



ASX ANNOUNCEMENT

Chairman's Address

21 November 2016

1. Significant progress has been made by Metaliko during 2016 despite limitation on available funds.
2. During the period the Company raised \$2.65M by issue of 88.3M shares at 3 cents per share bringing the fully paid shares total to 441.6M. Cash on hand at 30 June 2016 was approximately \$838,000.
3. Key focus of Metaliko during 2016 has been on the Bronzewing/Yandal project with substantial exploration on the Project tenements and maintenance of the Bronzewing Mill and infrastructure. Significant success resulted from the exploration activities, particularly at the Corboys Prospect where JORC (2012) resources of 1.67Mt @ 1.8g/t Au (Indicated) and 0.47Mt @ 1.91g/t Au (Inferred) were outlined for 125,000 contained ounces of gold using a 1g/t lower cut off grade.
4. Metaliko's drilling during 2016 totalled 12,373 metres which included 4,792 metres at Corboys. The balance of the drilling was distributed over eight separate prospects in the Yandal tenement package. In most cases encouraging gold mineralisation was encountered and follow up drilling is warranted.
5. Metaliko also commissioned a review of the Cockburn exploration and mining database and resource parameters. The study highlighted potential for mining of the Orelia ore resource for a further 40 to 50 metres from the current base of the Cockburn pit without cutting back the western pit wall.

The review also indicated potential for underground mining of the Orelia structure below the open pit operation mentioned based on a prefeasibility study conducted by Newmont Australia Pty Ltd in 2002. Further drilling is planned to confirm the resource parameters. Assuming a favourable outcome from the drilling, the Cockburn mine development plans will be reinvestigated.

6. On 30 June 2016, Metaliko announced a agreement with unlisted public company Bullseye Mining Ltd (BML) for the lease of the Bronzewing Mill and infrastructure to BML for a period of up to three years.

The agreement is subject to a number of conditions precedent which have not been satisfied as yet. Negotiations are continuing with Bullseye to have the conditions met or modified to the satisfaction of the both parties which will allow for treatment of BML ore through the Bronzewing Mill as soon as practicable.

7. Kalgoorlie Tenement Package

During the year, Metaliko sold most of its Kalgoorlie regional tenements. The price realised was approximately \$550,000. The Company retained its Anthill project for further assessment, sale or Joint Venture development.

8. Echo Resources Ltd – Merger Offer

During the latter half of 2016, Metaliko commenced discussions with ASX listed Exploration Company, Echo Resources Ltd related to treatment of Echo's ore resources through Metaliko's Bronzewing mill.

After consideration of the cost of Toll Treatment of its ore and the respective assets of Metaliko and Echo, a merger of the two companies was proposed by Echo via an off market offer of one Echo share for 2.5 Metaliko shares.

Following due diligence investigations by respective parties and agreement by the Board of MKO to support the Merger, Echo Resources announced the Offer to the Market on 29 September 2016.

The Offer required approval by Echo Shareholders for the issue of (53.5M Echo Shares) for the acquisition of 133.76M Metaliko shares from Metaliko Director Michael Ruane who was deemed to be a Related Party being a Director of Echo within the preceding six months.

The Resolution seeking this approval was passed at the Echo AGM held on 11 November 2016. Bidder and Target's Statements have been mailed out by Metaliko to shareholders for their deliberation on the offer.

As indicated above the Metaliko Board recommends shareholders accept the offer in the absence of a superior bid. Directors' Michael Ruane and Peter Hunt have advised of their intention to accept the offer. Substantial shareholder ASF Resources WA Pty Ltd represented by Metaliko Director Mr Geoff Baker has also confirmed its intention to accept the offer for its shares.

9. Shareholders would have received in the mail the Bidder's Statement (Echo) and the Target's Statement (Metaliko) both dated 4 November 2016 for shareholders review and consideration. Shareholders should be aware that the bidder Echo Resources Limited offer opened on the 11 November 2016 and will remain open until 12 December 2016 or any other date to which the 'Offer Period' is extended in accordance with the Corporations Act.