	1,190,026 1,190,026 1,895,328 2,358,790 6,404,850 3,700,000 500,000 500,000 8,800,178 6,558,790 9,990,204 7,748,816 334,900 334,900 334,900 334,900 9,655,304 7,413,916 - 23% 9,655,304 5,708,715 441,614,328 441,614,328	1,190,026 1,190,026 1,190,026 1,895,328 2,358,790 2,858,790 6,404,850 3,700,000 7,000,000 500,000 500,000 500,000 8,800,178 6,558,790 10,358,790 9,990,204 7,748,816 11,548,816 334,900 334,900 334,900 334,900 334,900 334,900 9,655,304 7,413,916 11,213,916 - 23% 20% 9,655,304 5,708,715 8,971,133 441,614,328 441,614,328 441,614,328

Source: BDO analysis

We have been advised that there has not been a significant change in the net assets of Metaliko since 30 June 2016 and that the above assets and liabilities represent their fair market values apart from the adjustments detailed below. Additionally, nothing has come to our attention as a result of our procedures that would suggest the need for any further adjustments.



Note a) Valuation of property, plant and equipment

CSA Global engaged Battery Limits Pty Ltd ('Battery Limits') to provide a valuation of the Bronzewing Gold Treatment Plant. Battery Limits considered a number of different methodologies when valuing the Bronzewing Gold Treatment Plant including 'Value as is', Limited Refurbishment and Operational Condition. Given the pre-feasibility stage of development of Metaliko's mineral assets, we consider the appropriate value to apply to the Bronzewing Gold Treatment Plant is the 'Value as is'. Consequently we have adjusted Metaliko's property plant and equipment to reflect the 'Value as is' of the Bronzewing Gold Treatment Plant, being between \$1.0 million and \$2.0 million. Battery Limits' Independent Valuation Report is presented as appendix 6 of CSA Global's Independent Technical Assessment and Valuation Report, which can be found in Appendix 3 of our Report.

We note that of Metaliko's total property plant and equipment, \$536,538 is attributable to the carrying value of the Bronzewing Gold Treatment Plant. We have adjusted Metaliko's property, plant and equipment as follows:

Property, plant and equipment	Low value \$	Midpoint \$	High value \$
Value as is' Bronzewing Gold Treatment Plant	1,000,000	1,500,000	2,000,000
Add: Book value property, plant and equipment	1,895,328	1,895,328	1,895,328
Less: Carrying value of Bronzewing Gold Treatment Plant	(536,538)	(536,538)	(536,538)
Total	2,358,790	2,858,790	3,358,790

Source: Battery Limits' Independent Valuation Report and BDO Analysis

Note b) Valuation of Metaliko's mineral assets

We instructed CSA Global to provide an independent market valuation of the mineral assets held by Metaliko. CSA Global considered a number of different valuation methods when valuing the mineral assets of Metaliko Resources.

CSA Global applied the following methodologies:

- Market Approach (Comparable Transactions) method for valuing Metaliko's mineral resources (primary approach);
- Geoscience (Kilburn) method for valuing Metaliko's exploration assets (primary approach); and
- Area and Yardstick methods as secondary crosschecks to the primary results.

We consider these methods to be appropriate given the pre-feasibility stage of development for Metaliko's mineral assets. Further information regarding CSA Global's valuation of Metaliko's mineral assets can be found in Appendix 3.

The range of values for each of Metaliko's mineral assets as assessed by CSA Global is set out below:

Valuation of Metaliko's Mineral Assets	Low value \$	Preferred value \$	High value \$
Metaliko Mineral Resources	2,500,000	3,400,000	4,000,000
Metaliko Exploration Potential	1,200,000	3,600,000	6,000,000
Total	3,700,000	7,000,000	10,000,000

Source: CSA Global's Independent Technical Assessment and Valuation Report

The table above indicates that the value of Metaliko's mineral assets is between \$3.70 million and \$10.00 million, with a preferred value of \$7.00 million.



Note c) Discount for minority interest

The net asset value of a Metaliko share is reflective of a controlling interest. As the Metaliko shares to be acquired from Michael Ruane and his associates are a minority interest, we have adjusted the value of Metaliko to reflect a minority interest holding. A minority interest discount is the inverse of a premium for control and is calculated using the formula 1 - (1/1+control premium). As discussed in section 10.2, we consider an appropriate control premium for Metaliko to be in the range of 20 per cent to 30 per cent, giving rise to a minority interest discount in the range of 17 per cent to 23 per cent.

Overall conclusion on value using NAV methodology

The table above indicates the net asset value of a Metaliko share is between \$0.013 and \$0.028, with a preferred value of \$0.020.

10.2 Quoted Market Prices for Metaliko Securities

To provide a comparison to the valuation of Metaliko Resources in Section 10.1, we have also assessed the quoted market price for a Metaliko share.

The quoted market value of a company's shares is reflective of a minority interest. A minority interest is an interest in a company that is not significant enough for the holder to have an individual influence in the operations and value of that company.

Minority interest value

Our analysis of the quoted market price of a Metaliko share is based on the pricing prior to the announcement of the Takeover Bid. This is because the value of a Metaliko share after the announcement may include the affects of any change in value as a result of the Takeover Bid

Information on the Transaction was announced to the market on 29 September 2016. Therefore, the following chart provides a summary of the share price movement over the 12 months to 27 September 2016, which was the last trading day prior to the announcement.



Source: Bloomberg



The daily price of Metaliko shares from 27 September 2015 to 27 September 2016 has ranged from a low of \$0.025 on 3 February 2016 to a high of \$0.075 on 1 September 2016. The highest single day of trading was on 22 July 2016 where a substantial 51,927,668 shares were traded. The daily price displayed an upwards trend overall with very little volume of shares traded over the entire period.

During this period a number of announcements were made to the market. The key announcements are set out below:

Date	Announcement	Closing Share Price Following Announcement \$ (movement)		Announcement Following Three Days After Announcement Announcement		After nent	
01/09/2016	Yandal Gold Project - Cockburn Update	0.065	•	10.2%	0.065	•	0.0%
23/08/2016	Yandal Gold Project - Corboys Update	0.067	•	6.3%	0.065	•	3.0%
30/06/2016	Metaliko to lease Bronzewing Gold Treatment Plant	0.054	•	22.7%	0.055	•	1.9%
01/04/2016	Yandal Gold Project Exploration Update	0.050	•	4.2%	0.048	•	4.0%
22/03/2016	IRC: Intermin acquires further tenure in WA goldfields	0.050	•	2.0%	0.049	•	2.0%
23/02/2016	Yandal Gold Project Exploration Update	0.056	•	0.0%	0.057	•	1.8%
15/10/2015	Yandal Gold Project - Additional Assay Results Received	0.039	•	44.4%	0.033	•	15.4%
30/09/2015	Yandal Gold Project - Exploration Update	0.030	•	0.0%	0.030	•	0.0%

Source: Bloomberg and BDO analysis

On 15 October 2015 Metaliko announced assay results from individual 1m samples from recent Reverse Circulation drilling at the Woorana, Mt Joel 4800N, Fat Lady and Anomaly 45 Gold Prospects. The new drilling tested several advanced exploration prospects. On the day of the announcement the share price increased an immense 44.4% to close at \$0.039 however, decreased by 15.4% the following three days to close at \$0.033.

On 23 February 2016 Metaliko announced an update on recent drilling at the YGP. A total of 4,399m of Reverse Circulation drilling was done throughout December 2015 and January 2016. Advanced stage prospects were tested including the Corboys and Mt Joel 4800N. The date taken will be used to supplement the compilation of Mineral Resource Estimates. On the day of the announcement there was no change to the share price however, in the three days following the share price increased 1.8% to close at \$0.057.

On 22 March 2016 Metaliko announced the Intermin Resources Limited had agreed to acquire 100% interest in their Kalgoorlie - Menzies golf project, located in the Goldfields of Western Australia. On the day of the announcement the share price decreased 2% to close at \$0.050 with the share price falling another 2% in the three days following to close at \$0.049.

On 1 April 2016 Metaliko announced an exploration update at the YGP. Shallow high grades were returned from the Sundowner, Corboys, Corboys North, Mt Joel 4900N, Thompson Bore and Woorana prospects. On the day of the announcement the share price jumped 4.2% to close at \$0.050. In the three days following the share price moved back 4% to close at \$0.048.

On 30 June 2016 Metaliko announced it had entered into an agreement with a third party for lease of the Bronzewing Gold Treatment Plant for up to three years. On the day of the announcement the share price climbed 22.7% to close at \$0.054 and a further 1.9% to close at \$0.055 in the three days following.



On 23 August 2016 Metaliko announced that independent resource and optimisation studies on the Corboys project were completed. On the day of the announcement the share price increased 6.3% to close at \$0.067. In the subsequent three days the share price decreased 3% to close at \$0.065.

On 1 September 2016 Metaliko announced that independent resource and optimisation studies on the Cockburn project were completed. On the day of the announcement the share price increased 10.2% to close at \$0.065, with no movement in the share price in the three days following.

To provide further analysis of the market prices for an Metaliko share, we have also considered the weighted average market price for 10, 30, 60 and 90 day periods to 27 September 2016.

Share Price per unit	27-Sep-16	10 Days	30 Days	60 Days	90 Days
Closing price	\$0.071				
Volume weighted average price (VWAP)		\$0.069	\$0.065	\$0.063	\$0.063

The above weighted average prices are prior to the date of the announcement of the Takeover Bid to avoid the influence of any increase in price of Metaliko shares that has occurred since the Takeover Bid was announced.

An analysis of the volume of trading in Metaliko shares for the twelve months to 27 September 2016 is set out below:

Trading days	Share price	Share price	Cumulative volume	As a % of
	low	high	traded	Issued capital
1 Day	\$0.070	\$0.071	145,000	0.03%
10 Days	\$0.065	\$0.074	2,716,012	0.62%
30 Days	\$0.057	\$0.075	12,191,816	2.76%
60 Days	\$0.054	\$0.075	114,427,053	25.91%
90 Days	\$0.043	\$0.075	117,337,588	26.57%
180 Days	\$0.025	\$0.078	135,948,796	30.78%
1 Year	\$0.000	\$0.078	145,521,542	32.95%

Source: Bloomberg, BDO analysis

This table indicates that Metaliko's shares display a moderate level of liquidity, with 32.95% of the Company's current issued capital being traded in a twelve month period. For the quoted market price methodology to be reliable there needs to be a 'deep' market in the shares. RG 111.69 indicates that a 'deep' market should reflect a liquid and active market. We consider the following characteristics to be representative of a deep market:

- Regular trading in a company's securities;
- Approximately 1% of a company's securities are traded on a weekly basis;
- The spread of a company's shares must not be so great that a single minority trade can significantly affect the market capitalisation of a company; and
- There are no significant but unexplained movements in share price.

A company's shares should meet all of the above criteria to be considered 'deep', however, failure of a company's securities to exhibit all of the above characteristics does not necessarily mean that the value of its shares cannot be considered relevant.



In the case of Metaliko, having 32.95% of the average issued capital traded over the past 12 months does not represent a deep market. We note that approximately 52 million shares traded on 22 July 2016 which, if excluded, results in only 21.2% of the average issued capital traded over the past 12 months. There is also a low average of volume being traded throughout the entire period, along with some unexplained movements in this volume. These unexplained movements in volume and the volatility in both trading volume and price provide further support to reduce our ability to rely on the QMP value of Metaliko.

Our assessment is that a range of values for Echo's shares based on market pricing, after disregarding post announcement pricing, is between \$0.050 and \$0.070.

Control Premium

We have reviewed the control premiums paid by acquirers of mining companies listed on the ASX. We have summarised our findings below:

Year	Number of Transactions	Average Deal Value (AU\$m)	Average Control Premium (%)
2016	1	137.38	11.11
2015	15	165.46	31.00
2014	15	108.84	34.85
2013	18	44.46	49.25
2012	20	129.36	44.61
2011	21	605.51	40.47
2010	25	733.60	43.27
2009	28	84.25	41.85
2008	8	553.76	38.87
	Mean	284.73	37.25
	Median	137.38	40.47

Source: Bloomberg/BDO Analysis

The table above indicates that the long term average control premium paid by acquirers of mining companies listed on the ASX is approximately 37%, with a median of 40%. In assessing the sample of transactions for mining companies listed on the ASX, we excluded transactions where the announced control premium was in excess of 100% of the acquirer obtained a controlling interest at a discount (i.e. less than 0%) to remove the effects of outliers. This is summarised in the table below, indicating a long term average control premium of 39%.

Year	Number of Transactions	Average Deal Value (AU\$m)	Average Control Premium (%)
2016	1	137.38	11.11
2015	12	205.33	54.08
2014	12	128.96	36.67
2013	12	43.87	46.50
2012	17	150.18	47.77
2011	16	761.15	33.35
2010	21	827.16	37.52
2009	22	102.62	39.93
2008	8	553.76	38.87
	Mean	323.38	38.42
	Median	150.18	38.87

Source: Bloomberg/BDO Analysis



In arriving at an appropriate control premium to apply we note that observed control premiums can vary due to the:

- Nature and magnitude of non-operating assets;
- Nature and magnitude of discretionary expenses;
- Perceived quality of existing management;
- Nature and magnitude of business opportunities not currently being exploited;
- Ability to integrate the acquiree into the acquirer's business;
- Level of pre-announcement speculation of the transaction;
- Level of liquidity in the trade of the acquiree's securities.

The data in the tables above indicates that the average control premium from 2008 to 2016 has been fairly steady, with the number of control transactions dropping off in recent years. In the case of Metaliko, we have taken the following considerations into account;

- Metaliko's auditor issued an Emphasis of Matter paragraph in the audited financial report for the
 year ended 30 June 2016. The auditor outlined the existence of a material uncertainty in relation
 to the Company's ability to continue as a going concern given the dependence upon the
 Company's ability to raise sufficient funds from various sources. The Company's current financial
 situation may impact the likely premium that an acquirer would pay to acquire the Company; and
- The current market capitalisation of Metaliko is considerably smaller than a number of the sample companies determined above, we note that larger transactions tended to have higher control premium.

Based on the data above we have come to the conclusion that an appropriate control premium to apply in our valuation of Echo's shares is between 20% and 30%.

10.3 Assessment of the value of a the Metaliko shares to be acquired from Michael Ruane and his associates

The results of the valuations of a Metaliko share are summarised in the table below:

	Low value \$	Preferred value \$	High value \$
Net assets value (Section 10.1)	0.013	0.020	0.028
Quoted market price (Section 10.2)	0.050	0.060	0.070

Source: BDO analysis

We consider the net asset value to be the most appropriate methodology, given that the core value of the Company lies in the exploration assets that it holds. We have instructed an independent specialist to value Metaliko's mineral assets in accordance with the VALMIN code, which we have included in our net asset value. The net asset value also best represents the value that is attributable to shareholders as a whole.

We note that our NAV value is lower than the value obtained using the QMP methodology. We attribute this difference in value derived under the two methods to the following:

• The NAV value is lower than the QMP value, which is not uncommon for exploration companies which often trade at a premium to their net asset values. This is because investors in mining exploration companies typically anticipate some potential upside of 'blue-sky' prospects for the company, which are factors into the share price in advance of any such value being warranted.



- Under RG 111.69(d), the QMP methodology is considered appropriate where a liquid and active market exists for the securities. From our analysis of the QMP of a Metaliko share in section 10.2, there is not a deep market for the Company's shares with only approximately 21.20% of its current issued capital being traded in the 12 months prior to the date of this report, excluding the 51.9 million shares traded on 22 July 2016. This volatility in trading and lack of a deep market suggests that the QMP method may not give the most accurate indication of value, therefore explaining part of the difference between the two methods; and
- Our NAV methodology includes an independent valuation report of Metaliko's mineral assets performed by CSA Global. CSA Global has relied on a combination of valuation methods which reflect the market of Metaliko's mineral assets.

Based on the results above we consider the value of a Metaliko share to be in the range from \$0.013 to \$0.020, with a preferred value of \$0.028.

Michael Ruane and his associates currently hold 133,757,304 Metaliko share. Therefore, the value of the Metaliko shares to be acquired form Michael Ruane and his associates is between \$1.74 million and \$3.75 million, with a preferred value of \$2.72 million.

	Low value	Preferred value	High value
Value of a Metaliko share prior to the implementing of the Takeover Bid (\$)	0.013	0.020	0.028
Number of Metaliko shares held by Michael Ruane and his associates	133,757,304	133,757,304	133,757,304
Value of Metaliko shares to be acquired from Michael Ruane and his associates (\$m)	1.74	2.72	3.75

Source: BDO analysis

11. Valuation of the Echo shares to be issued to Michael Ruane and his associates

The value of an Echo share following the Takeover Bid reflects the combined value of the net assets of Echo and the net assets of Metaliko, calculated over the expanded number of shares in Echo following the implementation of the Takeover Bid. Following the implementation of the Takeover Bid existing Echo shareholders will hold shares in an entity with an expanded shareholding based on existing Metaliko shareholders receiving one Echo share for each 2.5 Metaliko shares held.

11.1 Valuation of an Echo share following the implementation of the Takeover Bid

We employed the Sum-of-Parts as our primary valuation method in estimating the fair market value of Echo following the implementation of the Takeover Bid, by aggregating the estimated fair market values of its underlying assets and liabilities, having consideration for the following:

- the value of Metaliko prior to the implementation of the Takeover Bid;
- the value of Echo prior to the implementation of the Takeover Bid as for Metaliko we have instructed CSA Global to act as independent specialists and provide an independent market valuation of Echo's material mineral assets in accordance with the Valmin Code. CSA Global's full



report is found in Appendix 3. We have considered this in the context of Echo's other assets and liabilities on a NAV basis;

- a consideration of whether there are any synergistic benefits arising from combining the operations of Metaliko and Echo; and
- the number of Echo shares on issue which will include the existing shares and the shares to be issued to Metaliko shareholders under the Takeover Bid.

The value of Echo's assets following the Takeover Bid, on a going concern basis, is reflected in our valuation below:

NAV of Echo following the implementation of the Takeover Bid	Ref	Low value \$	Preferred value \$	High value \$
NAV of Metaliko prior to implementation of the Takeover Bid	10.1	7,413,916	11,213,916	14,713,916
NAV of Echo prior to implementation of the Takeover Bid	11.2	6,348,836	10,248,836	14,148,836
Value of Echo following the implementation of the Takeover bid		13,762,752	21,462,752	28,862,752
Discount for minority interest	10.1	23%	20%	17%
Value of Echo following the implementation of the Takeover bid (minority interest basis)		10,597,319	17,170,202	23,956,084
Number of Echo shares on issue following the implementation of the Takeover Bid	11.3	349,464,539	349,464,539	349,464,539
Value per share (\$)		0.030	0.049	0.069

Source: BDO analysis

The table above indicates that the value of an Echo share following the implementation of the Takeover Bid, using the Sum-of-Parts methodology, is between \$0.030 and \$0.069 with a preferred value of \$0.049.

Under the Ruane Transaction, Michael Ruane and his associates will receive 53,502,922 Echo shares. Our assessment of the value of the Echo shares to be issued to Michael Ruane and his associates as part of the Takeover Bid is shown below:

	Low value	Preferred value	High value
Value of an Echo share following the implementation of the Takeover Bid (\$)	0.030	0.049	0.069
Number of Echo shares to be issued to Michael Ruane and his associates	53,502,922	53,502,922	53,502,922
Value of Metaliko shares to be issued to Michael Ruane and his associates (\$m)	1.61	2.62	3.69

Source: BDO analysis

Based on the table above, the value of the Echo shares to be issued to Michael Ruane and his associates as consideration for the 133,757,304 Metaliko shares held by Michael Ruane and his associates is between \$1.61 million and \$3.69 million with a preferred value of \$2.62 million.



11.2 Net Asset Valuation of Echo Resources

The value of Echo assets on a going concern basis is reflected in our valuation below:

Statement of Financial Position	Ref	Audited as at 30-Jun-16 \$	Low value \$	Preferred value \$	High value \$
CURRENT ASSETS					
Cash and cash equivalents	a	3,440,121	2,735,975	2,735,975	2,735,975
Trade and other receivables		76,667	76,667	76,667	76,667
TOTAL CURRENT ASSETS		3,516,788	2,812,642	2,812,642	2,812,642
NON-CURRENT ASSETS					
Other financial assets		54,964	54,964	54,964	54,964
Plant and equipment		59,809	59,809	59,809	59,809
Mineral assets	b	-	4,100,000	8,000,000	11,900,000
TOTAL NON-CURRENT ASSETS		114,773	4,214,773	8,114,773	12,014,773
TOTAL ASSETS		3,631,561	7,027,415	10,927,415	14,827,415
CURRENT LIABILITIES					
Trade and other payables		272,394	515,142	515,142	515,142
Provision for annual leave		163,437	163,437	163,437	163,437
TOTAL CURRENT LIABILITIES		435,831	678,579	678,579	678,579
TOTAL LIABILITIES		435,831	678,579	678,579	678,579
NET ASSETS		3,195,730	6,348,836	10,248,836	14,148,836

Source: BDO analysis

We have been advised that there has not been a significant change in the net assets of Echo since 30 June 2016 and that the above assets and liabilities represent their fair market values apart from the adjustments detailed below. Additionally, nothing has come to our attention as a result of our procedures that would suggest the need for any further adjustments.

Note a) Cash and cash equivalents

We note that the cash position of Echo as at 31 August 2016 had decreased from \$3,440,121 at 30 June 2016 to \$2,735,975.

Note b) Valuation of Echo's mineral assets

We instructed CSA Global to provide an independent market valuation of the mineral assets held by Echo. CSA Global considered a number of different valuation methods when valuing the mineral assets of Echo.

CSA Global applied the following methodologies:

- Market Approach (Comparable Transactions) method for valuing the Echo's mineral resources (primary approach);
- Geoscience (Kilburn) method for valuing Echo's exploration assets (primary approach); and
- Area and Yardstick methods as secondary crosschecks to the primary results.

Further information regarding CSA Global's valuation of Echo's mineral assets can be found in Appendix 3.



We consider these methods to be appropriate given the pre-feasibility stage of development for Echo's exploration assets.

The range of values for each of Echo's mineral assets as assessed by CSA Global is set out below:

Valuation of Echo's Mineral Assets	Low value \$	Preferred value \$	High value \$
Echo's Mineral Resources	1,400,000	1,800,000	2,200,000
Echo's Exploration Potential	2,700,000	6,200,000	9,700,000
Total	4,100,000	8,000,000	11,900,000

Source: CSA Global's Independent Technical Assessment and Valuation Report

The table above indicates that the value of Echo's mineral assets is between \$4.10 million and \$11.90 million, with a preferred value of \$8.00 million.

Overall conclusion on value using NAV methodology

The table above indicates the net asset value of Echo is between \$6.35 million and \$14.15 million, with a preferred value of \$10.25 million.

11.3 Number of Echo shares on issue following the implementation of the Takeover Bid

The number of Echo shares following the implementation of the Takeover Bid will be 349,464,539, calculated as follows:

Number of shares on issue following the implementation of the Takeover Bid	
Number of Echo shares on issue prior to the implementation of the Takeover Bid	172,818,808
Add: Consideration shares	
Number of Metaliko shares on issue	441,614,328
Consideration shares (1 Echo share/2.5 Metaliko shares)	176,645,731
Total number of Echo shares on issue following the implementation of the Takeover Bid	349,464,539
Source: RDO analysis	

12. Is the Ruane Transaction fair?

The value of the Metaliko shares to be acquired from Michael Ruane and his associates is compared below to the value of an Echo shares to be issued to Michael Ruane and his associated as consideration under the Takeover Bid:

	Ref	Low	Preferred	High
		\$m	\$m	\$m
Value of the Metaliko shares on a minority basis, to be acquired from Michael Ruane and his associates	10.3	1.74	2.72	3.75
Value of the Echo shares on a minority basis, to be issued to Michael Ruane and his associates	11.1	1.61	2.62	3.69

Source: BDO analysis

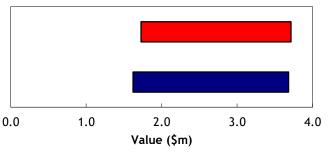


The above valuation ranges are represented graphically below:

Valuation Summary

Value of the Metaliko shares on a minority basis, to be acquired from Michael Ruane and his associates

Value of the Echo Resources shares on a minority basis, to be issued to Michael Ruane and his associates



Source: BDO analysis

In accordance with RG 111, if the value of the consideration (the shares Michael Ruane and his associates hold in Metaliko) is greater than the value of the financial benefit (the shares to be issued to Michael Ruane and his associates in Echo) then the Ruane Transaction will be fair. The above pricing indicates that this is the case for the Ruane Transaction and therefore, in the absence of any other relevant information the Ruane Transaction is fair for Shareholders.

13. Is the Ruane Transaction reasonable?

13.1 Advantages of the Ruane Transaction

We have considered the following advantages when assessing whether the Takeover Bid is reasonable.

13.1.1. The Ruane Transaction is fair

Our analysis in section 12 concludes that the Takeover Bid is fair to Shareholders. RG 111 states that an offer is reasonable if it is fair.

13.1.2. Echo and Metaliko are a natural fit

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 merged entity will have access to an increased landholding in the Yandal greenstone belt in Western Australia. As at the date of our Report, Metaliko has a gold resource base of approximately 320,000 ounces of indicated resources and 202,000 ounces of inferred resource within tenements adjoining those held by Echo. If the Takeover Bid is successful, the merged entity will hold contiguous tenements along 130km of the Yandal Greenstone Belt and have a gold mineral resource in excess of 454,000 ounces of indicated resources and 393,000 ounces of inferred resources.

In addition, the combined tenement package will provide for substantial exploration and resource conversion potential.



13.1.3. Fast-tracks development of the Julius Gold Project

The Takeover Bid provides for the potential to fast track the production of the Julius Gold Project

The pathway to production for the Company's Julius Gold Project may be significantly accelerated by utilising Metaliko's Bronzewing Gold Treatment Plant as an alternative to the proposed toll treatment. There is potential for the Bronzewing Gold Treatment Plant to be brought into production as soon as mid-2017.

The synergies provided by the Bronzewing Gold Treatment Plant should fast-track the Julius Gold Project to production, which ultimately provides near-term opportunities for Shareholders to participate in capital growth and receive dividends.

13.1.4. Potential for cost synergies

The Takeover Bid allows for the ability to realise cost synergies as the merged entity will hold an adjoining tenement package in the Yandal Greenbelt in Western Australia. The close proximity of both companies' mineral assets will facilitate economies of scale in both the exploration and development of deposits. Additionally, there is potential to realise synergies relating to shared infrastructure such as roads, bore fields and camps.

There may also be potential for corporate and administration cost synergies.

13.1.5. Bronzewing Gold Treatment Plant

If the Takeover Bid is accepted, Echo Resources will gain access to the nameplate capacity 2.3 million tonne per annum Bronzewing Gold Treatment Plant and associated infrastructure. A lease agreement was entered into whereby Bullseye will recommission and operate the Bronzewing Gold Treatment Plant at its cost, and pay Metaliko an agreed dollar per tonne lease fee on ore processed through the Bronzewing Gold Treatment Plant. The lease agreement is subject to a number of conditions precedent, which primarily relate to plant refurbishment and statutory approval relating to the lease and operation of the Bronzewing Gold Treatment Plant by a third party.

If the conditions precedent are satisfied, the lease agreement will represent a significant milestone as the Bronzewing Gold Treatment Plant will become operational at a reduced cost to Metaliko and provide additional revenue from ore processed by Bullseye . In addition, the ability for Metaliko to process its own or third party ore provides for additional revenue through full utilisation of the Bronzewing Gold Treatment Plant capacity once recommissioned.

13.2 Disadvantages of the Ruane Transaction

If the Ruane Transaction is approved, in our opinion, the potential disadvantages to Shareholders include those listed below.

13.2.1. Dilution of existing Shareholders' interests

If the Ruane Transaction is approved, Echo shareholders will hold approximately 49.5% of the Company whilst Metaliko shareholders will hold 50.5% of the Company. This will dilute Shareholders' interest and their level of collective influence on the operation of the Company.



13.3 Alternative Proposal

We are unaware of any alternative proposal that might offer the Shareholders of Echo Resources a premium over the value ascribed to, resulting from the Ruane Transaction.

13.4 Consequences of not Approving the Ruane Transaction

Consequences

Under the BIA, if the Company does not obtain Shareholder approval under ASX Listing Rule 10.1 to issue shares under the Ruane Transaction to Mr Michael Ruane and his associates, who are Metaliko shareholders, the Takeover Bid will not proceed. If the Takeover Bid is not implemented, the Company will likely be required to secure toll treating arrangements for the Julius Project, which will likely reduce the profitability of the project, in addition to increasing the time to production. Ultimately, this will reduce the returns to Shareholders and prolong the time until these returns can be realised.

14. Conclusion

We have considered the terms of the Ruane Transaction as outlined in the body of this report and have concluded that the Ruane Transaction is fair and reasonable to the Shareholders of Echo.

15. Sources of information

This report has been based on the following information:

- Announcement to the ASX dated 29 September 2016;
- Draft Notice of General Meeting and Explanatory Statement on or about the date of this report;
- Draft Bid Implementation Agreement between Echo and Metaliko dated 28 September 2016;
- Audited financial statements of Echo for the years ended 30 June 2014, 2015 and 30 June 2016
- Unaudited management accounts of Echo for the period ended 31 August 2016;
- Audited financial statements of Metaliko for the years ended 30 June 2014, 2015 and 30 June 2016
- Unaudited management accounts of Metaliko for the period ended 31 August 2016;
- Independent Technical Assessment and Valuation Report of Echo's mineral assets and Metaliko's mineral assets dated 5 October undertaken by CSA Global;
- Independent Valuation Report of the Bronzewing Gold Treatment Plant dated19 September undertaken by Battery Limits;
- Share registry information for Echo and Metaliko;
- Information in the public domain; and
- Discussions with Directors and Management of Echo.



16. Independence

BDO Corporate Finance (WA) Pty Ltd is entitled to receive a fee of \$25,000 (excluding GST and reimbursement of out of pocket expenses). The fee is not contingent on the conclusion, content or future use of this Report. Except for this fee, BDO Corporate Finance (WA) Pty Ltd has not received and will not receive any pecuniary or other benefit whether direct or indirect in connection with the preparation of this report.

BDO Corporate Finance (WA) Pty Ltd has been indemnified by Echo in respect of any claim arising from BDO Corporate Finance (WA) Pty Ltd's reliance on information provided by Echo, including the non-provision of material information, in relation to the preparation of this report.

Within the past two years, neither the two signatories to this report nor BDO Corporate Finance (WA) Pty Ltd, have had any professional relationship with Echo, or their associates, other than in connection with the preparation of this report.

The provision of our services is not considered a threat to our independence as auditors under Professional Statement APES 110 - Professional Independence. The services provided have no material impact on the financial report of Echo.

A draft of this report was provided to Echo and its advisors for confirmation of the factual accuracy of its contents. No significant changes were made to this report as a result of this review.

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17. Qualifications

BDO Corporate Finance (WA) Pty Ltd has extensive experience in the provision of corporate finance advice, particularly in respect of takeovers, mergers and acquisitions.

BDO Corporate Finance (WA) Pty Ltd holds an Australian Financial Services Licence issued by the Australian Securities and Investment Commission for giving expert reports pursuant to the Listing rules of the ASX and the Corporations Act.

The persons specifically involved in preparing and reviewing this report were Sherif Andrawes and Adam Myers of BDO Corporate Finance (WA) Pty Ltd. They have significant experience in the preparation of independent expert reports, valuations and mergers and acquisitions advice across a wide range of industries in Australia and were supported by other BDO staff.

Sherif Andrawes is a Fellow of the Institute of Chartered Accountants in England & Wales and a Member of the Chartered Accountants Australia and New Zealand. He has over twenty five years' experience working in the audit and corporate finance fields with BDO and its predecessor firms in London and Perth. He has been responsible for over 250 public company independent expert's reports under the Corporations Act or ASX Listing Rules and is a CA BV Specialist. These experts' reports cover a wide range of industries in Australia with a focus on companies in the natural resources sector. Sherif Andrawes is the Chairman of



BDO in Western Australia, Corporate Finance Practice Group Leader of BDO in Western Australia and the Natural Resources Leader for BDO in Australia.

Adam Myers is a member of the Chartered Accountants Australia and New Zealand. Adam's career spans 18 years in the Audit and Assurance and Corporate Finance areas. Adam has considerable experience in the preparation of independent expert reports and valuations in general for companies in a wide number of industry sectors.

18. Disclaimers and consents

This report has been prepared at the request of Echo for inclusion in the Explanatory Memorandum which will be sent to all Echo Shareholders. Echo engaged BDO Corporate Finance (WA) Pty Ltd to prepare an independent expert's report on the issue of shares in Echo to Mr Michael Ruane and his associates and in consideration receive shares in Metaliko.

BDO Corporate Finance (WA) Pty Ltd hereby consents to this report accompanying the above Explanatory Memorandum. Apart from such use, neither the whole nor any part of this report, nor any reference thereto may be included in or with, or attached to any document, circular resolution, statement or letter without the prior written consent of BDO Corporate Finance (WA) Pty Ltd. BDO Corporate Finance (WA) Pty Ltd takes no responsibility for the contents of the Explanatory Memorandum other than this report.

We have no reason to believe that any of the information or explanations supplied to us are false or that material information has been withheld. It is not the role of BDO Corporate Finance (WA) Pty Ltd acting as an independent expert to perform any due diligence procedures on behalf of the Company. The Directors of Echo are responsible for conducting appropriate due diligence in relation to Metaliko. BDO Corporate Finance (WA) Pty Ltd provides no warranty as to the adequacy, effectiveness or completeness of the due diligence process.

The opinion of BDO Corporate Finance (WA) Pty Ltd is based on the market, economic and other conditions prevailing at the date of this report. Such conditions can change significantly over short periods of time.

With respect to taxation implications it is recommended that individual Echo Shareholders obtain their own taxation advice, in respect of the Offer, tailored to their own particular circumstances. Furthermore, the advice provided in this report does not constitute legal or taxation advice to the Shareholders of Echo, or any other party.

BDO Corporate Finance (WA) Pty Ltd has also considered and relied upon independent valuations for mineral assets held by Echo and Metaliko.

The valuer engaged for the mineral asset valuation, CSA Global, possesses the appropriate qualifications and experience in the industry to make such assessments. The approaches adopted and assumptions made in arriving at their valuation are appropriate for this report. We have received consent from the valuer for the use of their valuation report in the preparation of this report and to append a copy of their report to this report.

The statements and opinions included in this report are given in good faith and in the belief that they are not false, misleading or incomplete.



The terms of this engagement are such that BDO Corporate Finance (WA) Pty Ltd is required to provide a supplementary report if we become aware of a significant change affecting the information in this report arising between the date of this report and the prior to the date of the meeting or during the offer period.

Yours faithfully

BDO CORPORATE FINANCE (WA) PTY LTD

Sherif Andrawes

Director

Adam Myers

Director



Appendix 1 - Glossary of Terms

Reference	Definition
The Act	The Corporations Act 2001 Cth
APES 225	Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services'
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
Battery Limits	Battery Limits Pty Ltd
BFS	Bank Feasibility Study
BDO	BDO Corporate Finance (WA) Pty Ltd
BIA	Bid implementation agreement
Bullseye	Bullseye Mining Limited
the Company	Echo Resources Limited
Corporations Act	The Corporations Act 2001 Cth
CSA Global	CSA Global Ltd Pty
DCF	Discounted Future Cash Flows
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
Echo	Echo Resources Limited
FME	Future Maintainable Earnings
FOS	Financial Ombudsman Service
FSG	Financial Services Guide
Intermin	Intermin Resources Limited
JORC Code	The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves



Reference	Definition
Metaliko	Metaliko Resources Limited
NAV	Net Asset Value
QMP	Quoted market price
RBA	Reserve Bank of Australia
Regulations	Corporations Act Regulations 2001 (Cth)
Ruane Transaction	The issue of shares in Echo to Mr Michael Ruane and his associates and in consideration receive shares in Metaliko Resources Limited
our Report	This Independent Expert's Report prepared by BDO
RG 111	Regulatory Guide 111 'Content of expert reports' (March 2011)
RG 112	Regulatory Guide 112 'Independence of experts' (March 2011)
Section 411	Section 411 of the Corporations Act
Section 611	Section 611 of the Corporations Act
Shareholders	Shareholders of Echo not associated with Metaliko
the Takeover Bid	Echo's off-market takeover offer to acquire 100% of Metaliko shares on issue for consideration of one Echo share for every 2.5 Metaliko shares
Valmin Code	Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets
Valuation Engagement	An Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Valuer is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Valuer at that time.
VWAP	Volume Weighted Average Price



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Appendix 2 - Valuation Methodologies

Methodologies commonly used for valuing assets and businesses are as follows:

1 Net asset value ('NAV')

Asset based methods estimate the market value of an entity's securities based on the realisable value of its identifiable net assets. Asset based methods include:

- Orderly realisation of assets method
- Liquidation of assets method
- Net assets on a going concern method

The orderly realisation of assets method estimates fair market value by determining the amount that would be distributed to entity holders, after payment of all liabilities including realisation costs and taxation charges that arise, assuming the entity is wound up in an orderly manner.

The liquidation method is similar to the orderly realisation of assets method except the liquidation method assumes the assets are sold in a shorter time frame. Since wind up or liquidation of the entity may not be contemplated, these methods in their strictest form may not be appropriate. The net assets on a going concern method estimates the market values of the net assets of an entity but does not take into account any realisation costs.

Net assets on a going concern basis are usually appropriate where the majority of assets consist of cash, passive investments or projects with a limited life. All assets and liabilities of the entity are valued at market value under this alternative and this combined market value forms the basis for the entity's valuation.

Often the FME and DCF methodologies are used in valuing assets forming part of the overall Net assets on a going concern basis. This is particularly so for exploration and mining companies where investments are in finite life producing assets or prospective exploration areas.

These asset based methods ignore the possibility that the entity's value could exceed the realisable value of its assets as they do not recognise the value of intangible assets such as management, intellectual property and goodwill. Asset based methods are appropriate when an entity is not making an adequate return on its assets, a significant proportion of the entity's assets are liquid or for asset holding companies.

2 Quoted Market Price Basis ('QMP')

A valuation approach that can be used in conjunction with (or as a replacement for) other valuation methods is the quoted market price of listed securities. Where there is a ready market for securities such as the ASX, through which shares are traded, recent prices at which shares are bought and sold can be taken as the market value per share. Such market value includes all factors and influences that impact upon the ASX. The use of ASX pricing is more relevant where a security displays regular high volume trading, creating a 'deep' market in that security.

3 Capitalisation of future maintainable earnings ('FME')

This method places a value on the business by estimating the likely FME, capitalised at an appropriate rate which reflects business outlook, business risk, investor expectations, future growth prospects and other entity specific factors. This approach relies on the availability and analysis of comparable market data.



The FME approach is the most commonly applied valuation technique and is particularly applicable to profitable businesses with relatively steady growth histories and forecasts, regular capital expenditure requirements and non-finite lives.

The FME used in the valuation can be based on net profit after tax or alternatives to this such as earnings before interest and tax ('EBIT') or earnings before interest, tax, depreciation and amortisation ('EBITDA'). The capitalisation rate or 'earnings multiple' is adjusted to reflect which base is being used for FME.

4 Discounted future cash flows ('DCF')

The DCF methodology is based on the generally accepted theory that the value of an asset or business depends on its future net cash flows, discounted to their present value at an appropriate discount rate (often called the weighted average cost of capital). This discount rate represents an opportunity cost of capital reflecting the expected rate of return which investors can obtain from investments having equivalent risks.

Considerable judgement is required to estimate the future cash flows which must be able to be reliably estimated for a sufficiently long period to make this valuation methodology appropriate.

A terminal value for the asset or business is calculated at the end of the future cash flow period and this is also discounted to its present value using the appropriate discount rate.

DCF valuations are particularly applicable to businesses with limited lives, experiencing growth, that are in a start up phase, or experience irregular cash flows.

5 Market Based Assessment

The market based approach seeks to arrive at a value for a business by reference to comparable transactions involving the sale of similar businesses. This is based on the premise that companies with similar characteristics, such as operating in similar industries, command similar values. In performing this analysis it is important to acknowledge the differences between the comparable companies being analysed and the company that is being valued and then to reflect these differences in the valuation.

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Appendix 3 - Independent Technical Assessment and Valuation Report by CSA Global Pty Ltd





Report prepared for

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Project Name/Job Code	EARVAL01
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Purpose of this document

This Report was prepared exclusively for Echo Resources Ltd ("the Client") by CSA Global Pty Ltd ("CSA Global"). The quality of information, conclusions, and estimates contained in this Report are consistent with the level of the work carried out by CSA Global to date on the assignment, in accordance with the assignment specification agreed between CSA Global and the Client.

Notice to third parties

CSA Global has prepared this Report having regard to the particular needs and interests of our client, and in accordance with their instructions. This Report is not designed for any other person's particular needs or interests. Third party needs and interests may be distinctly different to the Echo Resources Ltd's needs and interests, and the Report may not be sufficient nor fit or appropriate for the purpose of the third party.

CSA Global has created this Report using data and information provided by or on behalf of the Client [and the Echo Resources Ltd' agents and contractors]. Unless specifically stated otherwise, CSA Global has not independently verified that all data and information is reliable or accurate. CSA Global accepts no liability for the accuracy or completeness of that data and information, even if that data and information has been incorporated into or relied upon in creating this Report.

Results are estimates and subject to change

The interpretations and conclusions reached in this Report are based on current scientific understanding and the best evidence available to the authors at the time of writing. It is the nature of all scientific conclusions that they are founded on an assessment of probabilities and, however high these probabilities might be, they make no claim for absolute certainty.

The ability of any person to achieve forward-looking production and economic targets is dependent on numerous factors that are beyond CSA Global's control and that CSA Global cannot anticipate. These factors include, but are not limited to, site-specific mining and geological conditions, management and personnel capabilities, availability of funding to properly operate and capitalize the operation, variations in cost elements and market conditions, developing and operating the mine in an efficient manner, unforeseen changes in legislation and new industry developments. Any of these factors may substantially alter the performance of any mining operation.

iii CSA-Report Nº: 295.2016



Executive Summary

Echo Resources Limited (Echo) has requested CSA to complete an independent valuation (ITAVR) of the mineral assets of Echo and Metaliko Resources Limited (Metaliko) for use in an Independent Expert's Report (IER) to be completed by BDO. The Mineral assets comprise tenements and deposits in the Yandal Belt of WA and in Qld. BDO have also requested a valuation of the plant and equipment assets of Metaliko.

The Report provides a review of the Echo mineralised assets and the mineralised assets and operations (plant and equipment, primarily) of Metaliko, and provides a technical valuation of the Mineral Assets held by Echo and Metaliko. CSA Global has used a range of valuation methodologies to reach a conclusion on the value of the projects.

The Report has been completed in accordance with principles of the JORC¹ and VALMIN² Codes, with allowances made for the limitations of data availability within the requirements of these Codes. Note that the valuation is of the Echo and Metaliko Mineral Assets and plant and equipment, and not of the value of either as a company.

The statements and opinions contained in this Report are given in good faith and in the belief that they are not false or misleading. The conclusions are based on the reference date of 9th September 2016 and could alter over time depending on exploration results, mineral prices and other relevant market factors.

The opinions expressed in this Report have been based on the information supplied to CSA Global by Echo; and the opinions in this Report are provided in response to a specific request from Echo to do so. CSA Global has exercised all due care in reviewing the supplied information. Whilst CSA Global has compared key supplied data with expected values, the accuracy of the results and conclusions from the review are entirely reliant on the accuracy and completeness of the supplied data. Opinions presented in this Report apply to the site conditions and features, as they existed at the time of CSA Global's investigations, and those reasonably foreseeable. These opinions do not necessarily apply to conditions and features that may arise after the date of this Report, about which CSA Global had no prior knowledge nor had the opportunity to evaluate

CSA Global's valuations are based on information provided by Echo and public domain information. This information has been supplemented by independent enquiries, where necessary. No audit of any financial data has been conducted.

The indicative valuations discussed in this Report have been prepared at a valuation date of 9th September 2016. It is stressed that the values are opinions as to likely values, not absolute values, which can only be tested by going to the market.

Circumstances have dictated that this technical assessment and valuation is dependent on largely publicly sourced data from ASX releases, company archived reports and a small amount of project specific technical data.

CSA-Report №: 295.2016 iv

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¹ The JORC Code 2012 Edition, Effective 20 December 2012 and mandatory from 1 December 2013 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves Prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia (JORC) ² Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports. The VALMIN Code, 2005 Edition. Prepared by the VALMIN Committee, a joint committee of the Australasian Institute of Mining and Metallurgy, the Australian Institute of Geoscientists and the Mineral Industry Consultants Association with participation of the Australian Securities and Investments Commission, the Australian Stock Exchange Limited, the Minerals Council of Australia, the Securities Association of Australia and representatives from the Australian Finance Sector



Echo

Echo's core projects are the Yandal Gold-Nickel Project in the Yandal Gold Province of Western Australia, and the Kidston Project in northern Queensland. Echo's Julius Gold Discovery is located approximately 55 km southeast of the Jundee Gold Mine. Julius is a virgin discovery buried under 9 m of unmineralised colluvium, within a package of prospective lithologies extending southwards from Jundee.

Metaliko

Metaliko Resources Limited (ASX: MKO) was incorporated in October 2010 with a focus on advanced stage gold exploration projects and the potential for further significant discoveries. Metaliko completed the acquisition of the Yandal Gold Project located in the North Eastern Goldfields of Western Australia on 27th June 2014. The Yandal Gold Project includes the Bronzewing 2Mt/yr milling/CIP facility, a 280-room village, associated production infrastructure, Project Tenements and contained historic gold resources

Indicative Valuation of Mineral Assets

The indicative valuation presented in this Report was completed using information provided by Echo. The valuation reference date is 9th September 2016 and could alter over time depending on exploration results, mineral prices and other relevant market factors.

Valuation of Echo and Metaliko's assets have primarily relied on the Market Approach (Comparable Transactions) methods for the Mineral Resources, and the Geoscience Factor (Kilburn) for the exploration assets. The Area and Yardstick methods have also been used as secondary crosschecks on the primary results.

CSA Global considered the exploration/development stage of each asset in deciding what valuation methods would be suitable in assessing the value of each project area. Table 1 summarises the primary and secondary valuation approaches selected.

Table 1: Executive	Summary Valuation	Methods used c	correspondina to	proiect maturity
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Company	Project	Stage	Primary Valuation Method	Secondary Valuation Method
Fab a	Exploration tenements	Early/Advanced Exploration	Kilburn	Area
Echo	Mineral Resources	Pre-Development	Transactions	Yardstick
NA - t - lil	Exploration tenements	Early/Advanced Exploration	Kilburn	Area
Metaliko	Mineral Resources	Pre-Development	Transactions	Yardstick

NB: The valuation has been compiled to an appropriate level of precision and minor rounding errors may occur

In choosing a preferred value and valuation range for the Echo and Metaliko assets, CSA Global considered the valuation ranges and the preferred values from a range of methodologies. The weighting of each method in considering the overall valuation ranges and preferred values varied based on the stage of development of the project and CSA Global's view of the applicability of each method to each project.

The market and yardstick approaches take a historical view of the value of the Echo and Metaliko assets – being based on past transactions. However, in the past four months the market appetite for a broader range of companies producing and developing gold in Australia has significantly improved. Sentiment remains volatile, reflecting external factors such as currency exchange rates and macro-economic



fluctuations, but the re-rating of the Australian gold companies warrants a preferred value towards the higher end of value ranges for these methods. For valuations focussing on a point in time close to the reference date, CSA Global considers this bias to be appropriate.

The Julius deposit is the most promising of the Echo Mineral Resources. There is potential for the Julius deposit to be fast-tracked and brought into production once development to increase confidence in the Mineral Resources estimated and the declaration of Ore Reserves is completed.

The potential of the mineral resource estimates in the Echo and Metaliko portfolios could not be fully evaluated due the lack of verifiable data, this was compounded by the loss of the Echo hard copy and digital database. It is possible that once the databases are rebuilt, a more comprehensive evaluation of the remaining Mineral Resources can be completed, potentially increasing the level confidence that can be attributed to the estimates and increasing their associated value.

CSA Global preferred value is based on our opinion of the most appropriate valuation methods to value what is essentially two packages of highly prospective leases in the Yandal Belt with synergies to be derived from a combined package. Table 2 summarises our valuation.

Table 2: Executive summary - Indicative valuations for Echo and MKO, at 9th September 2016

Mineral Asset (100% basis)	Value type	Valuation (A\$M)
Falsa Danassurana and Fundametica	Low Value	4.1
Echo Resources and Exploration	High Value	11.9
ground	CSA Global preferred value	8.0
Matalila Danasana and assalanation	Low Value	3.7
Metaliko Resources and exploration	High Value	10.0
ground	CSA Global preferred value	7.0
Comphise of Verydel Fabra 9 Mataliles	Low Value	7.8
Combined Yandal Echo & Metaliko	High Value	21.9
assets	CSA Global preferred value	15.0

NB: The valuation has been compiled to an appropriate level of precision and minor rounding errors may occur



Assessment of the Bronzewing plant (Metaliko asset)

CSA Global Pty Ltd (CSA Global) requested Battery Limits Pty Ltd (BatteryLimits) to provide a professional opinion on the adequacy of the cost estimate for the refurbishment of the Bronzewing Gold Treatment Plant and to comment on certain metallurgical characteristics of the plant, including recovery drivers/sensitivities and scalability of the plant.

This was undertaken by Phil Hearse of BatteryLimits with input from Keith Cameron who was previously involved with the plant. The following documents were reviewed as part of the exercise:

- Mintrex Pty Ltd, 'Bronzewing Project Plant Inspection Report Project Number 1573-EAR' Rev. 1, 11th August 2016, and associated Risk Register (the Mintrex Report)
- Interquip Pty Ltd, 'Bronzewing Plant Inspection', July 2016 (the Interquip Report)
- BEC 'Bronzewing Plant Electrical Inspection Report BP967-200-E-RE-001', 29 July 2016 (the BEC Report).

The Mintrex Report was the main document on which BatteryLimits' review was based.

BatteryLimits were asked to provide a value for the plant under three different scenarios.

- Value as is BatteryLimits concluded that the plant was of low value in its current condition; however, if a buyer was to be found the value may be in the region of \$1-2 M.
- Limited Refurbishment BatteryLimits was of the opinion that the plant would not be worth significantly more under a limited refurbishment scenario as there is no assurance that the plant would be reliable, and the buyer would not know what additional refurbishment work was required. It would require a full investigation conducted prior to refurbishment, to allow a potential buyer to make a measured assessment of the value to the buyer.
- Operational Condition Mintrex assigned an 'academic' value of \$25 M to the refurbished plant. BatteryLimits concluded that this was likely to be high, but the value of the plant would be dependent on what a willing buyer would pay for it. For example, the plant may be of value to a company proposing to treat gold ore from the immediate vicinity, or one with plans to toll treat. BatteryLimits assigned a value between about \$10M and the \$25M, under these circumstances, but cautioned that should the plant need to be relocated, it is possible that the cost of refurbishment would not be recovered.



Contents

	Report p	prepared for	. ii
	Report i	ssued by	. ii
	Report i	nformation	. ii
	Author a	and Reviewer Signatures	. ii
D	ISCLAIMI	RS	Ш
	Purnose	of this document	iii
		o third parties	
		are estimates and subject to change	
E	XECUTIVI	SUMMARY	IV
	Echo v		
	Metaliko	D	. v
C	ONTENTS	5v	/111
1	INTRO	DDUCTION	. 1
	1.1 (Context, Scope and Terms of Reference	1
		Compliance with the VALMIN and JORC Codes	
		Principal Sources of Information	
		Authors of the Report	
		ndependence	
		Declarations	
		About this Report	
2	TENU	RE	. 4
	2.1 L	ocation and Access	1
		Ocation and Access Dwnership and Tenure	
	2.2.1	Metaliko	
	2.2.2	Agreements	
	2.2.3	Echo	
	2.2.4	Agreements	
3	GEOL	OGICAL SETTING	. 6
	3.1	'andal Belt	. 6
	3.1.1	Regional Geology	
	3.1.2	Gold Mineralisation	8
	3.1.3	Nickel Mineralisation	9
	3.1.4	Exploration History of the Yandal Belt	9
4	ЕСНО	ASSETS	11
	4.1 \	VA Projects – Yandal Gold Province	11
	4.1.1	History of Exploration	
	4.1.2	Exploration Assets	
	4.1.3	Exploration Potential	
	4.1.4	Mineral Resources	
	4.2	Queensland Projects – Kidston	20
	4.2.1	Historical Exploration and Mining	20
	4.2.2	Exploration potential	20
5	META	LIKO ASSETS	21
	5.1 \	NA Projects – Yandal Gold Province	21
	5.1.1	Historical Mining & Exploration	21



5.1.2	Exploration Assets	22
5.1.3	Exploration Potential	24
5.2 Min	eral Resources	24
5.2.1	Corboys	27
5.2.2	Cockburn	31
5.2.3	Other Metaliko Assets	37
5.3 WA	Projects - Anthill Project	37
5.3.1	Historical Mining & Exploration	38
5.3.2	Exploration Potential	38
5.3.3	Resources	40
6 VALUATI	ON	42
6.1 Prev	rious Valuations	12
	ets included in the Valuation	
	iation Approach	
	ket Approach – Analysis of Comparable Transactions	
6.4.1	Gold Market	
6.4.1	Transactions	
-	science Factor Analysis – "Kilburn Method"	
	Istick cross-check of primary valuations	
	erred Value of the Mineral Assets	
7 REFEREN	CES	52
8 GLOSSAF	RY	54
APPENDIX 1:	TENEMENT SCHEDULES	1
Metaliko Re	esources	1
	rces Limited	
APPENDIX 2:	VALUATION APPROACHES	
Annraico	d Value or Exploration Expenditure Method	
	pproach Method or Comparable Transactions	
	ce Factor Method	
	of-Thumb (Yardstick) Method	
	ne Approach	
APPENDIX 3:	COMPARATIVE RESOURCE TRANSACTIONS	
APPENDIX 4:	COMPARATIVE AREA TRANSACTIONS	17
APPENDIX 5:	GEOSCIENTIFIC FACTOR SCORES	20
Metaliko Re	esources	20
Echo Resou	rces	25
APPENDIX 6:	VALUATION OF THE BRONZEWING PLANT AND EQUIPMENT	29
Figures		
Figure 1:	Yandal Gold Province location within the Yilgarn Craton	6
Figure 2:	Gold Endowment of the Yandal Gold Province.	
Figure 3:	Yandal Regional Geology and tenement holdings.	
Figure 4:	Plan view showing Julius scoping study final pit design, and block model showing grade	
Figure 5:	Plan view showing Julius pit	
Figure 5:	Isometric view of Julius pit.	
Figure 7:	Metaliko Yandal (Bronzewing) deposits	
Figure 7:	Plan view of Corboys pit	
Figure 8:	Isometric view looking north east of Corboys pit	
_	Cockburn schematic geology	
Figure 10:	COCKDUITI SCHEIHAUC BEOLOGY	32

ECHO RESOURCES LTD

Table 14:

Valuation of the Mineral Assets of Echo Resources and Metaliko Resources



Figure 11:	Plan view of Cockburn pit	34
Figure 12:	Cockburn elevation looking east	35
Figure 13:	Isometric view looking north east, Cockburn open pit	35
Figure 14:	Cockburn Pit northern section view looking north west	36
Figure 15:	Cockburn open pit, Middle section view looking north west	36
Figure 16:	Cockburn open pit, southern section view looking north west	37
Figure 17:	Anthill Project Location and geology	39
Figure 18:	Anthill, isometric view looking south west of Anthill	41
Figure 19:	Anthill, isometric view looking south west	41
Figure 20:	Five-year Gold price history	44
Figure 21:	Australian gold resource transactions between January 2015 and September 2016	45
Figure 22:	Recent Comparative Gold Exploration Area Transactions	47
Tables Table 1:	Executive Summary Valuation Methods used corresponding to project maturity	V
	Evacutive Cummary Valuation Mathods used corresponding to project maturity	.,
Table 2:	Executive summary - Indicative valuations for Echo and MKO, at 9th September 2016	
Table 3:	Summary of Metaliko tenement holding	
Table 4:	Summary of Echo tenement holding	
Table 5:	Summary of Echo Mineral Resources	
Table 6:	Metaliko Summary of Mineral Resources	
Table 7:	Exploration Stages and Valuation Methods used for each project	
Table 8:	Ranked assets	
Table 9:	Summary of the Comparative transactions based Valuations of the ECHO and Metaliko proje	
Table 10:	Summary of Valuation considering Comparative Area Transactions	
Table 11:	Estimation of the BAC for West Australian Exploration Licences (non-pastoral land)	
Table 12:	Summary of Geoscience Rating (Kilburn) Method Valuation of ECHO and Metaliko projects	
Table 13:	Summary of Valuations based on Yardstick Factors	
	•	

Summary of Indicative valuations for Echo and MKO, at 9th September 2016 51



1 Introduction

1.1 Context, Scope and Terms of Reference

Echo Resources Limited (Echo) requested CSA to complete an independent valuation (ITAVR) of the mineral assets of Echo and Metaliko for use in an Independent Expert's Report (IER) to be completed by BDO. The Mineral assets comprise tenements and deposits in the Yandal Belt of WA and in Qld. BDO have also requested a valuation of the plant and equipment assets of Metaliko.

Echo's core projects are the Yandal Gold-Nickel Project in the Yandal Gold Province of Western Australia, and the Kidston Gold Project in Central Queensland. Echo's Julius Gold Discovery is located approximately 55km southeast of the Jundee Gold Mine. Julius is a virgin discovery buried under 9m of unmineralised colluvium, within a package of prospective lithologies extending southwards from Jundee.

Metaliko Resources Limited (ASX: MKO) was incorporated in October 2010 with a focus on advanced stage gold exploration projects and the potential for further significant discoveries. Metaliko completed the acquisition of the Yandal Gold Project located in the North Eastern Goldfields of Western Australia on 27 June 2014. The Yandal Gold Project includes the Bronzewing 2MTPA milling/CIP facility, a 280 room village, associated production infrastructure, Project Tenements and contained historic gold resources.

1.2 Compliance with the VALMIN and JORC Codes

This technical assessment and valuation report (the Report) was written as an internal document for management decision-making purposes only; with a limited scope of works leading to a preliminary indication of value.

As far as possible the Report has been prepared in accordance with the VALMIN Code³, which is binding upon Members of the Australian Institute of Geoscientists (AIG) and the Australasian Institute of Mining and Metallurgy (AusIMM), the JORC⁴ Code and the rules and guidelines issued by such bodies as the Australian Securities and Investments Commission (ASIC) and ASX that pertain to IER.

The limited amount of information that is available for this assessment as made it necessary to adopt a high level approach to appropriately account for risk.

1.3 Principal Sources of Information

The Report has been based upon information available up to and including 12 September 2016. The information was provided to CSA Global by Echo or has been sourced from the public domain, and includes both published and unpublished technical reports prepared by consultants, and other data relevant to Echo and Metaliko's projects.

The authors have endeavoured, by making all reasonable enquiries within the timeframe available, to confirm the authenticity and completeness of the technical data upon which this Report is based.

CSA-Report №: 295.2016

2

³ Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports. The VALMIN Code, 2005 Edition. Prepared by the VALMIN Committee, a joint committee of the Australasian Institute of Mining and Metallurgy, the Australian Institute of Geoscientists and the Mineral Industry Consultants Association with participation of the Australian Securities and Investments Commission, the Australian Stock Exchange Limited, the Minerals Council of Australia, the Securities Association of Australia and representatives from the Australian Finance Sector.

⁴ Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. The JORC Code, 2012 Edition. Prepared by: The Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia (JORC).



2

CSA Global elected not to undertake a site visit to the Echo and Metaliko properties specifically for this Report as various CSA Global personnel are familiar with the Yandal region where the mineral assets comprising the major portion of the value are located. CSA Global elected not to undertake site visits to Echo's exploration properties in Queensland due to the relatively grassroots nature of most of these projects.

Unusual circumstances around the loss of all of Echo's hard copy data and digital data records coincident with a period of significant corporate upheaval and change (Echo, 2 May 2016), has reduced the Echo data available for CSA Global's review to primarily public domain data, and partial packages of project specific technical data. There is a similar paucity relating to Metaliko data available for technical review. This scenario is one that is often faced by the average investor, without the specialised access to project specific technical data. CSA Global has relied on this combination of publicly available data and partial technical data, plus the collective in-house knowledge of personnel involved in this Technical Assessment and Valuation to establish the basis for our work. An appropriate level of discounting was applied to manage this level of uncertainty.

Tenement information was provided by Strategic Tenement Services (Hawtin, 2016a,b); full details are contained in Section 2.5. CSA Global makes no other assessment or assertion as to the legal title of tenements and is not qualified to do so.

1.4 Authors of the Report

CSA Global is privately owned, mining industry consulting company headquartered in Perth, Western Australia. CSA Global provides geological, resource, mining, management and corporate consulting services to the international resources sector and has done so for more than 30 years.

This report has been prepared by a team of consultants sourced principally from CSA Global's Perth office. The individuals who have provided input to the ITAV report have extensive experience in the mining industry and are members in good standing of appropriate professional institutions. The Consultants preparing this ITAV report are specialists in the fields of geology, exploration and Mineral Resource estimation and classification,

The following individuals, by virtue of their education, experience and professional association, are considered Competent Persons (CP), as defined in the JORC Code (2012), for this report. The CP's individual areas of responsibility are presented below:

- Contributing author Greg Wilson (Associate Principal Consultant Geologist with CSA Global in Perth, Western Australia) responsible for exploration review and valuation.
- Contributing author Ivy Chen (Principal Consultant of CSA Global in Perth, Western Australia) responsible for Sections 4 and 5 of the Report, as it pertains to Mineral Resources.
- Contributing author Cameron Reese (Mining Engineer) responsible for Sections 4 and 5 of the Report, as it pertains to mining viability of Mineral Resources.
- Contributing author Trivindren Naidoo (Principal Geologist Valuation) responsible for Section 6 as it pertains to the valuation.

Peer review was completed by Graham Jeffress who has been involved in much of CSA Global's gold valuation work.

1.5 Independence

Neither CSA Global, nor the authors of this report, has or has had previously, any material interest in Echo or Metaliko. CSA Global's relationship with Echo is solely one of professional association between client and independent consultant.



3

CSA Global is an independent geological consultancy. Fees are being charged to Echo at a commercial rate for the preparation of this report, the payment of which is not contingent upon the conclusions of the report. The fee for the preparation of the Report is approximately A\$51,000.

No member or employee of CSA Global is, or is intended to be, a director, officer or other direct employee of Echo or Metaliko. No member or employee of CSA Global has, or has had, any shareholding in Echo or Metaliko.

CSA Global's data division was requested by Echo to assist with the database management and reconstruction prior to the commencement of this technical assessment and valuation. Any ongoing data management work is not contingent on the outcome of this technical assessment and valuation. CSA Global is confident that the independence of this assessment and valuation is not compromised in any manner by the data management activities, particularly given the preliminary stage of the database management and reconstruction exercise, and the corporate circumstances that have given rise to Echo's paucity of data.

Prior to the award of this valuation work, Echo also requested that CSA Global's exploration team provide *ad hoc* advice comprising geological, technical and/or independent reviews of projects and data as required. At the time of writing, Echo had not yet requested any such work. The requirement for any such work is not contingent on the outcome of this report.

The only interaction that has occurred between the technical assessment and valuation team and the data team, has been the transfer of Echo lease boundary strings from the valuation team to the data team for inclusion in the project database.

1.6 Declarations

The report is to be included in its entirety within an Independent Experts Report to be prepared by BDO in connection with an IER.

The statements and opinions contained in this report are given in good faith and in the belief that they are not false or misleading. The conclusions are based on the reference date of 9th September 2016 and could alter over time depending on exploration results, mineral prices and other relevant market factors.

1.7 About this Report

This report places a valuation on the assets of Echo and Metaliko and describes the prospectivity of the combined leases. The Yandal region is a current and historical gold producing district.

The geology and mineralisation for prospect areas are discussed, as well as the exploration work done and the results obtained there from. A great wealth of data pertains to the work done on the leases and an effort was made to summarise this so as to contain the size and readability of the report. Maps of the areas are presented and statistics on the drilling are provided.

The Valuation Date is 9th September 2016.



2 Tenure

2.1 Location and Access

Metaliko and Echo both have extensive tenement holdings in the Yandal Greenstone Belt, these tenement packages are located approximately 750 km northeast of Perth and 450 km north of the major mining centre of Kalgoorlie. The mining towns of Wiluna and Leinster are located 60 km west-northwest and 140 km south of the project area respectively.

Access to the project areas is via sealed roads and well-maintained gravel roads from Perth and Kalgoorlie. Individual tenements can be accessed via station tracks and exploration grid lines. Regional airports at Leinster and Wiluna accommodate mid-sized aircraft and there are a number of other unsealed landing grounds for light aircraft in the area.

Metaliko's Anthill Project is located 55 km northwest of Kalgoorlie and 20 km west of the historical Ora Banda town site.

Echo's Kidston Project is situated 350km northwest of Townsville and 40km south of Einasleigh, in northern Queensland. Access to the tenement is via the Gregory Developmental Road.

2.2 Ownership and Tenure

2.2.1 Metaliko

Metaliko has two project areas, the primary asset group is the Yandal Project which contains the majority of the stated resources and the Anthill Project (Table 1). The Yandal Project consists of a total of 84 granted tenements and 6 tenement applications covering a total area of approximately 885km² (755 km² granted). A detailed listing of the individual tenements is provided in Appendix 1. Metaliko through its subsidiary Metaliko Mines Pty Ltd controls 100% beneficial interest in 72 licences. Metaliko has a 70% beneficial interest in the other 18 licences (refer to Appendix 1 for further detail).

Table 3: Summary of Metaliko tenement holding

Status	Type of License	Number of Licences	Area (km²)			
Yandal Project						
	Mining Lease	18	94.8			
	Exploration License	25	590.8			
Live	Prospecting License	15	22.4			
	Miscellaneous License	26	47.0			
	Total	84	755.0			
	Mining Lease	-	-			
Donding	Exploration License	6	123.2			
Pending	Prospecting License	-	-			
	Total	6	123.2			
Anthill Project						
Live	Mining Lease	1	7.0			
	Miscellaneous Licence	1	0.008			
G	rand Total		885			

Metaliko's tenement package covers a 75 km extent of the main north northwest-trending part of the Yandal Gold Province, centred around the closed Bronzewing mining infrastructure.

In addition to the Bronzewing Deposit, several other gold deposits occur within Metaliko's tenement package, including the Cockburn, Corboys and Mt Joel deposits (Table 6).



2.2.2 Agreements

Metaliko through its subsidiary Metaliko Mines Pty Ltd controls 100% beneficial interest in 72 licences. Metaliko has a 70% beneficial interest in the other 18 licences (refer to Appendix 1 for further detail).

2.2.3 Echo

Echo's has two project areas, the primary asset is located within the Yandal Greenstone Belt, immediately north of Metaliko's Yandal Project and the Kidston Project in northern Queensland. Echo's Yandal tenements consist of a total of 30 granted tenements and 29 tenement applications covering a total area of approximately 1,104 km² (420 km² granted), as summarised in Table 4. A detailed listing of the individual tenements is provided in Appendix 1. Echo controls 100% beneficial interest in 55 tenements. Echo has a 70% beneficial interest in the other four licences (refer to Appendix 1 for further detail).

Table 4: Summary of Echo tenement holding

Status	Type of License	Number of Licenses	Area (km²)				
Western Australian Tent	Western Australian Tenure						
	Mining Lease	14	99.6				
	Exploration License	12	319.2				
Live	Prospecting License	1	0.5				
	Miscellaneous License	3	0.9				
	Total	30	420.2				
Donding	Mining Lease	1	7.4				
Pending	Exploration License	10	649.0				
	Prospecting License	17	27.6				
	Miscellaneous License	1	0.3				
	Total	29	684.3				
Queensland Tenure							
Live	EPM	1	120.9				
Grand Total			1225.4				

Echo's Yandal tenement package covers a 72 km extent of the main north northwest-trending part of the Yandal Gold Province. The province has a known gold endowment exceeding 10 million ounces.

2.2.4 Agreements

Echo controls 100% beneficial interest in 55 tenements. Echo has a 70% beneficial interest in the other four licences (refer to Appendix 1 for further detail).

2.3 Independent Review of Tenements

The tenement schedule for both companies was independently reviewed by Strategic Tenement Services (Hawtin, 2016a,b). Tenements were assessed to be in good standing and suitable for inclusion in this valuation.



3 Geological setting

3.1 Yandal Belt

The primary assets of Metaliko and Echo are in the Yandal Gold Province which is located in the northern part of the Kalgoorlie Terrane in the Yilgarn Craton of Western Australia. Metaliko also have two tenements located within the central Kalgoorlie Terrane, Echo has one tenement in Queensland.

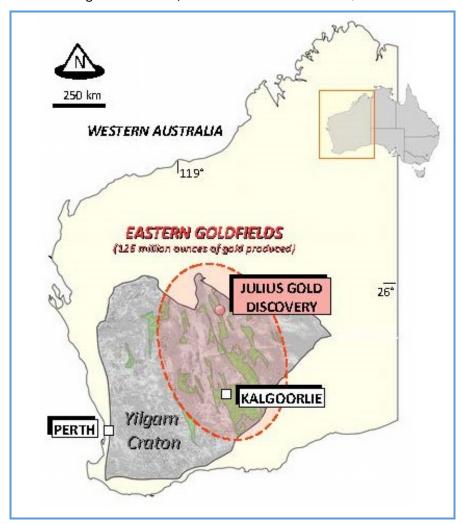


Figure 1: Yandal Gold Province location within the Yilgarn Craton.

3.1.1 Regional Geology

The Yandal Gold Province is a 180 km long by 30 km wide semi-continuous belt of Archaean age rocks on the north-eastern margin of the Yilgarn Craton, in the Eastern Goldfields Province (Figure 1). The Archaean granite-greenstone terrain comprises elongated belts of deformed and metamorphosed volcano-sedimentary rocks and extensive areas of granitoid and gneiss. In the north, the belt bifurcates into two (Millrose belt and Jundee belt) by a large wedge of granitoid rocks.

The Yandal Province (comprising Jundee, Millrose and Bronzewing belts) has a high gold endowment with the Jundee deposit (>7 Moz) at its northern extent, through to the Darlot deposit (>3 Moz) at its southern extent. The Bronzewing/Mt McClure deposits (>5 Moz), numerous smaller deposits (<0.25 Moz) and gold occurrences/prospects occur throughout the belt (Figure 2).



The Yandal Province contains limited outcropping basement being covered by variable thickness of Cainozoic alluvial/colluvial sediments and recent salt lake systems. In areas, where palaeochannels have developed, these sediments maybe up to 40–60 m thick.

The Yandal Province has also been subjected to extensive weathering of the basement rocks, resulting in the formation of lateritic weathering profiles that may extend to 150 m depth.

The combination of transported cover sequences and deep weathering profiles restricted historical prospecting for bedrock gold deposits and more recent exploration drilling rendered "ineffective" as a result of lack of recognition of either transported cover sequences or being of sufficient depth to test true bedrock.

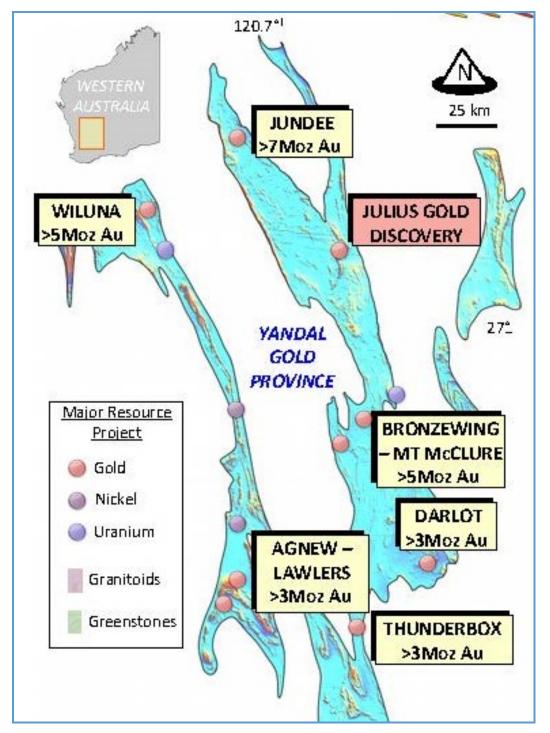


Figure 2: Gold Endowment of the Yandal Gold Province.



Stratigraphy

Vearncombe et al., (2000) identified four distinct stratigraphic packages within the province

Lower Greenstone Sequence:

• Banded Iron Formation (BIF): The Moilers BIF package occurs on the western edge of the Northern Yandal Belt, at the contact between the granite (in the west) and the greenstone (in the east).

Middle Greenstone Sequence:

- Ultramafic rocks (schistose containing chlorite, tremolite, serpentine, talc, rare pyroxene) and basalts (mostly tholeiitic and high magnesium basalts).
- Ferruginous cherts.
- Mafic intrusive units occur as thick differentiated dolerite sills, and smaller coarser grained sections, within basaltic and felsic volcanic piles, of the Middle and Upper Greenstone packages. Sill formation is coeval with volcanism.

Upper Greenstone Sequence:

- Dominant rock type is felsic (quartz-feldspar-white mica) schist (possibly from felsic volcanic or volcanoclastic rocks).
- Volcanic rocks include volcaniclastics and tuffs, dacite volcanic rocks, interbedded with andesites and clastic sediments (shales).
- Chert, ferruginous chert (comprising quartz, jasper, minor magnetite and related iron oxides) and Banded Iron Formations (BIF)
- Major intrusive components include dolerite sills (as in the Middle Greenstone Sequence) and felsic porphyries.

Spring Well Complex:

The Spring Well Complex comprises chemically distinct calc-alkaline volcanic sequences of rhyolites and andesites. It occurs at the top of the greenstone succession, in the southern part of the Yandal Belt

3.1.2 Gold Mineralisation

Gold mineralisation within the Yandal belt has similar characteristics to other Archaean greenstone belts within the Eastern Goldfields Province. Vearncombe (2000) categorised three styles of gold mineralisation within the Yandal Belt:

- High-grade lodes hosted by quartz veins, typically several metres in width within brittle-ductile shear zones and cross faults with small displacements, e.g. Bronzewing, Darlot, Barton Deeps at Jundee and Lotus Deeps at Mt McClure.
- As lower grade, disseminated gold-bearing sulphides in wall rock.
- Supergene (remobilised) gold, enriched in residual laterite above primary ore and in halos, e.g. Mt McClure and Jundee open pit operations.

Gold mineralisation is often associated with iron-rich lithologies of low tensile strength, including dolerite, tholeiitic basalt and BIF rock types. Dykes of dolerite or porphyry intruding Archaean faults are also prospective for gold, however mineralisation pre-dates Proterozoic dykes. Gold is found in low-strain domains away from large-scale ductile shear zones. Other structures conducive for gold deposition include strike changes in lithological contacts, stratigraphic truncation, demagnetised areas, pressure shadows around granites or rigid blocks such as dolerites, fault bends or jogs.



9

3.1.3 Nickel Mineralisation

The Yandal Greenstone Belt is located approximately 60 km east of the Agnew-Wiluna greenstone belt which contains some of the world's largest komatiite-associated nickel sulphide deposits, Mt Keith (2.7Mt Ni), Perseverance (1.3 Mt Ni) and Honeymoon Well (1.1 Mt Ni).

Despite the proximity, the lack of outcrop and extensive recent cover across the Yandal belt has restricted historical exploration efforts for nickel. Recent geophysical and geological interpretations of the Yandal greenstone belt indicate volcanic sequences within the belt contain ultramafic units similar to the units hosting large nickel sulphide deposits. Evidence of nickel sulphides within these units has been recorded in limited drilling and the discovery of the Waterloo nickel sulphide deposit (18kt Ni) in the southern part of the Yandal Belt confirm potential for nickel sulphide mineralisation.

3.1.4 Exploration History of the Yandal Belt

Gold prospecting in the Yandal Belt region commenced in the 1890s following the discovery of major gold deposits around Kalgoorlie and Wiluna. Mining of near-surface gold deposits took place at Darlot between 1894-1910, when the area was regarded as one of the richest alluvial goldfields in Western Australia.

Prospecting of the Yandal Belt region was hindered by the extensive veneer, up to 60m thick in places of Cainozoic colluvium, alluvium and playa sediments and weathering profiles of basement rocks to depths of 120mbs, with less than 1% of the underlying bedrock geology exposed.

Interest in the gold potential of the Yandal Belt increased in the late 1980s with the development of modern geochemical sampling techniques and quick, cheaper drilling techniques designed to deal with exploration in covered and deeply weathered greenstone terranes.

These techniques demonstrated wide spread gold anomalism in the Yandal Belt and a rapid evolution of discovery and geological understanding of the Yandal Belt.

In 1987, work south of Mount McClure led to the discovery of the Success, Parmelia, Challenger and Dragon deposits, followed some two years later by the larger Cockburn and Lotus deposits. Drill testing of soil gold geochemical anomalies led to the discovery of near-surface gold mineralisation around Jundee between 1989-1992.

The Jundee area is comprised of numerous lode-gold deposits within an extensively mineralised 15 km² area. Continued exploration at Jundee has defined a number of deeper high-grade lodes extending to depths exceeding 500m with a gold endowment in excess of 7 Moz.

In 1992, shallow RAB drilling beneath the margins of a palaeochannel to the east of Mount McClure resulted in the discovery of the Bronzewing gold deposits, continued evaluation of the Bronzewing deposits identified a gold endowment greater than 4 Moz.

In 1996, the Centenary lodes were discovered at a depth of 350mbs at Darlot. In 1999, exploration in the southern portion of the Yandal Belt identified gold mineralisation beneath 30m of cover leading to the discovery of the Thunderbox deposit.

In 2002, the Waterloo nickel sulphide deposit was discovered in the southern Yandal Belt.

Figure 3 illustrates the combined Echo and Metaliko leases.



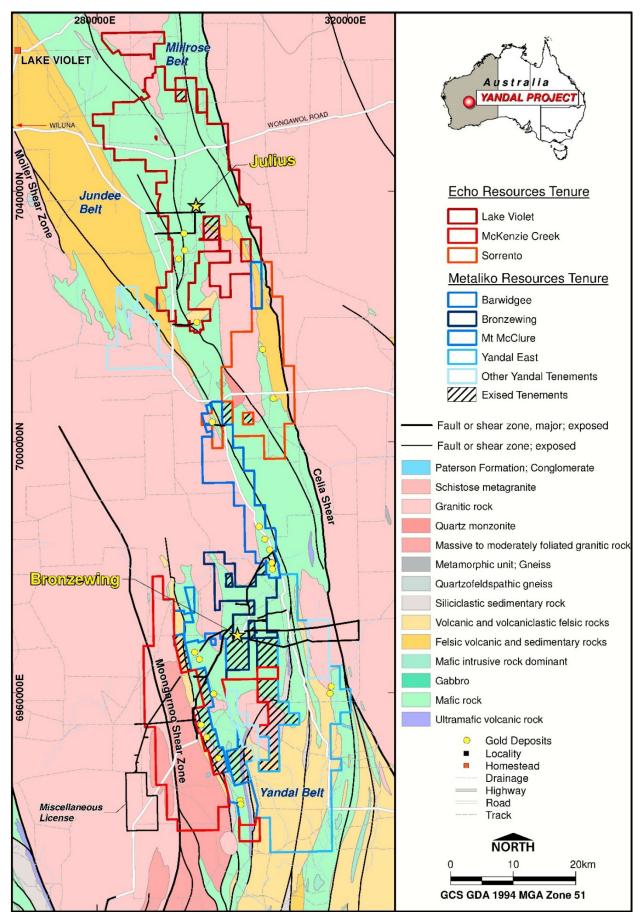


Figure 3: Yandal Regional Geology and tenement holdings.



4 Echo Assets

4.1 WA Projects – Yandal Gold Province

4.1.1 History of Exploration

Early prospecting in the 1940s, resulted in the discovery of several small gold deposits in areas of outcrop and shallow transported cover, including those at Bills Find Prospect and Shady Well Prospect.

In the late 1960s to mid-1970s, portions of Echo's tenements were explored for nickel sulphide deposits by a number of exploration companies. Work within the northern part of the tenement group included geological mapping, soil and lag sampling, ground magnetic, induced polarisation and airborne electromagnetic surveys, and limited RAB, percussion and core drilling. This work appears to have been largely ineffective because of the deep weathering. The ultramafic unit east of Empire Prospect was explored with ground magnetic surveys and 43 exploration holes drilled over a strike of about 12 km.

Until the 1990s, Echo's Yandal tenement group had little history of significant exploration and mining for gold. Approximately 5 km to the northwest, 300,000 oz of gold was produced in the 1990's from the St Ives, Empire and Gourdis deposits through sporadic mining by several companies, including Asarco Australia Ltd and Wiluna Gold Ltd. Immediately to the south, small-scale prospector workings at Old Bronzewing, Sundowner, Maitland and Corboys recorded historical production of less than 17,000 oz, of which 16,000 oz was from the Corboys deposit.

Exploration activities since the 1990's has included geological mapping, surface geochemical sampling (including rock chip, laterite, lag and BLEG sampling); geophysical surveys (including aeromagnetic, radiometric, electromagnetic and gravity surveys) and moderate levels of drilling.

Aeromagnetic surveys since the early 1990s include government surveys with 400 m-spaced flight lines and commercial surveys at line spacings of 200m or less. A ground magnetic survey with 25 m line spacing and 0.25 m sampling intervals has been completed to the north of the Tipperary Well Prospect. A detailed gravity geophysical survey on a 400 m x 200 m grid pattern was conducted over the western half of the project area south of Augustus Prospect during 2004. A Tempest airborne electromagnetic survey has been carried out over ultramafic units east and south of Empire Prospect.

In May 2006, Echo listed on the Australian Stock Exchange (ASX), several months later in August 2006, Echo reported RC drilling intersected substantial widths of anomalous to significant gold including 20 m at 3.8 g/t from 52 m at the Julius prospect.

Since this time, Echo has progressively evaluated the Julius deposit and along strike extensions of the shear zone which hosts the Julius deposit.

In April 2016, Echo announced a maiden resource estimate for Julius, totalling 226,000 oz gold (Echo, 7 April 2016).

4.1.2 Exploration Assets

The Echo assets comprise three spatially separate groups of tenements within the Yandal belt covering approximately 115 km length of the Yandal belt.

For valuation purposes, the assets were split into three groups based on spatial proximity and geological characteristics and are referred in this document as Lake Violet (centred around the Julius deposit), McKenzie Creek (located immediately west of Metaliko's tenements) and Sorrento (recent acquisition announced by Echo, see Echo ASX Release August 10 2016).



Lake Violet

The Lake Violet group of tenements comprise a 50 km x 15 km contiguous group of tenements, centrally located between Jundee and Bronzewing. These tenements lie approximately midway between the Celia lineament to the east and the Moilers Find banded iron formation that marks the western boundary of the belt. Geology comprises a dominantly mafic sequence consistent with stratigraphy observed at Jundee and contain the recently discovered Julius deposit and previously known resources at Bills Find, Shady Well, Orpheus, Empire and Tipperary Well.

The Julius deposit is located in an area characterized by extensive transported cover, generally 8 to 15m thick and deep weathering in places to more than 100m below surface. Gold mineralisation is associated with a west-dipping sheared granodiorite - ultramafic contact with mineralisation hosted in ultramafic, mafic and granitic rocks.

Four styles of mineralisation have been documented:

- Near-surface gold-bearing colluvium overlying strongly weathered laterite.
- Weathered bedrock mineralisation hosted by saprolite.
- Partially weathered mineralisation in saprolite.
- Deeper, unweathered gold lodes hosted by fresh, hydrothermally altered rocks containing quartzcarbonate veins and disseminated pyrite.

Mineralisation extends at least 1,300 m along strike and dips 20°-45° west, reaching a width of at least 1,100 m in plan-view. The mineralisation is interpreted to be open down-plunge and down-dip to the north and west, respectively. An east-west trending palaeochannel transects the deposit, this palaeochannel tributary links up to the west with a major north-south palaeo-drainage system.

Alteration associated with the mineralisation is magnetite destructive and magnetic images show evidence of extensive demagnetisation within the Julius area, this is interpreted to reflect gold-related hydrothermal alteration zones. Geophysical data suggest that the Julius shear zone forms part of a previously unrecognised, large-scale, gold mineralised thrust fault complex in the central Yandal Gold Province.

Other than wide-spaced historical RAB and AC scout drill hole traverses, most of which are too shallow to have been effective, the strike extensions of the shear zone north and south of Julius are virtually unexplored.

McKenzie Creek

The McKenzie Creek group of tenements comprise a 42 km x 7 km contiguous group of tenements, located 2 km west of the Lotus-Cockburn line of mineralisation. GSWA mapping of the area depicts the area as being predominantly granite and granite gneiss however recent aeromagnetic interpretations and recent geochemical studies suggest the area is more complex than what has previously been mapped.

Interpretations suggest the area is comprised of three lithological and structural domains:

- An eastern low grade metamorphic greenstone sequence
- A central strongly foliated higher grade metamorphic zone of interleaved gneissic granitoids and amphibolites, and
- A western zone of relatively undeformed granitoid.

The eastern boundary of the central domain is interpreted as the sheared granitoid contact; this is dominated by a massive north-northwest trending quartz reef.

Exploration of the area has been limited, restricted to surface geochemical sampling, this work identified a number of low order gold anomalies. Limited shallow drilling across the some of the anomalies returned isolated <0.5 g/t intercepts.



Sorrento

Echo recently entered into a purchase agreement to acquire a 70% beneficial interest in four exploration licence applications, immediately southeast and semi-contiguous with its Lake Violet tenements (Echo ASX Release: 10 August 2016).

These tenements cover a narrow (4 km wide) greenstone sequence separated from the main greenstone belt by a large internal granitoid. This dominantly mafic/felsic sequence is bounded on the east by the Celia Shear which is a regionally extensive feature of the Eastern Yilgarn and is associated with gold mineralisation elsewhere along its extent. Previous exploration in the area now covered by the tenement applications identified two shallow gold deposits (Lowlands and Slav Well), details of these two areas are provided in announcements by Echo (Echo ASX Release: 10 August 2016) and by previous owner Artemis Resources Limited (ARV Prospectus: 2 February 2007). These previously announced resources are confirmation of gold accumulation and require further evaluation. Additionally, previous exploration also recorded gold intersections at several other prospects including Forked Stick and Sandalwood.

4.1.3 Exploration Potential

The discovery and on-going evaluation of the Julius deposit reinforces the prospectivity of Echo's Yandal Project, particularly in areas overlain by transported cover and structural targets identified through reinterpretation of geophysical datasets.

Geophysical data suggests that the Julius shear zone forms part of a previously unrecognised, large scale, gold mineralised thrust fault complex in the central part of the Yandal Gold Province.

A 2016 geophysical targeting review identified numerous targets within Echo's tenure, seven of these targets are considered geophysical analogues to the Julius deposit.

Exploration by Echo has identified an early stage exploration target, east of Julius, at the Gnaeus Prospect, where surface geochemical sampling has identified a strong gold-in-soil anomaly extending over 1,000 m of strike.

4.1.4 Mineral Resources

Echo's primary asset with a declared Mineral Resource is the Julius gold project in the Yandal greenstone Belt of Western Australia. The Julius resource estimate was initially announced on 7 April 2016, and is reported in accordance with JORC 2012. Echo's secondary assets in the same belt (Bills Find, Shady Well, Orpheus, Empire, Tipperary Well) were estimated in 2006, and reported in accordance with JORC 2004. Table 5 summarises Echo's Mineral Resources.

No mineral resource estimates have been declared for Echo's exploration assets in Queensland.

Assessment of Echo's Mineral Resources is dependent on publicly sourced data from ASX releases, company archived reports and a small amount of project specific technical data. CSA Global has adopted a modified approach to the assessment of Echo's Mineral Resource estimates. Our approach is based instead on high-level identification of any fatal flaws or material impacts based on what is reported, and can be directly observed by CSA Global in the limited available project specific technical data.



Table 5: Summary of Echo Mineral Resources

	Measured				Indicated			Inferred			Total		
Deposit	Mine	Tonnes	Grade	Gold	Tonnes	Grade	Gold	Tonnes	grade	Gold	Tonnes	Grade	Gold
	Methd.	(kt)	(g/t)	(koz)	(kt)	(g/t)	(koz)	(kt)	(g/t)	(koz)	(kt)	(g/t)	(koz)
Julius ¹	O/Cut	-	-	-	2,060	2.0	135	2,100	1.4	91	4,160	1.7	226
Yandal regional assets (Bills Find, Shady Well, Orpheus, Empire, Tipperary Well) ²	O/Cut	-	-	-	-	-	-	2,072	1.5	100	2,072	1.5	100
Echo 70% Interest Lowlands (Lowlands and Slav Well) ³	O/Cut & UG							252	2.8	22	252	2.8	22
Total		-	-	-	2,060	2.0	135	4,424	1.5	213	6,484	1.7	348

Note 1 Refer to Echo Resources Limited, ASX Announcement, 7 April 2016

Note 2 Refer to Echo Resources Limited Prospectus, March 2006

Note 3 Refer to Echo Resources Limited, ASX Announcement 10 August 2016 and Artemis Resources Limited, ASX Announcement 2 February 2007



Julius Gold Project

Data

CSA Global have formed an opinion of the data on the basis of examination of the Julius block model, and review of disclosure in Table 1 Sections 1-3 that were released to accompany the Julius maiden Mineral Resource Estimate announcement on the ASX platform on 7 April 2016.

The data used for the Julius estimation was reported to be sampled using reverse circulation (RC), aircore AC) and diamond drill holes (DD) on a nominal 20 m by 20 m initial grid spacing to a maximum depth of 250 m; with wider spacing to the north and at depth of the deposit

A total of 225 reverse circulation holes for 27,203 m, 32 aircore holes for 1,529 mand 6 diamond holes for 1,260 were drilled at Julius. For the majority of the RC drilling, 1m RC samples were obtained by cone splitter and were utilised for lithology logging and assaying. Diamond core was used to confirm the structures and interpretation. All drilling samples were dried, crushed and pulverised to achieve 85% passing $75\,\mu m$.

More recent Julius drilling samples were predominantly fire assayed using a 50 g charge with some fire assay using a 40 g charge at commercial laboratories. Historical drilling the samples were dried, crushed and pulverised to achieve 80% passing 75 μ m and were predominantly fire assayed using a 50 g charge, with the 4 m field composites assayed via aqua regia on 50 g pulps using an AAS finish.

In CSA Global's opinion,

- the documented processes for:
 - o drilling,
 - o data acquisition
 - o data management
- "if no, why not" disclosure in JORC Table 1 sections 1 and 2

for the Julius gold project are of an acceptable standard commensurate with contemporary industry standard practice, and is appropriately reflected in the Indicated and Inferred classification applied to the estimate.

CSA Global notes that Echo is continuing to re-assemble the Julius drilling database, and recommends that a detailed technical review of the data at appropriate stages is also completed.

Estimation

CSA Global were able to load the Julius block model for examination; no fatal flaws were found.

Block sizes were 4.0 m east x 5.0 m north x 2.5 m RL; no sub-blocks were used however a percentage (up to 100%) block proportion was used to account for block volume as coded from wireframes. The base of estimation was approximately 220 m RL. The natural topographic surface was relatively flat at the Julius deposit area with surface elevation at approximately 510 m-512 m RL.

The Mineral Resource Estimate (MRE) report (Echo, 7 April 2016) indicated that mineralisation wireframes were defined using a nominal 0.50 g/t Au cut-off. 1 m composites were used for estimation; composites were defined within mineralisation domain wireframes and geological surfaces. The influence of extreme grade values was reported to have been examined utilising top cutting analysis tools (grade histograms, log probably plots and coefficients of variation), but no information is available to indicate if top cuts were applied. Grade continuity was measured using geostatistical techniques.

A single search ellipsoid was used to interpolate each block. Ordinary kriging (within MineSight® software) was used for grade estimation within each mineralisation zone.



No verification of estimation parameters was possible, comparative plots included in the MRE report indicated no material issues. CSA Global's visual review of the block model similarly did not reveal any fatal flaws.

The MRE report (Echo, 7 April 2016) describes the use of interpreted oxidation surfaces approximating base of oxide and top of fresh, to assign in situ bulk density. Values of 2.2 tonnes/cubic metre for oxide, 2.4 tonnes/cubic metre for transitional and 2.8 tonnes/cubic metre for the fresh (sulphide) zones were applied. CSA Global finds these density values to be appropriate, and endorses the recommendation in the report for on-going work to check density measurements in subsequent drilling program at Julius.

The model was classified on the basis of Kriging Variance, number of composites in search ellipsoid informing the block cell and composite distance to block centroid. These variables were used to derive relative confidence levels or 'quality of estimate index' (QLTY item), which was modified to include the Competent Person's understanding of the geological controls of the Julius mineralisation zone geometries and the material types present.

Cut-off Grade

The Julius MRE was reported above a cut-off grade of 0.5 g/t to reflect the stated Mineral Resource Estimate is determined from economic parameters and reflects the current and anticipated mining practices. The model is considered valid for reporting and open pit mine planning at a range of lower cut-off grades up to a lower cut-off grade of 1.0 g/t Au.

CSA Global is satisfied following our review of the estimation process, block model, and JORC Table 1 disclosure that the 2016 Julius MRE was completed appropriately, and a valid basis for a valuation of the Julius gold project.

Potential of the Julius Gold Project

Available data for review included:

- Julius block model, juln1a.csv
- Open pit design wireframe, julius_stage1_design_v1.dxf
- Geology interpretation wireframe, XSolA1a.dxf
- Two ASX Announcements relating to the Julius scoping study results from June 2016, EAR_ASX_ScopingStudy.pdf and Echo ASX20160621 Echo delivers compelling scoping study for Julius.pdf
- A spreadsheet summary of the scoping study, julius_stage1_design_may2016.xls

Figure 4 shows the Julius scoping study final pit design, and block model. There is a significant portion of the block model outside of the pit design. Figure 5 shows the majority of the material outside the pit design is Inferred Resource. The study announcement states that there is considerable potential exist to mine additional gold resource at Julius. CSA Global agrees there is potential to extend the open pit, but cautions that considerable may be optimistic based upon the current drilling coverage, and grades within the Inferred material to the north of the pit design.

Further work will be required to advance the Julius project through pre-feasibility, and feasibility level studies to realise the mining potential of Julius. During these stages, detailed work will be required to optimise the staged pit designs with particular focus on "digability" of oxidised material, mine design parameters, fleet selection, mining rates, cut-back widths, and scheduling to optimise the cash flow of the mine.



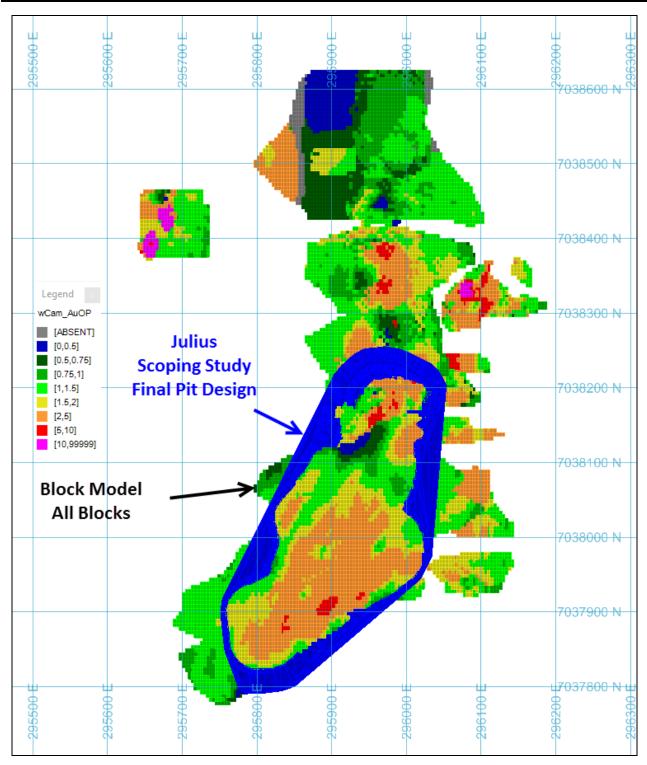


Figure 4: Plan view showing Julius scoping study final pit design, and block model showing grade.



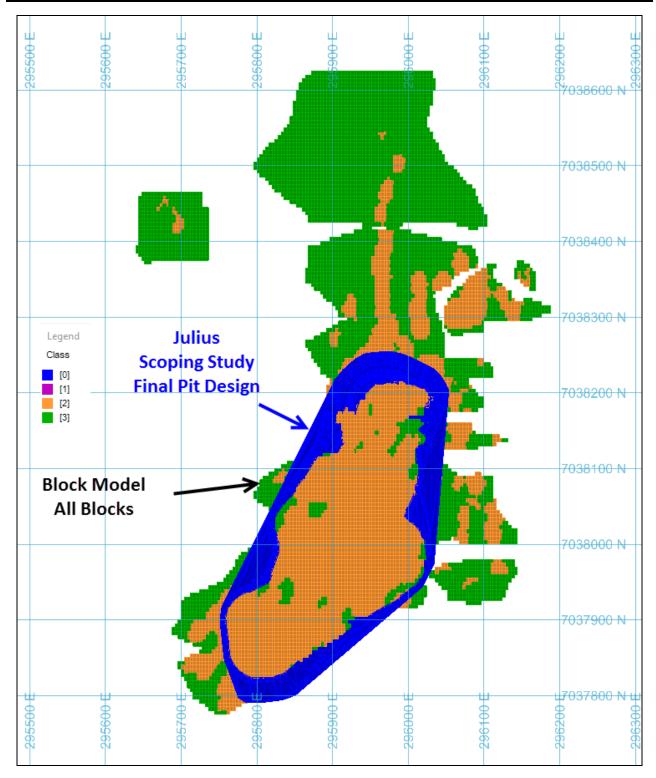


Figure 5: Plan view showing Julius pit.

Includes scoping study final pit design, and block model showing Resource category



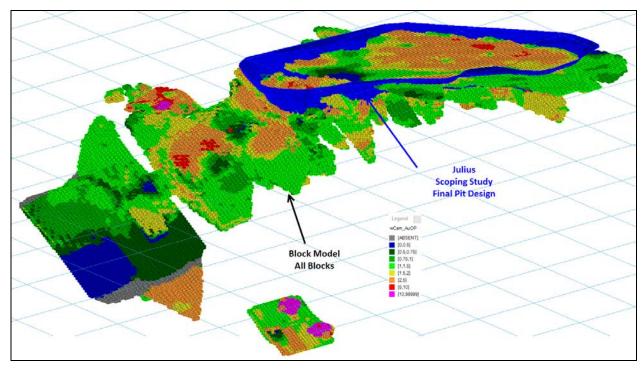


Figure 6: Isometric view of Julius pit.

Illustrating scoping study final pit design, and block model showing grade

The Scoping Study is considered to be a order of magnitude study of the potential viability of developing the project, and provides confidence to proceed to the next level of study. The conclusions of the Scoping Study are based on low-level technical and economic assessment, and the study is insufficient to support estimation of Ore Reserves or to provide assurance of an economic development case at this stage, or to provide certainty that the conclusions of the study will be realised.

CSA Global cautions that the assumption of free digging oxide material may be optimistic, and result in additional cost for the project. Other assumptions appear in line with industry standards, and a small scale open pit mine at Julius is likely to provide a positive cash flow.

Other Echo Regional Assets

Information relating to the regional Echo Mineral Resource in the Yandal belt were sourced from the 2006 Echo Initial Public Offering (IPO) prospectus (Echo, 2006). Bills Find, Shady Well, Orpheus, Empire, and Tipperary Well have combined Resources of 2,072,000 t at 1.5 g/t. Based upon drilling depths, and intercept depths from exploration reports, and Mineral Resource grades, these deposits have potential for small scale open pit mining operations.

Echo acquired a 70% interest in 4 tenements Yandal region in August 2016, which included the Lowlands and Slav Well deposits. These were reported in accordance with JORC 2004, and are considered to be nominally equivalent to Inferred resources.

At the time, these Mineral Resources were reported in accordance with JORC 2004, and classified as a combination of Indicated and Inferred Minerals Resources. They have since been reclassified as wholly Inferred Mineral Resources by Echo. No material work has been completed on these assets since 2006, and CSA Global are of the opinion that it is appropriate for these assets to be considered as nominal JORC 2004 estimates.

Any other assets within the Echo portfolio do not have enough information to make any statements regarding mining potential. Currently there is very low potential for underground mining at any of these regional assets due to the current low grades of the Resources.



4.2 Queensland Projects - Kidston

Echo's Kidston project is located 40 km south of Einasleigh in central Queensland and comprises one tenement (EPM17077) which surrounds the Kidston Gold Mine.

The Kidston Gold Mine produced over 3.5 Moz gold and was closed in 2001.

4.2.1 Historical Exploration and Mining

Gold mineralisation at Kidston is hosted by a breccia pipe that cuts the Palaeoproterozoic Einasleigh Metamorphics (interlayered, strongly foliated biotite gneisses and amphibolites) and the foliated to porphyritic, Silurian to Devonian Oak River Granodiorite.

Previous exploration around the Kidston mine operations focussed on identifying other "Kidston-style" breccia-hosted gold mineralisation. Exploration undertaken included regional stream sediment geochemistry, rock chip sampling, geological mapping, airborne geophysical surveys and limited percussion drilling.

4.2.2 Exploration potential

Analysis of historical exploration work has identified several areas warranting further investigation including Paddy's Nob (a coincident Au/Cu soil geochemical anomaly) and Gollum (a discrete 1 km elliptical magnetic anomaly).



5 Metaliko Assets

Metaliko's assets are located in Western Australia in the northeast and central portions in the Kalgoorlie Terrane of the Eastern Goldfields Superterrane. Its main asset is a contiguous group of tenements located in the northeast portion of the Kalgoorlie Terrane, centred around the Bronzewing mining infrastructure, covering approximately 75 km length of the Yandal belt.

Metaliko also has one Mining Lease and one Miscellaneous Licence in the central portion of the Kalgoorlie Terrane (Ant Hill).

5.1 WA Projects – Yandal Gold Province

5.1.1 Historical Mining & Exploration

Until the 1980s, the Bronzewing and Mt McClure areas had no previous history of significant exploration and mining for gold. Small-scale prospector workings are present to the north and northeast of Bronzewing at Old Bronzewing, Sundowner, Maitland and Corboys but total recorded historical production from these occurrences is less than 17,000 oz, of which 16,000 from the Corboys deposit. The nearest significant previously-known gold deposit is Darlot, approximately 100 km SE of Bronzewing.

Exploration activities in the area accelerated after 1984, when Cyprus Gold Australia Co, a subsidiary company of Amoco, and Arimco Mining NL (Arimco) reported rock chip sampling along outcropping ferruginous chert ridges up to 2.3g/t gold. Subsequent drilling programmes returned unfavourable results until 1987 when surface gold-in-soil geochemical anomalies were targeted by further drilling.

Further to the north, the larger Cockburn (Calista, Orelia and Cumberland) and Lotus deposits were subsequently identified by drilling at depth below alluvial cover. Australian Resources Ltd commenced mining in 1992, and the deposits were exploited as a series of open pits, including the Calista, Orelia, Lotus and Cockburn deposits in the north and the Success, Parmelia, Challenger and Dragon deposits along the Southwest Trend. Subsequent underground mining was also undertaken at Lotus. Ore from these deposits was treated through a mill at the Mt McClure mine site. Production from the Mt McClure series of deposits totalled almost 700,000 oz of which around 40% (4.4Mt at 1.9g/t Au for 268,000 oz) came from the Cockburn open pit. Australian Resources Ltd was placed into administration in 1999.

The operation was purchased by Normandy Yandal Operations (NYOL) in August 2000, and was integrated into the Bronzewing gold operation. Following NYOL's acquisition, production from the area amounted to approximately 0.12Moz, the majority of which was sourced from underground operations at Lotus Deeps. Minor production also took place from the Lotus South open pit (completed in March 2001) and various low grade stockpiles.

Outside of the immediate deposit areas, exploration by Arimco comprised extensive programmes of soil and rock chip sampling, geological mapping, grid-based RAB, aircore and follow-up RC percussion and diamond drilling. Much of the drilling was quite shallow with little deep exploration, below 100 m depth undertaken outside of the area of the major mines and prospects.

In 1989, Great Central Mines (GCM) entered into a joint venture agreement with local prospector Mark Creasy to explore several tenements within the Yandal greenstone belt. Initial success from surface geochemical sampling and follow-up regional drilling programmes was recorded in May 1992, with intersections of 4 m at 1.8 g/t gold from 44 m and 12 m at 1.1 g/t gold from 72 m within weathered basalt. These intersections were located over what subsequently became known as the Discovery Zone orebody, the first of several orebodies collectively referred to as the Bronzewing deposit.



Additional reverse circulation (RC) and diamond drilling in the area delineated three main bodies of gold mineralization at Bronzewing which became known as the Central, Discovery and Western Zones. In December 1994, gold production commenced from the Central and Discovery open pits and continued until 1996, when open pit mining ceased. In mid-1995 underground access was established at the base of the Central open pit and underground mining became the principal source of ore for the subsequent mining operation.

In 1997, Normandy Mining (Normandy) acquired a significant holding in GCM, and in 1999 purchased the Mt McClure (Cockburn) tenement package from the receivers of Arimco. Following this, in April 2000, Normandy acquired the remaining interest in GCM, and thus obtained full ownership of the broader Bronzewing project, including the deposits located at Mt McClure which were managed by NYOL.

In February 2002, following the successful takeover of Normandy, the Bronzewing project became owned and operated by Newmont Australia until View Resources Ltd (View) purchased the project in 2004. View was subsequently placed into Administration in February 2008.

By December 2003, Bronzewing had produced a total of 2.3 million oz of gold from open pit and underground operations, within an area of less than 2 km² and to a depth of 580m, at an average grade of 4.18g/t. The bulk of this production was from the Central and Discovery Zones.

In October 2009, Navigator Resources Ltd acquired the Bronzewing Gold project for \$9.55M plus \$6.45M in environmental bonds. In March 2010, Navigator recommenced mining operations at Bronzewing Central and Challenger South. Navigator was mining the Cockburn open pit in March 2013 when the company was placed into administration.

In June 2014, Metaliko acquired the Bronzewing Gold Project for \$3M in cash and 33,333,333 Metaliko shares (Transaction Value of \$1M). Since acquiring the project Metaliko have conducted exploration and resource definition programs at:

Regional	Extensive auger drilling and sampling program over multiple targets where
	there had been little effective drilling over the last 10 years.

Mandeline Well Nickel Sulphide Prospect	RC drilling comprising 8 holes for 1,592 m
Corboys	RC drilling comprising 85 holes for 5,059 m
Corboys North	RC drilling comprising 5 holes for 366 m
Woorana	RC drilling comprising 41 holes for 1,430 m
Anomaly 45	RC drilling comprising 18 holes for 1,685 m
Fat Lady	RC drilling comprising 12 holes for 882 m
Mt Joel 4800N	RC drilling comprising 24 holes for 1,428 m
Mt Joel 6100N	RC drilling comprising 3 holes for 236 m
Sundowner	RC drilling comprising 2 holes for 196 m
Greenstone Hill	RC drilling comprising 2 holes for 118 m
Tuscana	RC drilling comprising 5 holes for 170 m

5.1.2 Exploration Assets

For valuation purposes, the Metaliko's Yandal assets were divided into five groups based on spatial proximity and similar geological characteristics and referred in this document as Bronzewing, Mt McClure, Barwidgee, Yandal East and Other Yandal Tenements (a disparate group of tenements occurring in close proximity to the other groups or spatially separate from the other groups).



Barwidgee

The Barwidgee group of tenements comprises a linear package of tenements, 15 km northeast of Bronzewing, containing the Corboys, Mt Joel and Fat Lady deposits. The tenements cover 30 km of northnorthwest trending greenstone sequence comprising basalts interlayered with minor ultramafic rocks and some felsic volcanic rocks/volcaniclastic sediments along the western edge of the Yandal Greenstone Belt.

The area is characterized by expansive Quaternary sheet wash underlain by Tertiary palaeochannels. Within this extensive cover there is limited exposure of the underlying bedrock and this is where the prospects/deposits of Corboys and Mt Joel have been identified.

Immediately east of the tenement group is a major intra-belt shear zone, Ockerburry Shear Zone, this zone consists of a highly deformed sequence of felsic to intermediate volcanic and volcaniclastic rocks and lesser mafic extrusive and intrusive rocks. Gold mineralisation is associated with two generations of deformation along this regionally extensive shear zone.

Bronzewing

The Bronzewing group of tenements are centred around the Bronzewing deposits of Discovery, Central, Laterite, Western and Anzac. The tenements overlie a dominantly mafic-ultramafic sequence within a south-plunging antiform ("Hook Anticline").

The Bronzewing mine sequence comprises:

- Lower tholeiitic and high-magnesian pillow basalt (Sundowner Basalt)
- Komatiite (Eclipse Komatiite)
- Middle tholeiitic pillow basalt (Bronzewing Basalt)
- Upper tholeiitic basalt (Mad Fish Basalt)

The sequence is intruded by two units, the Bapinmarra Dolerite (a 200m thick layered subvertical to steeply east dipping sill which separates the Bronzewing and Mad Fish Basalts) and the Discovery Granodiorite (intrudes the Bronzewing basalt) approximately 250m east of the Bapinmarra Dolerite.

Mineralisation dominantly occurs within a north-trending corridor of heterogeneous strain between the Bapinmarra Dolerite and the Discovery Granodiorite. The mineralised corridor is hosted by the Bronzewing Basalt and is characterised by gold-bearing local shear wrapping around large, massive pods of undeformed basalts.

Mt McClure

The Mt McClure group of tenements comprises a linear package of tenements, 15 km west of Bronzewing, containing the Cockburn and Lotus deposits. The tenements cover 30 km of north-northwest trending greenstone sequence comprising ultramafic, tholeiitic basalts and dolerites, intermediate metavolcanics, fine grained sedimentary rocks and tuffs. The sequence dips sub-vertically near the Lotus deposit and progressively shallows towards the southwest in the Cockburn area. The sequence is intruded by three dolerite sills, Orelia and Cumberland dolerites in the Cockburn area, varying in widths from several metres to 100 m and the Lotus dolerite with a regular thickness of 150 m.

Gold mineralisation occurs within several geological units. At Lotus, mineralisation is hosted by the Lotus Dolerite and to a lesser extent by intermediate to mafic metavolcanics. At Cockburn, mineralization occurs in highly sulphidic, locally siliceous breccias (Calista lodes), tholeitic basalts (Calista and Orelia lodes) and intermediate to felsic volcaniclastic rocks (Cumberland lodes).

Gold mineralisation also occurs within strongly deformed (schistose) volcano-sedimentary rocks of felsic to mafic composition. This trend contains four mines (Parmelia, Challenger, Success and Dragon) and numerous soil anomalies over 15 km length. Mineralisation along this trend is associated with numerous quartz veins (up to 10 cm thick) sub-parallel to foliation.



Yandal East

The Yandal East tenements comprise an expansive contiguous group of tenements located 20 km southeast of Bronzewing, containing the Woorana North and Woorana South deposits.

The project lies at the southern end of the Archaean Yandal Greenstone Belt consisting of basalts intercalated with sediments and minor ultrabasic rocks. Dolerites and gabbros intrude the greenstones. Batholithic monzogranites and syenogranites bound the belt to the east and west separated from the greenstones by major fault zones, Celia Fault and Mt McClure Fault, respectively. An intrabelt south trending, shear zone, Ockerbury Shear Zone, is one of the growth faults from the time of the deposition of the supracrustal units. The Ockerbury Shear Zone is central to the Yandal East Project and consists of a highly deformed sequence that includes felsic to intermediate volcanic and volcaniclastic rocks and lesser mafic extrusive and intrusive rocks with some ultramafic units. Internal correlations within this zone are unclear.

5.1.3 Exploration Potential

Exploration within Metaliko's Yandal Project reached a peak in the 1990's after the discovery of the Bronzewing deposit. The area was drilled extensively with exploration strategies focussing on RAB and AC drilling to define geochemical anomalies in weathered bedrock. A 2007 review of the Bronzewing belt suggested that approximately 35% of the near surface drilling may not have adequately tested for bedrock gold mineralisation. This review also developed an updated structural model from which twelve regional targets were identified.

These two outcomes from the 2007 review combined with the sometimes broad spaced regional drilling and recent advancements in the general understanding of gold mineral systems suggests potential remains for further gold discoveries away from the known deposits.

5.2 Mineral Resources

Open pit Mineral Resources were estimated for the Cockburn, Corboys, Challenger and Mt Joel deposits and underground Mineral Resources at the Cockburn deposit in the Yandal region (Bronzewing Project); and open pit Mineral Resources at the Anthill prospect approximately 50 km north west of Kalgoorlie. Table 6 summarises the Metaliko Mineral resources.

Assessment of Metaliko's Mineral Resources is dependent on publicly sourced data from ASX releases, company archived reports and a small amount of project specific technical data. Significant amounts of project specific technical data were not available for CSA Global to review. Data associated with the Bronzewing project appears to have been poorly maintained; and the chain of custody disrupted by the several periods of high staff turnover when the project was under administration. Metaliko is in the process of re-building the project database, through exploration and resource definition programmes.

CSA Global has adopted a modified approach to the assessment of Metaliko's Mineral Resource estimates. It was not possible to apply the conventional approach of a rigorously detailed examination of data quality, and the processes associated with estimation, validation and classification, as the data was not available. CSA Global's approach is based instead on high level identification of any fatal flaws or material impacts on value based on what is reported, and can be directly observed by CSA Global in the limited available project specific technical data. This approach is follows through to the subsequent valuation stage, in the form of an appropriate level of discount to reflect the risk associated with this lack of verifiable certainty

Limited engineering data was available for the Metaliko Assets. The major assets a variety of block models, surface wireframes, optimisation shells, open pit designs, and data spreadsheets. Where available discussion is based around this data. For other assets CSA Global's discussion is based around drill hole intercept grades, depth from surface, and industry rule of thumb cut-off grades for open pit and underground mining methods.



Table 6: Metaliko Summary of Mineral Resources

	Measured				Indicated			Inferred			Total		
Deposit	Cut off	Tonnes	Grade	Gold	Tonnes	Grade	Gold	Tonnes	Grade	Gold	Tonnes	Grade	Gold
	Cut on	(kt)	(g/t)	(koz)	(kt)	(g/t)	(koz)	(kt)	(g/t)	(koz)	(kt)	(g/t)	(koz)
Metaliko (100%)													
Corboys ¹	1.0				1,676	1.8	97	468	1.9	29	2,144	1.8	125
Cockburn ¹	0.9				2,262	2.4	175	3,331	1.6	174	5,594	1.9	349
Woorana North ¹	0.5				256	1.7	14				256	1.7	14
Woorana South ¹	0.5				37	2.6	3				37	2.6	3
Cockburn LG Stockpile ²	0.5							380	0.6	7	380	0.6	7
Sub-Total					4,231	2.1	289	4,179	1.6	210	8,410	1.8	499
Metaliko (70%)													
Fat Lady ¹	0.5				687	0.9	20				687	0.9	20
Mt Joel 4800N ²	0.5				190	1.7	11				190	1.7	11
Mt Joel 1600N/2400N/300 0N ²	1.0							1,326	2.5	106	1,326	2.5	106
Mt Joel 800N ²	1.0							103	1.9	6	103	1.9	6
Mt Joel 00N ²	1.0							111	1.5	5	111	1.5	5
Sub-Total					877	1.1	31	1,539	2.4	117	2,417	2.1	148
Anthill ³					918	1.0	29	4,268	1.0	132	5,186	1.0	161
Total					5,108	1.8	320	5,718	1.9	327	10,827	1.9	6

Note 1 Refer To Metaliko Resources Limited, ASX 1/9/16 Yandal Gold Project Cockburn Update

Note 2 Refer to Navigator Annual Report, October 2012

Note 3 Refer to Metaliko Resources Limited ASX announcement 29/4/2011



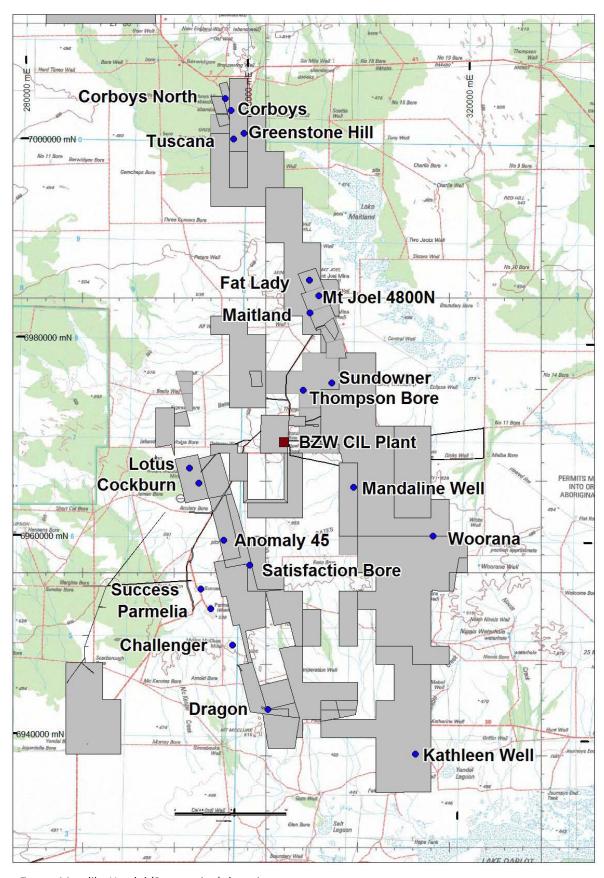


Figure 7: Metaliko Yandal (Bronzewing) deposits (source: Yandal Gold Project Cockburn Update - 1 September 2016" ASX Announcement 1 September 2016)



5.2.1 Corboys

Metaliko reported a MRE for the Corboys prospect (MKO, 2016) on 23 August 2016. CSA Global was able to review the estimated block model, and interpreted mineralisation wireframes. CSA Global's assessment was completed within these constraints, and reviewing JORC Table 1 sections 1-3 disclosure for the Corboys MRE. Metaliko released an initial MRE on 23 February 2015 (MKO, 2015), following acquisition of the Bronzewing project by Metaliko in 2014.

CSA Global has relied on the following summary data, and CSA Global's knowledge and experience of the controls of mineralisation in the Yandal greenstone belt to form an assessment of the data underpinning the validity of the Corboys MRE.

- "Yandal Gold Project Corboys Update" ASX Announcement 23 August 2016.
- "Corboys Gold Deposit Yandal Project Update Initial Resource Estimate" ASX Announcement 23
 February 2015.
- "Corboys Project, Resource Report Summary, 30 June 2016". Unpublished internal company report, prepared for Metaliko by Andrew Hawker, Principal Geologist, Hawker Geological Services Pty Ltd
- "Bronzewing Gold Project Information Memorandum, 29 April 2013" by PCF Capital Group.

Data

The estimation database and composites were not available for review. CSA Global assessment of the Corboys MRE data is derived from JORC Table 1 disclosure, and MRE reports as listed in the previous section.

The estimation was based on a combination of RC and diamond drilling data, approximately 1900 drill holes and 150,000 m of sampling (MKO, 2016). Sampling and logging was primarily in 1m intervals. Drill spacing was reported to be approximately 10m x 20m to an average depth of 100-300m. Aqua regia digest and fire assay techniques were used, no further detail was available. All drill collar locations were surveyed by Metaliko 's mine surveyor. Core and chip sample recovery were reported to be acceptable. QAQC procedures were described as acceptable.

JORC Table 1 sections 1 and 2 disclosure attached to the Corboys project update was reviewed (MKO. 2016). CSA Global was not able to verify data collection or quality of data, however there appears to be no fatal flaws evident in the procedures described, and CSA Global finds the practices described to be in line with generally accepted practices for mineralisation of this nature. Risk associated with the lack of verifiable data will be managed accordingly.

IN CSA Global's opinion,

- the documented processes for:
 - o drilling,
 - o data acquisition
 - o data management
- "if no, why not" disclosure in JORC Table 1 sections 1 and 2

for the Corboys gold project as exist, are sparse but of a sufficient standard to be acceptable as commensurate with contemporary industry practice. The quality of data as reported, is appropriately reflected in the Indicated and Inferred classification applied to the estimate.

CSA Global notes that exploration and resource definition drilling programme are planned, and recommends that detailed technical review of the data at appropriate stages is also completed.



Estimation

Corboys comprises multiple east dipping shoots, typically hosted by thin quartz veins/stockworks and shear zones. Widths of mineralisation range from 2-6 m, and up to 10-15 m in areas where there are cross structures. The host rock is typically granite, with significant tonnages also hosted within basalts and amphibolites. The deposit strikes NNW.

A database validated by Metaliko formed the basis for Metaliko 's interpreted mineralisation envelopes; the interpreted mineralisation envelopes were defined using a 0.1 - 0.2 g/t Au lower cut off to define the mineralised population. Metaliko subsequently contracted Hawker Geological Services (HGS) to update the initial February 2015 Corboys estimate (MKO, 2015). HGS were not required to validate the database supplied by Metaliko. HGS checked and modified the strings supplied by Metaliko, to improve adherence to the cut off criteria and for estimation structural consistency; no material geological re-interpretations were conducted by HGS.

HGS concluded that a 21 g/t Au top cut was appropriate following a review of statistics within the mineralisation envelopes. HGS estimated indicative variograms using data within the largest lodes to represent the main directions of lode geometry, and then applied the variogram parameters to smaller lodes in the same orientation. CSA Global endorses this approach, as long as the geological controls are sufficiently well understood and appropriate risk management in terms of the confidence categorisation is applied.

Density values to reflect the different weathering profiles were applied in the order of:

- Oxidised Basalt 2.26t/m³ Base of Complete Oxidation (BOCO).
- Oxidised Granite 2.46t/m³ material between the BOCO and Top of Fresh Rock (TOFR).
- Fresh Rock 2.76 t/m³ fresh rock material below TOFR, representing an average of fresh basalt and granite density.

Block model block sizes were $20 \text{ m} \times 10 \text{ m} \times 5 \text{ m}$ on northing, easting and elevation, with sub-blocking to $5 \text{ m} \times 1.25 \text{ m} \times 1.25 \text{ m}$. The model was estimated using Ordinary Kriging (OK) and Inverse Distance (ID2 and ID3) techniques were used for comparative check estimates. HGS reported acceptable correlations between the different estimates; visual validation comparing input data and estimated model grades in sections also provided acceptable correlations. The estimation was classified as a combination of Indicated and Inferred Mineral resources (Table 6).

CSA Global were able to review the block model in three-dimensional space using mining software, however no estimation composite files or databases were available for more detailed validation. Disclosure in Table 1 section 3 was reviewed and no fatal flaws were evident. CSA Global is prepared to accept the Corboys model is fit for purpose to underpin the valuation exercise, with appropriate risk management (discounting) for uncertainty.

Cut off

The Corboys model was reported above a 1.0 g/t Au cut off. CSA Global finds this to be a suitable cut off to reflect the potential for eventual economic extraction.

Potential

Available data for review included:

- Corboys block model, coreboys_june2016.mdl (sic)
- Interpretation wireframes
- Pit optimisation shell, Scenario1_shell35.dxf
- Spreadsheet with multiple optimisation results, Corboys Optimisation August 2016.xlsx

ECHO RESOURCES LTD

Valuation of the Mineral Assets of Echo Resources and Metaliko Resources



The optimisation shell is comprised of several medium sized pits interspaced with several smaller pits. The parameters used in the optimisation scenarios are reasonable and in line with industry costs for open pit mining of this scale. The revenue factor (RF) 1 shells from the five scenarios return shell grades ranging from 1.50 g/t to 1.69 g/t, suggesting that Corboys can be mined with open pit mining methods. The block model and optimisation shell are shown in Figure 8 and Figure 9.

Based upon the block model grades, and interpretation wireframes, there is potential upside mining in both strike, and depth. Based upon the observed grades in the block model, currently there is limited potential for underground mining at Corboys.



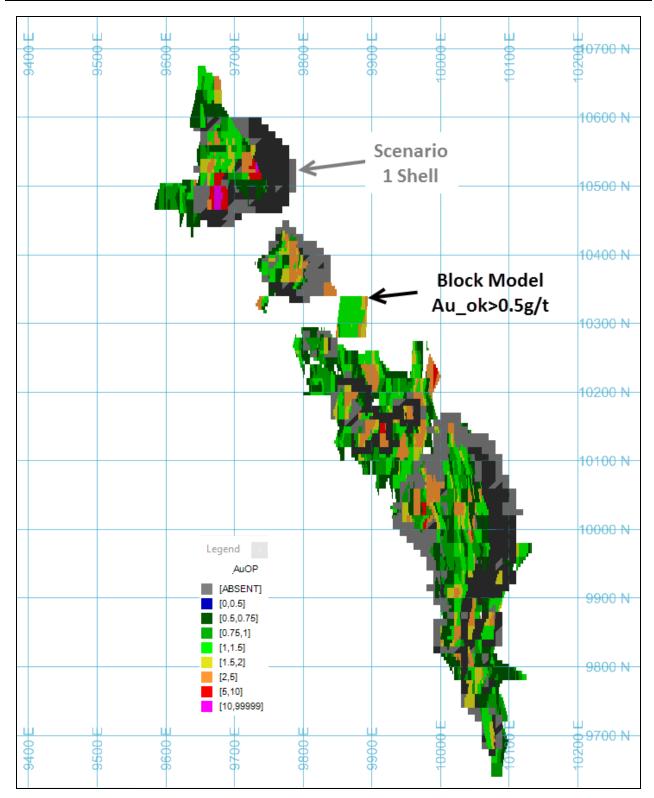


Figure 8: Plan view of Corboys pit

Illustrating pit optimisation and block model > 0.5 g/t.

North is top of page.



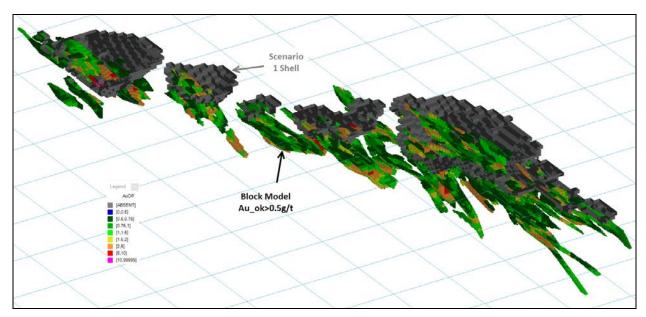


Figure 9: Isometric view looking north east of Corboys pit.

Illustrating pit optimisation and block model > 0.5 g/t.

5.2.2 Cockburn

• The Cockburn deposit comprises 3 mineralised systems: Orelia, Calista and Cumberland. Orelia is essentially the northern extension of Calista, and Cumberland is a mineralised zone parallel to Orelia and Calista, 80-100 m to the east.

Metaliko have noted (MKO, 2016) that since 2007, the Cockburn mining operations encountered challenging grade control conditions with both View Resources (Calista underground decline) and Navigator (Orelia - Cumberland open cut) reporting variable and negative outcomes when attempting to reconcile the production figures with the resource/reserve estimates. Cockburn has been on care and maintenance since mining ceased in March 2013 (with the appointment of receivers to Navigator Resources, the operator of Cockburn at the time).

CSA Global notes Metaliko recognises issues of reconciliation difficulties between reserves and recovered gold associated with Cockburn since 2007, and has plans to address these issues prior to any recommencement of mining. Issues requiring attention include structural complexities, visual control of ore mining and the need to produce adequate feed to sustain the treatment plant. Work planned but not yet completed include core reviews, pit inspections, ore character sampling and gold deportment work, and the estimation of a new MRE.

CSA Global was able to review the current MRE block model, and the estimation database, however no mineralisation wireframes were available. CSA Global's assessment was completed within these constraints, and reviewing JORC Table 1 sections 1-3 disclosure for the Cockburn MRE. CSA Global has also relied on the following summary data, and CSA Global's knowledge and experience of the controls of mineralisation in the Yandal greenstone belt to form an assessment of the data underpinning the validity of the Cockburn MRE.

The following public and unpublished company reports were also provided to CSA Global:

- "Yandal Gold Project Cockburn Update 1 September 2016" ASX Announcement 1 September 2016.
- "Bronzewing Gold Project Information Memorandum, 29 April 2013" by PCF Capital Group.
- "Cockburn Resource Estimate Summary Letter". Unpublished company report, prepared by Simon Coxhell of CoxRocks Pty Ltd for Metaliko, 12 November 2015



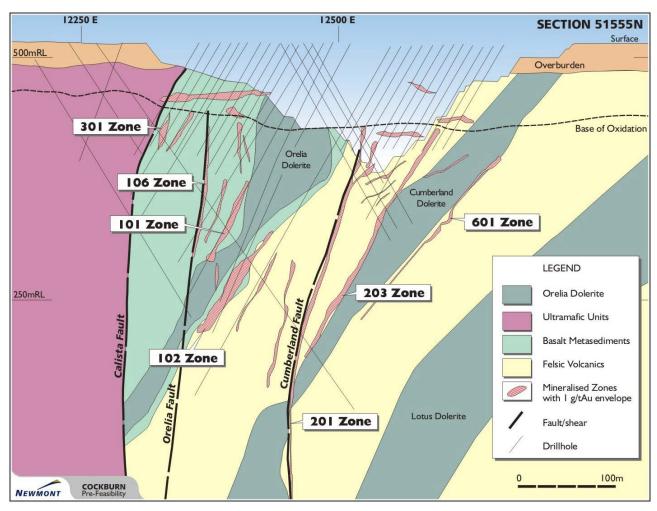


Figure 10: Cockburn schematic geology

Cross-section 51555N, showing Orelia Fault, and Orelia and Cumberland mineralised zones, Calista is to the south. (source: Yandal Gold Project Cockburn Update - 1 September 2016" ASX Announcement 1

September 2016)

Data

The Cockburn estimation database was provided for CSA Global's review; however, no estimation wireframes or composite data were available. The estimate was reported as based on all drilling completed at Cockburn including all the grade control data.

There are issues with missing data and incomplete datasets over the history of Cockburn prospect, and the Bronzewing database in general. CSA Global notes that Metaliko are in the process of verifying existing data and is continuing to develop an understanding of the controls on mineralisation. Visual review of the data revealed no issues that would render it impossible to assess Cockburn at an overview level; CSA Global is prepared to accept the database as a valid source of estimation data for the Cockburn MRE as it stands.

Cockburn is currently drilled on an average 10–20 m x 20 m to an average depth of 100–300 m, CSA Global notes that this is cited as support for the classification of Indicated/Inferred resources at Cockburn. The level of uncertainty associated with the data, is in CSA Global's view, cause to re-consider the current confidence categorisation, until data verification is further progressed and the uncertainty better quantified.



Estimation

The Cockburn deposit has been mined by several companies over the past 20 years, the current pit floor approximately 120 m below surface on the 400 m RL.

Metaliko describes the gold mineralisation as associated with quartz veins in stock works and fracture zones. The mineralisation zones were defined using interpreted geology, and a 0.3 g/t Au mineralisation cut off. The mineralisation strikes approximately 1,900 m, with dip varying from 45–85° to the west, the total mineralisation packet is up to 350 m in width (of all domains) and extends to a depth of approximately 370 m. The mineralisation is contained within multiple lodes from between 5-40 m thick. The mineralisation appears to remain open at depth, with potential for strike extensions.

Grades were estimated using an inverse distance squared (ID2) approach and 1 m assay composites into 5 m x 5 m x 5 m model blocks. A 20 g/t top cut was applied to composites. Up to 3 m internal dilution (<0.3 g/t) was included. Densities of 2.0, 2.4 and 2.7 t/m³ were applied for oxide, transitional and fresh rock respectively.

It was not clear if mineralisation was estimated only within interpreted mineralisation envelopes, or is the estimate was unconstrained. Visual examination by CSA Global suggests that it was an unconstrained estimate that was subsequently reported within interpreted mineralised envelopes to reflect higher confidence (Indicated) blocks and the remainder classified as lower confidence Inferred blocks.

CSA Global has reviewed the block model visually, and finds that the estimate has an acceptable level of correlation between drill hole data and block grades. No further validation was possible. CSA Global is prepared to accept that the estimation has been completed to a sufficient standard for the purpose of this valuation, with allowances made for the current uncertainty.

Cut off

The estimate was reported above 0.9 g/t, which is in CSA Global's opinion, an acceptable cut off to reflect a proposed open pit mining method.

Potential

Available data for review included:

- Cockburn block model depleted for previous mining activities, COBM_TR_0.9_Unmined.DAT
- Open pit design wireframe, CockburnFileDesign.dxf
- Open pit currently mined surface wireframe, CockburnPit April2013.dxf

Cockburn has an existing single pit, mined to a depth of approximately 130 m from surface, as show in Figure 11. The existing pit design extends the northern section of the pit a further 110 m in depth, as shown in Figure 12. The majority of the material remaining to be mined within the pit design is easily accessible. Based upon measurements of the pit design, and conforming as built surface, the dimensions of haul roads and benches are reasonable for medium scale open pit mining operations. With no supporting documentation, CSA Global cannot comment on the validity of the other assumptions used in the design.

Figure 13 shows an isometric view of Cockburn highlighting the additional material outside the current pit design. There are several areas where mining widths drop below 30 m at the northern and southern extremities that may prove difficult to mine. Figure 14 to Figure 16 show representative sections through the design and as built pit surfaces. Based upon the observed block model grades, and historical mined grades, there is potential for both strike, and depth extension of the current open pit design to capture additional material.

There is some high grade, greater than 8 g/t, blocks within the block model at depth. However, the low overall grade, less than 2 g/t, suggests underground mining is unlikely at Cockburn.



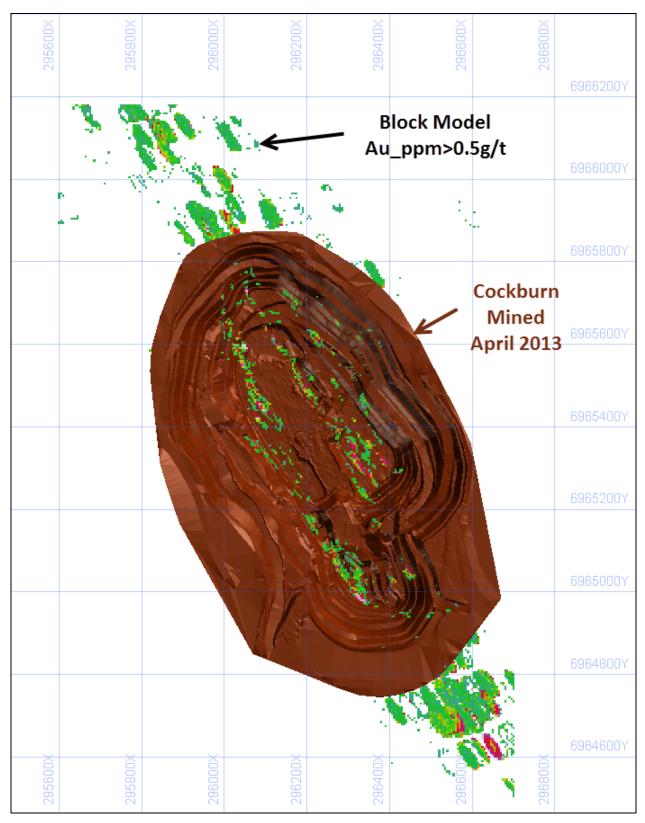


Figure 11: Plan view of Cockburn pit
Illustrating existing pit and block model au_ppm > 0.5 g/t.



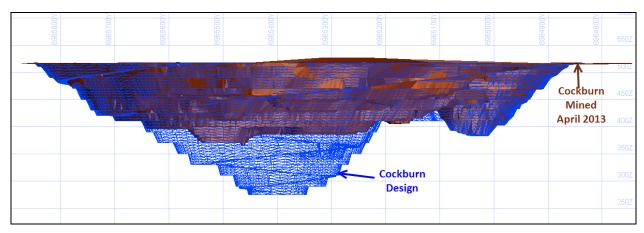


Figure 12: Cockburn elevation looking east Illustrating current mined surface and pit design.

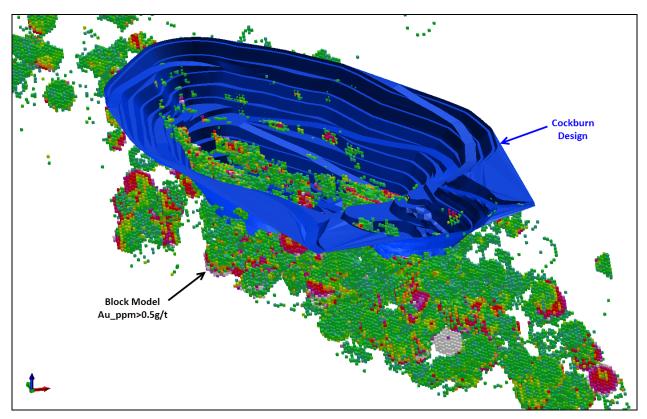


Figure 13: Isometric view looking north east, Cockburn open pit. Illustrating design and block model au_ppm > 0.5 g/t.



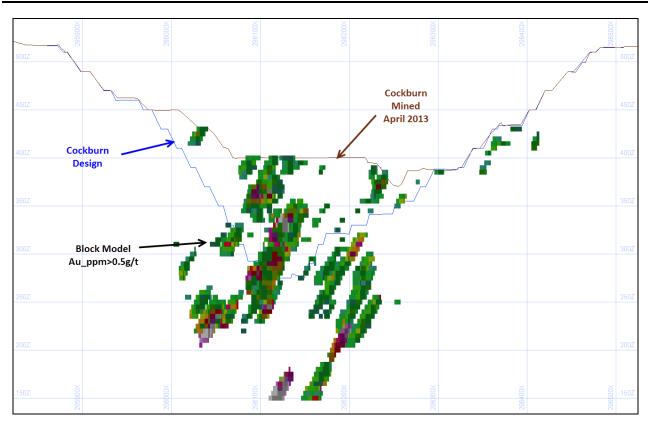


Figure 14: Cockburn Pit northern section view looking north west Illustrating Cockburn open pit as built, design and block model auppm > 0.5 g/t.

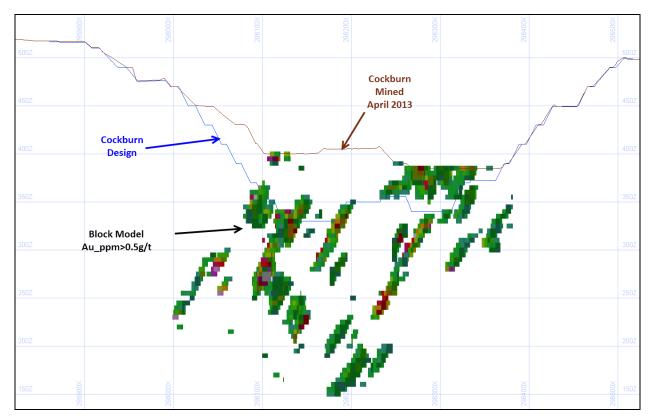


Figure 15: Cockburn open pit, Middle section view looking north west Illustrating as built, design and block model Au_ppm > 0.5 g/t.



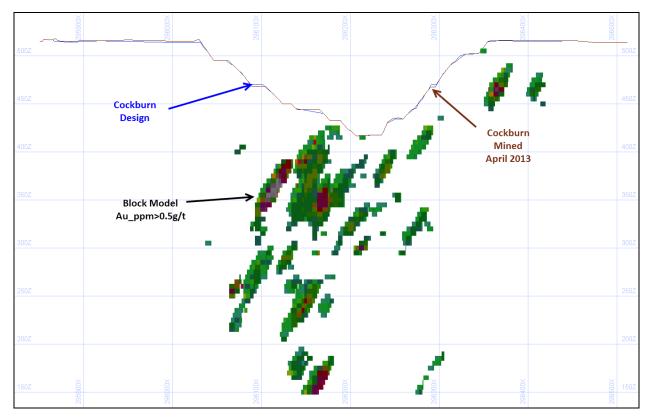


Figure 16: Cockburn open pit, southern section view looking north west Illustrating as built, design and block model Au ppm > 0.5 g/t.

5.2.3 Other Metaliko Assets

The Mount Joel project is comprised of several tenements with a combined Resource of 2,470,980 t at 2.30 g/t.

The Woorana project is comprised of several tenements with a combined Resource of 292,700 t at 1.80 g/t.

Based upon drilling depths, and intercept depths from exploration reports, and Resource grades, these projects have potential for small scale open pit mining operations.

The Fat Lady project has a Resource of 982,000 t at 0.89 g/t. Based upon drilling depths, and intercept depths from exploration reports, and Resource grades, the Fat Lady project has limited potential for small scale open pit mining operations. If open pit mining does occur, there would be low Resource to Reserve conversion.

Any other assets within the Metaliko portfolio do not have enough information to make any statements regarding mining potential. Currently there is very low potential for underground mining at any of these additional assets due to the current low grades of the Resources.

5.3 WA Projects - Anthill Project

Anthill Project comprises one mining lease located in the Coolgardie Domain of the Kalgoorlie Terrane just to the west of the Zuleika Shear Zone, approximately 55 km northwest of Kalgoorlie and 12 km southwest of Ora Banda. The Zuleika Shear Zone is a regionally extensive structural feature, highly prospective for gold with several significant deposits located 30 km southeast of the Anthill Project, Kundana Mine Camp (>5 Moz) and Frog's Leg (>1 Moz).

Gold mineralisation within the Anthill Project occurs as quartz stockwork lodes within a porphyry unit. Mineralisation is considered to be open in most directions.



5.3.1 Historical Mining & Exploration

The region and project area have been explored since gold was first discovered in Kalgoorlie in 1893. This early phase of exploration is clearly evident throughout the area as numerous pits, shallow shafts and more substantial underground workings.

From available records, modern day exploration was sporadic through the 1960's and 1970's dominantly being undertaken by individual prospectors and some junior companies.

In 1986, soil sampling by Noranda Australia Limited identified a soil anomaly with results up to 2,560 ppb Au. From drilling, Noranda recognised two zones of gold mineralisation, a low grade surficial zone and a deeper higher grade zone, separated by a zone of leaching. Mineralisation was interpreted to be best developed adjacent to a mafic/metasedimentary contact.

Pioneer Minerals Australia gained the tenement in 1988 and RC and diamond drilling showed that the majority of mineralisation occurred in highly altered variolitic pillow basalts. Mineralisation was associated with alteration comprising pronounced silicification, dolomite, chlorite, minor sericite with pyrrhotite and pyrite. The alteration and related gold mineralisation was concentrated in a zone of increased shearing approximately 25 m wide, striking 130° and dipping 70° E. This mineralised structure was interpreted to be composed of a series of shears separated by more massive highly altered intervals and crosscut lithological contacts.

In 1998, Homestake Gold of Australia acquired the project and recognised that gold occurred predominantly within massive, planar quartz-carbonate veins and also within weakly to moderately foliated, bleached, carbonate-chlorite-sericite-pyrite-pyrrhotite altered variolitic pillow basalts. They also noted that holes angled at 60° towards 230° appeared to intersect the mineralised zones approximately perpendicular to the strike and best display individual zones/lodes.

In 2010, the Anthill project was included in the IPO listing of Metaliko, since listing Metaliko continued to evaluate the Ant Hill mineralisation through the completion of 3,710m of drilling.

5.3.2 Exploration Potential

Evaluation of the Anthill project by Metaliko has confirmed a zone of quartz stockwork hosted gold mineralisation measuring 100m in diameter near surface to around 150m in diameter approximately 100 metres below surface. Historical drilling has intersected mineralisation up to 200 m below surface. Recent geological review of the Anthill project has highlighted follow-up targets adjacent to known resource. Figure 17 illustrates the location and geological setting for Anthill.



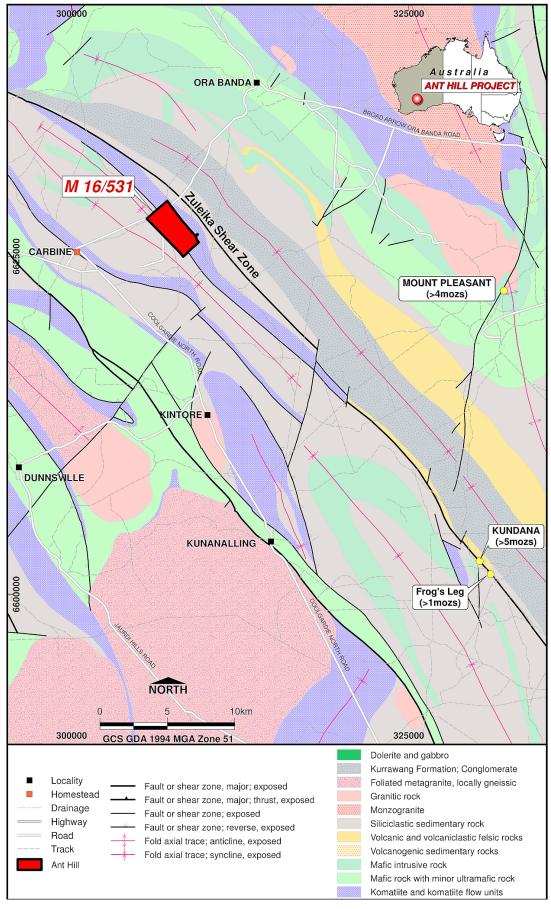


Figure 17: Anthill Project Location and geology



5.3.3 Resources

Anthill is located in the Eastern Goldfields of Western Australia, approximately 54 km northwest of Kalgoorlie, in the Zuleika Shear Zone. Gold mineralisation occurs predominantly within massive, planar quartz–carbonate veins and also within lesser, sheared, bleached, carbonate–chlorite–sericite–pyrite–pyrrhotite altered mafic rock and granodiorite. The model was estimated in 2011, and reported in accordance with JORC 2004 ().

The MRE was a Leapfrog style model, using 0.3 g/t Au to reflect a low grade stockwork envelope. The estimate relied on 4893 1 m composites, top cut to 20 g/t Au. Grade were estimated into 10 m x 10 m x 2.5 m model blocks, using ordinary kriging, and classification was completed based on slope regression, distance from data and depth below surface. Densities were assigned on the basis of oxidation level (fresh, 2.6 t/m^3 and transitional and oxidised combined for 1.8 t/m^3).

The MRE was reported above a 0.5 g/t Au cut off, to reflect open pit extraction. CSA Global agrees that this this cut off is appropriate.

CSA Global have briefly reviewed the block model and database. The estimate and data show an acceptable; degree of correlation. The MRE represents a preliminary approach to modelling the Anthill deposit, and is reported in accordance with JORC 2004. We do not endorse the historical Indicated classification which was applied to the estimate in 2011; we are of the opinion that an Inferred classification is more appropriate in the contemporary JORC 2012 environment, to represent the level of uncertainty in the Anthill MRE.

Potential

Available data for review included:

- Anthill block model, AntOBMFinal.DAT
- An unnamed open pit optimisation shell
- A basic spreadsheet cost analysis for Anthill, AntHillOBMPlus320RL Scoping Study.xls
- The available data is shown in Figure 18. The block model has a percentage mineralisation field. Most of the material within the block model is above 70% mineralised according to this field. The contained grade within in the shell is approximately 1.4 g/t, suggesting a low grade open pit may be possible. The block has some blocks above 2.0 g/t, as shown in Figure 19, that suggests there may be some potential mining at depth for open pit mining methods, but not likely for underground mining methods.
- The spreadsheet cost analysis was completed in August 2012, based upon the data dates contained within. The costs are in the order of accuracy for a high level concept style study. At a gold price of \$1,600 per ounce, it suggests a higher grade option with the shell of 2.5 g/t may be economic to mine. No capital costs have been included in the spreadsheet.



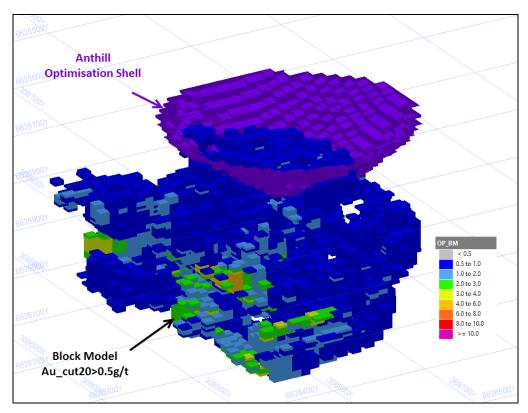


Figure 18: Anthill, isometric view looking south west of Anthill Illustrating block model Au_cut20 > 0.5 g/t and optimisation shell.

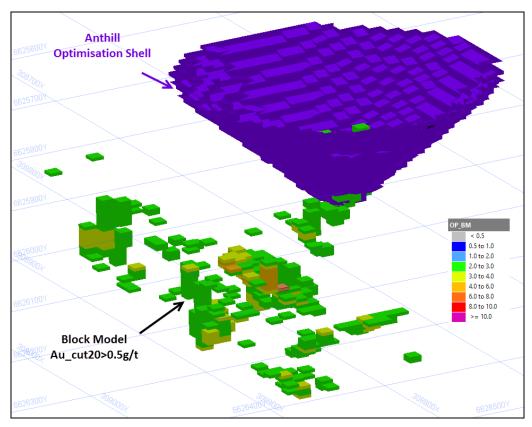


Figure 19: Anthill, isometric view looking south west Illustrating block model Au_cut20 > 2.0 g/t and optimisation shell.



6 Valuation

Valuation of Mineral Assets is not an exact science; and a number of approaches are possible, each with varying positives and negatives. While valuation is a subjective exercise, there are a number of generally accepted procedures for establishing the value of mineral assets. CSA Global consider that, wherever possible, inputs from a range of methods should be assessed to inform the conclusions about the Market Value of Mineral Assets.

The valuation is always presented as a range, with the preferred value identified. The preferred value need not be the median value and is determined by the Practitioner based on their experience.

Refer to Appendix 2 for a discussion of Valuation Approaches and Valuation Methodologies, including a description of the VALMIN classification of Mineral Assets.

The Valuation Basis employed by CSA Global is Market Value, as defined by the VALMIN Code (2015). The Valuation Date is the 9th of September 2016. The currency is Australian Dollars.

6.1 Previous Valuations

CSA Global is not aware, nor have we been made aware, of any previous valuations completed on the combined tenement portfolio of Echo and Metaliko. Valuations have been conducted on various parts of the assets at various times. The Metaliko Yandal assets were acquired from receivers for Navigator Resources under administration. These assets were in turn acquired by Navigator Resources from the receivers for View Resources. CSA Global have elected not to consider valuations associated with these transactions as we are of the opinion that they were not transactions between a willing buyer and a willing seller in an arm's length transaction.

6.2 Assets included in the Valuation

Echo's core projects are the Yandal Gold-Nickel Project in the Yandal Gold Province of Western Australia, and the Kidston-Gold Project in Central Queensland. Echo's Julius Gold Discovery is located approximately 55 km southeast of the Jundee Gold Mine. Julius is a virgin discovery under 9 m of unmineralised colluvium, within a package of prospective lithologies extending southwards from Jundee.

Metaliko assets include the Yandal Gold Project located in the North Eastern Goldfields of Western Australia which comprises the Bronzewing milling/CIP facility, a 280-room village, associated production infrastructure, mineral resource estimates for Cockburn, Corboys, Anthill, Mount Joel, Woorana, and Fat Lady prospects and exploration tenements in Barwidgee, Yandal East, Bronzewing, Cockburn/Lotus, miscellaneous Yandal tenements, and around Anthill in the Kalgoorlie region. The value of the plant and equipment are discussed in Appendix 6 of this report.

6.3 Valuation Approach

A schedule of the tenements valued is provided in Appendix 1. CSA Global considered the exploration/development stage of each project in deciding what valuation methods would be suitable in assessing the value of each project area (Table 7).



Table 7: Exploration Stages and Valuation Methods used for each project

Company	Project	Stage	Primary Valuation Method	Secondary Valuation Method	
	Exploration tenements	Early/Advanced Exploration	Kilburn	Area	
EAR	EAR Mineral Pre-D	Pre-Development	Transactions	Yardstick	
	Exploration tenements	Early/Advanced Exploration	Kilburn	Area	
Metaliko	Mineral Resources	Pre-Development	Transactions	Yardstick	

^{# 100%} basis

The unusual circumstances around the loss of all of Echo's hard copy data and digital data records coincident with a period of significant corporate upheaval and change (Echo, 2 May 2016), has reduced the Echo data available for CSA Global's review to primarily public domain data, and partial packages of project specific technical data. There is a similar paucity relating to Metaliko data available for technical review. CSA Global has relied on this combination of publicly available data and partial technical data, plus the collective in-house knowledge of personnel involved in this Technical Assessment and Valuation to establish the basis for our work. An appropriate level of discounting in the form of a multiplier was applied to manage this level of uncertainty. Table 8 summarises the ranked Mineral Resources in terms of relative levels of confidence for data, estimation and prospectivity.

Table 8: Ranked assets

Company	Asset	Rank	Multiplier
EAR	Julius	8	0.8
EAR	Lowlands	3	0.3
Metaliko	Cockburn	7	0.7
Metaliko	Corboys	6	0.6
Metaliko	Anthill	3	0.3
Metaliko	Mount Joel	5	0.5
Metaliko	Woorana	4	0.4
Metaliko	Fat Lady	2	0.2
ECHO & Metaliko	Remaining mineral resources	3	0.3

6.4 Market Approach – Analysis of Comparable Transactions

6.4.1 Gold Market

The gold price history in A\$/oz for the past five years is illustrated in Figure 20. The spot price peaked just below A\$1,800/oz in September 2011, and bottomed out below A\$1,400/oz from mid-2013 to late-2014. From early 2015 to September 2016, the gold price has slowly improved to around A\$1,800/oz once again. The average gold price for August 2016 was A\$1,751.29/oz, and the spot price on the 23rd of September 2016 was A\$1,747.97/oz. CSA Global therefore believe that there has been a marked change in the local Australian gold market between the period 2011-2014 and 2015 onwards. This variation in the gold price over time highlights the need to normalise implied transaction prices when considering transactions over this time period.



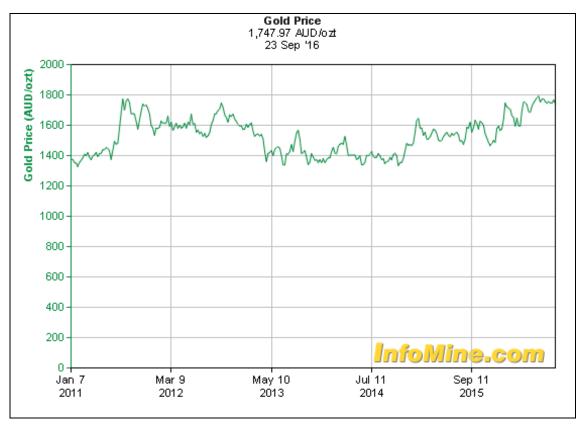


Figure 20: Five-year Gold price history Source: www.InfoMine.com

6.4.2 Transactions

In analysing the transactions, all amounts were converted to A\$ where necessary, at the relevant exchange rate at the time of the transaction announcement. Share considerations were treated at a 10% discount to cash, and share prices at the time of the transaction were considered, unless the shares were issued at a particular deemed price. Contingent payments were discounted, and the timing of payments was also considered.

The transactions considered were announced post-January 2010, and sufficient information on the transaction and material projects were available in the public domain for the analysis of the transactions.

Australian gold resource transactions

CSA Global considered a database of 49 Australian gold resource transactions between January 2011 and September 2016. Based on the change in Australian market conditions late 2014, CSA Global concentrated on the 24 transactions announced between January 2015 and September 2016 for which sufficient information was available in the public domain to enable analysis. These transactions are summarised and analysed in Appendix 3.

Five of these 24 transactions were excluded as they involved resource bases significantly below 100,000oz, and were therefore not deemed comparable to the mineral asset package being considered. A further three transactions were excluded as not sufficiently comparable as they involved operating or producing mines.

When considering the 16 remaining transactions (Figure 21), the implied transaction prices range from A\$2.32/oz to A\$26.28/oz, with a median of A\$5.75/oz, a mean of A\$7.18/oz and a weighted average of A\$7.74/oz. When normalised to the average August 2016 gold price of A\$1,751.29/oz, this changes to a



range of A\$2.65/oz to A\$30.27/oz, with a median of A\$6.32/oz, a mean of A\$8.00/oz and a weighted average of A\$8.67/oz.

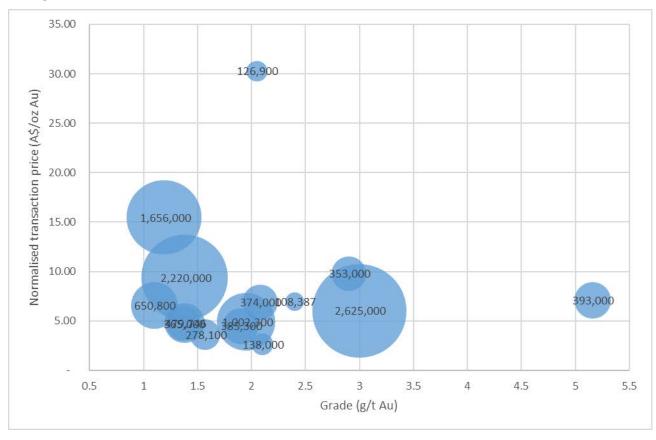


Figure 21: Australian gold resource transactions between January 2015 and September 2016
Bubble size proportional to Au Resource oz at time of transaction

From this analysis of comparative transactions, CSA Global concludes that reasonable valuation factors for the declared resources of Echo and Metaliko would be a low factor of A\$6.30/oz, a high factor of A\$10.00/oz and a preferred factor of A\$8.50/oz.

The valuation factors derived above, together with the resource rankings and multipliers derived from the technical review, were applied to the declared resources of Echo and Metaliko. A summary of the valuations is presented in Table 9.



Table 9: Summary of the Comparative transactions based Valuations of the ECHO and Metaliko projects

	Location	Ind/Inf Oz Au (koz)	Rating	Preferred (A\$M)	Low (A\$M)	High (A\$M)
	Corboys	125.0	0.6	0.64	0.47	0.75
DDONIZEVANIALO NAVO	Cockburn	349.0	0.7	2.08	1.54	2.44
BRONZEWING MKO RESOURCES SEPTEMBER	Cockburn Low Grade Stockpile	7.5	0.3	0.02	0.01	0.02
2016	Woorana North	13.8	0.4	0.05	0.03	0.06
2010	Woorana South	3.1	0.4	0.01	0.01	0.01
	Total In situ Resource at BZW	498.7		2.8	2.1	3.3
	Fat Lady	19.7	0.3	0.05	0.04	0.06
	Mt Joel 4800N	10.6	0.5	0.05	0.03	0.05
BRONZEWING MKO_CREASY	Mt Joel 1600N/2400N/3000N	105.7	0.5	0.45	0.33	0.53
JV RESOURCES SEPTEMBER	Mt Joel 800N	6.3	0.5	0.03	0.02	0.03
2016 (BZW 70% Equity)	Mt Joel 00N	5.2	0.5	0.02	0.02	0.03
	Total JV Insitu Resource at BZW	147.6		0.6	0.4	0.7
Global BZW Insitu Resource (SEPT 2016)	Ounces adjusted for 70% equity	646.3		3.4	2.5	4.0
	Julius	226.0	0.8	1.54	1.14	1.81
ECHO RESOURCES	Echo Regional	99.9	0.3	0.25	0.19	0.30
SEPTEMBER 2016	Lowlands (70% Interest)	18.6	0.3	0.05	0.04	0.06
	Total Insitu Resource ECHO	344.0	-	1.8	1.4	2.2
GLOBAL FIGURES:	COMBINED ENTITY	990.8		5.2	3.9	6.2

Derived Resource Valuation factor: low A\$6.30/oz, high A\$10.00/oz, preferred A\$8.50/oz
The valuation has been compiled to an appropriate level of precision and minor rounding errors may occur



Australian gold exploration ground transactions

CSA Global considered a database of 25 Australian gold tenement transactions between September 2010 and September 2016. Based on the change in Australian market conditions late 2014, CSA Global concentrated on the 11 transactions announced between January 2015 and September 2016 for which sufficient information was available in the public domain to enable analysis. These transactions are summarised and analysed in Appendix 3.

Four of these 11 transactions were excluded as they involved small, focused tenement packages of less than 50 km², and were therefore not deemed comparable to the mineral asset package being considered.

When considering the seven remaining transactions (Figure 22), the implied transaction prices range from A\$1,078/km² to A\$2,504/km², with a median of A\$1,680/km², a mean of A\$1,599/km² and a weighted average of A\$1,306/km². When normalised to the average August 2016 gold price of A\$1,751.29/oz, this changes to a range of A\$1,068/km² to A\$2,860/km², with a median of A\$1,780/km², a mean of A\$1,680/km² and a weighted average of A\$1,346/km².

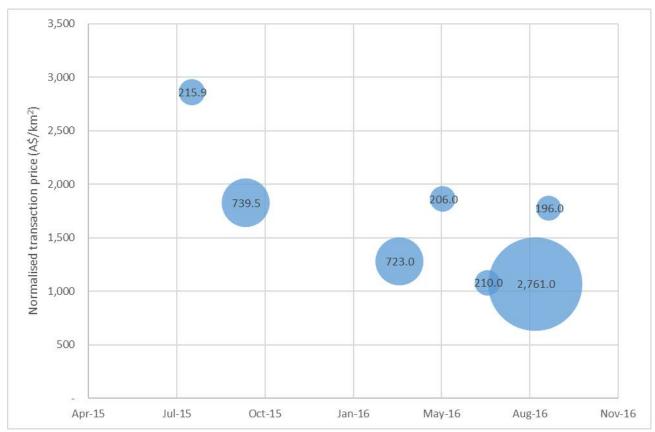


Figure 22: Recent Comparative Gold Exploration Area Transactions

Bubble size proportional to area of tenure at time of transaction

CSA Global compared these statistics to the statistics derived from the 7 comparable transactions from the period September 2010 to December 2014, and found that there was a significant difference, with transaction values in general being higher in the earlier period of time.

From this analysis of comparative transactions, CSA Global concludes that reasonable valuation factors for the exploration ground of Echo and Metaliko would be a low factor of A\$1,000/km², a high factor of A\$3,000/km² and a preferred factor of A\$1,650/km².



The valuation factors derived above were applied to the exploration ground holdings of Echo and Metaliko. A summary of the valuations is presented in Table 10.

Table 10: Summary of Valuation considering Comparative Area Transactions

Company	Area (km²)	Low (A\$M)	Preferred (A\$M)	High (A\$M)
EAR	1104	1.1	1.8	3.3
MKO	895	0.9	1.5	2.7
Total	1999	2.0	3.3	6.0

Derived area valuation factors: low A\$1,000/km², high A\$3,000/km², preferred A\$1,650/km²

The valuation has been compiled to an appropriate level of precision and minor rounding errors may occur.



6.5 Geoscience Factor Analysis – "Kilburn Method"

The Geoscientific Factor Method of valuation requires the consideration of those aspects of a mineral property which enhance or downgrade the intrinsic value of the property. The first and key aspect of the Geoscientific Factor method described by Kilburn (1990) is the derivation of the Base Acquisition Cost ("BAC") that is the basis for the valuation. Goulevitch and Eupene (1994) discuss the derivation of BAC. The BAC represents the average cost to identify, apply for and retain a base unit of area of tenement.

- A BAC for West Australian exploration licences has been estimated using the following data:
- Based on the WAMEX database of active Prospecting Licences and Retention Licences in West Australia
 as of August 2015 and the West Australian mining code, it is determined that the average age of
 Exploration Licences in West Australia is 4 years, and the average size of these licences is approximately
 81 km².
- An average cost to identify an area of interest of A\$10,000 was chosen, as well as A\$20,000 for the cost of landowner notices, negotiations, legal costs and compensation.
- An application fee of A\$1,290.25 per licence is payable.
- The holding cost includes a rent of A\$40.7/km² per annum for the initial three years and A\$63.3/km² for the fourth year.
- West Australian mining law includes a minimum annual expenditure requirement of A\$333.33/km² for the initial three years and A\$500/km² for the fourth year.

Altogether, this gives a BAC for the average West Australian Exploration Licence of A\$2,170/km², as shown in Table 11.

Table 11: Estimation of the BAC for West Australian Exploration Licences (non-pastoral land)

Statistic	Unit	Value
Average Licence size	km²	81
Average licence age	Years	4
Application fee	A\$ per licence	1290.25
Annual Rent Year 1-3	A\$ per km²	40.7
Annual Rent Year 4	A\$ per km²	63.3
Minimal Annual Expenditure Year 1-3	A\$ per km²	333.33
Minimal Annual Expenditure Year 4	A\$ per km²	500
Deemed Cost of Identification of a licence	A\$ per licence	10,000
Costs of Landowner notices, negotiations, legal costs and compensation	A\$ per licence	20,000
Annual costs of Local Govt rates	A\$ per licence	2,000
BAC of Average licence	A\$ per km²	2,170

CSA Global considered the various factors indicated in Table 11 in assessing the Technical Value of each project area. The Kilburn ratings for each project are provided in Appendix 5

The value of pending tenements was discounted by 50% (assessed as Beneficial Interest of 50% or in the case of joint venture tenements 35%) in recognition of the risk that the tenements may not be granted, or that they may be granted for a reduced area.

A Market Factor of 100% was applied in deriving a Fair Market Value from the Technical Value obtained from the rating matrix. This factor was chosen such that the average value for the tenement package considered is consistent with the range of valuation factors obtained from the analysis of comparative transactions. CSA Global is of the view that this adequately accounts for market factors on an empirical basis.



Table 12 summarises the valuation for Echo and Metaliko derived applying the Kilburn valuations on exploration tenements which do not contain resources. On a dollar per square kilometre basis these will equate to \$3,389 for Echo and \$4,011 for Metaliko for the Yandal tenements. Ant Hill does not have any exploration value applied because it has a resource.

Table 12: Summary of Geoscience Rating (Kilburn) Method Valuation of ECHO and Metaliko projects

Company	Area (km²)	Low (A\$M)	Preferred (A\$M)	High (A\$M)
EAR				
WA Yandal		2.6	6.1	9.6
QLD Kidston		0.1	0.1	0.1
Sub-total	1,104	2.7	6.2	9.7
МКО				
WA Yandal	895	1.2	3.6	6.0
TOTAL	1,999	3.9	9.8	15.7

- Only tenements that do not contain declared resources are considered
- BAC A\$2,170/km², Market factor 100% reflecting current positive sentiment for gold stocks, pending tenements discounted by 50%
- The valuation has been compiled to an appropriate level of precision and minor rounding errors may occur.

6.6 Yardstick cross-check of primary valuations

CSA Global used the Yardstick method as a reasonableness check on the Resource valuations that were completed using comparable transactions.

For the Yardstick valuation, CSA Global used the following commodity spot price:

Gold Spot price: A\$1,761.38 (9th September 2016)

In addition, CSA Global utilised the following commonly used yardstick valuation factors:

Inferred Resources: 0.5% to 1% of spot price
 Indicated Resources: 1% to 2% of spot price

CSA Global also factored the Yardstick valuations of the individual resource components using the ranking of the resources, and associated multipliers, detailed in Table 13.

A summary of the comparative valuations, which are based on Yardstick Factors, are presented in Table 13 Bearing in mind that this approach is simplistic (e.g. it is very generalised and does not address project specific value drivers but takes an "industry-wide" view), CSA Global considers that these results are broadly indicative of those derived using the market approach.

The lower Yardstick indicative valuation reflects the more conservative low end-member from the market approach, which spans the last 12–24 months in a falling market, coupled with the current flat to poor market sentiment and depressed economic outlook in the short to medium term.

The Yardstick approach was used as a crosscheck for the declared Mineral Resources

Table 13: Summary of Valuations based on Yardstick Factors

Project	Ounces (Moz)	Low (A\$M)	Pref. (A\$M)	High (A\$M)
Echo	0.34	2.9	4.3	5.7
Metaliko	0.65	5.3	7.9	10.5
	0.99	8.1	12.2	16.2

The valuation has been compiled to an appropriate level of precision and minor rounding errors may occur.



6.7 Preferred Value of the Mineral Assets

Table 8 summarises the ranked Mineral Resources in terms of relative levels of confidence for data, estimation and prospectivity.

In choosing a preferred value and valuation range for the Echo and Metaliko assets, CSA Global considered the valuation ranges and the preferred values from a range of methodologies. The weighting of each method in considering the overall valuation ranges and preferred values varied based on the stage of development of the project and CSA Global's view of the applicability of each method to each project.

The market and yardstick approaches take a historical view of the value of the Echo and Metaliko assets – being based on past transactions. However, in the past four months the market appetite for a broader range of companies producing and developing gold in Australia has significantly improved. Sentiment remains volatile, reflecting external factors such as currency exchange rates and macro-economic fluctuations, but the re-rating of the Australian gold companies warrants a preferred value towards the higher end of value ranges for these methods. For valuations focussing on a point in time close to the reference date, CSA Global considers this bias to be appropriate.

The Julius deposit is the most promising of the Echo Mineral Resources. There is potential for the Julius deposit to be fast-tracked and brought into production once development to increase confidence in the Mineral Resources estimated and the declaration of Ore Reserves is completed.

The potential of the mineral resources in the Echo and Metaliko portfolios could not be fully evaluated due issues with the available data. It is possible that once the databases are rebuilt, a more comprehensive evaluation of the remaining Metaliko Mineral Resources can be completed, potentially increasing the level confidence that can be attributed to the estimates and increasing their associated value.

The CSA Global preferred value is based on our opinion of the most appropriate valuation methods to value what are essentially two packages of highly prospective tenements in the Yandal Belt with synergies to be derived from a combined package with access to a nearby mill. Table 14 summarises our evaluation

Table 14: Summary of Indicative valuations for Echo and MKO, at 9th September 2016

Mineral Asset 100% basis	Value type	Valuation (A\$M)		
	Low Value	4.1		
EAR	High Value	11.9		
	CSA Global preferred value	8.0		
	Low Value	3.7		
МКО	High Value	10.0		
	CSA Global preferred value	7.0		
Cambinad Vandal Edua () Matalila	Low Value	7.8		
Combined Yandal Echo & Metaliko assets	High Value	21.9		
assets	CSA Global preferred value	15.0		

NB: The valuation has been compiled to an appropriate level of precision and minor rounding errors may occur



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Valuation of the Mineral Assets of Echo Resources and Metaliko Resources



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8 Glossary

For unfamiliar technical terms, please refer to internet sources such as Wikipedia www.wikipedia.org



Appendix 1: Tenement Schedules

Metaliko Resources

Tenement ID	Status	Locality	Resource	Holders	MKO Interest	Lodge Date	Grant Date	Expiry Date	Area (km2)	Purpose
Barwidgee										
M53/15	Live	Corboys		MKO Mines Pty Ltd	100%		22/06/1984	21/06/2026	4.851	
M53/294	Live	Mt Joel		Creasey Mark Gareth Navigator(Bronzewing) Pty Ltd	70%		16/09/1993	15/09/2035	3.356	
M53/295	Live	Mt Joel		Creasey Mark Gareth Navigator(Bronzewing) Pty Ltd	70%		16/09/1993	15/09/2035	4.1145	
M53/296	Live	Mt Joel		Creasey Mark Gareth Navigator(Bronzewing) Pty Ltd	70%		16/09/1993	15/09/2035	4.0805	
M53/297	Live	Mt Joel		Creasey Mark Gareth Navigator(Bronzewing) Pty Ltd	70%		16/09/1993	15/09/2035	2.652	
M53/393	Live	Alf Well		Creasey, Mark Gareth Navigator (Bronzewing) Pty Ltd	70%		21/12/1994	20/12/2036	2.8625	
M53/544	Live	Mt Joel		Creasey, Mark Gareth Navigator (Bronzewing) Pty Ltd	70%		16/03/2009	15/03/2030	1.871997	
M53/547	Live	Mt Joel		Creasey, Mark Gareth Navigator (Bronzewing) Pty Ltd	70%		16/03/2009	15/03/2030	0.0438	
P53/1622	Live	Corboys1		MKO Mines Pty Ltd	100%		09/07/2013	08/07/2017	1.821	
P53/1623	Live	Corboys2		MKO Mines Pty Ltd	100%		04/06/2015	03/06/2019	1.253603	
E53/1373	Live	Mt Joel		Linger and Die Pty Ltd Navigator (Bronzewing) Pty Ltd	70%		16/11/09	15/11/2019	50.4	
E53/1744	Pending	Corboys		MKO Mines Pty Ltd	100%				11.2	
E53/1867	Pending	Greenstone Hill		MKO Mines Pty Ltd	100%				5.6	
E53/1874	Live	Sandalwood Bore		MKO Mines Pty Ltd	100%		01/07/2016	30/06/2021	11.2	
E53/1855	Pending	Greenstone Hill		MKO Mines Pty Ltd	100%				33.6	
Yandal East										
P36/1734	Live	Bronzewing		MKO Mines Pty Ltd	100%		05/08/2010	04/08/2018	1.64044	
P36/1735	Live	Bronzewing		MKO Mines Pty Ltd	100%		05/08/2010	04/08/2018	1.294476	
P36/1736	Live	Bronzewing		MKO Mines Pty Ltd	100%		05/08/2010	04/08/2018	1.625011	
P36/1737	Live	Bronzewing		MKO Mines Pty Ltd	100%		05/08/2010	04/08/2018	0.968634	
E36/593	Live	Barwidgee		MKO Mines Pty Ltd	100%		13/08/2007	12/08/2017	11.2	
E36/673	Live	Mandaline Well		Creasey, Mark Gareth Navigator (Bronzewing) Pty Ltd	70%		29/12/2008	28/12/2018	2.8	
E36/748	Live	Enterprise South		MKO Mines Pty Ltd	100%		01/04/2011	31/03/2016	28	
E36/761	Live	Yandal West		MKO Mines Pty Ltd	100%		15/06/2011	14/06/2016	5.6	

ECHO RESOURCES LTD

Valuation of the Mineral Assets of Echo Resources and Metaliko Resources



Tenement ID	Status	Locality R	esource	Holders	MKO Interest	Lodge Date	Grant Date	Expiry Date	Area (km2)	Purpose
E36/762	Live	Yandal East		MKO Mines Pty Ltd	100%		15/06/2011	14/06/2016	8.4	
E36/885	Pending	Desperation Well		MKO Mines Pty Ltd	100%				39.2	
E36/886	Pending	Paul Well		MKO Mines Pty Ltd	100%				2.8	
E36/887	Pending	Gum Well		MKO Mines Pty Ltd	100%				25.2	
P37/8514	Live	Yanbo		MKO Mines Pty Ltd	100%		21/04/2015	20/04/2019	1.31	
E37/846	Live	Yandal		MKO Mines Pty Ltd	100%		21/02/2007	20/02/2017	67.2	
E37/847	Live	Yandal		MKO Mines Pty Ltd	100%		21/06/2007	20/06/2017	78.4	
E37/848	Live	Barwidgee		MKO Mines Pty Ltd	100%		17/04/2007	16/04/2017	81.2	
Bronzewing		<u> </u>		•						
M36/295	Live	Bronzewing		MKO Mines Pty Ltd	100%		27/04/1994	26/04/2036	1.5015	
M36/263	Live	Bronzewing		MKO Mines Pty Ltd	100%		01/09/1993	31/08/2035	9.484	
P36/1740	Live	Bronzewing		MKO Mines PTY LTD	100%		05/08/2010	04/08/2018	1.512	
				MKO Mines Pty Ltd	70%					
P36/1754	Live	Mt Joel		Creasey, Mark Gareth			01/07/2011	30/06/2019	1.580209	
200/4755				MKO Mines Pty Ltd	70%		04/07/0044	20/05/2010	4.554505	
P36/1755	Live	Mt Joel		Creasey, Mark Gareth			01/07/2011	30/06/2019	1.554505	
F26/570	12	Dan Mara		Mark Gareth Creasey	70%		24 /02 /2007	20/02/2017	25.2	
E36/578	Live	Barwidgee		Navigator(Bronzewing) Pty Ltd			21/02/2007	20/02/2017	25.2	
E36/698	Live	Mt Joel		Creasey Mark Gareth	70%		21 /01 /2010	20/01/2020	11.2	
E30/098	Live	Mit Joei		Navigator(Bronzewing) Pty Ltd	70%		21/01/2010	20/01/2020	11.2	
E36/847	Live	Delaney Well		MKO Mines PTY LTD	100%		05/11/2015	04/11/2020	16.8	
E36/862	Live	Bronzewing Well		MKO Mines PTY LTD	100%		05/07/2016	04/07/2021	28	
L36/55	Live	Mt Phillipson		MKO Mines PTY LTD	100%		12/06/1990	11/06/2020	0.228	
L36/62	Live	Mt Phillipson		MKO Mines PTY LTD	100%		18/12/1990	17/12/2020	0.227	
L36/82	Live	Mt Keith		MKO Mines PTY LTD	100%		24/04/1991	23/04/2021	0.18	
L36/84	Live	Mt McClure		MKO Mines PTY LTD	100%		24/09/1991	23/09/2016	0.0004	
L36/98	Live	Delaney Well		MKO Mines PTY LTD	100%		20/07/1994	19/07/2019	0.7	
L36/100	Live	Bronzewing		MKO Mines PTY LTD	100%		12/07/1995	11/07/2020	0.53	
L36/106	Live	Illergine Bore		MKO Mines PTY LTD	100%		04/11/1996	03/11/2016	0.0133	
L36/107	Live	Scarborough Bore		MKO Mines PTY LTD	100%		04/11/1996	03/11/2016	0.09	
L36/111	Live	Yandal Bore		MKO Mines PTY LTD	100%		18/02/2000	17/02/2020	39.51	
L36/112	Live	Jubilee Bore		MKO Mines PTY LTD	100%		05/12/1997	04/12/2017	0.21	
L36/127	Live	Thompson Well		MKO Mines PTY LTD	100%		18/12/1998	17/12/2018	0.1835	
L36/176	Live	Bronzewing		MKO Mines PTY LTD	100%		29/12/2003	28/12/2024	0.2215	
L36/183	Live	Delaney Well		MKO Mines PTY LTD	100%		14/07/2006	13/07/2027	0.3309	
L36/184	Live	Arnold Bore		MKO Mines PTY LTD	100%		14/07/2006	13/07/2027	0.02511	
L36/185	Live	Anxiety Bore		MKO Mines PTY LTD	100%		14/07/2006	13/07/2027	0.1639	
L36/186	Live	Anxiety Bore		MKO Mines PTY LTD	100%		14/07/2006	13/07/2027	0.0064	
L36/190	Live	Bronzewing		MKO Mines PTY LTD	100%		13/10/2006	12/10/2027	0.1924	
L36/192	Live	Bronzewing		MKO Mines PTY LTD	100%		13/10/2006	12/10/2027	0.0744	
L36/200	Live	Bronzewing		MKO Mines PTY LTD	100%		14/09/2007	13/09/2028	0.16	
L36/204	Live	Barwidgee		MKO Mines PTY LTD	100%		05/07/2011	04/07/2032	0.142429	

ECHO RESOURCES LTD

Valuation of the Mineral Assets of Echo Resources and Metaliko Resources



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L36/205	Live	Bronzewing		MKO Mines PTY LTD	100%		05/07/2011	04/07/2032	0.287259	
L36/219	Live	Mandaline Haul Road		MKO Mines PTY LTD	100%		05/11/2015	04/11/2036	0.45	Haul Road
L37/218	Live	Northern Haul Road		MKO Mines PTY LTD	100%		04/05/2016	03/05/2037	0.68	Haul Road
L37/219	Live	Ryans Bore Haul Road		MKO Mines PTY LTD	100%		4/05/2016	03/05/2037	0.72	Haul Road
L53/133	Live	Bronzewing-Mt Joel		MKO Mines PTY LTD	100%		12/05/2004	11/05/2025	1.5874	
L53/162	Live	Corboys		MKO Mines PTY LTD	100%		23/06/2011	22/06/2032	0.0652	
Cockburn/Lotus										
M36/107	Live	Mt McClure		MKO Mines PTY LTD	100%		11/09/1991	10/09/2033	8.1325	
M36/146	Live	East		MKO Mines PTY LTD	100%		18/07/1989	17/07/2031	9.5275	
M36/200	Live	Mt Phillipson		MKO Mines PTY LTD	100%		27/11/1991	26/11/2033	8.6225	
M36/201	Live	Mt Phillipson		MKO Mines PTY LTD	100%		27/11/1991	26/11/2033	9.6035	
M36/202	Live	Mt Phillipson		MKO Mines PTY LTD	100%		27/11/1991	26/11/2033	6.5825	
M36/203	Live	Mt McClure		MKO Mines PTY LTD	100%		27/11/1991	26/11/2033	6.6175	
M36/244	Live	Mt McClure		MKO Mines PTY LTD	100%		10/09/1992	09/09/2034	1.555	
M36/615	Live	Mt McClure		MKO Mines PTY LTD	100%		29/01/2007	28/01/2028	9.363	
P36/1713	Live	Beale Well		Linger and Die Pty Ltd Navigator (Bronzewing) Pty Ltd	70%		23/07/09	22/07/2017	1.78442	
P36/1738	Live	Bronzewing		MKO Mines PTY LTD	100%		05/08/2010	04/08/2018	1.945	
P36/1772	Live	Fred 1		MKO Mines Pty Ltd Creasey, Mark Gareth	70%		16/07/2012	15/07/2016	1.43839	
P36/1773	Live	Fred 2		MKO Mines Pty Ltd Creasey, Mark Gareth	70%		16/07/2012	15/07/2016	1.328063	
P36/1774	Live	Fred 3		MKO Mines Pty Ltd Creasey, Mark Gareth	70%		16/07/2012	15/07/2016	1.354649	
E36/604	Live	Yandal		MKO Mines PTY LTD	100%		04/12/2007	03/12/2017	5.6	
E36/693	Live	Beale Well		Linger and Die Pty Ltd Navigator (Bronzewing) Pty Ltd	70%		23/07/2009	22/07/2019	8.4	
E36/749	Live	Enterprise North		MKO Mines PTY LTD	100%		01/04/2011	31/03/2021	36.4	
E36/884	Pending	Zaphod North		MKO Mines PTY LTD	100%				11.2	
Other Yandal Tenements										
E36/838	Live	Tony Well		Metaliko Resources Limited	100%		11/03/2015	10/03/2020	25.2	
E37/1200	Live	Mandaline Well		Metaliko Resources Limited	100%		23/01/2015	22/01/2020	28.0	
E53/1847	Live	Mandilla Well East		Metaliko Resources Limited	100%		18/11/2015	17/11/2020	72.8	
Anthill										
M16/531	Live	Anthill		Metaliko Resources Limited	100%		28/08/2013	27/08/2034	6.9822	
L16/92	Live	Anthill		Metaliko Resources Limited	100%		03/09/2012	02/03/2033	0.008	



Echo Resources Limited

TenementID	Status	Locality	Resource	Holders	Echo Interest	Lodge Date	Grant Date	Expiry Date	Area (km2)
Lake Violet									
M53/144	Live			Echo Resources Ltd	100%	26/06/1989	29/09/1989	4/10/2031	9.9935
M53/145	Live			Echo Resources Ltd	100%	26/06/1989	28/09/1989	4/10/2031	5.2465
M53/149	Live		Orpheus/Empire	Echo Resources Ltd	100%	26/10/1989	20/03/1990	26/03/2032	9.9995
M53/160	Live		Bills Find	Echo Resources Ltd	100%	27/05/1990	31/01/1991	3/02/2033	1.506
M53/170	Live		Shady Well	Echo Resources Ltd	100%	30/08/1990	13/12/1990	16/12/2032	5.107
M53/183	Live			Echo Resources Ltd	100%	1/11/1990	26/07/1991	8/08/2033	9.4655
M53/186	Live		Tipperary Well	Echo Resources Ltd	100%	16/03/1991	26/07/1991	8/08/2033	9.7775
M53/220	Live			Echo Resources Ltd	100%	22/11/1991	27/03/1992	1/04/2034	9.3705
M53/379	Live			Echo Resources Ltd	100%	17/06/1994	11/01/1995	11/01/2037	9.221
M53/434	Live			Echo Resources Ltd	100%	2/02/1995	7/02/2001	8/02/2022	5.2375
M53/555	Live			Echo Resources Ltd	100%	7/01/1997	7/02/2001	8/02/2022	9.7055
M53/631	Live			Echo Resources Ltd	100%	31/08/1997	22/09/2007	25/09/2028	0.3304
M53/721	Live		Wimbledon	Echo Resources Ltd	100%	16/11/1997	27/11/2008	26/11/2029	5.4905
M53/1080	Live			Echo Resources Ltd	100%	1/02/2006	22/09/2007	25/09/2028	9.1805
M53/1099	Pending			Echo Resources Ltd	100%	6/03/2016	-	-	7.36
P53/1515	Live			Echo Resources Ltd	100%	24/09/2008	7/04/2014	6/04/2018	0.494982
P53/1649	Pending			Echo Resources Ltd	100%	29/06/2016	-	-	1.97
P53/1650	Pending			Echo Resources Ltd	100%	29/06/2016	-	-	1.8
P53/1651	Pending			Echo Resources Ltd	100%	30/06/2016	-	-	1.218797
P53/1652	Pending			Echo Resources Ltd	100%	30/06/2016	-	-	1.847148
P53/1653	Pending			Echo Resources Ltd	100%	30/06/2016	-	-	1.260497
P53/1654	Pending			Echo Resources Ltd	100%	30/06/2016	-	-	1.399635
P53/1655	Pending			Echo Resources Ltd	100%	28/06/2016	-	-	1.628771
P53/1656	Pending			Echo Resources Ltd	100%	28/06/2016	-	-	1.784899
P53/1657	Pending			Echo Resources Ltd	100%	29/06/2016	-	-	1.986534
P53/1658	Pending			Echo Resources Ltd	100%	29/06/2016	-	-	1.985057
P53/1659	Pending			Echo Resources Ltd	100%	29/06/2016	-	-	1.973521
P53/1660	Pending			Echo Resources Ltd	100%	29/06/2016	-	-	1.998429
P53/1661	Pending			Echo Resources Ltd	100%	29/06/2016	-	-	1.612433
P53/1662	Pending			Echo Resources Ltd	100%	28/06/2016	-	-	1.523156
P53/1663	Pending			Echo Resources Ltd	100%	28/06/2016	-	-	1.835967
P53/1664	Pending			Echo Resources Ltd	100%	30/06/2016	-	-	1.480246
P53/1665	Pending			Echo Resources Ltd	100%	30/06/2016	-	-	0.257156
E53/1042	Live			Echo Resources Ltd	100%	26/04/2002	95/05/2003	4/05/2017	23.12
E53/1324	Live			Echo Resources Ltd	100%	8/02/2007	27/11/2008	26/11/2018	6.127
E53/1405	Live			Echo Resources Ltd	100%	3/06/2008	6/03/2009	5/03/2019	3.026

ECHO RESOURCES LTD

Valuation of the Mineral Assets of Echo Resources and Metaliko Resources



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E53/1430	Live			Echo Resources Ltd	100%	15/10/2008	25/09/2009	24/05/2019	1.88
E53/1472	Live			Echo Resources Ltd	100%	1/05/2009	23/07/2010	22/07/2020	5.05
E53/1546	Live			Echo Resources Ltd	100%	5/03/2010	13/03/2013	12/03/2018	5.626
E53/1586	Live			Echo Resources Ltd	100%	15/10/2010	24/12/2012	23/12/2017	43.38
E53/1736	Live			Echo Resources Ltd	100%	10/01/2013	4/04/2014	3/04/2019	97.71
E53/1830	Pending			Echo Resources Ltd	100%	20/11/2014	-	-	101.3
E53/1900	Pending			Echo Resources Ltd	100%	30/06/2016	-	-	122.7
E53/1902	Pending			Echo Resources Ltd	100%	8/07/2016	-	-	3.061
E53/1903	Pending			Echo Resources Ltd	100%	8/07/2016	-	-	3.061
E53/1904	Pending			Echo Resources Ltd	100%	8/07/2016	-	-	9.183
L53/57	Live			Echo Resources Ltd	100%	20/07/1993	15/09/1993	14/09/2018	0.22739
L53/59	Live			Echo Resources Ltd	100%	15/08/1993	13/10/1993	12/10/2018	0.1849
L53/203	Live			Echo Resources Ltd	100%	10/03/2016	2/08/2016	1/08/2037	0.4494
L53/204	Pending			Echo Resources Ltd	100%	20/05/2016	-	-	0.328069
McKenzie Creek									
E36/667	Live			Echo Resources Ltd	100%	7/12/2007	22/01/2010	21/01/2020	16.31
E36/715	Live			Echo Resources Ltd	100%	13/05/2009	26/10/2010	25/10/2020	83.43
E36/799	Pending			Echo Resources Ltd	100%	25/10/2012	-	-	188.8
E36/810	Live			Echo Resources Ltd	100%	10/01/2013	12/08/2013	11/08/2018	21.33
E36/826	Live			Echo Resources Ltd	100%	8/08/2013	8/04/2014	7/04/2019	12.244
Sorrento									
E53/1729	Pending			Yandal Metals Pty Ltd	70%	14/12/2012			3.061
E53/1742	Pending			Yandal Metals Pty Ltd	70%	01/02/2013			12.244
E53/1759	Pending			Yandal Metals Pty Ltd	70%	13/02/2013			30.61
E53/1890	Pending			Kammerman, Michael Stewart	70%	02/05/2016			174.477



Appendix 2: Valuation Approaches

Background

Mineral Assets are defined in the VALMIN Code as all property including (but not limited to) tangible property, intellectual property, mining and exploration Tenure and other rights held or acquired in connection with the exploration, development of and production from those Tenures. This may include the plant, equipment and infrastructure owned or acquired for the development, extraction and processing of Minerals in connection with that Tenure.

Business valuers typically define market value as "The price that would be negotiated in an open and unrestricted market between a knowledgeable, willing, but not anxious buyer, and a knowledgeable, willing but not anxious seller acting at arm's length." The accounting criterion for a market valuation is that it is an assessment of "fair value", which is defined in the accounting standards as "the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction." The VALMIN Code defines the value of a Mineral Asset as its Market Value, which is "the estimated amount (or the cash equivalent of some other consideration) for which the Mineral Asset should exchange on the date of Valuation between a willing buyer and a willing seller in an arm's length transaction after appropriate marketing where the parties had each acted knowledgeably, prudently and without compulsion".

Market Value usually consists of two components, the underlying or Technical Value, and a premium or discount relating to market, strategic or other considerations. The VALMIN Code recommends that a preferred or most-likely value be selected as the most likely figure within a range after taking into account those factors which might impact on Value.

The concept of Market Value hinges upon the notion of an asset changing hands in an arm's length transaction. Market Value must therefore take into account, inter alia, market considerations, which can only be determined by reference to "comparable transactions". Generally, truly comparable transactions for mineral assets are difficult to identify due to the infrequency of transactions involving producing assets and / or Mineral Resources, the great diversity of mineral exploration properties, the stage to which their evaluation has progressed, perceptions of prospectivity, tenement types, the commodity involved and so on.

For exploration tenements, the notion of value is very often based on considerations unrelated to the amount of cash which might change hands in the event of an outright sale, and in fact, for the majority of tenements being valued, there is unlikely to be any "cash equivalent of some other consideration". Whilst acknowledging these limitations, CSA Global has identified what it considers to be comparable transactions that have been used in assessing the values to be attributed to the Mineral Assets.

Valuation Methods for Exploration Projects

The choice of valuation methodology applied to Mineral Assets, including exploration licences, will depend on the amount of data available and the reliability of that data.

The VALMIN Code classifies Mineral Assets into categories that represent a spectrum from areas in which mineralisation may or may not have been found through to Operating Mines which have well-defined Ore Reserves, as listed below:



- "Early-stage Exploration Projects" tenure holdings where mineralisation may or may not have been identified, but where Mineral Resources have not been identified.
- "Advanced Exploration Projects" tenure holdings where considerable exploration has been undertaken and specific targets identified that warrant further detailed evaluation, usually by drill testing, trenching or some other form of detailed geological sampling. A Mineral Resource estimate may or may not have been made but sufficient work will have been undertaken on at least one prospect to provide both a good understanding of the type of mineralisation present and encouragement that further work will elevate one or more of the prospects to the Mineral Resources category.
- "Pre-Development Projects" tenure holdings where Mineral Resources have been identified and their extent estimated (possibly incompletely) but where a decision to proceed with development has not been made.
- "Development Projects" tenure holdings for which a decision has been made to proceed
 with construction or production or both, but which are not yet commissioned or operating at
 design levels. Economic viability of Development Projects will be proven by at least a PreFeasibility Study.
- "Production Projects" tenure holdings particularly mines, wellfields and processing plants that have been commissioned and are in production.

Each of these different categories will require different valuation methodologies, but regardless of the technique employed, consideration must be given to the perceived "market valuation".

The Market Value of Exploration Properties and Undeveloped Mineral Resources can be determined by four general approaches: Cost; Market; Geoscience Factor or Income.

Cost

Appraised Value or Exploration Expenditure Method considers the costs and results of historical exploration.

The Appraised Value Method utilises a Multiple of Exploration Expenditure (MEE), which involves the allocation of a premium or discount to past expenditure through the use of the Prospectivity Enhancement Multiplier (PEM). This involves a factor which is directly related to the success (or failure) of the exploration completed to date, during the life of the current tenements.

Guidelines for the selection of a PEM factor have been proposed by several authors in the field of mineral asset valuation (Onley, 1994). Table 1 lists the PEM factors and criteria used in this Report.

Table 1: Prospectivity Enhancement Multiplier (PEM) Factors

	Trospectivity Emiliancement waterpriet (1 Em) raccord
PEM	Criteria
Range	
0.2-0.5	Exploration (past and present) has downgraded the tenement prospectivity, no mineralisation identified
0.5–1.0	Exploration potential has been maintained (rather than enhanced) by past and present activity from regional mapping
1.0-1.3	Exploration has maintained, or slightly enhanced (but not downgraded) the prospectivity
1.3–1.5	Exploration has considerably increased the prospectivity (geological mapping, geochemical or geophysical activities)
1.5-2.0	Scout drilling (RAB, aircore, RCP) has identified interesting intersections of mineralisation
2.0-2.5	Detailed drilling has defined targets with potential economic interest
2.5–3.0	A Mineral Resource has been estimated at Inferred JORC category, no concept or scoping study has been completed
3.0-4.0	Indicated Mineral Resources have been estimated that are likely to form the basis of a Pre-feasibility Study
4.0-5.0	Indicated and Measured Resources have been estimated and economic parameters are available for

CSA-Report Nº: 295.2016





assessment

Market

Market Approach Method or Comparable Transactions looks at prior transactions for the property and recent arm's length transactions for comparable properties.

The Comparable Transaction method provides a useful guide where a mineral asset that is comparable in location and commodity has in the recent past been the subject of an "arm's length" transaction, for either cash or shares.

In an exploration joint venture or farm-in, an equity interest in a tenement or group of tenements is usually earned in exchange for spending on exploration, rather than a simple cash payment to the tenement holder. The joint venture or farm-in terms, of themselves, do not represent the Value of the tenements concerned. To determine a Value, the expenditure commitments should be discounted for time and the probability that the commitment will be met. Whilst some practitioners invoke complex assessments of the likelihood that commitments will be met, these are difficult to justify at the outset of a joint venture, and it seems more reasonable to assume a 50:50 chance that a joint venture agreement will run its term. Therefore, in analysing joint venture terms, a 50% discount may be applied to future committed exploration, which is then "grossed up" according to the interest to be earned to derive an estimate of the Value of the tenements at the time that the agreement was entered into.

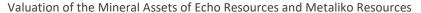
Where a progressively increasing interest is to be earned in stages, it is likely that a commitment to the second or subsequent stages of expenditure will be so heavily contingent upon the results achieved during the earlier phases of exploration that assigning a probability to the subsequent stages proceeding will in most cases be meaningless. A commitment to a minimum level of expenditure before an incoming party can withdraw must reflect that party's perception of minimum value and should not be discounted. Similarly, any up-front cash payments should not be discounted.

The terms of a sale or joint venture agreement should reflect the agreed value of the tenements at the time, irrespective of transactions or historical exploration expenditure prior to that date. Hence the current Value of a tenement or tenements will be the Value implied from the terms of the most recent transaction involving it/them, plus any change in Value as a result of subsequent exploration. Where the tenements comprise applications over previously open ground, little to no exploration work has been completed and they are not subject to any dealings, it is thought reasonable to assume that they have minimal, if any Value, except perhaps, the cost to apply for, and therefore secure a prior right to the ground, unless of course there is competition for the ground and it was keenly sought after. Such tenements are unlikely to have any Value until some exploration has been completed, or a deal has been struck to sell or joint venture them, implying that a market for them exists.

High quality mineral assets are likely to trade at a premium over the general market. On the other hand, exploration tenements that have no defined attributes apart from interesting geology or a "good address" may well trade at a discount to the general market. Market Values for exploration tenements may also be impacted by the size of the land holding, with a large, consolidated holding in an area with good exploration potential attracting a premium due to its appeal to large companies.

Geoscience Factors

Geoscience Factor Method seeks to rank and weight geological aspects, including proximity to mines, deposits and the significance of the camp and the commodity sought.





The Geoscience Factor (or Kilburn) method, as described by Kilburn (1990), provides an approach for the technical valuation of the exploration potential of mineral properties, on which there are no defined resources.

Valuation is based upon a calculation in which the geological prospectivity, commodity markets, and mineral property markets are assessed independently. The Geoscientific Factors method is essentially a technique to define a Value based upon geological prospectivity. The method appraises a variety of mineral property characteristics:

- Location with respect to any off-property mineral occurrence of value, or favourable geological, geochemical or geophysical anomalies:
- Location and nature of any mineralisation, geochemical, geological or geophysical anomaly within the property and the tenor of any mineralisation known to exist on the property being valued:
- Number and relative position of anomalies on the property being valued;
- Geological models appropriate to the property being valued.

The Geoscientific Factor method systematically assesses and grades these four key technical attributes of a tenement to arrive at a series of multiplier factors (Table 3).

The Basic Acquisition Cost (BAC) is an important input to the Geoscientific Factors Method and it is calculated by summing the application fees, annual rent, work required to facilitate granting (e.g. native title, environmental etc.) and statutory expenditure for a period of 12 months. Each factor is then multiplied serially by the BAC to establish the overall technical value of each mineral property. A fifth factor, the market factor, is then multiplied by the technical value to arrive at the fair market value.

Yardstick

The Rule-of-Thumb (Yardstick) Method is relevant to exploration properties where some data on tonnage and grade exist may be valued by methods that employ the concept of an arbitrarily ascribed current in situ net value to any Ore Reserves (or Mineral Resources) outlined within the tenement (Lawrence 2001, 2012).

Rules-of-Thumb (Yardstick) Methods are commonly used where a Mineral Resource remains is in the Inferred category and available technical/economic information is limited. This approach ascribes a heavily discounted in situ value to the Resources, based upon a subjective estimate of the future profit or net value (say per tonne of ore) to derive a rule-of-thumb.

This yardstick multiplier factor applied to the Resources delineated (depending upon category) varies depending on the commodity. Typically, a range from 0.4–3% is used for base metals and PGM, whereas for gold and diamonds a range of 2–4.5% is used. The method estimates the *in situ* gross metal content value of the mineralisation delineated (using the spot metal price and appropriate metal equivalents for polymetallic mineralisation as at the valuation date).

The chosen percentage is based upon the valuer's risk assessment of the assigned JORC Code's Mineral Resource category, the commodity's likely extraction and treatment costs, availability/proximity of transport and other infrastructure (particularly a suitable processing facility), physiography and maturity of the mineral field, as well as the depth of the potential mining operation.





Income

The Income Approach is relevant to exploration properties on which undeveloped Mineral Resources have been identified by drilling. Value can be derived with a reasonable degree of confidence by forecasting the cash flows that would accrue from mining the deposit, discounting to the present day and determining a NPV.

The Income Approach is not appropriate for properties without Mineral Resources.

Valuation Approaches by asset stage

Regardless of the technical application of various valuation methods and guidelines, the valuer should strive to adequately reflect the carefully considered risks and potentials of the various projects in the valuation ranges and the preferred values, with the overriding objective of determining the "fair market value".

Table 2 shows the valuation approaches that are generally considered appropriate to apply to each type of mineral property.

Table 2: Valuation Approaches for different Types of Mineral Properties (VALMIN, 2015)

Valuation Approach	Exploration Properties	Mineral Resource Properties	Development Properties	Production Properties
Income	No	In some cases	Yes	Yes
Market	Yes	Yes	Yes	Yes
Cost	Yes	In some cases	No	No

CSA-Report Nº: 295.2016



Table 3: Geoscientific Factor Ranking

Rating	Address/Off Property Factor	On Property Factor	Anomaly Factor	Geological Factor
0.5	Very little chance of mineralisation; concept unsuitable to the environment	Very little chance of mineralisation; concept unsuitable to the environment	Extensive previous exploration with poor results	Generally unfavourable lithology No alteration of interest
1	Exploration model support; Indications of prospectivity Concept validated	Exploration model support; Indications of prospectivity Concept validated	Extensive previous exploration with encouraging results Regional targets	Deep Cover; But generally favourable lithology/alteration (70%)
1.5	Recon (RAB/AC) drilling with some scattered favourable results Minor Workings	Exploratory Sampling with encouragement	Several early stage targets outlined from geochemistry and geophysics	Shallow cover Generally favourable lithology/alteration 50- 60%
2	Several Old Workings Significant RCP drilling leading to advanced project	Several Old Workings Recon drilling or RCP drilling with encouraging intersections	Several well defined targets supported by recon drilling data	Exposed favourable lithology/alteration
2.5	Abundant Workings Grid drilling with encouraging results on adjacent sections	Abundant Workings Core drilling after RCP with encouragement	Several well defined targets with encouraging drilling results	Strongly favourable lithology, alteration
3	Mineral Resource areas defined	Advanced Res Def. drilling (early stages)	Several significant sub-economic targets No indication of 'size'	Generally favourable lithology with structures along strike of a major mine; Very prospective geology
3.5	Abundant Workings/mines with significant historical production Adjacent to known mineralisation at PFS stage	Abundant Workings/mines with significant historical production Mineral Resource areas defined	Several significant sub-economic targets Potential for significant 'size' Early stage drilling	
4	Along strike or adjacent to Resources at DFS stage	Adjacent to known mineralisation at PFS stage	Marginally economic targets of significant 'size' advanced drilling	
4.5	Adjacent to development stage project	Along strike or adjacent to Resources at DFS stage	Marginal economic targets of significant 'size' Well drilled Inferred Resources	
5	Along strike from operating major mine(s)	Adjacent to development stage project	Several significant ore grade co-relatable intersections	



Appendix 3: Comparative Resource Transactions

Highlighting key:

Green – Excluded – total resource base less than 100,000oz

Orange – Excluded – Operating or Producing mine

Transaction	Asset	Date	Gold Price (A\$/oz)	Buyer	Seller	Equity	Synopsis	Stage	Resource Grade (g/t)	Resource Contained Au (Oz)	% above Inferred	Resource A\$/oz	Normalised Resource A\$/oz	Comment
Keras acquires Klondyke	Klondyke Deposit, Warrawoona Project	Sep- 16	1758.14	Keras	Arcadia	100%	Acquired Klondyke for A\$1.24m cash, A\$1.3m in shares and a royalty	Advanced Exploration	2.08	374,000	100%	6.93	6.90	
IMD Gold acquisition of Black Oak Minerals in liquidation	Battler, Britsh Hill and Parker Dome Gold Projects	Aug- 16	1767.96	IMD Gold Pty Ltd	Black oak Minerals (In Liquidation) (Receivers and Managers Appointed) formerly Southern Cross Goldfields	100%	IMD Gold has entered into an asset acquisition agreement with Black Oak Minerals Limited (ASX:BOK) (In Liquidation)(Receivers and Managers Appointed) to acquire the Battler, British Hill and Parker Dome projects for consideration of A\$2,000,000, payable by 30 September 2016, and a further 12 payments of A\$250,000 payable quarterly from steady state production followed by a 2% net smelter royalty. Battler resources in 2010 were Indicated and Inferred Resource at Battler increases to 504,000t at 2.32g/t Gold containing 37,500 oz of gold	Advanced Exploration	2.32	37,500	86%	53.33	52.83	Exclude – Resource base <100,000oz
WPG consolidates Challenger	Challenger Gold Mine and West Gawler Craton JV	Jul- 16	1775.92	WPG Resources Ltd	Diversified Minerals Pty Ltd	50%	In July 2016, WPG announced that it had acquired its former joint venture partners' 50% interest in the Challenger mining and exploration joint ventures in South Australia. This took WPG's interest in the Challenger mine to 100%, and its interest in the separate West Gawler Craton exploration JV to 34%. Consideration was A\$9M cash and 25M unlisted WPG options with an expiry date of 30/09/2018 and an exercise price of \$0.11.	Operating	9.11	277,000	84%	64.98	64.08	Exclude – Operating or producing
ACH acquisition of Great Southern Project	Great Southern Project	Jul- 16	1775.92	ACH Minerals Pty Ltd	Silver Lake Resources Limited	100%	In July 2016, ACH exercised its option to acquire Silver Lake's Great Southern Project for a cash consideration of A\$5M.	Advanced Exploration	1.95	1,002,300	65%	4.99	4.92	

CSA-Report Nº: 295.2016



Transaction	Asset	Date	Gold Price (A\$/oz)	Buyer	Seller	Equity	Synopsis	Stage	Resource Grade (g/t)	Resource Contained Au (Oz)	% above Inferred	Resource A\$/oz	Normalised Resource A\$/oz	Comment
MAT acquisition of Lake Carey Project	Lake Carey, Phantom Well, Wilga	Jul- 16	1775.92	Matsa Resources Limited	Hammer Metals Limited	100%	MAT announced the acquisition of the Lake Carey gold project, consisting of the Lake Carey, Phantom Well and Wilga projects, including the Fortitude gold deposit, for a cash consideration of A\$1.75M.	Advanced Exploration	1.9	385,300	44%	4.54	4.48	
Blackham acquires stockpile	Wiluna plant calcined tailings stockpile	May- 16	1720.71	Blackham Resources	Intermin Resources	100%	The stockpile comprises a JORC 2004 Indicated Mineral Resource Estimate of 370,000t at 5.0 g/t Au for 59,500oz Au (per IRC ASX announcement 20 June 2011). Blackham has agreed to pay a total of \$1.5m comprising an initial payment of \$800,000 and the balance due by 31 December 2016.	Advanced Exploration	5	59,486	100%	19.33	19.68	Exclude – Resource base <100,000oz
MDI acquisition of Sandstone	Sandstone gold project	May- 16	1720.71	Middle Island Resources Limited	Black oak Minerals (In Liquidation) (Receivers and Managers Appointed) formerly Southern Cross Goldfields	100%	In May 2016, MDI announced the acquisition of the Sandstone Project, comprising two mining leases containing 480,000 oz of indicated and Inferred gold resources, a 600,000tpa plant on care and maintenance, and associated infrastructure, from the receivers appointed for Black Oak Minerals. Consideration was a non-refundable deposit of A\$250,000 payable by 9 May 2016, A\$1.25M at completion (no later than 1 July 2016), A\$500,000 18 months following completion, and A\$500,000 on recommencement of gold production from any source.	Advanced Exploration	1.38	479,746	1%	4.70	4.78	
Classic sale of Doherty ML	M57/619	Mar- 16	1666.39	Accelerated Mining	Classic Minerals	100%	Classic will receive a consideration of \$4 million cash, tranche 1 being \$500,000 and the balance before June 2016 Classic will receive 7.5% NSR; Classic will retain ownership of the ML; Classic will pay an introductory fee of 7.5% of the total consideration on settlement, and 2.5% of the NSR; Classic will issue 26 million shares to the introductory party	unknown	23.8	20,433	0%	217.32	228.39	Exclude – Resource base <100,000oz



Transaction	Asset	Date	Gold Price (A\$/oz)	Buyer	Seller	Equity	Synopsis	Stage	Resource Grade (g/t)	Resource Contained Au (Oz)	% above Inferred	Resource A\$/oz	Normalised Resource A\$/oz	Comment
Metals X acquires Gunga Gold Deposit	Gunga Gold Depsoit	Mar- 16	1666.39	Metals X Limi	ited	100%	Metals X Limited (Metals X) is pleased to advise that it has acquired the Gunga Gold Deposit approximately 30 km west of its Jubilee Mill at its South Kalgoorlie Operations. Open pit mining is planned and will provide supplementary feed to the Jubilee Mill over the ensuing years. The purchase price is \$1.5 million in cash with additional payments of \$500,000 if gold production exceeds 10,000 oz and a further \$500,000 oz.	Advanced Exploration	1.7	3,990	0%	375.91	395.06	Exclude – Resource base <100,000oz
Hanking acquisition of Redwing gold deposit	Redwing Gold Deposit	Jan- 16	1624.72	Hanking Gold Mining	Audax Minerals	100%	In January 2016, Hanking paid vendor Audax Minerals \$A700,000 in cash for the deposit, which has a resource of 1.4 million tonnes at 2.4 grams per tonne gold for 108,000 oz.	Advanced Exploration	2.4	108,387	0%	6.46	6.96	
Kidman acquires Mt Holland gold field	Mt Holland	Dec- 15	1473.88	Kidman Resources	MH Gold Pty Ltd	100%	Kidman has agreed total consideration of \$3.5 million, comprising repayment of a \$1.5 million debt on behalf of MH Gold Pty Ltd, \$500,000 cash and \$1.5 million worth of Kidman shares, for the project.	Feasibility	928,000	3.6	1	4.29		
Metals X acquisition of the Comet Gold Project	Comet Project	Nov- 15	1520.34	Metals X Limited	Silver Lake Resources	100%		Advanced Exploration	2.9	353,000	63%	8.50	9.79	
MGV farm in to Cue Project	Moyagee Gold Project, Hollandaire Copper Project	Nov- 15	1520.34	Musgrave Minerals Limited	Silver Lake Resources Limited	60%	Musgrave can earn a 60% interest in the Cue Project by issuing Silver Lake with \$75,000 in shares and spending \$2.7M within three years, of which a minimum of \$900,000 must be spent within 12 months of commencement.	Advanced Exploration	2.05	126,900	22%	26.28	30.27	
Malagasy Acquires Karlawinda Gold Project	Karlawinda Gold Project	Oct- 15	1609.4	Malagasy Minerals	Greenmount Resources	100%	Under the HOA Malagasy will acquire all of the issued capital of Greenmount by the issue of 171,636,476 fully paid ordinary shares, which will represent 50% of the expanded capital of Malagasy after the issue.	Advanced Exploration	1.1	650,800	0%	6.07	6.60	
SAR acquisition of Kailis and King of the Hills	Kailis, king of the Hills	Aug- 15	1532.87	Saracen Mineral Holdings Ltd	St Barbara Ltd	100%	SAR acquired the Kailis and King of the Hills projects from St Barbara for \$300000 on completion and \$2.7M on the earlier of commercial production from Kailis or 4 years following completion	Advanced Exploration	5.2	393,000		6.20	7.09	



Transaction	Asset	Date	Gold Price (A\$/oz)	Buyer	Seller	Equity	Synopsis	Stage	Resource Grade (g/t)	Resource Contained Au (Oz)	% above Inferred	Resource A\$/oz	Normalised Resource A\$/oz	Comment
NTM acquisition of 51% stake in Redcliffe gold Project	Redcliffe Gold Project	Aug- 15	1532.87	Northern Manganese Limited	Redcliffe Resources Limited	51%	NTM announced the acquisition of a 51% interest in the Redcliffe Gold Project for A\$260,000 cash and the allotment of 13.9M shares.	Advanced Exploration	1.57	278,100	18%	3.16	3.60	
Metals X acquisition of Georges Reward	Georges Reward	Jul- 15	1521.82	Metals X Limited	Northern Mining Limited; Balagundi Pty Ltd	100%	In July 2015, Metals X announced the agreement to acquire the outright interests in E25/268 and the beneficial rights of MLA25/357 covering Georges Reward Project for a cash sum of A\$4.5M.		1.89	22,850	84%	196.94	226.63	Exclude – Resource base <100,000oz
Metals X acquisition of Mt Henry	Mt Henry	Jul- 15	1521.82	Metals X Limited	Panoramic Resources Ltd; Matsa Resources Ltd	100%	In July 2015, Metals X announced the acquisition of the Mt Henry Gold Project from Panoramic and Matsa for 22 million fully paid ordinary shares in Metals X.		1.19	1,656,000		13.45	15.48	
Metals X acquisition of Grosvenor Project	Grosvenor Gold Project	Jul- 15	1529.82	Metals X Limited	RNI Ltd	100%	In July 2015, Metals X announced the acquisition of the Grosvenor Gold Project from RNI for 18 million fully paid ordinary shares in Metals X, as well as an interest free loan of A\$300,000 for working capital, convertible to shares in RNI.	Advanced Exploration	1.38	2,220,000		8.21	9.40	
RRL acquisition of Gloster deposit	Gloster Gold Deposit	Jul- 15	1521.82	Regis Resources Ltd	Private individual	100%	RRL acquired prospecting licences P38/3769 to P38/3774 from a private individual for A\$1.5M in cash and a gross royalty of A\$10 per ounce on any gold production from these licences where the gold price exceeds A\$1,500/oz.	Advanced Exploration	1.37	365,000		4.11	4.73	
Genesis Acquire Ulysses Gold Project	Ulysses Gold Deposit	Jun- 15	1529.82	Genesis Minerals	Ulysses Mining P/L	100%	Under the terms of the agreement Genesis is required to: i. pay to the Vendors \$100,000 by the allotment of ordinary shares in Genesis (issue price to be the same as any proposed Capital Raising) by June 30, 2015("Stage 1 Completion"); ii. pay to the Vendors \$75,000 in cash on the completion of the capital raising; and iii. pay to the Vendors \$200,000 cash within 6 months of Stage 1 Completion ("Final Completion Date").	Advanced Exploration	2.1	138,000	93%	2.32	2.65	
Evolution acquisition of La Mancha	White Foil, Frog's Leg	Apr- 15	1549.51	Evolution Mining Ltd	Orascom TMT Investments	100%	In April 2015, Evolution announced that it will issue 322.024 million shares of its common stock to acquire a 100% interest in La Mancha operations from Orascom TMT Investments S.àr.I.	Producing	3.618685	2,637,000	73%	8.45	9.55	Exclude – Operating or producing



Transaction	Asset	Date	Gold Price (A\$/oz)	Buyer	Seller	Equity	Synopsis	Stage	Resource Grade (g/t)	Resource Contained Au (Oz)	% above Inferred	Resource A\$/oz	Normalised Resource A\$/oz	Comment
Metals X acquisition of Central Tanami	Central Tanami Project	Feb- 15	1575.43	Metals X Limited	Tanami Gold NL	25%	In February 2015, Metals X agreed to acquire an immediate 25% interest in the Central Tanami Project for A\$11M in cash and 4M shares in Metal X. Metals X could then earn a further 50% interest by sole funding all expenditure and costs to bring the project back into Commercial Production.		3	2,625,000	61%	5.42	6.03	
Zijin consolidation of Norton	Paddington, Mt Pleasant, Bullant, Mt Morgan Tailings, Mt Jewell, Mulgarrie	Jan- 15	1547.79	Zijin Mining Group Co Ltd	Norton Gold Fields Limited	18%	In January 2015, Zijin offered to acquire the 17.57% interest in Norton that it did not already have, by paying A\$0.20 per Norton share.	Operating	1.342217	10,285,000	63%	147.55	166.95	Exclude – Operating or producing



Appendix 4: Comparative Area Transactions

Transaction	Asset	Date Announced	Gold Price (A\$/oz)	Buyer	Seller	Equity	Synopsis	Stage	Area (km²)	A\$/km²	Normalised	Comment
Keras acquisition of Haoma Warrawoona leases	Klondyke	Sep-16	1758	Keras	Haoma	100%	Purchased 5 year option for A\$0.25m, option to purchase licences for an additional A\$1.25m in cash & shares	Advanced Exploration	6.5	57,692.31	57,472.11	Exclude – Area <50km²
Latitude acquires Ida South tenement package	Ida South	Sep-16	1758	Latitude Consolidated	Private Consortium	80%	Payment of an option fee of \$5,000 plus GST for a 21-day exclusive due diligence period. Following completion of successful due diligence and upon exercise of the option, as consideration for the acquisition of the Mt Ida South Project: o issue of 2,000,000 fully paid ordinary shares; o issue of 6,000,000 options (all subject to shareholder approval at the Company's upcoming Annual General Meeting), with the following terms § 2,000,000 unlisted options exercisable at \$0.08 each within two years from issue date; § 2,000,000 unlisted options exercisable at \$0.15 each within three years from issue date; and § 2,000,000 unlisted options exercisable at \$0.25 each within four years from issue date.	Advanced Exploration	196.0	1,786.67	1,779.85	
Indus Energy acquires IMD Gold Mines	Portfolio of projects in the Marda- Diemels Greenstone	Aug-16	1767.96	Indus Energy Ltd	IMD Gold Mines Pty Ltd	100%	Subject to Indus exercising its right to acquire IMD Gold, in consideration for acquisition of 100% of the issued capital of IMD Gold by Indus, at completion Indus will issue to the IMD Gold shareholders (or their nominees) such number of Indus Shares as represents 50% of the capital of Indus at completion (currently 157,453,599 shares)	Advanced Exploration	2,761.0	1,077.82	1,067.66	NB IMD has yet to complete the acquisition of Marda or Southern Cross projects

CSA-Report Nº: 295.2016



Transaction	Asset	Date Announced	Gold Price (A\$/oz)	Buyer	Seller	Equity	Synopsis	Stage	Area (km²)	A\$/km²	Normalised	Comment
Draig acquires Bellevue Project	Bellevue Project	Aug-16	1767.96	Draig Resources	Golden Spur Pty Ltd	100%	Consideration: 60,000,000 Draig shares, to be issued to the shareholders of Golden Spur or their nominees. Each shareholder of Golden Spur will receive 12,000,000 Draig Shares or 7.2% of the capital post issue but pre capital raise (see below). Repayment of loans: Draig to repay loans owing by Golden Spur to its shareholders, capped at A\$821,000 in full and final satisfaction of the loans. Royalty: Draig has agreed to pay a A\$25 per ounce royalty capped at 100,000oz of production payable to the Golden Spur shareholders.	Advanced Exploration	27.0	130,407.41	129,177.80	Exclude – Area <50km
Syndicated acquisition of Monument Project	Monument Project	Jul-16	1775.92	Syndicated Metals Limited	Monument Exploration Pty Ltd	100%	Syndicated agreed to acquire the Monument Project, comprising a 210km2 tenement portfolio in the Laverton region, for \$50,000 in cash and \$200,000 in shares.	Grassroots	210.0	1,095.24	1,080.05	
Cazaly acquire Yarmarna West P/L	Mt Venn Greenstone belt	Мау-16	1720.71	Enterprise Uranium	Sandstone Exploration	100%	Cazaly has signed an option to purchase all the shares in Yamarna West Pty Ltd at a cost of \$15,000. The option gives Cazaly the exclusive rights to the purchase for a two-month period. The purchase price, if exercised, is; • 2.5 million fully paid ordinary Cazaly shares (Initial Shares), and • 2.5 million Cazaly Options exercisable at double the price of the Initial Shares with an expiry date 3 years from issue, and • 2.5 million Cazaly Options exercisable at three times the price of the Initial Shares with an expiry date of 4 years from issue.	Target Outline	206.0	1,829.40	1,861.92	
Alto to acquire majority of Sandstone Gold field	Sandstone	Mar-16	1666.39	Enterprise Uranium	Sandstone Exploration	100%	Staged cash and script deal: \$100,000 on execution of the agreement; upon completion payment of \$400,000 and issue 19m shares and 25m performance shares contingent on resources on at least	Advanced Exploration	723.0	1,217.15	1,279.16	incl. historic remnant oz
REZ acquisition of Radio Gold Project	Radio Gold Project	Jan-16	1564.15	Resources & Energy Group Limited	Brightsun Enterprises Pty Ltd	100%	REZ acquired the Radio Gold Project for A\$250,000 cash, 7.5M shares (escrowed for 2 years) and 7.5M Performance shares, escrowed for two years and subject to a claw back if the Radio mine does not realise a minimum net positive cash position of \$1M within 24 months.	Advanced Exploration	9.8	110,019.95	123,183.10	Exclude – Area <50km

Valuation of the Mineral Assets of Echo Resources and Metaliko Resources



Transaction	Asset	Date Announced	Gold Price (A\$/oz)	Buyer	Seller	Equity	Synopsis	Stage	Area (km²)	A\$/km²	Normalised	Comment
Thundelarra acquisition of Red Dragon	Garden Gully, Mooloogool, White Well, Paynes Find	Oct-15	1609.4	Thundelarra Limited	Red Dragon Mines Ltd	100%	Thundelarra announced a share purchase agreement with the key shareholders of Red Dragon whereby Thundelarra would acquire all the issued shares of Red Dragon by issuing 17,927,166 fully paid ordinary shares at a deemed issue price of A\$0.077 per share.	Grassroots	739.5	1,679.99	1,828.10	
Corona Acquires Spargos Reward	Spargos Reward Gold Project	Aug-15	1532.87	Mithril Resources	Corona Minerals	65%	Details of the acquisition are set out below: • Corona will purchase a 50% equity interest in the Spargos Reward Project tenements (See Table 1) for A\$100,000 cash payable on the Completion Date, • Within 12 months of signing the agreement, Corona will sole fund A\$150,000 in exploration in order to acquire a further 15% equity for a total of 65%. • To earn a further 20% equity for a total of 85%, Corona may elect to sole fund exploration to the completion of a positive scoping study on a Mineral Resource estimated in compliance with JORC 2012.	Advanced Exploration	31.0	12,406.95	14,174.82	Exclude – Area <50km
TLG divestment of Australian gold projects	Talga, Warrawoona, Mosquito Creek	Aug-15	1532.87	Beatons Creek Gold Pty Ltd	Talga Resources Ltd	100%	TLG announced an Option Agreement with Beatons Creek for the sale of three of its Australian gold assets for up to A\$1M in cash, and a royalty on production. Payment was to be an initial A\$50,000 non-refundable deposit, A\$200,000 within 4 months and the balance of up to A\$750,000 before the second anniversary of the Option Agreement. If Beatons exercises the Option, it can purchase each Project as a separate asset (in which case the purchase price for each Project will be \$250,000).	Advanced Exploration	215.9	2,503.63	2,860.38	

Highlighting key:

Orange – Excluded – Area less than 50km²



Appendix 5: Geoscientific Factor scores

Metaliko Resources

							Off Pr	operty	On Pr	operty	Ano	maly	Geo	ology				
TenementID	Status	Locality	Metaliko Interest	Expiry Date	Area (km²)	BAC. area	Low	High	Low	High	Low	High	Low	High	Market Factor	Low	Preferred	High
Barwidgee															1	-	-	-
M53/15	Live	Corboys	100%	21/06/2026	4.851	10527	1	1.5	2	3.5	2.5	3.5	1	1.5	1	52,633	171,387	290,141
M53/294	Live	Mt Joel	70%	15/09/2035	3.356	7283	2	3	3	3.5	2	3	1.5	2	1	91,760	206,459	321,159
M53/295	Live	Mt Joel	70%	15/09/2035	4.1145	8928	2	3	3	3.5	2	3	1.5	2	1	112,499	253,122	393,745
M53/296	Live	Mt Joel	70%	15/09/2035	4.0805	8855	2	3	3	3.5	2	3	1.5	2	1	111,569	251,030	390,492
M53/297	Live	Mt Joel	70%	15/09/2035	2.652	5755	2	3	3	3.5	2	3	1.5	2	1	72,511	163,150	253,788
M53/393	Live	Alf Well	70%	20/12/2036	2.8625	6212	2	3	3	3.5	2	3	1.5	2	1	78,266	176,100	273,933
M53/544	Live	Mt Joel	70%	15/03/2030	1.871997	4062	1.5	2	1	1.5	1	1.5	1	1.5	1	4,265	11,730	19,194
M53/547	Live	Mt Joel	70%	15/03/2030	0.0438	95	1	1.5	1	1.5	1	1.5	1	1.5	1	67	202	337
P53/1622	Live	Corboys1	100%	8/07/2017	1.821	3952	1	2.5	1	1.5	1	1.5	1	1.5	1	3,952	18,646	33,341
P53/1623	Live	Corboys2	100%	3/06/2019	1.253603	2720	1	2.5	1	1.5	1	1.5	1	1.5	1	2,720	12,837	22,953
E53/1373	Live	Mt Joel	70%	15/11/2019	50.4	109368	1	1.5	1	2	1	1.5	1	1.5	1	76,558	296,661	516,764
E53/1744	Pending	Corboys	50%		11.2	24304	1	2	2	2.5	2	2.5	1.5	2	1	72,912	188,356	303,800
E53/1867	Pending	Greenstone Hill	50%		5.6	12152	1	1.5	1	1.5	1	1.5	1	1.5	1	6,076	18,418	30,760
E53/1874	Live	Sandalwood Bore	100%	30/06/2021	11.2	24304	0.5	1	1	1.5	1	1.5	1	1.5	1	12,152	47,089	82,026
E53/1855	Pending	Greenstone Hill	50%		33.6	72912	1	2.5	1	1.5	1	1.5	1	1.5	1	36,456	172,027	307,598
Yandal East																-	-	-
P36/1734	Live	Bronzewing	100%	4/08/2018	1.64044	3560	1	1.5	1	1.5	1	1.5	1	1.5	1	3,560	10,791	18,021

CSA-Report Nº: 295.2016



							Off Pr	operty	On Pr	operty	Ano	maly	Geo	logy				
TenementID	Status	Locality	Metaliko Interest	Expiry Date	Area (km²)	BAC. area	Low	High	Low	High	Low	High	Low	High	Market Factor	Low	Preferred	High
P36/1735	Live	Bronzewing	100%	4/08/2018	1.294476	2809	1	1.5	1	1.5	1	1.5	1	1.5	1	2,809	8,515	14,221
P36/1736	Live	Bronzewing	100%	4/08/2018	1.625011	3526	1	1.5	1	1.5	1	1.5	1	1.5	1	3,526	10,689	17,852
P36/1737	Live	Bronzewing	100%	4/08/2018	0.968634	2102	1	1.5	1	1.5	1	1.5	1	1.5	1	2,102	6,371	10,641
E36/593	Live	Barwidgee	100%	12/08/2017	11.2	24304	1	1.5	1.5	2	1.5	2	1	1.5	1	54,684	136,710	218,736
E36/673	Live	Mandoline Well	70%	28/12/2018	2.8	6076	1	1.5	1.5	2	1.5	2	1	1.5	1	9,570	23,924	38,279
E36/748	Live	Enterprise South	100%	31/03/2016	28	60760	1	1.5	1	1.5	1	1.5	1	1.5	1	60,760	184,179	307,598
E36/761	Live	Yandal West	100%	14/06/2016	5.6	12152	1	1.5	1	1.5	1	1.5	1	1.5	1	12,152	36,836	61,520
E36/762	Live	Yandal East	100%	14/06/2016	8.4	18228	1	1.5	1	1.5	1	1.5	1	1.5	1	18,228	55,254	92,279
E36/885	Pending	Desperation Well	50%		39.2	85064	1.5	2	1	1.5	1	1.5	1	1.5	1	63,798	175,445	287,091
E36/886	Pending	Paul Well	50%		2.8	6076	1	1.5	1	1.5	1	1.5	1	1.5	1	3,038	9,209	15,380
E36/887	Pending	Gum Well	50%		25.2	54684	1	1.5	1	1.5	1	1.5	1	1.5	1	27,342	82,880	138,419
P37/8514	Live	Yanbo	100%	20/04/2019	1.31	2843	1	1.5	0.5	1	1	1.5	1	1.5	1	1,421	5,508	9,594
E37/846	Live	Yandal	100%	20/02/2017	67.2	145824	1	1.5	0.5	1	1	1.5	1	1.5	1	72,912	282,534	492,156
E37/847	Live	Yandal	100%	20/06/2017	78.4	170128	1	1.5	2	2.5	1.5	2	1.5	2	1	765,576	1,658,748	2,551,920
E37/848	Live	Barwidgee	100%	16/04/2017	81.2	176204	1	1.5	2	2.5	1.5	2	1.5	2	1	792,918	1,717,989	2,643,060
Bronzewing																-	_	-
M36/295	Live	Bronzewing	100%	26/04/2036	1.5015	3258	2.5	3	1.5	2	1.5	2	1	1.5	1	18,328	38,488	58,649
M36/263	Live	Bronzewing	100%	31/08/2035	9.484	20580	1	1.5	2	2.5	1.5	2	1	2	1	61,741	185,223	308,704
P36/1740	Live	Bronzewing	100%	4/08/2018	1.512	3281	1	1.5	0.5	1	1	1.5	1	1.5	1	1,641	6,357	11,074
P36/1754	Live	Mt Joel	70%	30/06/2019	1.580209	3429	1	1.5	0.5	1	1	1.5	1	1.5	1	1,200	4,651	8,101
P36/1755	Live	Mt Joel	70%	30/06/2019	1.554505	3373	1	1.5	0.5	1	1	1.5	1	1.5	1	1,181	4,575	7,969
E36/578	Live	Barwidgee	70%	20/02/2017	25.2	54684	1	1.5	1.5	2	1	1.5	1	1.5	1	57,418	157,900	258,382
E36/698	Live	Mt Joel	70%	20/01/2020	11.2	24304	2	2.5	1	1.5	0.5	1	1	1.5	1	17,013	56,355	95,697



							Off Pr	operty	On Pr	operty	Ano	maly	Geo	ology				
TenementID	Status	Locality	Metaliko Interest	Expiry Date	Area (km²)	BAC. area	Low	High	Low	High	Low	High	Low	High	Market Factor	Low	Preferred	High
E36/847	Live	Delaney Well	100%	4/11/2020	16.8	36456	1	1.5	0.5	1	1	1.5	1	1.5	1	18,228	70,634	123,039
E36/862	Live	Bronzewing Well	100%	4/07/2021	28	60760	1	1.5	0.5	1	1	1.5	1	1.5	1	30,380	117,723	205,065
L36/55	Live	Mt Phillipson	100%	11/06/2020	0.228	495									1	-	-	-
L36/62	Live	Mt Phillipson	100%	17/12/2020	0.227	493									1	_	_	_
L36/82	Live	Mt Keith	100%	23/04/2021	0.18	391									1	_	_	_
L36/84	Live	Mt McClure	100%	23/09/2016	0.0004	1									1	-	-	-
L36/98	Live	Delaney Well	100%	19/07/2019	0.7	1519									1	-	-	-
L36/100	Live	Bronzewing	100%	11/07/2020	0.53	1150									1	-	-	-
L36/106	Live	Illergine Bore	100%	3/11/2016	0.0133	29									1	-	-	-
L36/107	Live	Scarborough Bore	100%	3/11/2016	0.09	195									1	-	-	-
L36/111	Live	Yandal Bore	100%	17/02/2020	39.51	85737									1	-	_	_
L36/112	Live	Jubilee Bore	100%	4/12/2017	0.21	456									1	-	-	-
L36/127	Live	Thompson Well	100%	17/12/2018	0.1835	398									1	-	-	-
L36/176	Live	Bronzewing	100%	28/12/2024	0.2215	481									1	-	-	-
L36/183	Live	Delaney Well	100%	13/07/2027	0.3309	718									1	-	-	-
L36/184	Live	Arnold Bore	100%	13/07/2027	0.02511	54									1	-	-	-
L36/185	Live	Anxiety Bore	100%	13/07/2027	0.1639	356									1	-	-	-
L36/186	Live	Anxiety Bore	100%	13/07/2027	0.0064	14									1	-	-	-
L36/190	Live	Bronzewing	100%	12/10/2027	0.1924	418									1	-	-	-
L36/192	Live	Bronzewing	100%	12/10/2027	0.0744	161									1	-	-	-
L36/200	Live	Bronzewing	100%	13/09/2028	0.16	347									1	-	-	-
L36/204	Live	Barwidgee	100%	4/07/2032	0.142429	309									1	-	-	-
L36/205	Live	Bronzewing	100%	4/07/2032	0.287259	623									1	-	-	-



							Off Pr	operty	On Pr	operty	Ano	maly	Geo	logy				
TenementID	Status	Locality	Metaliko Interest	Expiry Date	Area (km²)	BAC. area	Low	High	Low	High	Low	High	Low	High	Market Factor	Low	Preferred	High
L36/219	Live	Mandaline Haul Road	100%	4/11/2036	0.45	977									1	-	-	-
L37/218	Live	Northern Haul Road	100%	3/05/2037	0.68	1476									1	-	-	-
L37/219	Live	Ryans Bore Haul Road	100%	3/05/2037	0.72	1562									1	-	-	-
L53/133	Live	Bronzewing- Mt Joel	100%	11/05/2025	1.5874	3445									1	-	-	-
L53/162	Live	Corboys	100%	22/06/2032	0.0652	141									1	_	-	-
Mt McClure																-	-	-
M36/107	Live	Mt McClure	100%	10/09/2033	8.1325	17648	1.5	2	1	1.5	1	1.5	1	1.5	1	26,471	72,796	119,121
M36/146	Live	East	100%	17/07/2031	9.5275	20675	1	1.5	2.5	3	2.5	3	1.5	2	1	193,825	376,021	558,216
M36/200	Live	Mt Phillipson	100%	26/11/2033	8.6225	18711	2.5	3	1	1.5	1.5	2	1	1.5	1	70,166	161,381	252,596
M36/201	Live	Mt Phillipson	100%	26/11/2033	9.6035	20840	2.5	3	1.5	2	1.5	2	1	1.5	1	117,223	246,168	375,113
M36/202	Live	Mt Phillipson	100%	26/11/2033	6.5825	14284	1	2	1	1.5	1.5	2	1	1.5	1	21,426	74,991	128,556
M36/203	Live	Mt McClure	100%	26/11/2033	6.6175	14360	1.5	2	1	1.5	1.5	2	1	1.5	1	32,310	80,775	129,240
M36/244	Live	Mt McClure	100%	9/09/2034	1.555	3374	1	1.5	1	1.5	1.5	2	1	1.5	1	5,062	13,919	22,777
M36/615	Live	Mt McClure	100%	28/01/2028	9.363	20318	1.5	2	1.5	2	2	2.5	1	1.5	1	91,430	198,098	304,766
P36/1713	Live	Beale Well	70%	22/07/2017	1.78442	3872	1	1.5	0.5	1	1	1.5	0.5	1	1	678	3,388	6,099
P36/1738	Live	Bronzewing	100%	4/08/2018	1.945	4221	0.5	1	0.5	1	1	1.5	1	1.5	1	1,055	5,276	9,496
P36/1772	Live	Fred 1	70%	15/07/2016	1.43839	3121	1	1.5	0.5	1	1	1.5	0.5	1	1	546	2,731	4,916
P36/1773	Live	Fred 2	70%	15/07/2016	1.328063	2882	1	1.5	0.5	1	1	1.5	0.5	1	1	504	2,522	4,539
P36/1774	Live	Fred 3	70%	15/07/2016	1.354649	2940	1	1.5	0.5	1	1	1.5	0.5	1	1	514	2,572	4,630
E36/604	Live	Yandal	100%	3/12/2017	5.6	12152	0.5	1	1	1.5	1	1.5	1	1.5	1	6,076	23,545	41,013
E36/693	Live	Beale Well	70%	22/07/2019	8.4	18228	0.5	1	1	1.5	1	1.5	1	1.5	1	6,380	24,722	43,064



							Off Pr	operty	On Pr	operty	Ano	maly	Geo	ology				
TenementID	Status	Locality	Metaliko Interest	Expiry Date	Area (km²)	BAC. area	Low	High	Low	High	Low	High	Low	High	Market Factor	Low	Preferred	High
E36/749	Live	Enterprise North	100%	31/03/2021	36.4	78988	1	1.5	1	1.5	1	1.5	1	1.5	1	78,988	239,432	399,877
E36/884	Pending	Zaphod North	50%		11.2	24304	1	1.5	1	1.5	1	1.5	1	1.5	1	12,152	36,836	61,520
Other Yandal Tenements																-	-	-
E36/838	Live	Tony Well	100%	10/03/2020	25.2	54684	0.5	1	1	1.5	1	1.5	1	1.5	1	27,342	105,950	184,559
E37/1200	Live	Mandaline Well	100%	22/01/2020	28	60760	0.5	1	0.5	1	0.5	1	0.5	1	1	3,798	32,279	60,760
E53/1847	Live	Mandilla Well East	100%	17/11/2020	72.8	157976	0.5	1	0.5	1	0.5	1	0.5	1	1	9,874	83,925	157,976



Echo Resources

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TenementID	Status	Locality	Echo Interes t	Expiry Date	Area (km²)	BAC. area	Low	High	Low	High	Lo w	Hig h	Lo w	Hig h	Marke t Factor	Low	Preferred	High
Lake Violet																-	-	-
M53/144	Live	Corboy New Find	100%	4/10/2031	9.9935	21686	1.5	2	1.5	2	1.5	2	1	1.5	1	73,190	166,710	260,231
M53/145	Live	Corboy New Find	100%	4/10/2031	5.2465	11385	1	1.5	1	1.5	1	1.5	1	1.5	1	11,385	34,510	57,636
M53/149	Live	Destiny Well	100%	26/03/203 2	9.9995	21699	1.5	2	2	2.5	2	2.5	1.5	2	1	195,290	368,882	542,473
M53/160	Live	Barwidgee	100%	3/02/2033	1.506	3268	1.5	2	2.5	3	2	2.5	1.5	2	1	36,765	67,403	98,041
M53/170	Live	Corboy West	100%	16/12/203 2	5.107	11082	1	1.5	1.5	2	2	2.5	1	1.5	1	33,247	78,961	124,675
M53/183	Live	Lake Violet	100%	8/08/2033	9.4655	20540	2.5	3	1.5	2	1	1.5	1	1.5	1	77,026	177,159	277,292
M53/186	Live	Shady Well	100%	8/08/2033	9.7775	21217	2	2.5	1.5	2	2	2.5	1	1.5	1	127,303	262,563	397,822
M53/220	Live	Destiny Well	100%	1/04/2034	9.3705	20334	1.8	2.2	1.5	2	1.5	2	1	1.5	1	82,353	175,381	268,409
M53/379	Live	Bills Find	100%	11/01/203 7	9.221	20010	1.8	2.2	1	1.5	1	1.5	1	1.5	1	36,017	92,294	148,571
M53/434	Live	Biddy Well	100%	8/02/2022	5.2375	11365	1	1.5	1	1.5	1	1.5	1	1.5	1	11,365	34,451	57,537
M53/555	Live	Lupton Bore	100%	8/02/2022	9.7055	21061	1	1.5	1	1.5	1	1.5	1	1.5	1	21,061	63,841	106,621
M53/631	Live	Bills Find	100%	25/09/202 8	0.3304	717	2	2.5	1	1.5	2	2.5	1	1.5	1	2,868	6,475	10,082
M53/721	Live	Biddy Well	100%	26/11/202 9	5.4905	11914	1	1.5	1.5	2	1.5	2	1	1.5	1	26,807	67,018	107,229
M53/1080	Live	Barwidgee	100%	25/09/202 8	9.1805	19922	2	2.5	1.5	2	1.5	2	1	1.5	1	89,648	194,236	298,825
M53/1099	Pendin g	Julius	50%	-	7.36	15971									1	-	-	_
P53/1515	Live	Lake Violet	100%	6/04/2018	0.49498	1074	1	1.5	1	1.5	1	1.5	1	1.5	1	1,074	3,256	5,438



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							Pro	perty	Prop	erty	Ano	maly	Geo	logy				
TenementID	Status	Locality	Echo Interes t	Expiry Date	Area (km²)	BAC. area	Low	High	Low	High	Lo w	Hig h	Lo w	Hig h	Marke t Factor	Low	Preferred	High
					2													
P53/1649	Pendin g	Lake Violet 1	50%	-	1.97	4275	1	1.5	1	1.5	1	1.5	1	1.5	1	2,137	6,479	10,821
P53/1650	Pendin g		50%	-	1.8	3906	1	1.5	1	1.5	1	1.5	1	1.5	1	1,953	5,920	9,887
P53/1651	Pendin g		50%	-	1.21879 7	2645	1	1.5	1	1.5	1	1.5	1	1.5	1	1,322	4,009	6,695
P53/1652	Pendin g		50%	-	1.84714 8	4008	1	1.5	1	1.5	1	1.5	1	1.5	1	2,004	6,075	10,146
P53/1653	Pendin g		50%	-	1.26049 7	2735	1	1.5	1	1.5	1	1.5	1	1.5	1	1,368	4,146	6,924
P53/1654	Pendin g		50%	-	1.39963 5	3037	1	1.5	1	1.5	1	1.5	1	1.5	1	1,519	4,603	7,688
P53/1655	Pendin g		50%	-	1.62877 1	3534	1	1.5	1	1.5	1	1.5	1	1.5	1	1,767	5,357	8,947
P53/1656	Pendin g		50%	-	1.78489 9	3873	1	1.5	1	1.5	1	1.5	1	1.5	1	1,937	5,870	9,804
P53/1657	Pendin g		50%	-	1.98653 4	4311	1	1.5	1	1.5	1	1.5	1	1.5	1	2,155	6,534	10,912
P53/1658	Pendin g		50%	-	1.98505 7	4308	1	1.5	1	1.5	1	1.5	1	1.5	1	2,154	6,529	10,904
P53/1659	Pendin g		50%	-	1.97352 1	4283	1	1.5	1	1.5	1	1.5	1	1.5	1	2,141	6,491	10,840
P53/1660	Pendin g		50%	-	1.99842 9	4337	1	1.5	1	1.5	1	1.5	1	1.5	1	2,168	6,573	10,977
P53/1661	Pendin g		50%	-	1.61243 3	3499	1	1.5	1	1.5	1	1.5	1	1.5	1	1,749	5,303	8,857
P53/1662	Pendin g		50%	-	1.52315 6	3305	1	1.5	1	1.5	1	1.5	1	1.5	1	1,653	5,010	8,366
P53/1663	Pendin g		50%	-	1.83596 7	3984	1	1.5	1	1.5	1	1.5	1	1.5	1	1,992	6,038	10,085
P53/1664	Pendin g		50%	-	1.48024 6	3212	1	1.5	1	1.5	1	1.5	1	1.5	1	1,606	4,868	8,131
P53/1665	Pendin		50%	-	0.25715	558	1	1.5	1	1.5	1	1.5	1	1.5	1	279	846	1,413



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TenementID	Status	Locality	Echo Interes t	Expiry Date	Area (km²)	BAC. area	Low	High	Prop Low	High	Lo w	Hig h	Lo w	logy Hig h	Marke t Factor	Low	Preferred	High
	g				6													
E53/1042	Live		100%	4/05/2017	23.12	50170	1	1.5	3	3.5	3	3.5	2	2.5	1	903,067	1,603,885	2,304,703
E53/1324	Live		100%	26/11/201 8	6.127	13296	2	2.5	2	2.5	1	1.5	1	1.5	1	53,182	120,076	186,969
E53/1405	Live		100%	5/03/2019	3.026	6566	2	2.5	1	1.5	1	1.5	1	1.5	1	13,133	34,269	55,404
E53/1430	Live		100%	24/05/201 9	1.88	4080	2	2.5	1	1.5	1	1.5	1	1.5	1	8,159	21,290	34,422
E53/1472	Live		100%	22/07/202 0	5.05	10959	1	1.5	1	1.5	1	1.5	1	1.5	1	10,959	33,218	55,477
E53/1546	Live		100%	12/03/201 8	5.626	12208	1	1.5	1	1.5	1	1.5	1	1.5	1	12,208	37,007	61,805
E53/1586	Live		100%	23/12/201 7	43.38	94135	1	1.5	1	1.5	1	1.5	1	1.5	1	94,135	285,346	476,556
E53/1736	Live		100%	3/04/2019	97.71	21203 1	1	1.5	1	1.5	1	1.5	1	1.5	1	212,031	642,718	1,073,405
E53/1830	Pendin g		50%	-	101.3	21982 1	1.5	2	1	1.5	1	1.5	1	1.5	1	164,866	453,381	741,896
E53/1900	Pendin g		50%	-	122.7	26625 9	2	2.5	1	1.5	1	1.5	1	1.5	1	266,259	694,770	1,123,280
E53/1902	Pendin g		50%	-	3.061	6642	1	1.5	1	1.5	1	1.5	1	1.5	1	3,321	10,067	16,813
E53/1903	Pendin g		50%	-	3.061	6642	1	1.5	1	1.5	1	1.5	1	1.5	1	3,321	10,067	16,813
E53/1904	Pendin g		50%	-	9.183	19927	1	1.5	1	1.5	1	1.5	1	1.5	1	9,964	30,202	50,440
L53/57	Live		100%	14/09/201 8	0.22739	493									1	-	-	-
L53/59	Live		100%	12/10/201 8	0.1849	401									1	-	-	-
L53/203	Live		100%	1/08/2037	0.4494	975									1	-	-	-
L53/204	Pendin g		50%	-	0.32806 9	712									1	-	-	-



							_	off	_	n perty	Ano	maly	Geo	logy				
TenementID	Status	Locality	Echo Interes t	Expiry Date	Area (km²)	BAC. area	Low	High	Low	High	Lo w	Hig h	Lo w	Hig h	Marke t Factor	Low	Preferred	High
McKenzie Creek																-	-	-
E36/667	Live	Bates Range	100%	21/01/202 0	16.31	35393	0.5	0.5	0.5	1	0.5	1.5	0.5	1	1	2,212	14,378	26,545
E36/715	Live	Satisfaction Bore	100%	25/10/202 0	83.43	18104 3	0.5	0.5	0.5	1	0.5	1.5	0.5	1	1	11,315	73,549	135,782
E36/799	Pendin g	Arnold Bore	50%	-	188.8	40969 6	0.5	0.5	0.5	1	0.5	1.5	0.5	1	1	12,803	83,220	153,636
E36/810	Live	Kens Bore	100%	11/08/201 8	21.33	46286	0.5	0.5	0.5	1	0.5	1.5	0.5	1	1	2,893	18,804	34,715
E36/826	Live	Paul Well	100%	7/04/2019	12.244	26569	0.5	0.5	0.5	1	0.5	1.5	0.5	1	1	1,661	10,794	19,927
Sorrento Tenements						0										-	-	-
E53/1729	Pendin g	Yandal 1 Mine	35%		3.061	6642									1	-	-	-
E53/1742	Pendin g	Greenstone Hill	35%		12.244	26569									1	-	-	-
E53/1759	Pendin g	Mt Hilda	35%		30.61	66424	0.5	0.5	0.5	1	0.5	1.5	0.5	1	1	1,453	9,445	17,436
E53/1890	Pendin g	Wiluna	35%		174.477	37861 5	0.5	0.5	0.5	1	0.5	1.5	0.5	1	1	8,282	53,834	99,386



Appendix 6: Valuation of the Bronzewing Plant and Equipment



CSA Global

Echo Resources – Bronzewing Gold Treatment Plant Review 201619 – DD – 001B

Principal Authors

Keith Cameron – Principal Mechanical

Engineer

Principal Reviewers

Phil Hearse – Managing Director

Revision: Rev 0

Date: 19 September 2016





QA/CA

Revision	Purpose	Prepared by	Reviewed by	Date	Final sign off
Rev A	Internal review	K Cameron	P Hearse	19 Sep 2016	
Rev B	Client review	P Hearse	CSA	20 Sep 2016	
Rev C	Client Review	P Hearse	BDO	23 Sep 2016	
Rev 0	Final	P Hearse		29 Sep 2016	



Disclaimer

This document has been prepared at the request of CSA Global Pty Ltd ('CSA Global') for inclusion in the Independent Expert's Report prepared by BDO Corporate Finance (WA) Pty Ltd ('BDO'), to be included in the Explanatory Memorandum that will be sent to all Echo Resources Limited shareholders. BDO's Independent Expert's Report relates to the issue of shares in Echo Resources Limited to Mr Michael Ruane and his associates and in consideration receive shares in Metaliko Resources Limited. BDO engaged CSA Global to provide an independent opinion on the market valuation of the mineral assets of both Echo Resources Limited and Metaliko Resources Limited. CSA Global has subsequently engaged Battery Limits to provide an independent valuation of Metaliko's Bronzewing Gold Treatment Plant.

BatteryLimits hereby consent to this report being relied upon and referred to in BDO's Independent Expert's Report, and a copy being appended to BDO's Independent Expert's Report, to be included in the Explanatory Memorandum that will be sent to all Echo Resources Limited shareholders.

BatteryLimits has created this Report using data and information provided by or on behalf of Metaliko Resources Limited. BatteryLimits has not independently confirmed the veracity of this information, but has no reason to believe that any of the information or explanations supplied to it are false or that material information has been withheld.

The statements and opinions included in this Report are given in good faith and in the belief that they are not false, misleading or incomplete, and can be relied upon by BDO in its preparation of the Independent Expert's Report, upon which Echo Resources Limited's shareholders can rely.



Contents

1.	Background	1
2.	Metallurgical Capacity of the Plant	1
3.	Refurbishment Cost Review	2
3.1	Refurbishment Scope Definition	2
3.2	Cost Estimate Analysis	3
3.3	Conclusions	5
4.	Plant Value	6
4.1	Value as is	6
4.2	Limited Refurbishment	6
4.3	Operational Condition	6



1. Background

CSA Global Pty Ltd (CSA Global) has requested Battery Limits Pty Ltd (BatteryLimits) to provide a professional opinion on the adequacy of the cost estimate for the refurbishment of the Bronzewing Gold Treatment Plant (the Bronzewing Plant, or the plant) and to comment on certain metallurgical characteristics of the plant, including recovery drivers/sensitivities and scalability of the plant.

This has been undertaken by Phil Hearse of BatteryLimits with input from Keith Cameron who was previously involved with the plant:

- in 1994 as client's on-site representative for Great Central Mines for construction and commissioning
- in late 2008 as a consultant for Mega-Redport investigating the purchase of Bronzewing assets from the administrators of View Resources.

Phil Hearse is a metallurgist with 40 years' experience and Keith Cameron a mechanical engineer with 30 years' experience.

The following documents were provided for review:

- Mintrex Pty Ltd, 'Bronzewing Project Plant Inspection Report Project Number 1573-EAR'
 Rev. 1, 11th August 2016, and associated Risk Register (the Mintrex Report)
- Interquip Pty Ltd, 'Bronzewing Plant Inspection', July 2016 (the Interquip Report)
- BEC 'Bronzewing Plant Electrical Inspection Report BP967-200-E-RE-001', 29 July 2016 (the BEC Report).

The Mintrex Report was the main document on which BatteryLimits' review was conducted.

2. Metallurgical Capacity of the Plant

The Bronzewing Plant is a standard gold processing plant with the unit operations of crushing, grinding, gravity gold recovery, carbon-in-leach and elution/gold smelting. It is designed for 'free-milling' gold ores. Free milling gold ores are those whereby gold is liberated at moderate grind sizes for dissolution by cyanide without the need for a pre-oxidation stage. Most of Western Australia's gold ore bodies are 'free milling'.

The capacity to treat different ore bodies will depend on the metallurgical and materials handling characteristics of those ore bodies. If the ore bodies have good materials-handling characteristics (e.g. not excessive clays that will cause the ore to hang up in chutes etc) and if the



ore does not have refractory characteristics, then the plant should be capable of treating those ore bodies for gold recovery. Recovery will vary according to the specific metallurgical characteristics of each ore body, and will be determined by metallurgical testwork prior to processing through the plant.

With regard to 'scalability', the plant will have limited turn-down capacity i.e. the capacity to treat lower throughput than design. This is mainly governed by the milling circuit where damage can be caused to the mill when it is run at low feed rates, and pumps that are not designed for low volume flows. Ore can be treated by 'campaigning' it through the mill i.e. running the plant at design throughput for lower periods of time.

3. Refurbishment Cost Review

3.1 Refurbishment Scope Definition

The refurbishment scope is based on a recent visual inspection of the Bronzewing Plant by Mintrex and the associated Mintrex Report. The cost estimate is predicated on the assumed refurbishment scope which is only preliminary and therefore the cost estimate carries a high level of uncertainty.

Based on the Mintrex Report, the plant condition since Mr Cameron's 2008 investigation appears to have deteriorated greatly for the additional 3 years of operation (2010-2013). BatteryLimits concurs with Mintrex with respect to the negative outcomes that can arise from sub-standard maintenance undertaken by a distressed operator prior to plant shutdown, and with no subsequent clean-up and de-commissioning phase (emptying bins, draining tanks, jacking ball mill, etc). BatteryLimits make this statement in a qualified manner given that the photos which appear in the referenced reports may focus on the poorly maintained areas and BatteryLimits has not had recent first-hand account of the total plant condition.

Nevertheless BatteryLimits agrees with the assumed refurbishment scope made by Mintrex, in as much as the ultimate scope will be subject to the actual condition of the internals of mechanical equipment, tankage, electrical componentry, etc. BatteryLimits also makes further comments as follows in the context of the cost estimate risks:

• As stated by Mintrex, the CIL tankage is one significant area of risk. On the original construction, there was concern for bio-corrosion as already experienced at neighbouring gold operations and hence a high specification paint system was utilised. Mr Cameron was involved in the application and QA of the 2 mm thick UHB epoxy coating, as correctly interpreted by Interquip. Rigorous spark testing and follow-up work was undertaken to ensure continuity. Failure of the tank coatings and perhaps little or no follow-up



protective coating maintenance is likely to have created moderate levels of corrosion of these tank walls. These must be inspected and NDT methods used to ascertain wall integrity.

- If BatteryLimits interprets the Mintrex report correctly, then the Ball Mill has neither been inched on a monthly basis nor jacked off its bearings onto cradles for the downtime. Mintrex has suggested that flat spots and other issues such as water ingress in bearings will likely require major refurbishment. BatteryLimits agrees with this supposition. There is however no mention of the condition of the pinion/ring gear set, and given reference to the poor state of mill lube systems by Interquip, this will be another area of risk.
- The condition of the reclaim tunnel Armco platework on the stockpile side must be examined given it is approaching 25 years age and especially if it has been exposed to any corrosive elements emanating from within the stockpiled ore.

3.2 Cost Estimate Analysis

There is no detailed breakdown of cost estimates supplied within the documentation. However BatteryLimits has made simple determinations as follows.

Firstly the labour cost comprises a total of 75,000 man-hours at an all-in cost of \$194/h for a total labour and plant hire (i.e. cranes, EWP's, etc.) cost of \$14.6 M. BatteryLimits assumes a 10 hour day (not stated). The all-in labour rate includes all non-material costs i.e. labour, supervision, profits, overheads, non-productive time, accommodation, travel, plant hire, consumables, etc.

The total man-hours assumed are considered commensurate with a high level of refurbishment to achieve the economic plant availability philosophy as clearly outlined by Mintrex. It should be noted that man-hours incurred in site refurbishment are significantly less productive than those incurred in an original construction phase.

The all-in labour rate may be a little high in the current marketplace. BatteryLimits has utilised incurred all-in rates of \$200-240/h in recent boom time conditions, whereas we expect that a lean-mean-competitive EPC contractor may be able to operate at lower levels than \$194/h. As the existing Bronzewing camp can be used for a construction camp and assuming the local Bronzewing airstrip is still serviceable, there are some slight savings over greenfields site construction costs.

Secondly, based on the assumptions made in the refurbishment scope for machines to be sent off-site, the Materials and Off-site Refurbishment/Replacement costs may be higher than the A\$4.2 M estimated. Pipe, instrument and idler replacement percentages may be higher than assumed by Mintrex to return the plant to the full P&ID specifications.



Thirdly given the tendency for overheads/management/owners costs to blow out, the \$2.3 M estimated is considered to be on the low side. Procurement and expediting costs increase as more equipment and parts are required. Camps and flights need to be managed. Increased recommissioning and working capital costs associated with non-refurbished equipment failures and other delays also need to be taken into account.

BatteryLimits considers that the net effect of the variations in the three items above is a median price in the region of A\$20 M.

The Interquip Report estimate of \$19.8 M for all structural-mechanical-piping (SMP) refurbishment is about 15%-20% greater than the equivalent SMP scope priced within the Mintrex estimate. We assume that the two cost estimates were prepared independently.

With respect to the estimate accuracy, the bandwidth at 50% accuracy is from A\$10 M to A\$32 M. BatteryLimits believes that this is a realistic range, given the low level of visual investigation done thus far (AACE Class 5 estimate). This uncertainty can only be reduced by a much more detailed investigation of the plant condition. Mintrex specifies a sensible way forward in its report.

The lower limit of A\$10 M is considered unlikely to achieve the stated aim of economic and industry standard plant availability for the short to medium term. There is no safe way to start up with a reduced budget and still be ensured of plant reliability.

The upper limit of A\$32 M is considered reasonable to account for the scenario that the majority (but not all) of the following items will need further refurbishment, after more detailed inspections:

- total tank reinforcement and re-coating
- power station engine and systems refurbishment/replacement
- significant HV power pole replacements
- borefield pump/equipment replacements
- process dam liner repairs
- other ball mill issues such as worn ring gear replacement
- higher electrical refurbishment than assumed (particularly VSD's and PLC's)
- higher valve and instrument replacement percentages than assumed
- higher electrical cable replacements than assumed
- damage to any underground HV cables



- damage arising from electrical protection settings higher than recommended
- condition of the stockpile side of the reclaim Armco tunnel
- any other assumptions exceeded, etc.

A worst case scenario of all defects simultaneously existing and leading to a higher than A\$32 M refurbishment cost would force a re-think on the overall processing strategy.

BDO has asked the following specific questions:

1 What would be the cost to refurbish the plant to operational condition?

BatteryLimits would reword this to a high risk operational condition. The Mintrex Report spells this out pretty clearly, and BatteryLimits agrees with Mintrex' findings, given the limited survey that has been conducted on the plant. Mintrex has provided a high level order of magnitude estimate of \$13.4 M for limited refurbishment. A very limited refurbishment could cost as little as \$5 M, but as Mintrex points out (and BatteryLimits concurs), reducing expenditure will reduce availability and increase opex. A cost of \$5 M for example could be spent to then experience a major plant failure with a long reinstatement timeframe - Mintrex make this and other scenarios clear in their report.

2 What would be the cost to refurbish the plant to optimal condition?

BatteryLimits would reword this to a reasonable operating condition. The point here is that the Mintrex' estimate of \$21 M is for an operational plant not an optimal plant. To put all equipment back to near new condition, the cost would be much greater and probably not be justified.

To define the exact scope and hence cost required to return the plant to a +90% availability requires more investigation and testing. This is not possible from the first pass inspection and report undertaken by Mintrex. Only when this has been done, could the possibility of a lower cost to return the plant reliably, and safely, to operation be known.

3.3 Conclusions

Based on the very preliminary refurbishment scope prepared by Mintrex Pty Ltd that has been derived by experienced visual examination (and not by examination of the internal condition and testing of machines, equipment, structures and tankage), BatteryLimits considers the refurbishment scope to be a fair assumption at this stage, and that the associated order-of-magnitude cost estimate of A\$21 M, +/- 50%, to be reasonable. To re-iterate Mintrex' comments, less expenditure can be spent up-front but comes with the risk of increased downtime and operating costs.



4. Plant Value

BDO has requested BatteryLimits to provide a value for the plant under three different scenarios.

4.1 Value as is

BatteryLimits agrees with Mintrex' conclusion that the plant is virtually worthless in its current condition - if a buyer was to be found the value could be up to \$1-2 M.

4.2 Limited Refurbishment

BatteryLimits is of the opinion that the plant would not be worth much more under a limited refurbishment scenario because a potential buyer would have no assurance that the plant would be reliable, and the buyer would not know what additional refurbishment work was required. If a full investigation was to be carried out prior to refurbishment, then a potential buyer would be aware of the plant condition, and may be able to make a measured assessment of the value to it.

4.3 Operational Condition

Mintrex has put an 'academic' value of \$25 M onto the refurbished plant. BatteryLimits is of the opinion that this is likely to be high, but the value of the plant will be dependent on what somebody would pay for it, and why the potential buyer was planning to purchase the plant. It would certainly carry more value to someone treating gold ore from the immediate vicinity, or to someone planning to toll treat. BatteryLimits would put a value between about \$10 M and the \$25M that Mintrex has allocated if it were to be used for these purposes. However, as a second hand plant that needed to be relocated, it is possible that you would not recoup the refurbishment cost.



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PROXY FORM

ECHO RESOURCES LIMITED ACN 108 513 113

ANNUAL GENERAL MEETING

I/We						
of:						
being a Shar	reholder entitled to a	ittend and vote at	the Meeting, herel	by appoint:		
Name:						
Nume.						
OR:	the Chair of the I	Meeting as my/our	proxy.			
accordance aws as the p	person so named owith the following directory sees fit, at the m (Level 2), CWA H	ections, or, if no di Meeting to be he	rections have bee ld at 11:00am (WS	n given, and T), on Friday	d subject to th y, 11 Novemb	e relevant er 2016 at
AUTHORITY FO	R CHAIR TO VOTE UN	IDIRECTED PROXIES	ON REMUNERATIO	N RELATED RI	ESOLUTIONS	
lefault), I/we /we have inc	nave appointed the expressly authorise to dicated a different volicetly with the remu	the Chair to exerci oting intention bel	se my/our proxy o low) even though	n Resolution Resolutions	s 1 and 4 (exc 1 and 4 are o	ept where connected
CHAIR'S VOTII	NG INTENTION IN RELA	ATION TO UNDIREC	TED PROXIES			
	change his/her voti nt will be made imm				nt this occur	s an ASX
•	usiness of the Meeting	-		FOR	AGAINST	ABSTAIN
Resolution 1	Adoption of Remune					
Resolution 2	Re-election of Direct	•	ntosh			
Resolution 3	Approval of 10% Place					
Resolution 4 Resolution 5	Adoption of Incentive Approval Under ASX	·				
lease note: If	you mark the abstain I show of hands or on c	box for a particular				
two proxies a	re being appointed, the	proportion of voting	rights this proxy repre	esents is:		%
ignature of S	hareholder(s):					
ndividual or S	Shareholder 1	Shareholder 2		Sharehold	er 3	
_	ompany Secretary	Director		Director/Co	mpany Secreta	ry
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EAR - Notice of 2016 AGM FINAL

Instructions for completing Proxy Form

- 1. (Appointing a proxy): A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.
- 2. (**Direction to vote**): A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.

3. (Signing instructions):

- (Individual): Where the holding is in one name, the Shareholder must sign.
- (**Joint holding**): Where the holding is in more than one name, all of the Shareholders should sign.
- (**Power of attorney**): If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
- (Companies): Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to Section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.
- 4. (Attending the Meeting): Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.
- 5. **(Return of Proxy Form)**: To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (a) post to Echo Resources Limited, 159 Stirling Hwy, Nedlands, Western Australia; or
 - (b) facsimile to the Company on facsimile number +61 8 9386 9473; or

so that it is received not less than 48 hours prior to commencement of the Meeting.

Proxy Forms received later than this time will be invalid.

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