



29 September 2016

ASX Limited
Exchange Plaza
2 The Esplanade
PERTH WA 6000

Attention: Chris Bailey and Ben Secrett

By e-mail: chris.bailey@asx.com.au; ben.secrett@asx.com.au

Dear Chris & Ben,

Please find enclosed a copy of the Bid Implementation Agreement between Metaliko Resources Ltd (ASX: MKO) and Echo Resources Ltd (ASX: EAR) to accompany ASX Announcements by these companies on the same date relating to the proposed merger.

Yours sincerely,

Simon Coxhell
Chief Executive Officer
Echo Resources Ltd
+61 8 9389 8726

Michael Ruane
Executive Director
Metaliko Resources Ltd
+61 8 9386 9527

Media Enquiries
Citadel-MAGNUS
Michael Weir or Richard Glass
+61 402 347 032 / +61 413 660 036

METALIKO RESOURCES LIMITED
ACN 120 974 567
(METALIKO)


and

ECHO RESOURCES LIMITED
ACN 108 513 113
(EAR)

BID IMPLEMENTATION AGREEMENT

TABLE OF CONTENTS

1.	DEFINITIONS AND INTERPRETATION	4
1.1	Definitions	4
1.2	Interpretation	12
1.3	Next day	13
1.4	Next Business Day	13
1.5	Headings.....	13
2.	CO-OPERATION	13
2.1	General obligations.....	13
2.2	Access to people and information	14
2.3	Implementation obligations of Metaliko	14
2.4	Appointment of directors	15
3.	THE OFFER.....	15
3.1	Offer by EAR	15
3.2	Consideration.....	15
3.3	Fractional entitlements	15
3.4	Foreign Metaliko Shareholders and Unmarketable Parcels	15
3.5	Conditions of the Offer	16
3.6	Offer Period	17
3.7	Variation	17
3.8	Extension of Takeover Bid	17
3.9	Standard vendor warranty	17
4.	DOCUMENTATION AND BOARD RECOMMENDATIONS.....	17
4.1	EAR's obligations to prepare documentation.....	17
4.2	Metaliko's obligations to prepare documentation	17
4.3	Provision of Information	18
4.4	Directors' recommendations	18
4.5	Joint Despatch.....	18
4.6	Timetable	19
4.7	Consent to early dispatch of Bidder's Statement	19
5.	CONDUCT OF BUSINESS.....	19
5.1	Overview.....	19
5.2	Specific obligations	19
5.3	Prohibited actions.....	20
5.4	Financial accommodation	21
6.	EXCLUSIVITY	21
6.1	No existing discussions.....	21
6.2	No-shop.....	21
6.3	No-talk.....	21
6.4	Notice of approach	22
6.5	Exceptions to no-talk.....	22
6.6	Compliance with law	23
6.7	Legal advice	23
7.	REIMBURSEMENT OF COSTS	23
7.1	Rationale	23
7.2	Payment of Compensating Amount by Metaliko	24
7.3	Payment of Compensating Amount by EAR	25
7.4	Payment.....	25

Handwritten signatures and initials:

 KS
 BT

7.5	Exclusive Remedy	25
7.6	Compliance with law	26
7.7	Survival	26
8.	WARRANTIES	26
8.1	EAR Warranties	26
8.2	EAR indemnity	28
8.3	Metaliko Warranties.....	28
8.4	Metaliko indemnity	29
8.5	Reliance on representations and warranties.....	29
8.6	Notification	30
8.7	Release of officers	30
9.	TERMINATION	30
9.1	Termination rights.....	30
9.2	Termination by EAR.....	31
9.3	Termination by Metaliko	31
9.4	Effect of termination	31
10.	ANNOUNCEMENT OF TAKEOVER BID	32
10.1	Public announcement of Takeover Bid	32
10.2	Required Disclosure	32
10.3	Other Announcements	32
11.	CONFIDENTIAL INFORMATION OBLIGATIONS	32
11.1	Disclosure of EAR Confidential Information.....	32
11.2	Use of EAR's Confidential Information	32
11.3	Disclosure of Metaliko Confidential Information	32
11.4	Use of Metaliko Confidential Information.....	33
11.5	Disclosure by recipient of Confidential Information	33
11.6	Excluded Information	33
11.7	Return of Confidential Information.....	33
11.8	Termination	33
11.9	Termination of existing Confidentiality Agreement.....	33
12.	NOTICES AND OTHER COMMUNICATIONS	33
12.1	Notices in writing	33
12.2	Details	34
12.3	Change of Address	34
12.4	Receipt of notice.....	34
13.	GOODS AND SERVICES TAX (GST)	34
13.1	Consideration does not include GST	34
13.2	Recovery of GST	34
13.3	Time of payment.....	35
13.4	Adjustment of additional amount	35
13.5	Reimbursement.....	35
13.6	Survival	35
14.	MISCELLANEOUS	35
14.1	Discretion in exercising rights	35
14.2	Partial exercising of rights	35
14.3	No liability for loss	35
14.4	Approvals and consents.....	35
14.5	Conflict of interest	35
14.6	Remedies cumulative	35

KS
BT

14.7	Variation and waiver	36
14.8	No merger	36
14.9	Indemnities	36
14.10	Further steps	36
14.11	Construction	36
14.12	Costs	36
14.13	Duty	36
14.14	Assignment	36
14.15	No representation or reliance	36
14.16	Governing law	37
14.17	Counterparts	37
14.18	Knowledge and belief	37
SCHEDULE 1 – TIMETABLE		38
SCHEDULE 2 – CONDITIONS TO THE OFFER.....		39
SCHEDULE 3 – EAR PRESCRIBED OCCURRENCES.....		42
SCHEDULE 4 – METALIKO PRESCRIBED OCCURRENCES		45
SCHEDULE 5 – METALIKO SECURITIES		47
SCHEDULE 6 – EAR SECURITIES		48
SCHEDULE 7 – ANNOUNCEMENT		49

[Handwritten signatures and initials]
 145
 82
 81

THIS AGREEMENT is made the 27 day of September

2016

BETWEEN

METALIKO RESOURCES LIMITED (ACN 120 974 567) of 159 Stirling Highway Nedlands Western Australia (**Metaliko**);

AND

ECHO RESOURCES LIMITED (ACN 108 513 113) of 159 Stirling Highway Nedlands Western Australia (**EAR**).

RECITALS

- A.** EAR is proposing to acquire all of the Metaliko Shares by way of a Takeover Bid.
- B.** Metaliko and EAR have agreed to co-operate with each other in relation to the Takeover Bid on the terms of this agreement.

IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

The following words have these meanings in this agreement unless the contrary intention appears.

ACCC means the Australian Competition and Consumer Commission.

Advisers means, in relation to an entity, its legal, financial and other expert advisers.

AIFRS means the Australian International Financial Reporting Standards.

Amount of the Consideration means:

- (a) the amount of any payment in connection with a supply; and
- (b) in relation to non-monetary consideration in connection with a supply, the GST exclusive market value of that consideration as reasonably determined by the supplier.

Announcement means the announcement substantially in the form of Schedule 7.

Announcement Date means the date the Takeover Bid is announced in accordance with clause 10 and the Timetable.

ASIC means the Australian Securities and Investments Commission.

Associate has the meaning in section 12 of the Corporations Act as if subsection (1) of that section included a reference to this agreement.

ASX means ASX Limited or the Australian Securities Exchange, as appropriate.

Authorised Officer means, in respect of a party, a director or secretary of the party or any other person appointed by a party to act as an Authorised Officer under this agreement.

Bidder's Statement means the bidder's statement to be issued by EAR in respect of the Takeover Bid.

Business Day means a business day as defined in the Listing Rules.

Business Hours means from 9:00 am to 5:00 pm on a Business Day.

Compensating Amount means \$250,000.

Competing Transaction means:

(a) in relation to Metaliko, a transaction or proposed transaction notified to the Metaliko Board which, if completed substantially in accordance with its terms, would mean a person (other than EAR or its Related Bodies Corporate) would:

(i) directly or indirectly, acquire an interest or relevant interest in or become the holder of:

(A) 20% or more of all Metaliko Shares; or

(B) all or a substantial part of the business conducted by Metaliko,

including by way of takeover bid, scheme of arrangement, capital reduction, sale of assets, sale of shares or joint venture, but not as a custodian, nominee or bare trustee;

(ii) acquire control of Metaliko, within the meaning of section 50AA of the Corporations Act; or

(iii) otherwise acquire or merge (including by a reverse takeover bid or dual listed company structure) with Metaliko; and

(b) in relation to EAR, a transaction or proposed transaction notified to the EAR Board which, if completed substantially in accordance with its terms, would mean a person (other than Metaliko or its Related Bodies Corporate) would:

(i) directly or indirectly, acquire an interest or relevant interest in or become the holder of:

(A) 20% or more of all EAR Shares; or

(B) all or a substantial part of the business conducted by EAR,

including by way of takeover bid, scheme of arrangement, capital reduction, sale of assets, sale of shares or joint venture, but not as a custodian, nominee or bare trustee;

(ii) acquire control of EAR, within the meaning of section 50AA of the Corporations Act; or

- (iii) otherwise acquire or merge (including by a reverse takeover bid or dual listed company structure) with EAR.

Conditions means the conditions to the Offer which are set out in Schedule 2.

Confidential Information means EAR Confidential Information or Metaliko Confidential Information, as the case requires.

Corporations Act means the *Corporations Act 2001* (Cth).

Details means details set out in clause 12.2.

Encumbrance means any mortgage, lien, charge, pledge, assignment by way of security, security interest, title retention, preferential right or trust arrangement, claim, covenant, profit a prendre, easement or any other security arrangement or any other arrangement having the same effect.

EAR Board means the board of directors of EAR.

EAR Confidential Information means all confidential, non-public or proprietary information, regardless of how the information is stored or delivered, exchanged between the parties before, on, or after the date of this agreement relating to the business, technology or other affairs of the EAR Group, the terms of this agreement, its existence and the fact the parties are in negotiations in relation to the agreement.

EAR Due Diligence Material means the information (including in written, oral and electronic form) about the EAR Group and its businesses, assets and liabilities disclosed by or on behalf of EAR, including in response to requests for information, to Metaliko (or any of its Representatives), and information disclosed by EAR to ASX and ASIC, prior to the date of this agreement.

EAR Group means EAR and its Subsidiaries.

EAR Material Adverse Change means any act, omission, event, change, matter or circumstance occurring, or being discovered or becoming public (either individually or aggregated with other acts, omissions, events, changes, matters or circumstances) which:

- (a) has diminished, or could reasonably be expected to diminish the net assets of the EAR Group by \$2 million or more;
- (b) has or could reasonably be expected to have a materially adverse effect on the:
 - (i) assets, liabilities, financial position, performance, profitability or prospects of the EAR Group; or
 - (ii) status or terms of (or rights attaching to) any material approvals from government authority applicable to the EAR Group,

including without limitation any person accelerating or adversely modifying the performance of any material obligations of EAR or any of its Subsidiaries under any material agreements, contracts or other legal arrangements,

but does not include:

- (c) those events or circumstances envisaged by this agreement or required to be done or procured by EAR pursuant to this agreement;
- (d) those events or circumstances relating to changes in business conditions affecting the industry in which Metaliko and EAR operate;
- (e) an event, circumstance, matter or information that is fairly disclosed, or that is reasonably apparent on its face as potentially to flow from the event, occurrence, matter or information that is fairly disclosed, in information provided by EAR to Metaliko or its Representatives, or is otherwise known to Metaliko or its Representatives on or prior to the date of this agreement or otherwise disclosed in public filings by EAR with ASIC or provided to ASX on or prior to the date of this agreement; or
- (f) the portion of any event, matter, change or circumstances which is as a consequence of losses, expenses, damages or other costs covered by insurance which EAR's insurers have agreed to pay.

EAR Option means an option to acquire an EAR Share.

EAR Prescribed Occurrence means any of the events listed in Schedule 3.

EAR Share means a fully paid ordinary share in EAR.

EAR Shareholder means a holder of one or more EAR Shares.

End Date means the earliest of:

- (a) date of termination of this agreement in accordance with its terms; and
- (b) 31 January 2017 or such later date as the parties agree.

Excluded Information means EAR or Metaliko Confidential Information which:

- (a) is in or becomes part of the public domain other than through a breach of this agreement or an obligation of confidence owed to the party providing the Confidential Information;
- (b) the recipient of the Confidential Information can prove by contemporaneous written documentation was already known to it at the time of disclosure by the party providing the Confidential Information (unless such knowledge arose from disclosure of information in breach of an obligation of confidentiality); or
- (c) the recipient of the Confidential Information acquires from a source other than the party providing the Confidential Information or any Related Body Corporate or Representative of the party providing the Confidential Information where such source is entitled to disclose it.

Exclusivity Period means the period commencing on the date of this agreement and ending on the End Date.

Foreign Metaliko Shareholder means a Metaliko Shareholder:

- (a) who is (or is acting on behalf of) a citizen or resident of a jurisdiction other than residents of Australia, New Zealand and Hong Kong; or

- (b) whose address shown in the Register is a place outside Australia, New Zealand or Hong Kong or who is acting on behalf of such a person,

unless EAR determines that:

- (c) it is lawful and not unduly onerous or unduly impracticable to issue that Metaliko Shareholder with EAR Shares on completion of the Offer; and
- (d) it is lawful for that Metaliko Shareholder to participate in the Offer by the law of the relevant place outside Australia, New Zealand or Hong Kong.

GST means a goods and services or similar tax imposed in Australia.

GST Act means the A New Tax System (Goods and Services Tax) Act 1999 (Cth).

Input Tax Credit has the meaning it has in the GST Act.

A person is **Insolvent** if:

- (a) it is (or states that it is) an insolvent under administration or insolvent (each as defined in the Corporations Act); or
- (b) it is in liquidation, in provisional liquidation, under administration or wound up or has had a controller, receiver or receiver and manager appointed to any part of its property; or
- (c) it is subject to any arrangement, assignment, moratorium or composition, protected from creditors under any statute or dissolved (in each case, other than to carry out a reconstruction or amalgamation while solvent on terms approved by the other parties to this agreement); or
- (d) an application or order has been made (and in the case of an application, it is not stayed, withdrawn or dismissed within 30 days), resolution passed, proposal put forward, or any other action taken, in each case in connection with that person, which is preparatory to or could result in any of (a), (b) or (c) above; or
- (e) it is taken (under section 459F(1) of the Corporations Act) to have failed to comply with a statutory demand; or
- (f) it is the subject of an event described in section 459C(2)(b) or section 585 of the Corporations Act (or it makes a statement from which the other party to this agreement reasonably deduces it is so subject); or
- (g) it is otherwise unable to pay its debts when they fall due; or
- (h) something having a substantially similar effect to (a) to (g) happens in connection with that person under the law of any jurisdiction.

Listing Rules means the Listing Rules of ASX.

Lodgement Date means the date EAR lodges the Bidder's Statement with ASIC.

Material Contract means:

- (a) in the case of the Metaliko Group:
 - (i) any agreement between Metaliko and Bullseye Mining Ltd in respect of the Bronzewing mill;
 - (ii) any royalty arrangements in favour of Franco-Nevada Australia Pty Ltd or its Representatives in relation to Metaliko mining tenements or the Bronzewing mill; and
 - (iii) a contract or commitment requiring total payments in excess of \$250,000; and
- (b) in the case of the EAR Group, a contract or commitment requiring total payments in excess of \$250,000.

Metaliko Board means the board of directors of Metaliko.

Metaliko Confidential Information means all confidential, non-public or proprietary information regardless of how the information is stored or delivered, exchanged between the parties before, on or after the date of this agreement relating to the business, technology or other affairs of the Metaliko Group, the terms of this agreement, its existence and the fact the parties are in negotiations in relation to the agreement.

Metaliko Due Diligence Material means the information (including in written, oral and electronic form) about the Metaliko Group and its businesses, assets and liabilities disclosed by or on behalf of Metaliko, including in response to requests for information, to EAR (or any of its Representatives), and information disclosed by EAR to ASX and ASIC, prior to the date of this agreement.

Metaliko Group means Metaliko and its Subsidiaries.

Metaliko Material Adverse Change means any act, omission, event, change, matter or circumstance occurring, or being discovered or becoming public (either individually or aggregated with other acts, omissions, events, changes, matters or circumstances) which:

- (a) has diminished, or could reasonably be expected to diminish the net assets of the Metaliko Group by \$2 million or more;
- (b) has or could reasonably be expected to have a materially adverse effect on the:
 - (i) assets, liabilities, financial position, performance, profitability or prospects of the Metaliko Group; or
 - (ii) status or terms of (or rights attaching to) any material approvals from government authority applicable to the Metaliko Group,

including without limitation any person accelerating or adversely modifying the performance of any material obligations of Metaliko or any of its Subsidiaries under any material agreements, contracts or other legal arrangements,

but does not include:

- (c) those events or circumstances envisaged by this agreement or required to be done or procured by Metaliko pursuant to this agreement;
- (d) those events or circumstances relating to changes in business conditions affecting the industry in which Metaliko and EAR operate;
- (e) an event, circumstance, matter or information that is fairly disclosed, or that is reasonably apparent on its face as potentially to flow from the event, occurrence, matter or information that is fairly disclosed, in information provided by Metaliko to EAR or its Representatives, or is otherwise known to EAR or its Representatives on or prior to the date of this agreement or otherwise disclosed in public filings by Metaliko with ASIC or provided to ASX on or prior to the date of this agreement; or
- (f) the portion of any event, matter, change or circumstances which is as a consequence of losses, expenses, damages or other costs covered by insurance which Metaliko's insurers have agreed to pay.

Metaliko Prescribed Occurrence means any of the events listed in Schedule 4.

Metaliko Share means a fully paid ordinary share in Metaliko.

Metaliko Shareholder means a holder of one or more Metaliko Shares.

Notice of Meeting has the meaning given in clause 4.1 (c).

Offer means each offer to acquire Metaliko Shares to be made by EAR to each Metaliko Shareholder under the Takeover Bid on terms consistent with this agreement.

Offer Date means:

- (a) the date which is 5 Business Days after the Lodgement Date, unless the parties otherwise agree on an earlier despatch date for the Offers following lodgement of the Bidder's Statement with ASIC, in which case the Offer Date will be the earlier despatch date agreed by the parties; or
- (b) such other date agreed on in writing by the parties.

Offer Period means the period during which the Offer is open for acceptance.

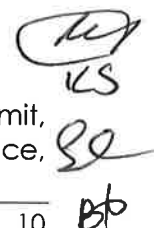
Officers means, in relation to an entity, its directors, officers, and employees.

Register means the share register and option register of Metaliko (as appropriate) and Registry has a corresponding meaning.

Register Date means the date set by EAR pursuant to section 633(2) of the Corporations Act.

Regulatory Approval means:

- (a) any consent, authorisation, registration, filing, lodgement, permit, franchise, agreement, notarisation, certificate, permission, licence,



approval, direction, declaration, authority, ruling or exemption from, by or with a Regulatory Authority; or

- (b) in relation to anything that would be fully or partly prohibited or restricted by law if a Regulatory Authority intervened or acted in any way within a specified period after lodgement, filing, registration or notification, the expiry of that period without intervention or action,

as may be necessary to enable a party to fulfil its obligations under this agreement.

Regulatory Authority includes:

- (a) ASX, ACCC and ASIC;
- (b) a government or governmental, semi-governmental or judicial entity or authority;
- (c) a minister, department, office, commission, delegate, instrumentality, agency, board, authority or organisation of any government; and
- (d) any regulatory organisation established under statute.

Related Bodies Corporate has the meaning given to it in the Corporations Act.

Relevant Interest has the meaning given to it in the Corporations Act.

Representatives of a party includes:

- (a) a Related Bodies Corporate of the party; and
- (b) each of the Officers and Advisers of the party or any of its Related Bodies Corporate.

Sale Nominee has the meaning given in clause 3.4.

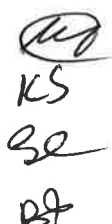
Subsidiaries has the meaning given in the Corporations Act.

Superior Proposal means a Competing Transaction which is, in the determination of the Metaliko Board or the EAR Board (as applicable) acting reasonably and in good faith:

- (a) reasonably capable of being completed taking into account all aspects of the Competing Transaction; and
- (b) more favourable to the Metaliko Shareholders or the EAR Shareholders (as applicable) than the Takeover Bid, taking into account all terms and conditions of the Competing Transaction.

Takeover Bid means the off-market takeover bid by EAR for all Metaliko Shares to be implemented in accordance with Chapter 6 of the Corporations Act on terms no less favourable than as set out in the Announcement.

Target's Statement means the target's statement to be issued by Metaliko in respect of the Takeover Bid under Section 638 of the Corporations Act.


KS
BE
BT

Tax means any tax, levy, impost, charge or duty (including stamp and transaction duties) that is assessed, levied, imposed or collected by any Regulatory Authority together with any related interest, penalties, fines and expenses in connection with them.

Timetable means the timetable set out in Schedule 1.

Unmarketable Parcel means that number of EAR Shares with an aggregate value of less than \$500 as calculated using the highest closing price of EAR Shares on the ASX during the period beginning on the first day of the Offer Period and ending on the earlier of:

- (a) five trading days before the first date on which EAR must provide EAR Shares as consideration to a Metaliko Shareholder under the terms of the Takeover Bid; and
- (b) the end of the Offer Period.

Unmarketable Parcel Metaliko Shareholder has the meaning given in clause 3.4(b).

VWAP or the **volume weighted average market price** has the meaning given in the ASX Listing Rules.

1.2 Interpretation

In this agreement unless the context otherwise requires:

- (a) headings are for convenience only and do not affect its interpretation;
- (b) the expression **person** includes an individual, the estate of an individual, a corporation, an authority, an association or joint venture (whether incorporated or unincorporated), a partnership and a trust;
- (c) a reference to any party includes that party's executors, administrators, successors and permitted assigns, including any person taking by way of novation;
- (d) a reference to any document (including this agreement) is to that document as varied, novated, ratified or replaced from time to time;
- (e) a reference to any statute or to any statutory provision includes any statutory modification or re-enactment of it or any statutory provision substituted for it, and all ordinances, by-laws, regulations, rules and statutory instruments (however described) issued under it;
- (f) words importing the singular include the plural (and vice versa) and words indicating a gender include every other gender;
- (g) reference to parties, clauses, schedules, exhibits or annexures are references to parties, clauses, schedules, exhibits and annexures to or of this agreement and a reference to this agreement includes any schedule, exhibit or annexure to this agreement;

- (h) where a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning;
- (i) a reference to time is to Western Standard Time as observed in Perth, Western Australia;
- (j) where an action is required to be undertaken on a day that is not a Business Day it shall be undertaken on the next Business Day;
- (k) a reference to a payment is to a payment by bank cheque or such other form of cleared funds the recipient otherwise allows in the relevant lawful currency specified; and
- (l) a reference to **\$** or **dollar** is to the lawful currency of the Commonwealth of Australia.

1.3 Next day

If an act under this agreement to be done by a party on or by a given day is done after 5.00 pm on that day, it is taken to be done on the next day.

1.4 Next Business Day

If an event must occur on a stipulated day which is not a Business Day then the stipulated day will be taken to be the next Business Day.

1.5 Headings

Headings (including those in brackets at the beginning of paragraphs) are for convenience only and do not affect the interpretation of this agreement.

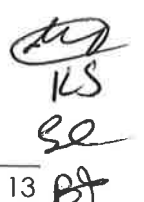
2. CO-OPERATION

2.1 General obligations

Metaliko and EAR must each:

- (a) use all reasonable endeavours and commit necessary resources (including management resources and the resources of external advisers); and
- (b) procure that its Representatives work in good faith and in a timely and co-operative fashion with the other party and its Representatives (including by attending meetings and by providing such records and information as the other party reasonably requires),

to implement the Takeover Bid.


Handwritten signatures and initials, including "KS" and "BT".

2.2 Access to people and information

- (a) Between the date of this agreement and the earlier of the end of the Offer Period and the date this agreement is terminated, each party must, to the extent reasonably required to implement the Takeover Bid:
 - (i) as soon as reasonably practicable provide the other party and its Representatives with any documents, records, and other information (subject to any existing confidentiality obligations owed to third parties, or applicable privacy laws) reasonably requested by them; and
 - (ii) provide the other party and its officers and advisers with reasonable access within normal business hours to the other party's officers and Advisers (provided that such access does not impose an undue burden) which the party reasonably requires for the purposes of:
 - (A) further understanding the other party's financial position (including its cashflow and working capital position), trading performance and management control systems;
 - (B) implementing the Takeover Bid;
 - (C) preparing for carrying on the business of Metaliko and EAR following implementation of the Takeover Bid; and
 - (D) any other purpose which is agreed in writing between the parties.
- (b) The obligations in clause 2.2(a), do not apply to the extent that:
 - (i) in respect of Metaliko, the access or information is connected to the Metaliko Board's deliberations in relation to the transactions contemplated by this agreement, or information connected to a Competing Transaction (that is not otherwise required to be disclosed to EAR in accordance with clause 6); and
 - (ii) in respect of EAR, the access or information is connected to the EAR Board's deliberations in relation to the transactions contemplated by this agreement.

2.3 Implementation obligations of Metaliko

Metaliko must:

- (a) provide all necessary information about the Register to EAR which EAR reasonably requires in order to assist EAR to solicit acceptances under the Takeover Bid;
- (b) provide all necessary directions to the Registry promptly to provide any information that EAR reasonably requests in relation to the register, including any sub-register, and, where requested by EAR, Metaliko must


KS
SE
BT

procure such information to be provided to EAR in such electronic form as is reasonably requested by EAR; and

- (c) promptly exercise its powers under section 672A of the Corporations Act if requested to do so by EAR, acting reasonably, subject to EAR meeting 100% of the costs of such services.

2.4 Appointment of directors

- (a) As soon as practicable after the Offer becomes unconditional and EAR acquires a Relevant Interest in excess of 80% of Metaliko Shares, Metaliko must take all actions necessary to reconstitute its Board to be the same as the EAR Board (following reconstitution of the EAR Board under clause 2.4(b)).
- (b) Immediately after the Offer becomes unconditional and EAR acquires a Relevant Interest in excess of 80% of the Metaliko Shares, EAR shall appoint two nominees of Metaliko, being Mr Robin Dean and Mr Mark Hanlon, as Non-Executive Directors to the EAR Board, subject only to receiving a consent to act, such that the EAR Board will be comprised of the two Metaliko nominees and the 3 EAR Board members as at the date of this agreement.

3. THE OFFER

3.1 Offer by EAR

EAR must, by no later than the Offer Date, and in any event as soon as reasonably practicable, make Offers to all Metaliko Shareholders in respect of all of their Metaliko Shares on the terms of this agreement and otherwise in accordance with all applicable provisions of the Corporations Act.

3.2 Consideration

The consideration offered by EAR to every Metaliko Shareholder under the Takeover Bid will be 1 new EAR Shares for every 2.5 Metaliko Shares held as at the Register Date.

3.3 Fractional entitlements

If the number of Metaliko Shares held by a Metaliko Shareholder means that their aggregate entitlement to EAR Shares under the Offer is not a whole number, then any fractional entitlement will be rounded up to the nearest whole number.

3.4 Foreign Metaliko Shareholders and Unmarketable Parcels


- (a) EAR will, unless satisfied in its sole discretion that the laws of a Foreign Metaliko Shareholder's country of residence (as shown in the Register) permit the issue of EAR Shares to the Foreign Metaliko Shareholder (either unconditionally or after compliance with conditions which EAR regards in its sole discretion but acting reasonably as acceptable and not unduly onerous and not unduly impracticable), issue the EAR Shares to which a Foreign Metaliko Shareholder would otherwise become entitled, to a nominee appointed by EAR (**Sale Nominee**).

Handwritten initials:
15
80
BT

- (b) Where a Metaliko Shareholder who accepts the Takeover Bid would be entitled to be issued EAR Shares that comprise an Unmarketable Parcel (**Unmarketable Parcel Metaliko Shareholder**), EAR will instead issue the EAR Shares to the Sale Nominee.
- (c) EAR will procure that, as soon as reasonably practicable and in any event not more than 15 Business Days after the expiry of the Offer Period, the Sale Nominee:
 - (i) sells on a financial market on which EAR is listed all of the EAR Shares issued to the Sale Nominee pursuant to clauses 3.4(a) and 3.4(b) in such manner, or such financial market, at such price and on such other terms as the Sale Nominee determines in good faith; and
 - (ii) remits to (after deducting any applicable brokerage, duty and other selling costs, taxes and charges) each Foreign Metaliko Shareholder and Unmarketable Parcel Metaliko Shareholder, the proportion of the net proceeds of sale to which each Foreign Metaliko Shareholder and Unmarketable Parcel Metaliko Shareholder is entitled (calculated on an averaged basis so that all Foreign Metaliko Shareholders and Unmarketable Parcel Metaliko Shareholder receive the same value per Metaliko Share, subject to rounding).

3.5 Conditions of the Offer

- (a) The Offer and any contract which results from its acceptance will be subject to the Conditions.
- (b) Each party must use all reasonable endeavours to satisfy the Conditions as soon as practicable after the date of this agreement.
- (c) Metaliko must use all reasonable endeavours to ensure that the Conditions in paragraphs (d) (No material acquisitions, disposals or new commitments) and (f) (No Metaliko Prescribed Occurrence) of Schedule 2 are not breached prior to the end of the Offer Period, provided that nothing in this clause requires the directors of Metaliko to take any action which would result in a breach of a fiduciary duty.
- (d) EAR may waive the satisfaction of the Conditions in its sole discretion, other than:
 - (i) the Condition in paragraph (a) (90% minimum acceptance condition) of Schedule 2, which cannot be waived by EAR, where EAR has a Relevant Interest of less than 80% of the issued shares in Metaliko, without the prior written consent of Metaliko; and
 - (ii) the Condition in paragraph (i) (Shareholder Approval) of Schedule 2, which cannot be waived by EAR without the prior written consent of Metaliko.


 KS
 So
 BT

3.6 Offer Period

The parties intend that the Offer Period will be one (1) month, but acknowledge and agree that the Offer Period may be extended by EAR at its discretion or automatically in accordance with the Corporations Act.

3.7 Variation

EAR may vary the Offer in accordance with Section 650D of the Corporations Act.

3.8 Extension of Takeover Bid

The Takeover Bid will extend to all Metaliko Shares that are issued during the Offer Period due to conversion of any other Metaliko securities that exist at the date to be set by EAR under section 633(2) of the Corporations Act.

3.9 Standard vendor warranty

Acceptance of the Offer by each Metaliko Shareholder will require written confirmation that the holder has good title to the Metaliko Shares being transferred, and that the Metaliko Shares are free from encumbrances and other third party rights (including pre-emptive rights, which are to be expressly waived).


4. DOCUMENTATION AND BOARD RECOMMENDATIONS

4.1 EAR's obligations to prepare documentation

- (a) EAR will prepare:
 - (i) the Bidder's Statement; and
 - (ii) an acceptance form for the Offer,in each case consistent with clauses 3.2 to 3.6 and in accordance with the Corporations Act.
- (b) EAR agrees to do and to procure its Officers to do such things as are reasonably necessary to prepare the Bidder's Statement, its lodgement with ASIC and despatch to Metaliko Shareholders in accordance with the Timetable, subject to Metaliko granting any necessary consents and ASIC granting any necessary modifications.
- (c) EAR must prepare and dispatch a notice of meeting, and independent expert's report, to EAR Shareholders seeking approval to the issue of EAR Shares under the Takeover Bid in consideration for the acquisition of Metaliko Shares held by Mr Michael Ruane and his Associates for the purposes of Listing Rule 10.1 (**Notice of Meeting**).

4.2 Metaliko's obligations to prepare documentation

- (a) Metaliko will prepare the Target's Statement in response to the Offer in accordance with the Corporations Act.


KS
Se
DP

- (b) Metaliko agrees to do and to procure its Officers to do such things as are reasonably necessary to prepare the Target's Statement, its lodgement with ASIC and despatch to Metaliko Shareholders in accordance with the Timetable, subject to EAR granting any necessary consents and ASIC granting any necessary modifications.
- (c) Metaliko agrees to provide all reasonable assistance in relation to preparation of the sections of the Notice of Meeting concerning its business.

4.3 Provision of Information

Each party agrees that it will provide to the other such information (including Confidential Information on the terms set out in this agreement) as is reasonably required by the other party in order to enable the other party to fulfil its obligations under this agreement, including, but not limited to, the preparation of the Bidder's Statement, Target's Statement and Notice of Meeting.

4.4 Directors' recommendations

- (a) Metaliko represents that it has been informed by each of its directors that they intend:
 - (i) to recommend the Offer to Metaliko Shareholders subject to there being no Superior Proposal (that was not procured or obtained by Metaliko through a breach of clause 6 of this agreement); and
 - (ii) to accept the Offer within 10 Business Days of the Condition in paragraph (i) (Shareholder Approval) of Schedule 2 being satisfied in respect of all Metaliko Shares owned or controlled by that director, subject to there being no Superior Proposal (that was not procured or obtained by Metaliko through a breach of clause 6 of this agreement) prior to that director accepting the Offer.
- (b) EAR represents that it has been informed by each of its directors that they intend:
 - (i) to recommend EAR Shareholders approve the issue of EAR Shares under the Takeover Bid in consideration for the acquisition of Metaliko Shares held by Mr Michael Ruane and his Associates for the purposes of Listing Rule 10.1; and
 - (ii) to vote all EAR Shares owned or controlled by that director to approve the issue of EAR Shares under the Takeover Bid in consideration for the acquisition of Metaliko Shares held by Mr Michael Ruane and his Associates for the purposes of Listing Rule 10.1.

4.5 Joint Despatch

EAR agrees that it will provide a draft of its Bidder's Statement to Metaliko, and Metaliko agrees that it will provide a draft of its Target's Statement to EAR, as soon as reasonably practicable and in any event not less than 5 Business Days before the statement is due to be dispatched for printing. Each party agrees to

[Handwritten signatures and initials]
KS
SE
AF

consider in good faith all reasonable and timely comments received from the other and its Advisers and make such changes to its statement as are reasonably required by the other. Subject to there being no Superior Proposal, each party agrees that it will take prompt action to ensure that the Bidder's Statement and Target Statement can be mailed together to Metaliko Shareholders in accordance with the Timetable.

4.6 Timetable

Each party agrees to use its reasonable endeavours to comply with the Timetable.

4.7 Consent to early dispatch of Bidder's Statement

Metaliko agrees (by authority of its directors) that the offers and accompanying documents to be sent by EAR under the Takeover Bid under item 6 of section 633(1) of the Corporations Act may be sent earlier than the date for sending under item 6 of section 633(1) of the Corporations Act.

5. CONDUCT OF BUSINESS

5.1 Overview

- (a) During the Exclusivity Period, each party must:
 - (i) conduct its business in the ordinary and proper course and in substantially the same manner as previously conducted; and
 - (ii) regularly consult with the other party on the manner of conduct of its business, including on any matters that may have an adverse impact on the integration of the businesses of EAR and Metaliko following implementation of the Takeover Bid.
- (b) For the purpose of clause 5.1(a) and subject to the terms of this agreement:
 - (i) EAR making the Offer and responding to any Competing Transaction (together with all associated activity and expenditure) in accordance with this agreement, is deemed to be EAR conducting its business in the ordinary and proper course; and
 - (ii) Metaliko responding to the Offer and responding to any Competing Transaction (together with all associated activity and expenditure) in accordance with this agreement, is deemed to be Metaliko conducting its business in the ordinary and proper course.

5.2 Specific obligations

Without limiting clause 5.1 and other than with the prior approval of the other party (which approval must not be unreasonably withheld or delayed), as required or permitted by this agreement or as otherwise disclosed in public filings by the relevant party with ASIC or provided to ASX on or prior to the date of this agreement, each party must, during the Exclusivity Period, use all reasonable endeavours to:

- (a) **(business and assets)**: maintain the condition of its business and assets in accordance with the ordinary course of its business, allowing for fair wear and tear;
- (b) **(officers and employees)**: keep available the services of its officers and employees;
- (c) **(relationships)**: use reasonable endeavours to preserve its relationships with customers, suppliers, licensors, licensees, joint venturers and others with whom it has business dealings;
- (d) **(change of control provisions)**: identify any change of control or consent provisions in any Material Contracts to which any member of the Metaliko Group or EAR Group (as applicable) is a party and use reasonable endeavours to obtain the consents of relevant persons who have rights in respect of those provisions to the transactions contemplated by the Takeover Bid.


5.3 Prohibited actions

Other than:

- (a) with the prior approval of the other party (which approval must not be unreasonably withheld or delayed (except in relation to a proposed issue of securities by a party, in which case the approval of the other party may be withheld in its sole and absolute discretion));
- (b) as required or permitted by this agreement; or
- (c) as otherwise disclosed in public filings by the relevant party with ASIC or provided to ASX on or prior to the date of this agreement,

each party must not, during the Exclusivity Period:

- (d) **(Material Contracts)**: enter into, vary, amend, modify or terminate a Material Contract;
- (e) **(employment agreements)**: increase the remuneration of or pay any bonus (including under any existing or proposed employee performance bonus policy or retention bonus policy) or issue or agree to issue any securities or options (other than the issue of any shares in connection with the exercise of options, or otherwise vary or amend the employment or consultancy agreements with, any of its directors or employees, except that this clause shall not preclude a party from making any payments under an existing employment contract which complies with the Corporations Act and the Listing Rules and is in place as at the date of this agreement and a copy of which has previously been provided to the other party;
- (f) **(accelerate rights)**: accelerate the rights of any of its directors or employees to benefits of any kind;
- (g) **(termination payments)**: pay a director or executive a termination payment, other than as provided for in an existing employment contract in place as at the date of this agreement and a copy of which has previously been provided to the other party;

Handwritten signatures and initials:

 KS
 32
 BT

- (h) **(financial arrangements)**: amend in any material respect any arrangement with its financial advisers in respect of the transactions contemplated by this agreement;
- (i) **(dividends)**: announce, declare or pay any dividends;
- (j) **(Prescribed Occurrence)**: take any action which would be reasonably expected to give rise to a Metaliko Prescribed Occurrence or EAR Prescribed Occurrence (as applicable);
- (k) **(information technology)**: take any action in respect of its information technology systems which would have a material impact on those systems; or
- (l) **(agreement)**: agree to do any of the matters set out above.

5.4 Financial accommodation

Other than with the prior approval of the other party (which approval will not be unreasonably withheld), or as fairly disclosed before the date of this agreement to the ASX or in writing to the other party, each party must not, during the period from the date of this agreement until the expiry of the Exclusivity Period, obtain or agree to obtain any financial accommodation from any party.

6. EXCLUSIVITY

6.1 No existing discussions

Each party represents and warrants that, other than the discussions with the other party in respect of the Takeover Bid, it is not currently in negotiations or discussions in respect of any Competing Transaction with any person or has ceased any such discussions or negotiations to the extent that they were on foot prior to the date of this agreement.

6.2 No-shop

- (a) During the Exclusivity Period, each party must ensure that neither it nor any of its Representatives directly or indirectly:
 - (i) solicits, invites, encourages or initiates any enquiries, negotiations or discussions; or
 - (ii) communicates any intention to do any of these things,
 with a view to obtaining any offer, proposal or expression of interest from any person in relation to a Competing Transaction.
- (b) Nothing in this clause 6.2 prevents a party from continuing to make normal presentations to, and respond to queries from, brokers, portfolio investors and analysts in the ordinary course in relation to the Takeover Bid or its business generally.

6.3 No-talk

Subject to clause 6.5, during the Exclusivity Period, each party must ensure that neither it nor any of its Representatives:

[Handwritten signatures and initials]
 IL5
 SE
 BP

- (a) negotiates or enters into; or
- (b) participates in negotiations or discussions with any other person regarding,

a Competing Transaction, even if:

- (c) that person's Competing Transaction was not directly or indirectly solicited, invited, encouraged or initiated by the relevant party or any of its Representatives; or
- (d) the person has publicly announced the Competing Transaction.

6.4 Notice of approach

- (a) Subject to clause 6.5, during the Exclusivity Period, each party (the **first party**) must promptly inform the other party in writing if it or any of its Representatives:
 - (i) receives any approach with respect to any Competing Transaction and, must disclose to the other party all material details of the Competing Transaction (not including details of the proposed bidder or acquirer);
 - (ii) receives any request for information relating to the first party or any of its Related Bodies Corporate or any of their businesses or operations or any request for access to the books or records of the first party or any of its Related Bodies Corporate, which the first party has reasonable grounds to suspect may relate to a current or future Competing Transaction; and
 - (iii) provides any information relating to the first party or any of its Related Bodies Corporate or any of their businesses or operations to any person in connection with or for the purposes of a current or future Competing Transaction.
- (b) Any information given under this clause 6.4 must give details of the relevant event (not including the identity of the person or persons or who they are representing), including taking any action referred to in clause 6.4(a), the terms and conditions of the relevant Competing Transaction or proposed Competing Transaction (to the extent known) and details of any discussions in respect of the Competing Transaction (not including details of the proposed bidder or acquirer).

6.5 Exceptions to no-talk

Clauses 6.3 and 6.4 do not apply to the extent that they restrict a party or its Board from taking or refusing to take any action with respect to a bona fide Competing Transaction (which was not solicited, invited, encouraged or initiated by that party in contravention of clause 6.2) provided that Metaliko Board or the EAR Board (as applicable) has determined, in good faith and acting reasonably:

- (a) after consultation with its Advisors, that such a bona fide Competing Transaction has been provided in writing and could reasonably be considered to lead to or become a Superior Proposal; and

[Handwritten initials]
 KS
 se
 BT

- (b) after consultation with its legal Advisers, that failing to respond to such a bona fide Competing Transaction would be reasonably likely to constitute a breach of the fiduciary or statutory obligations of the Metaliko Board or the EAR Board (as applicable).

6.6 Compliance with law

This agreement does not impose any obligation on the parties if the performance of that obligation would, in the reasonable opinion of the Metaliko Board or the EAR Board (as applicable) after consultation with its legal Advisers:

- (a) involve a breach of statutory, fiduciary or other duty of a director of either party;
- (b) otherwise be unlawful; or
- (c) constitute unacceptable circumstances (as declared by the Takeovers Panel or a court).

6.7 Legal advice

Each party acknowledges that it has received legal advice on this agreement and the operation of this clause 6.

7. REIMBURSEMENT OF COSTS

7.1 Rationale

EAR and Metaliko each acknowledges and agrees, for the purposes of this clause 7 as follows.

- (a) EAR has required the inclusion of clause 7.2 and Metaliko has required the inclusion of clause 7.3, in the absence of which each party would not have entered into this agreement or otherwise agreed to implement the Takeover Bid.
- (b) Metaliko and the Metaliko Board believe that the Takeover Bid will provide significant benefits to it and its members and that it is reasonable and appropriate that it agrees to the inclusion of clause 7.2, in order to secure EAR's execution of this agreement and its agreement to implement the Takeover Bid.
- (c) EAR and the EAR Board believe that the Takeover Bid will provide significant benefits to it and its members and that it is reasonable and appropriate that it agrees to the inclusion of clause 7.3, in order to secure Metaliko's execution of this agreement and its agreement to implement the Takeover Bid.
- (d) The amount payable by Metaliko pursuant to clause 7.2 and EAR pursuant to clause 7.3 (as applicable), is an amount to compensate EAR or Metaliko (as applicable) for the following:
 - (i) reasonable advisory costs (including costs of Advisers other than success fees) relating to the Takeover Bid;
 - (ii) cost of management and directors' time; and


KS
BT

- (iii) reasonable out-of-pocket expenses relating to the Takeover Bid.

7.2 Payment of Compensating Amount by Metaliko

Metaliko agrees to pay EAR a Compensating Amount if, at any time after making of the announcement referred to in clause 10.1, any of the following circumstances occur:

- (a) a third party acquires or agrees with Metaliko to acquire the whole or a substantial part of the assets of Metaliko;
- (b) any director of Metaliko does not recommend accepting the Takeover Bid to Metaliko Shareholders or, having recommended it, withdraws or adversely modifies his or her recommendation of the Takeover Bid or approves or recommends or makes an announcement in support of a Competing Transaction or announces an intention to do any of these acts unless:
 - (i) this agreement has already been terminated by Metaliko under clause 9.1 or 9.3;
 - (ii) an EAR Prescribed Occurrence or EAR Material Adverse Change has occurred (that was not caused by Metaliko); or
 - (iii) an independent expert (if commissioned) does not conclude that the Takeover Bid is fair and reasonable to Metaliko Shareholders.
- (c) Metaliko is in breach of clause 6 and does not cease the conduct which caused the breach within three Business Days following written notice from EAR outlining the nature of the breach;
- (d) where the Takeover Bid does not proceed because of a Superior Proposal in respect of Metaliko (without prejudice to any other provision of this clause 7.2);
- (e) Metaliko or any of its directors does (or omits to do) anything (whether or not it may be permitted by the terms of this agreement) which results in any of the Conditions in paragraphs (d) (no material acquisitions, disposals or new commitments) and (f) (no Metaliko Prescribed Occurrences) of Schedule 2 being breached, that breach is not remedied within three Business Days following written notice from EAR outlining the nature of the breach and EAR does not declare the Offer free of the breached condition (which EAR is under no obligation to do);
- (f) this agreement is terminated by EAR in accordance with clause 9 because a Metaliko Prescribed Occurrence occurs; or
- (g) EAR terminates this agreement in accordance with clause 9.1(a).


KS
SO
BT

7.3 Payment of Compensating Amount by EAR

EAR agrees to pay Metaliko a Compensating Amount if, at any time after making of the announcement referred to in clause 10.1, any of the following circumstances occur:



- (a) a third party acquires or agrees with EAR to acquire the whole or a substantial part of the assets of EAR;
- (b) any director of EAR does not recommend EAR Shareholders approving the issue of EAR Shares under the Takeover Bid in consideration for the acquisition of Metaliko Shares held by Mr Michael Ruane and his Associates for the purposes of Listing Rule 10.1 or, having recommended it, withdraws or adversely modifies his or her recommendation or approves or recommends or makes an announcement in support of a Competing Transaction in relation to EAR or announces an intention to do any of these acts unless:
 - (i) this agreement has already been terminated by EAR under clause 9.1 or 9.2;
 - (ii) a Metaliko Prescribed Occurrence or Metaliko Material Adverse Change has occurred (that was not caused by EAR); or
 - (iii) the independent expert commissioned for the purposes of Listing Rule 10.1 concludes that the issue of EAR Shares to Mr Michael Ruane and his Associates under the Takeover Bid is not fair or reasonable to unassociated EAR Shareholders;
- (c) EAR is in breach of clause 6 and does not cease the conduct which caused the breach within three Business Days following written notice from Metaliko outlining the nature of the breach;
- (d) where the Takeover Bid does not proceed because of a Superior Proposal in respect of EAR (without prejudice to any other provision of this clause 7.3);
- (e) this agreement is terminated by Metaliko in accordance with clause 9 because an EAR Prescribed Occurrence occurs; or
- (f) Metaliko terminates this agreement in accordance with clause 9.1(a).

7.4 Payment

The payment of the Compensating Amount as provided for in clause 7.2 or 7.3 (as applicable), must be made within 5 Business Days after the receipt of a valid written demand for payment. The demand may only be made after the occurrence of an event referred to in clause 7.2 or 7.3 (as applicable). The obligation to reimburse under clause 7.2 or 7.3 (as applicable) cannot be triggered more than once.

7.5 Exclusive Remedy

- (a) Notwithstanding any other provision under this agreement, where a Compensating Amount becomes payable to:


KS
SE


- (i) EAR (or would be payable if a demand was made), EAR cannot make any claim against Metaliko in relation to an event referred to in clause 7.2 or for any material breach of this agreement other than for payment of the Compensating Amount; and
 - (ii) Metaliko (or would be payable if a demand was made), Metaliko cannot make any claim against EAR in relation to an event referred to in clause 7.3 or for any material breach of this agreement other than for payment of the Compensating Amount.
- (b) For the avoidance of doubt nothing in clause 7.5(a) prevents one party from making demands or claims against the other party in relation to loans or working capital facilities made available to the other party.

7.6 Compliance with law

If it is finally determined following the exhaustion of all reasonable avenues of appeal to the Takeovers Panel, a Court or any other Regulatory Authority that all or any part of the amount payable under clause 7.2 and/or 7.3 (as applicable) (**Impugned Amount**):

- (a) is unlawful;
- (b) involves a breach of the duties of the Metaliko Board or EAR Board (as applicable); or
- (c) constitutes unacceptable circumstances within the meaning of the Corporations Act,

then:

- (d) a party's obligation to pay the amount payable under clause 7.2 or 7.3 (as applicable) does not apply to the extent of the Impugned Amount; and
- (e) if a party has received an Impugned Amount, it must refund it within ten Business Days of the final determination being made.

7.7 Survival

Any accrued obligations under this clause 8 survive termination of this agreement.

8. WARRANTIES

8.1 EAR Warranties

EAR represents and warrants to Metaliko that as at the date of this agreement that, subject to the matters fairly disclosed in the EAR Due Diligence Material:

- (a) each member of the EAR Group is a validly existing corporation registered under the laws of its place of incorporation;

[Handwritten signatures and initials]

- (b) the execution and delivery of this agreement by EAR has been properly authorised by all necessary corporate action and EAR has full corporate power and lawful authority to execute and deliver this agreement and to perform or cause to be performed its obligations under this agreement;
- (c) (subject to the laws generally affecting creditors' rights and the principles of equity) this agreement constitutes legal, valid and binding obligations on it and execution of this agreement will not result in a breach of or default under EAR's constitution or any agreement or deed or writ, order or injunction, rule or regulation to which EAR or any of its Subsidiaries is a party or to which they are bound or require any consent or approval, authorisation or permit from any governmental agency except for the Regulatory Approvals;
- (d) so far as it is aware, EAR has, prior to the date of this agreement, fairly disclosed all information reasonably required to enable Metaliko to undertake due diligence enquiries into EAR for the purpose of determining whether to enter into this agreement and all information provided by EAR to Metaliko under this agreement, including, but not limited to information provided under clause 4.3 is complete and accurate in all material respects;
- (e) it has complied with its continuous disclosure obligations under the ASX Listing Rules and the Corporations Act and is not relying on Listing Rule 3.1A to withhold any information from disclosure other than as disclosed in writing to Metaliko or its Representatives on or before the date of this agreement;
- (f) EAR Group's accounts are prepared on a consistent basis with past practices (except to the extent that the adoption of AIFRS requires a change to past practices) and in accordance with all relevant accounting standards;
- (g) no resolutions have been passed or steps taken, and no petition or other process has been presented or threatened in writing against it for winding-up or dissolution, and no receiver, receiver and manager, liquidator, administrator or like official has been appointed, or is threatened or expected to be appointed, over the whole or any part of its assets;
- (h) except as publicly disclosed before the Announcement Date, the ownership interests of the EAR Group in the tenements and projects set out in its latest annual report and half year report are complete and accurate in all material respects and are not misleading in any respect;
- (i) all material mining tenements held by the EAR Group are in good standing and the EAR Group is in compliance with the conditions of such mining tenements and the applicable mining legislation in all material respects and, as far as EAR is aware, such material mining tenements are not liable to forfeiture;
- (j) there is no litigation, claim, action or proceeding pending or in progress or threatened against or relating to any member of the EAR Group that does or is reasonably likely to constitute an EAR Material Adverse Change;


KS
SE
BT

- (k) Schedule 6 accurately records the total number and details of EAR securities on issue as at the date of this agreement. There are no other shares, options, notes or other securities of EAR and no rights to be issued such shares, options, notes or other securities other than as envisaged by this agreement; and
- (l) the EAR Shares to be offered as consideration under clause 3 will be duly authorised and validly issued, fully paid, not liable to the imposition of any duty and be free of all encumbrances, security interests and third party rights and will rank equally with all other EAR Shares.

8.2 EAR indemnity

EAR agrees with Metaliko to indemnify Metaliko and keep Metaliko indemnified against all claims, costs, damages, debts, expense, liabilities and losses which it may suffer or incur by reason of any breach of any of the warranties in clause 8.1.

8.3 Metaliko Warranties

Metaliko represents and warrants to EAR as at the date of this agreement that, subject to the matters fairly disclosed in the Metaliko Due Diligence Material:

- (a) each member of the Metaliko Group is a validly existing corporation registered under the laws of its place of incorporation;
- (b) the execution and delivery of this agreement by Metaliko has been properly authorised by all necessary corporate action and Metaliko has full corporate power and lawful authority to execute and deliver this agreement and to perform or cause to be performed its obligations under this agreement;
- (c) (subject to the laws generally affecting creditors' rights and the principles of equity) this agreement constitutes legal, valid and binding obligations on it and execution of this agreement will not result in a breach of or default under Metaliko's constitution or any agreement or deed or writ, order or injunction, rule or regulation to which Metaliko or any of its Subsidiaries is a party or to which they are bound or require any consent or approval, authorisation or permit from any governmental agency except for the Regulatory Approvals;
- (d) so far as it is aware, Metaliko has, prior to the date of this agreement, fairly disclosed all information reasonably required to enable EAR to undertake due diligence enquiries into Metaliko for the purpose of determining whether to enter into this agreement and all information provided by Metaliko to EAR under this agreement, including, but not limited to information provided under clause 4.3 is complete and accurate in all material respects;
- (e) it has complied with its continuous disclosure obligations under the ASX Listing Rules and the Corporations Act and is not relying on Listing Rule 3.1A to withhold any information from disclosure other than as disclosed in writing to EAR or its Representatives on or before the date of this agreement;

- (f) Metaliko Group's accounts are prepared on a consistent basis with past practices (except to the extent that the adoption of AIFRS requires a change to past practices) and in accordance with all relevant accounting standards;
- (g) no resolutions have been passed or steps taken, and no petition or other process has been presented or threatened in writing against it for winding-up or dissolution, and no receiver, receiver and manager, liquidator, administrator or like official has been appointed, or is threatened or expected to be appointed, over the whole or any part of its assets;
- (h) except as publicly disclosed before the Announcement Date, the ownership interests of the Metaliko Group in the tenements and projects set out in its latest annual report and half year report are complete and accurate in all material respects and are not misleading in any respect;
- (i) all material mining tenements held by the Metaliko Group are in good standing and the Metaliko Group is in compliance with the conditions of such mining tenements and the applicable mining legislation in all material respects and, as far as Metaliko is aware, such material mining tenements are not liable to forfeiture;
- (j) there is no litigation, claim, action or proceeding pending or in progress or threatened against or relating to any member of the Metaliko Group that does or is reasonably likely to constitute an EAR Material Adverse Change; and
- (k) Schedule 5 accurately records the total number and details of Metaliko securities on issue as at the date of this agreement. There are no other shares, options, notes or other securities of Metaliko and no rights to be issued such shares, options, notes or other securities.

8.4 Metaliko indemnity

Metaliko agrees with EAR to indemnify and keep EAR indemnified against all claims, costs, damages, debts, expense, liabilities and losses which it may suffer or incur by reason of any breach of any of the warranties in clause 8.3.

8.5 Reliance on representations and warranties

- (a) Each party acknowledges that no party (nor any person acting on its behalf) has made any representation or other inducement to it to enter into this agreement, except for representations or inducements expressly set out in this agreement.
- (b) Each party acknowledges and confirms that it does not enter into this agreement in reliance on any representation or other inducement by or on behalf of any other party, except for any representation or inducement expressly set out in this agreement.
- (c) Each party acknowledges and confirms that clauses 8.5(a) and 8.5(b) do not prejudice any rights a party may have in relation to information which has been filed by the other party with ASIC or ASX.

[Handwritten initials]
[Handwritten initials]
[Handwritten initials]
[Handwritten initials]

8.6 Notification

Each party will promptly advise the other in writing if it becomes aware of any fact, matter or circumstance that constitutes or may constitute a breach of any of the representations and warranties given by it under this clause 8.

8.7 Release of officers


- (a) Subject to the Corporations Act, none of the directors or officers of Metaliko will be liable for anything done or purported to be done in connection with the Takeover Bid or any transaction contemplated by this agreement, but nothing in this clause excludes any liability that may arise from wilful misconduct, fraud, wilful misrepresentation (including by omission) or bad faith on the part of such a person. Metaliko receives and holds the benefit of this clause as agent for its directors and officers.
- (b) Subject to the Corporations Act, none of the directors or officers of EAR will be liable for anything done or purported to be done in connection with the Takeover Bid or any transaction contemplated by this agreement, but nothing in this clause excludes any liability that may arise from wilful misconduct, fraud, wilful misrepresentation (including by omission) or bad faith on the part of such a person. EAR receives and holds the benefit of this clause as agent for its directors and officers.

9. TERMINATION

9.1 Termination rights

This agreement may be terminated by a party by notice to the other party:

- (a) if the other party is in material breach of this agreement and that breach is capable of being remedied and is not remedied by that other party within 5 Business Days of it receiving notice from the first party of the details of the breach and the first party's intention to terminate;
- (b) if EAR withdraws the Takeover Bid as permitted by the Corporations Act for any reason including non-satisfaction of a Condition, or it lapses;
- (c) if there is a material breach of a representation or warranty contained in clause 8 by the other party;
- (d) if a Court or other Regulatory Authority has issued a final and non-appealable order, decree or ruling or taken other action which permanently restrains or prohibits the Takeover Bid;
- (e) if the other party or any of their Subsidiaries becomes Insolvent; or
- (f) if the terminating party has become liable to pay a Compensating Amount to the other party in accordance with clause 7 and has paid the Compensating Amount in accordance with clause 7.


KS
se
BP

9.2 Termination by EAR

This agreement may be terminated by EAR by notice in writing to Metaliko if:

- (a) a Superior Proposal is made or publicly announced for Metaliko by a third party;
- (b) any director of Metaliko does not recommend the Takeover Bid be accepted by Metaliko Shareholders or having recommended the Takeover Bid, withdraws or adversely modifies his or her recommendation of the Takeover Bid;
- (c) a person (other than EAR or its Associates) has a relevant interest in more than 20% of the Metaliko Shares on issue (other than existing Metaliko Shareholders who at the date of this agreement hold a relevant interest in more than 20% of the Metaliko Shares on issue); or
- (d) a Metaliko Material Adverse Change or a Metaliko Prescribed Occurrence occurs (that was not caused by EAR).

9.3 Termination by Metaliko


This agreement may be terminated by Metaliko by notice in writing to EAR if:

- (a) a Superior Proposal is made or publicly announced for EAR by a third party;
- (b) any director of EAR does not recommend EAR Shareholders approving the issue of EAR Shares under the Takeover Bid in consideration for the acquisition of Metaliko Shares held Mr Michael Ruane and his Associates for the purposes of the Listing Rule 10.1 or, having recommended it, withdraws or adversely modifies his or her recommendation;
- (c) an EAR Material Adverse Change or an EAR Prescribed Occurrence has occurred (that was not caused by Metaliko); or
- (d) an independent expert (if commissioned) does not conclude that the Takeover Bid is fair and reasonable to Metaliko Shareholders.

9.4 Effect of termination

If this agreement is terminated by another party under this clause 9:

- (a) each party will be released from its obligations under this agreement except its obligations under clauses 3.5(d), 11, 13 and 14;
- (b) each party will retain the rights it has or may have against the other party in respect of any past breach of this agreement; and
- (c) in all other respects, all future obligations of the parties under this agreement will immediately terminate and be of no further force or effect, including, without limitation, any further obligations in respect of the Takeover Bid.


KS
SE
AF

10. ANNOUNCEMENT OF TAKEOVER BID

10.1 Public announcement of Takeover Bid

Immediately after signing this agreement, the parties must procure the issue of the Announcement to ASX.

10.2 Required Disclosure

Subject always to its continuous disclosure obligations under the Listing Rules and applicable laws (which the Parties must continue to comply with), where a party is required by law or the Listing Rules to make any announcement or make any disclosure relating to a matter the subject of the Takeover Bid, it must use best endeavours to give the other party as much notice as reasonably practicable having regard to its disclosure obligations and consult with the other party to the extent reasonably practicable having regard to its disclosure obligations.

10.3 Other Announcements

Subject to clause 10.1 and 10.2 and its continuous disclosure obligations under the Listing Rules and applicable laws, no party may make any public announcement or disclosure in connection with the Takeover Bid (including disclosure to a Regulatory Authority) unless it has used best endeavours to obtain the approval of the form of the disclosure by the other party (acting reasonably). Each party will use all reasonable endeavours to provide such approval as soon as practicable.

11. CONFIDENTIAL INFORMATION OBLIGATIONS

11.1 Disclosure of EAR Confidential Information

No EAR Confidential Information may be disclosed by Metaliko to any person except:

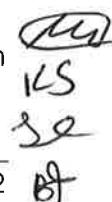
- (a) Representatives of Metaliko requiring the information for the purposes of this agreement;
- (b) with the written consent of EAR;
- (c) if Metaliko is required to do so by law or by the Listing Rules; or
- (d) if Metaliko is required to do so in connection with legal proceedings relating to this agreement.

11.2 Use of EAR's Confidential Information

Metaliko must use the EAR's Confidential Information exclusively for the purpose of preparing the Target's Statement and for no other purpose (and must not make any use of any EAR's Confidential Information to the competitive disadvantage of EAR or any of its Subsidiaries).

11.3 Disclosure of Metaliko Confidential Information

No Metaliko Confidential Information may be disclosed by EAR to any person except:


Handwritten initials and signature, possibly 'MS' and 'BT'.

- (a) Representatives of EAR requiring the information for the purposes of this agreement;
- (b) with the written consent of Metaliko;
- (c) if EAR is required to do so by law or by the Listing Rules; or
- (d) if EAR is required to do so in connection with legal proceedings relating to this agreement.

11.4 Use of Metaliko Confidential Information

EAR must use the Metaliko Confidential Information exclusively for the purpose of preparing the Bidder's Statement and Notice of Meeting and for no other purpose (and must not make any use of any Metaliko Confidential Information to the competitive disadvantage of Metaliko or any of its Related Bodies Corporate).

11.5 Disclosure by recipient of Confidential Information

Any party disclosing information under clause 11.1(a) or 11.1(b) or 11.3(a) or 11.3(b) must use all reasonable endeavours to ensure that persons receiving Confidential Information from it do not disclose the information except in the circumstances permitted in clause 11.1 or 11.3.

11.6 Excluded Information

Clauses 11.1 to 11.5 (inclusive) do not apply to the Excluded Information.

11.7 Return of Confidential Information

A party who has received Confidential Information from another under this agreement must, on the request of the other party, promptly destroy or deliver to that party all documents or other materials containing or referring to that information which are in its possession, power or control or in the possession, power or control of persons who have received Confidential Information from it under clause 11.1(a) or 11.1(b) or 11.3(a) or 11.3(b).

11.8 Termination

This clause 11 will survive termination (for whatever reason) of this agreement.

11.9 Termination of existing Confidentiality Agreement

The terms of this clause 11 supersede and replace the obligations of confidentiality set out in any other confidentiality agreements between the parties.

12. NOTICES AND OTHER COMMUNICATIONS

12.1 Notices in writing

Each notice authorised or required to be given to a Party shall be in legible writing and in English addressed to the Party's address set out in clause 12.2 (or such other address nominated in accordance with clause 12.3).

[Handwritten signatures and initials]
KS
32
AF

12.2 Details

The initial address of the Parties shall be as follows:

Party	Address	Attention	Facsimile	E-mail
EAR	159 Stirling Highway, Nedlands WA 6009	Barry Bolitho	N/A	barrybolitho@bigpond.com
Metaliko	159 Stirling Highway, Nedlands WA 6009	Michael Ruane, Director	+61 8 9385 9473	admin@metaliko.com.au

12.3 Change of Address

Each Party may from time to time change its address by giving notice pursuant to clause 12.4 to the other Parties.

12.4 Receipt of notice

Any notice given pursuant to clause 12 will be conclusively deemed to have been received:

- (a) in the case of personal delivery, on the actual day of delivery;
- (b) if sent by mail, two (2) Business Days from and including the day of posting; or
- (c) if sent by facsimile, when a facsimile confirmation receipt is received indicating successful delivery; or
- (d) if sent by e-mail, when a delivery confirmation report is received by the sender which records the time that the e-mail was delivered to the addressee's e-mail address (unless the sender receives a delivery failure notification indicating that the e-mail has not been delivered to the addressee),

but if the delivery or receipt is on a day that is not a Business Day or is after 5:00 pm (addressee's time) it is regarded as received at 9:00 am on the following Business Day.

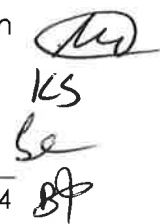
13. GOODS AND SERVICES TAX (GST)

13.1 Consideration does not include GST

The consideration specified in this agreement does not include any amount for GST.

13.2 Recovery of GST

If a supply under this agreement is subject to GST, the recipient must pay to the supplier an additional amount equal to the Amount of the Consideration multiplied by the applicable GST rate.


Handwritten signatures and initials, including 'KS' and 'BP'.

13.3 Time of payment

The additional amount is payable at the same time as the consideration for the supply is payable or is to be provided. However, the additional amount need not be paid until the supplier gives the recipient a Tax Invoice.

13.4 Adjustment of additional amount

If the additional amount differs from the amount of GST payable by the supplier, the parties must adjust the additional amount.

13.5 Reimbursement

If a party is entitled to be reimbursed or indemnified under this agreement, the amount to be reimbursed or indemnified does not include any amount for GST for which the party is entitled to an Input Tax Credit.

13.6 Survival

This clause 13 will survive termination of this agreement.

14. MISCELLANEOUS

14.1 Discretion in exercising rights

A party may exercise a right or remedy or give or refuse its consent in any way it considers appropriate (including by imposing conditions), unless this agreement expressly states otherwise.

14.2 Partial exercising of rights

If a party does not exercise a right or remedy fully or at a given time, the party may still exercise it later.

14.3 No liability for loss

A party is not liable for loss caused by the exercise or attempted exercise of, failure to exercise, or delay in exercising a right or remedy under this agreement.

14.4 Approvals and consents

By giving its approval or consent a party does not make or give any warranty or representation as to any circumstance relating to the subject matter of the consent or approval.

14.5 Conflict of interest

The parties' rights and remedies under this agreement may be exercised even if it involves a conflict of duty or a party has a personal interest in their exercise.

14.6 Remedies cumulative

The rights and remedies in this agreement are in addition to other rights and remedies given by law independently of this agreement.


KS
30
BT

14.7 Variation and waiver

A provision of this agreement or a right created under it, may not be waived or varied except in writing, signed by the party or parties to be bound.

14.8 No merger

The warranties, undertakings and indemnities in this agreement do not merge on completion of any transaction contemplated by this agreement.

14.9 Indemnities

The indemnities in this agreement are continuing obligations, independent from the other obligations of the parties under this agreement and continue after this agreement ends. It is not necessary for a party to incur expense or make payment before enforcing a right of indemnity under this agreement.

14.10 Further steps

Each party agrees, at its own expense, to do anything the other party asks (such as obtaining consents, signing and producing documents and getting documents completed and signed):

- (a) to bind the party and any other person intended to be bound under this agreement; or
- (b) to show whether the party is complying with this agreement.

14.11 Construction

No rule of construction applies to the disadvantage of a party because that party was responsible for the preparation of, or seeks to rely on, this agreement or any part of it.

14.12 Costs

The parties agree to pay their own legal and other costs and expenses in connection with the preparation, execution and completion of this agreement and other related documentation except for duty.

14.13 Duty

EAR agrees to pay all duty (including fines and penalties) payable and assessed on this agreement or in respect of a transaction evidenced by this agreement.


14.14 Assignment

A party may not assign or otherwise deal with its rights under this agreement or allow any interest in them to arise or be varied in each case, without the prior written consent of the other party.

14.15 No representation or reliance

Each party acknowledges that:

- (a) no party (nor any person acting on its behalf) has made any representation or other inducement to it to enter into this agreement,


KS
SL
BP

except for representations or inducements expressly set out in this agreement;

- (b) it does not enter into this agreement in reliance on any representation or other inducement by or on behalf of any other party, except for any representation or inducement expressly set out in this agreement; and
- (c) clauses 14.15(a) and 14.15(b) above do not prejudice any rights a party may have in relation to information which had been filed by the other party with ASIC or ASX.

14.16 Governing law

This agreement is governed by and is to be construed according to the laws of Western Australia. Each party submits to the non-exclusive jurisdiction of the courts of Western Australia.

14.17 Counterparts

This agreement may be executed in counterparts. All counterparts when taken together are to be taken to constitute one instrument.

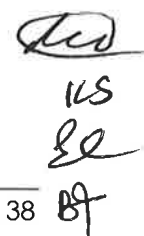
14.18 Knowledge and belief

Any statement made by a party on the basis of its knowledge, information, belief or awareness, is made on the basis that the party has, in order to establish that the statement is accurate and not misleading in any material respect, made all reasonable enquiries of its officers, managers and employees who could reasonably be expected to have information relevant to matters to which the statement relates.


KS
SL
BT

SCHEDULE 1 – TIMETABLE

Date	Event
29 September 2016	Announcement Date
11 October 2016	Notice of Meeting dispatched to EAR Shareholders
24 October 2016	Lodgement Date Date EAR lodges Bidder's Statement with ASIC and serves it on Metaliko and ASX Date Metaliko lodges Targets Statement with ASIC and serves it on EAR and ASX
25 October 2016	Register Date Date set by EAR pursuant to section 633(3) of the Corporations Act
31 October 2016	Offer Date EAR and Metaliko despatch the Bidder's Statement and the Target's Statement to Metaliko Shareholders
11 November 2016	EAR Shareholder Meeting
2 December 2016	Offer Period ends, unless extended in accordance with the Corporations Act
9 December 2016	Completion of Acquisition



Handwritten signatures and initials are present in the bottom right corner of the page. The initials 'KS' are written above a signature that appears to be 'BF'. There is also a signature that looks like 'BF' written below the 'KS' initials.

SCHEDULE 2 – CONDITIONS TO THE OFFER

The Offer, and any contract resulting from the acceptance of the Offer, are subject to the following conditions:

(a) **(90% minimum acceptance condition)**: at the end of the Offer Period, EAR and its Associates have a Relevant Interest in more than 90% (by number) of all of the Metaliko Shares both on an undiluted and on a fully diluted basis;

(b) **(no Regulatory Action)**: that between the 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; and

(ii) no application is made to any Regulatory Authority (other than by any member of the EAR Group), 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 EAR in respect of Metaliko and the Metaliko Shares to be acquired under the Offer; or

(iv) requires the divestiture by EAR of any Metaliko Shares, or the divestiture of any assets of Metaliko or its Related Bodies Corporate, EAR or its Related Bodies Corporate or otherwise;

(c) **(no Metaliko Material Adverse Changes)**: there not occurring a Metaliko Material Adverse Change during the Offer Period;

(d) **(no material acquisitions, disposals or new commitments)**: except for any proposed transaction publicly announced by Metaliko before the Announcement Date or disclosed in writing to EAR or its Representatives prior to the Announcement, or as required or permitted by this agreement, or with the prior approval of EAR (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 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 Metaliko 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;
- (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;
- (f) **(no Metaliko Prescribed Occurrences)**: there not occurring a Metaliko Prescribed Occurrence 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 Metaliko or any Subsidiary of Metaliko is a party, or by or to which Metaliko or any Subsidiary of Metaliko 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 of Metaliko or Metaliko and its Subsidiaries taken as a whole, in:
 - (i) any monies borrowed by Metaliko or any Subsidiary of Metaliko 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 Metaliko or any Subsidiary of Metaliko 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 Metaliko or any Subsidiary of Metaliko with any other person being adversely affected,

as a result of the acquisition of Metaliko Shares by EAR except for any rights under any provision of any agreement or other instrument

disclosed in writing to EAR or its Representatives prior to the Announcement;

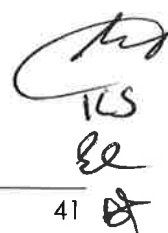
(h) **(non-existence of certain rights)**: that no person has any right (whether subject to conditions or not) as a result of EAR acquiring Metaliko Shares to:

- (i) acquire, or require Metaliko or a Subsidiary of Metaliko to dispose of, or offer to dispose of, any material asset of Metaliko or a Subsidiary of Metaliko; or
- (ii) terminate or vary or exercise any right under any Material Contract with Metaliko or a Subsidiary of Metaliko,

except for any rights under any provision of any agreement or other instrument disclosed in writing to EAR or its Representatives or otherwise publicly announced by Metaliko prior to execution of this agreement; and

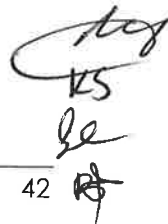
(i) **(Shareholder Approval)**: that EAR Shareholders approve the issue of EAR Shares under the Takeover Bid in consideration for the acquisition of Metaliko Shares held by Mr Michael Ruane and his Associates for the purposes of Listing Rule 10.1.

The above conditions are conditions subsequent and do not prevent a contract resulting from acceptance of the Offer from coming into effect but any breach or non-fulfilment of them entitles EAR to rescind any contracts resulting from acceptance of the Offer.

Handwritten signature and initials, including 'TCS' and 'ee', and a small mark resembling a stylized 'X' or '4'.

SCHEDULE 3 – EAR PRESCRIBED OCCURRENCES


1. **(Conversion):** EAR converts all or any of its shares into a larger or smaller number of shares.
2. **(Reduction of share capital):** EAR resolves to reduce its share capital in any way or reclassifies, combines, splits or redeems or repurchases directly or indirectly any of its shares.
3. **(Buy-back):** EAR:
 - (a) enters into a buy-back agreement; or
 - (b) resolves to approve the terms of a buy-back agreement under the Corporations Act.
4. **(Distribution):** EAR makes or declares, or announces an intention to make or declare, any distribution (whether by way of dividend, capital reduction or otherwise and whether in cash or in specie).
5. **(Issuing or granting shares or options):** EAR or any of its Subsidiaries:
 - (a) issues shares;
 - (b) grants an option over its shares; or
 - (c) agrees to make such an issue or grant such an option,
without the prior written consent of Metaliko (in its sole and absolute discretion) other than the issue of any EAR Shares in connection with:
 - (d) the Takeover Bid envisaged by this agreement;
 - (e) the issue of 1,000,000 Shares to Sorrento Resources Pty Ltd in accordance with an agreement announced to the ASX on 10 August 2016; or
 - (f) the exercise of EAR Options or other EAR securities issued or granted, or whose issue or grant was fairly disclosed to Metaliko or ASX, prior to the date of this agreement, in each case to a person outside the EAR Group.
6. **(Securities or other instruments):** EAR or any of its Subsidiaries issues or agrees to issue securities or other instruments convertible into EAR Shares or debt securities to a person outside the EAR Group other than as envisaged by this agreement or as fairly disclosed to Metaliko or ASX before the date of this agreement.
7. **(Constitution):** EAR or any of its Subsidiaries adopts a new constitution or modifies or repeals its constitution or a provision of it.



Handwritten signature and initials, including 'KS' and 'be', are present in the bottom right corner of the page.


8. **(Financial Indebtedness):** EAR or any of its Subsidiaries incurs any financial indebtedness or issues any debt securities, other than in the ordinary course of business.
9. **(Acquisitions, disposals or tenders):** EAR or any of its Subsidiaries:
- (a) acquires or disposes of;
 - (b) agrees to acquire or dispose of;
 - (c) offers, proposes, announces a bid or tenders for,
- any business, assets, entity or undertaking the value of which exceeds \$250,000, other than the acquisition of Metaliko, without the prior written consent of Metaliko, such consent not to be unreasonably withheld.
10. **(Encumbrances):** other than in the ordinary course of business and consistent with past practice, EAR or any of its Subsidiaries creates, or agrees to create, any Encumbrance over the whole or a substantial part of its business or property.
11. **(Employment arrangements):** other than in the ordinary course of business and consistent with past practice EAR or any of its Subsidiaries:
- (a) increases the remuneration of, or otherwise varies the employment arrangements with, any of its directors or employees;
 - (b) accelerates the rights of any of its directors or employees to compensation or benefits or any kind (including under any Metaliko executive or employee share plans); or
 - (c) pays any of its directors or employees a termination or retention payment (otherwise than in accordance with an existing contract in place at the date of this agreement).
12. **(Commitments and settlements):** other than in the ordinary course of business and consistent with past practice EAR or any of its Subsidiaries, without the prior written approval of Metaliko (not to be unreasonably withheld):
- (a) enters into any contract or commitment involving revenue or expenditure of more than \$250,000 over the term of the contract or commitment;
 - (b) terminates or amends in a material manner any contract material to the conduct of the EAR Group's business or which involves revenue or expenditure of more than \$250,000 over the term of the contract;
 - (c) waives any material third party default; or
 - (d) accepting as a settlement or compromise of a material matter (relating to an amount in excess of \$250,000 less than the full compensation due to EAR or a Subsidiary of EAR).
13. **(Insolvency):** EAR or any of its Related Bodies Corporate becomes Insolvent; and

14. **(material litigation)**: any litigation, claim, action or proceeding is threatened against or relates to any member of the EAR Group during the Offer Period that does or is reasonably likely to constitute an EAR Material Adverse Change.



KS
ee
BT

SCHEDULE 4 – METALIKO PRESCRIBED OCCURRENCES

1. **(Conversion):** Metaliko or any Subsidiary converts all or any of its shares into a larger or smaller number of shares.
2. **(Reduction of share capital):** Metaliko or any Subsidiary resolves to reduce its share capital in any way or reclassifies, combines, splits or redeems or repurchases directly or indirectly any of its shares.
3. **(Buy-back):** Metaliko or any Subsidiary:
 - (a) enters into a buy-back agreement; or
 - (b) resolves to approve the terms of a buy-back agreement under the Corporations Act.
4. **(Distribution):** Metaliko or any Subsidiary makes or declares, or announces an intention to make or declare, any distribution (whether by way of dividend, capital reduction or otherwise and whether in cash or in specie).
5. **(Issuing or granting shares or options):** Metaliko or any of its Subsidiaries:
 - (a) issues shares;
 - (b) grants an option over its shares; or
 - (c) agrees to make such an issue or grant such an option,without the prior written consent of EAR (in its sole and absolute discretion).
6. **(Securities or other instruments):** Metaliko or any of its Subsidiaries issues or agrees to issue securities or other instruments convertible into Metaliko Shares or debt securities to a person outside the Metaliko Group.
7. **(Constitution):** Metaliko or any of its Subsidiaries adopts a new constitution or modifies or repeals its constitution or a provision of it.
8. **(Financial Indebtedness):** Metaliko or any of its Subsidiaries incurs any financial indebtedness or issues any debt securities, other than in the ordinary course of business.
9. **(Acquisitions, disposals or tenders):** Metaliko or any of its Subsidiaries:
 - (a) acquires or disposes of;
 - (b) agrees to acquire or dispose of;
 - (c) offers, proposes, announces a bid or tenders for,any business, assets, entity or undertaking the value of which exceeds \$250,000 without the prior written consent of EAR, such consent not to be unreasonably withheld.
10. **(Encumbrances):** other than in the ordinary course of business and consistent with past practice Metaliko or any of its Subsidiaries creates, or agrees to create, any Encumbrance over the whole or a substantial part of its business or property.




KS
80
BP

11. **(Employment arrangements):** other than in the ordinary course of business and consistent with past practice Metaliko or any of its Subsidiaries:
- (a) increases the remuneration of, or otherwise varies the employment arrangements with, any of its directors or employees;
 - (b) accelerates the rights of any of its directors or employees to compensation or benefits or any kind (including under any Metaliko executive or employee share plans); or
 - (c) pays any of its directors or employees a termination or retention payment (otherwise than in accordance with an existing contract in place at the date of this agreement).
12. **(Commitments and settlements):** other than in the ordinary course of business and consistent with past practice Metaliko or any of its Subsidiaries, without the prior written approval of EAR (not to be unreasonably withheld):
- (a) enters into any contract or commitment involving revenue or expenditure of more than \$250,000 over the term of the contract or commitment;
 - (b) terminates or amends in a material manner any contract material to the conduct of the Metaliko Group's business or which involves revenue or expenditure of more than \$250,000 over the term of the contract;
 - (c) waives any material third party default; or
 - (d) accepting as a settlement or compromise of a material matter (relating to an amount in excess of \$250,000 less than the full compensation due to Metaliko or a Subsidiary of Metaliko).
13. **(Insolvency):** Metaliko or any of its Related Bodies Corporate becomes Insolvent.


KS
le
AP

SCHEDULE 5 – METALIKO SECURITIES


Metaliko Shares: 441,614,328 fully paid ordinary shares


KS
se




SCHEDULE 6 – EAR SECURITIES

EAR Shares: 172,818,808 fully paid ordinary shares

EAR Unlisted Options: 5,750,000 options exercisable at \$0.275 each and expiring 28 August 2019


ICS
SL
BP

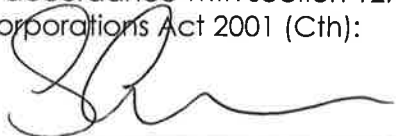
SCHEDULE 7 – ANNOUNCEMENT


145
82


EXECUTED by the Parties as an agreement.

EXECUTED by
ECHO RESOURCES LIMITED
ACN 108 513 113

in accordance with section 127 of the
Corporations Act 2001 (Cth):



Signature of director

SIMON COXTHELL

Name of director



Signature of ~~director~~/company
secretary
(please delete as applicable)

Kate Stonery

Name of director/company secretary
(please delete as applicable)

EXECUTED by
METALIKO RESOURCES LIMITED
ACN 120 974 567

in accordance with section 127 of the
Corporations Act 2001 (Cth):



Signature of director

MICHAEL RUAN

Name of director



Signature of ~~director~~/company
secretary
(please delete as applicable)

BIANCA TAVEIRA

Name of ~~director~~/company secretary
(please delete as applicable)