

QUARTERLY ACTIVITIES REPORT

For the quarter ended 31 December 2016

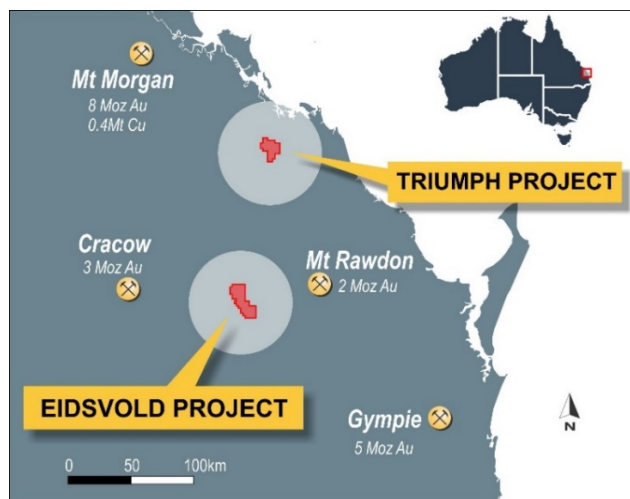
HIGHLIGHTS

Triumph Project

- 5,000m drilling program nearing completion at **New Constitution** and **Bald Hill** prospects following high-grade Au-Ag discoveries in 2016.
- Discovery of high-grade mineralisation in drilling at **Handbrake Hill** prospect.
- Widespread Au-Ag-Zn mineralisation intersected at **New Constitution** consistent with 'outer zone' of a bulk tonnage gold deposit also represented by a new IP geophysical target.

Metal Bank Limited (ASX:MBK)

Metal Bank Limited ('MBK' or 'the Company') is pleased to outline below the activities for the quarter ended 31 December 2016 ('Quarter').



Business Overview

Metal Bank Limited is in the business of mineral exploration and development with a strategy focussed on creating shareholder value by building a successful resource company. MBK holds a strong portfolio of gold projects with untapped upside potential, championed by a Board and management team with a depth of experience in project generation, early

recognition of advanced opportunities, resource development and building of successful resource companies.

The eastern Australian exploration projects of Triumph and Eidsvold represent intrusion related gold systems (IRGS) within the northern New England Orogen of eastern Australia. This region hosts several gold mines including the Cracow (3Moz Au), Mt Rawdon (2Moz Au) gold mines and Mt Carlton gold-silver-copper mine (1.4Moz AuEq) as well as the historical Mt Morgan deposit (8Moz Au). Refer to Figure 1 showing the intrusion related gold model and MBK projects.

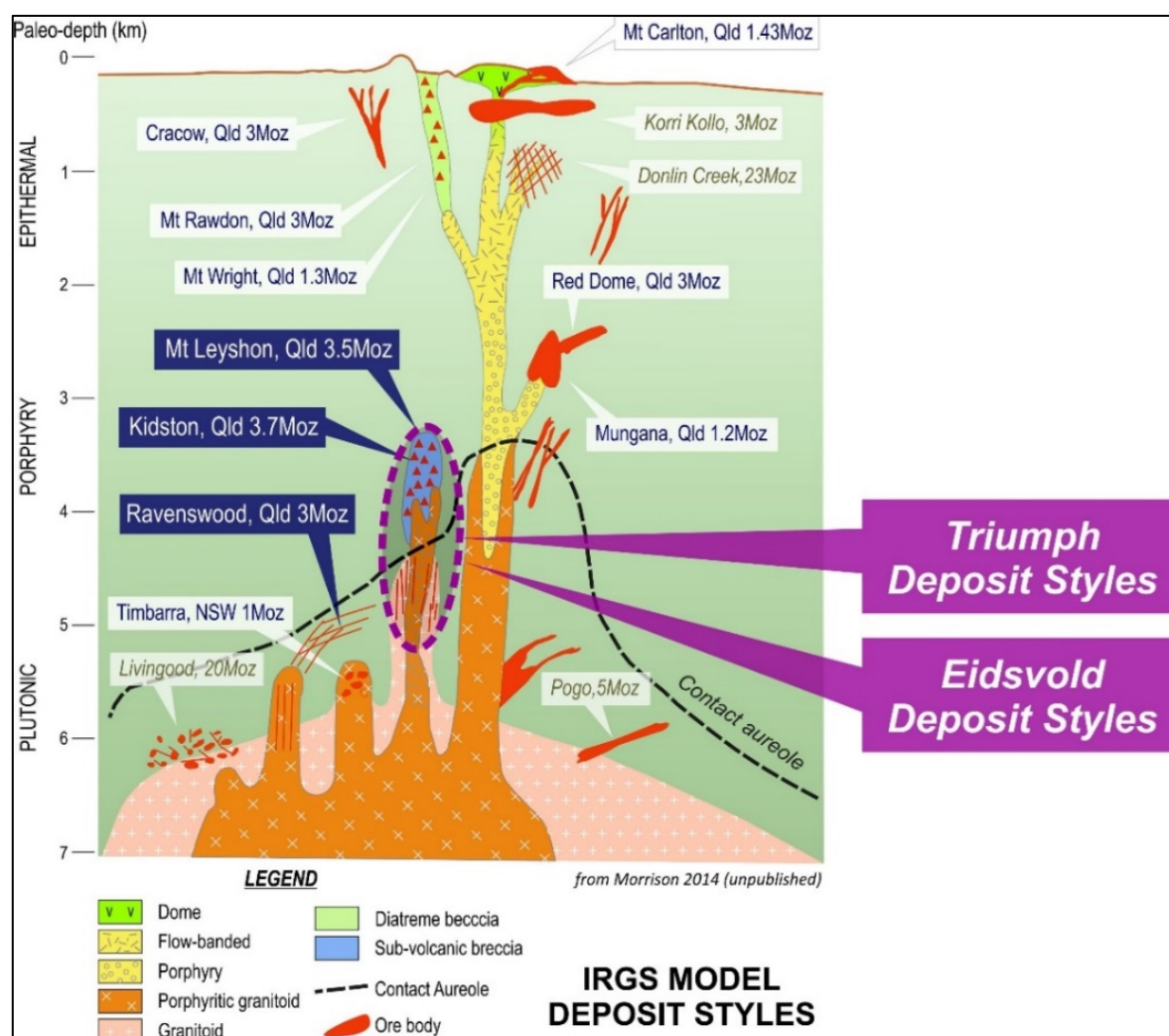


Figure 1: Intrusive related gold deposit styles showing MBK projects.

EASTERN AUSTRALIA GOLD PROJECTS

Triumph Project (100% MBK)

The project is an intrusion related gold camp centred about the historical high grade Norton goldfield (mined in the late 1800's and again in the 1990's) located between Mt Rawdon (2Moz Au) gold mine and the historical Mt Morgan (8Moz Au and 0.4Mt Cu) mine in the Northern New England Orogen, south-east Queensland.

Exploration by MBK on the Triumph project has discovered a large underexplored gold system through greenfields exploration around a historical goldfield. The 15km² gold system is 95% concealed beneath shallow alluvium and MBK has a unique opportunity and ‘first mover’ advantage to generate and drill test tier one and two targets on this previously unrecognised large gold system. Over ten priority targets have been generated. Drill testing of the first three targets returned high-grade Au-Ag supporting MBK’s view that this underexplored and overlooked gold system holds significant upside to potentially host a multi-million ounce gold deposit.

While MBK’s immediate priority is to define near surface high-grade gold resources at New Constitution, Bald Hill and Handbrake Hill, there is a strong pipeline of other very promising untested targets that are planned for initial testing in the next 6 to 9 months. In conjunction with this strategy, MBK plans to target the bulk tonnage gold potential which is likely associated with the causative intrusives that driving the widespread high-grade mineralisation within the system.

Reverse circulation and diamond drilling was completed at the **New Constitution and Bald Hill prospects** as well as initial drill investigation on the **Handbrake Hill prospect**. During the Quarter 6 diamond holes (862m) and 38 reverse circulation holes (3794m) were undertaken with drilling still underway at Quarter end.

Follow-up drilling has been completed at **New Constitution** where initial drilling in Q3 2016 returned a high-grade drill intersection of 10m @ 26.9g/t Au, 165g/t Ag and 6.0% Zn from 51m¹. Recent drilling has been completed along strike to now define over 250m of mineralisation on the ‘discovery’ structure. New drill intersections include²:

- **4m @ 4.1/t Au, 15g/t Ag and 0.1% Zn** from 36m
- **3m @ 6.2g/t Au, 55g.t Ag, 0.1% Cu, 0.2% Pb, 0.7% Zn** from 56m

The widespread occurrence of Zn associated with high-grade Au-Ag mineralisation is typical of the ‘outer halo leakage’ to many large intrusion related gold deposits of eastern Australia and could indicate that exploration to date has only investigated the peripheral or ‘outer zones’ of a potentially larger gold system (refer to Figure 1 and Figure 2).

Reprocessing of induced polarisation geophysical data shows a strong correlation between high-grade Au mineralisation associated with the New Constitution ‘discovery’ structure and a geophysical IP anomaly enhanced through Metal Factor “MF” processing of the IP data. Consistent with this, a much larger MF anomaly 200m below surface and over 500m long is defined in the north of New Constitution and represents a priority bulk tonnage gold target with drilling planned in Q2 2017.

¹ MBK ASX Release 05 September 2016

² MBK ASX Release 28 November 2016

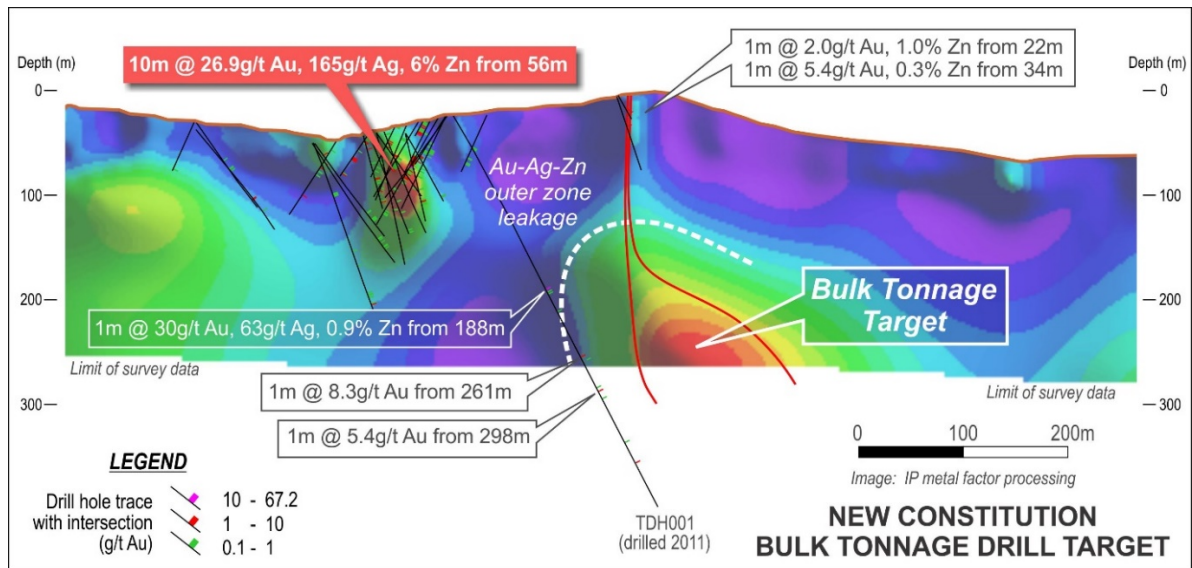


Figure 2: Metal Factor processing of IP data showing priority bulk tonnage/IP target. Processing shows an excellent correlation with the high-grade Au-Ag-Zn mineralisation intersected on the 'discovery' zone.

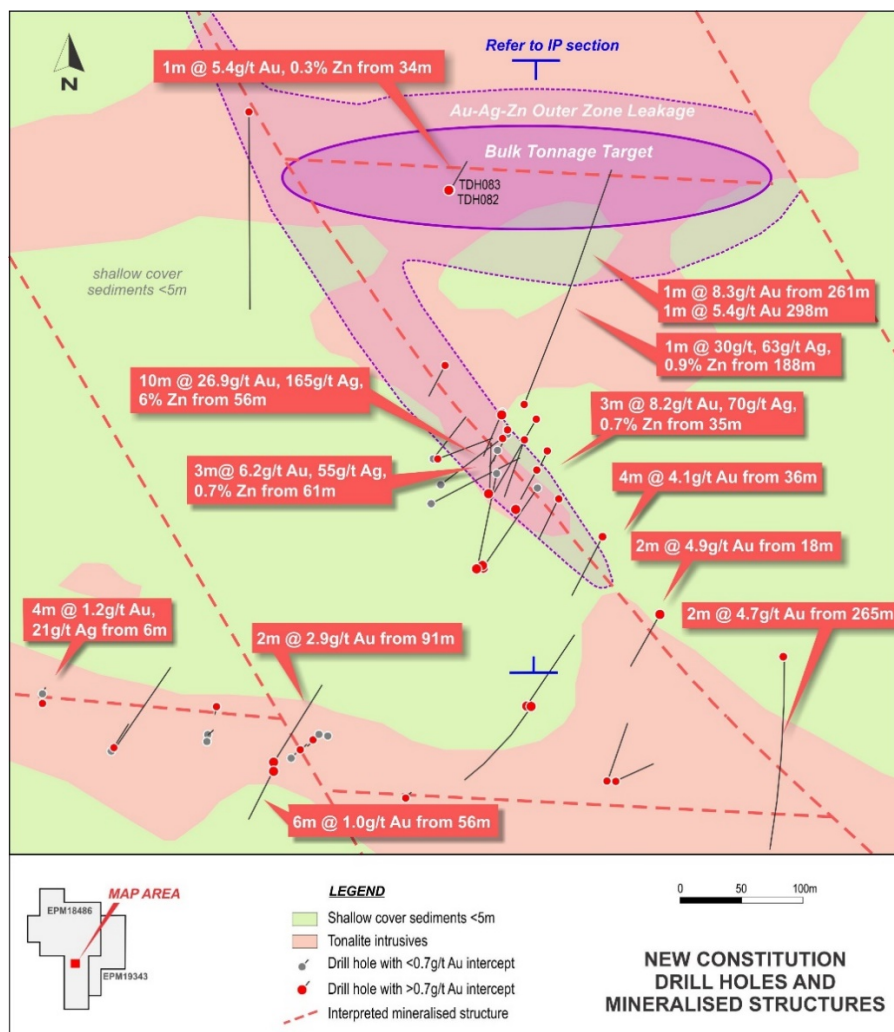


Figure 3: Drill plan of New Constitution prospect high grade structures, outer Au-Ag-Zn zone leakage that represents a halo to the bulk tonnage gold target.

RC drilling at **Bald Hill prospect** has intersected further near surface high-grade gold defining the western strike extension of the Bald Hill mineralisation highlighting an additional 200m of strike concealed beneath 3m of cover sediments (Refer Figure 4). Results include³:

- **3m @ 4.8g/t Au, 12g/t Ag** from 18m
- **1m @ 6.5g/t Au, 15g/t Ag, 0.5% Zn** from 23m

These holes targeted an aircore bedrock geochemical anomaly (beneath the shallow cover) with further drilling required to investigate the geometry of these high-grade zones as well investigate other nearby bedrock geochemical anomalies which could represent parallel mineralised structures under cover.

A diamond drilling programme to investigate the down plunge geometry of the Bald Hill mineralisation defined in the central portion of the prospect is expected to be completed in early February and an updated forward strategy for Bald Hill will be presented once drill results are received.

At **Handbrake Hill prospect**, results from two shallow RC drill hole now highlight a new target associated with a >800m long magnetic low almost entirely concealed beneath <3m of cover. Results from MBK drilling⁴ returned **1m @ 6.1g/t Au, 14g/t Ag, 0.8% Zn** from 39m within a broad mineralised envelope of 10m @ 1.2g/t Au, 8g/t Ag, 0.2% Zn from 32m associated with the magnetic low. An historical drill hole, 600m to the south, intersected further high grade mineralisation associated with the magnetic low with **3m @ 10.5g/t Au, 23g/t Ag, 0.6% Zn** from 31m (2007), refer to Figure 3.

Further drilling will be planned to target high-grade mineralisation not only on the >800m magnetic low and also on other adjacent magnetic lows that could also be associated with high-grade mineralisation concealed beneath the shallow cover.

Recent changes to the environmental conditions associated with the Triumph project, removing the 300m buffer zone, now allow exploration and drilling to be conducted up to the boundary of the National Park situated in the south east of the project. These changes now open up additional priority targets on the project including the extensions of the Bald Hill mineralisation with further exploration planned in preparation for drilling. Refer to Figure 5.

A renewal application of the main tenement (EPM18486) has been approved for a further five years.

³ MBK ASX Release 17 January 2017

⁴ MBK ASX Release 17 January 2017

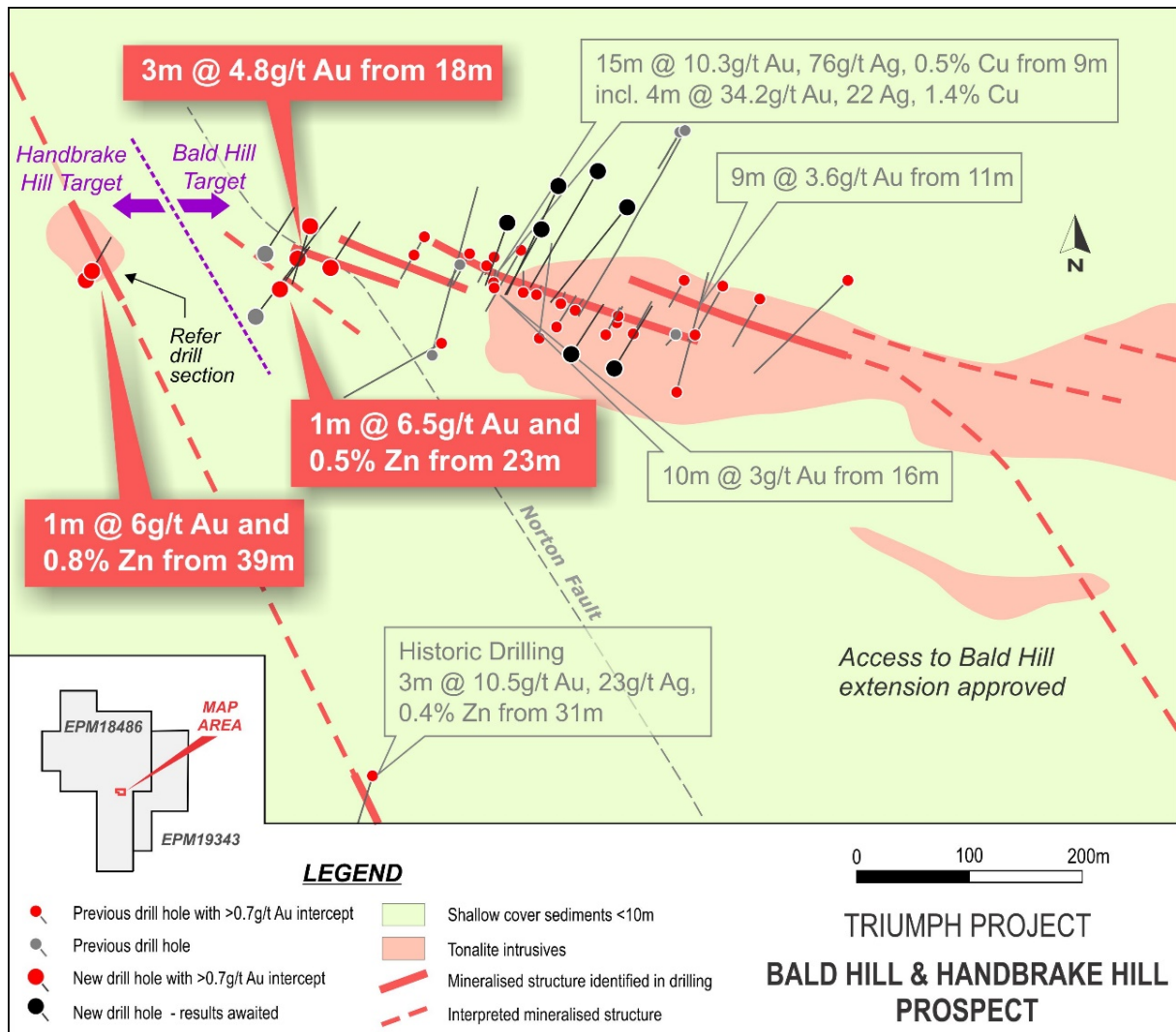


Figure 4: Drill hole plan showing Bald Hill and Handbrake Hill prospects

Current priority targets are shown in Table 1 with the location shown in Figure 5.

During the next quarter on the Triumph project:

- New Constitution prospect
 - Diamond drilling is planned to investigate the large bulk tonnage gold target.
 - Modelling of ore zone and structures from recent drilling on the 'discovery' structure.
- Bald Hill prospect
 - Additional drilling contingent on results from the current drilling which are expected in late February.
- Handbrake Hill prospect
 - Review next steps to target the 800m strike zone beneath shallow cover, which may involve further geophysics and drilling.
- Other priority targets
 - Continue surface exploration in areas of outcrop in preparation for drilling and review other geophysical targets revealed from Metal Factor processing of IP data.

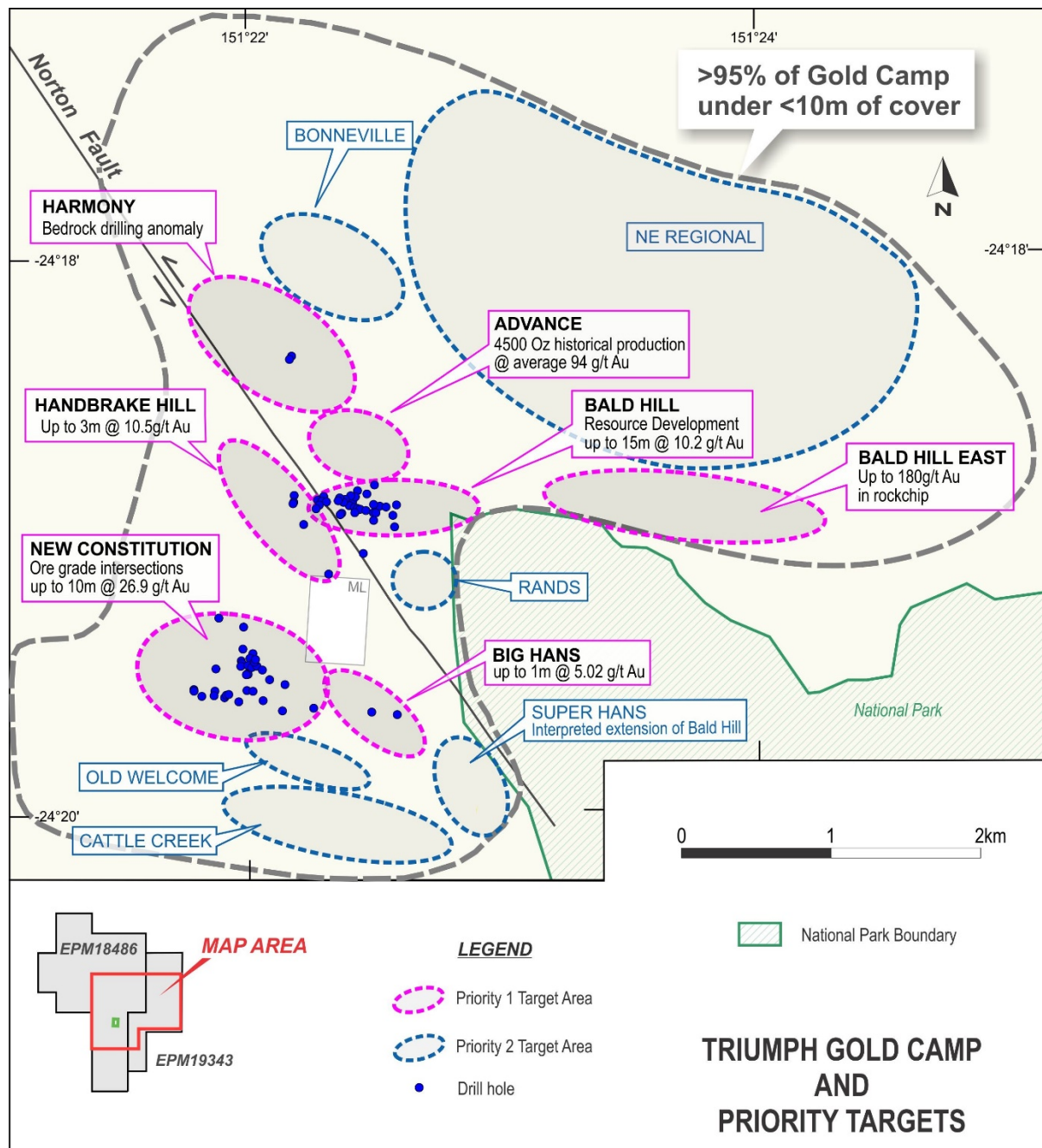


Figure 5: Triumph gold camp showing priority targets and summary results highlights.

Table 1: Priority gold targets within the Triumph gold camp.

	Target	Attributes	Highlights
Advanced	New Constitution	Immediate Resource potential - Combined 3km strike potential	Up to 10m @ 26.9g/t Au, 165g/t Ag and 6.0% Zn from 51m (open)
	Bald Hill	Immediate Resource potential	Up to 15m @ 10.3g/t Au, 76g/t Ag, 0.5% Cu from 9m
Brownfields	Handbrake Hill	>1km strike potential	4m @ 10.55 g/t Au from historical drilling
	Advance	Historical gold camp	4500 Oz Au at 94 g/t Au historical production
	Big Hans	Interpreted extension of Bald Hill	Up to 4m @ 3.67 g/t Au from 22m historical drilling
	Harmony	>1km strike potential	Up to 62.8 g/t Au and 161 g/t Ag in rockchip
	Super Hans	100m x >500m long shear zone	Up to 20.1 g/t Au in rockchip
	Old Welcome	>800m long shear zone	Up to 32.7 g/t Au in rockchip
Greenfields	Cattle Creek	>1km long shear zone	Up to 53.5 g/t Au in rockchip
	Bonneville	>1km strike potential	Up to 255 g/t Au in float rockchip
	Rands	Southern extension of Bald Hill	Up to 20.3 g/t Au in historical stream sediment
	NE Regional	5km ²	Untested area within fertile intrusive, masked by shallow cover

Eidsvold Project (100% MBK)

The Eidsvold project is centred on the historical Eidsvold goldfield (100,000oz Au mined in the early 1900's) within the Eidsvold intrusive complex, located between the Cracow (3Moz Au) and Mt Rawdon (2Moz Au) gold mines in the Northern New England Orogen (refer Figure 6 and Figure 7). No exploration activity was completed on the project during the Quarter.

The discovery of high grade gold mineralisation including 1m @ 17.45g/t Au, 90g/t Ag and 2.5% Cu⁵ as part of an intrusion related gold system confirmed the Company's exploration model and has opened up the potential of the entire Eidsvold intrusive complex (250km²) which is almost entirely concealed beneath sedimentary cover.

Preparations are being made to conduct a ground geophysical surveys (IP and magnetics) in late Q1/Q2 2017 over two priority target areas where previous regional wide spaced drilling by Newcrest (1998) intersected anomalous zones of gold beneath sedimentary cover. Initial RC drilling of geophysical targets is planned in Q2.

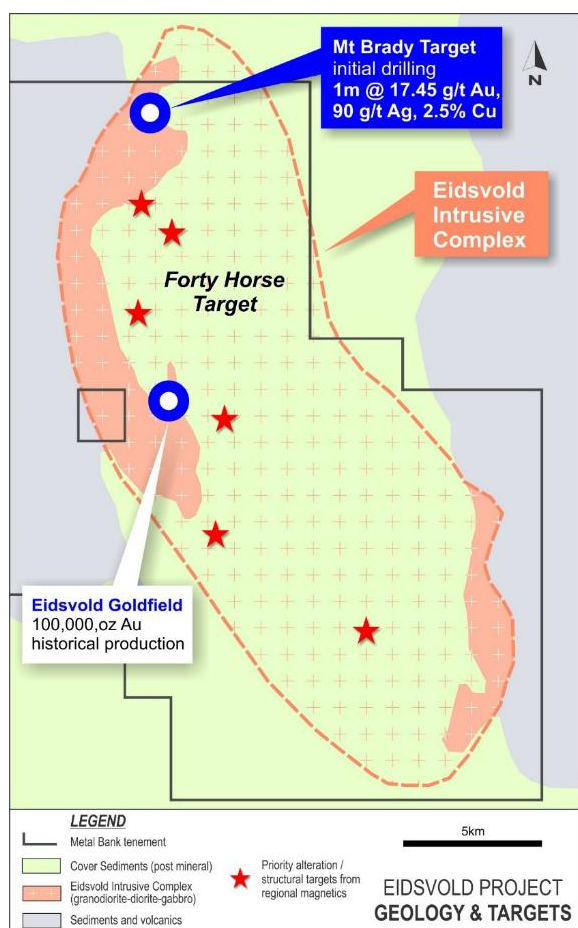


Figure 6: Location of priority target areas on regional geology summary

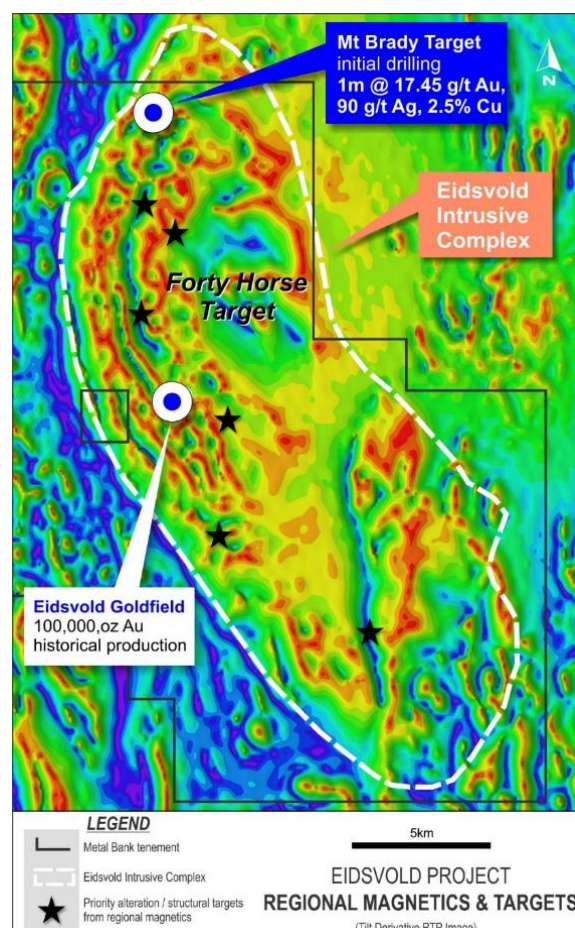


Figure 7: Location of priority target areas on RTP tilt derivative processed regional magnetics

⁵ ASX Release 15/4/2014

New Opportunities

The Company continues to review new project opportunities with a view to identifying projects that fit with its growth strategy and have the ability to add shareholder value.

The Company may also consider alternative funding structures for developing its projects which reduce risk and add shareholder value.

For further information contact:

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Managing Director

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About Metal Bank

Metal Bank Limited is an ASX-listed minerals exploration company (ASX: MBK).

Metal Bank's core focus is creating value through a combination of exploration success and quality project acquisition. The company's key projects are the Triumph and Eidsvold gold projects situated in the northern New England Fold Belt of central Queensland, which also hosts the Cracow (3Moz Au), Mt Rawdon (2Moz Au), Mt Morgan (8Moz Au, 0.4Mt Cu) and Gympie (5Moz Au) gold deposits.

The company has an experienced Board and management team that brings regional knowledge, expertise in early stage exploration and development, relevant experience in the mid cap ASX-listed resource sector and a focus on sound corporate governance.

<p>Board of Directors and Management</p> <p>Inés Scotland (Non-Executive Chairman)</p> <p>Tony Schreck (Managing Director)</p> <p>Guy Robertson (Executive Director)</p> <p>Sue-Ann Higgins (Company Secretary)</p> <p>Trevor Wright (Exploration Manager)</p>	<p>Registered Office</p> <p>Metal Bank Limited Suite 506, Level 5 50 Clarence Street Sydney NSW 2000 AUSTRALIA</p> <p>Phone: +61 2 9078 7669 Email: info@metalbank.com.au www.metalbank.com.au</p> <p>Share Registry</p> <p>Advanced Share Registry Services 110 Stirling Highway Nedlands WA 6009 AUSTRALIA</p> <p>Phone: +61 8 9389 8033 Facsimile: +61 8 9262 3723 www.advancedshare.com.au Please direct all shareholding enquiries to the share registry.</p>
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Competent Persons Statement

The information in this report that relates to Exploration Results is based on information compiled or reviewed by Mr Tony Schreck, who is a Member of The Australasian Institute of Geoscientists. Mr Schreck is an employee of the Company. Mr Schreck has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Schreck consents to the inclusion in the report of the matters based on his information in the form and context in which it applies.

The Exploration Targets described in this report are conceptual in nature and there is insufficient information to establish whether further exploration will result in the determination of Mineral Resources. Any resources referred to in this report are not based on estimations of Ore Reserves or Mineral Resources made in accordance with the JORC Code and caution should be exercised in any external technical or economic evaluation.

Metal Bank Limited Tenement Schedule

Roar Resources Pty Ltd (Wholly Owned Subsidiary)

Triumph Project

EPM18486 – Queensland (renewed for a further 5 years)

EPM19343 – Queensland

Eidsvold Project

EPM18431 – Queensland

EPM18753 – Queensland