



Metal Bank Limited  
(ACN 127 297 170)

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## **NOTICE OF ANNUAL GENERAL MEETING**

### **Explanatory Statement and Proxy Form**

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**Time:** 4.30 pm

**Date:** 27 November 2017

**Place:** Boardroom of RSM Bird Cameron Partners at Level 13, 60 Castlereagh Street, Sydney NSW 2000

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

# **Metal Bank Limited**

ACN 127 297 170

Registered Office: Level 5, 50 Clarence St, Sydney NSW 2000

## **Notice of Annual General Meeting**

Notice is given that the Annual General Meeting of Shareholders of Metal Bank Limited ACN 127 297 170 (Metal Bank or Company) will be held at 4.30 pm (AEDT) on Monday, 27 November 2017 at the Boardroom of RSM Bird Cameron Partners at Level 13, 60 Castlereagh Street, Sydney NSW 2000.

### **AGENDA**

The Explanatory Statement and proxy form, which accompany and form part of this Notice, describe in more detail the matters to be considered. Please consider this Notice, the Explanatory Statement and the proxy form in their entirety.

#### **Ordinary Business**

##### **Receipt and consideration of Accounts & Reports**

To receive and consider the financial report of the Company and the related reports of the Directors (including the Remuneration Report) and the auditors report for the year ended 30 June 2017.

*Note: Except for as set out in Resolution 1, there is no requirement for Shareholders to approve these reports. Accordingly no resolution will be put to shareholders on this item of business.*

##### **Resolution 1: Adoption of Remuneration Report**

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

*"That, for the purposes of Section 250R(2) of the Corporations Act and for all other purposes, the Company adopts the Remuneration Report."*

The vote on Resolution 1 is advisory only and does not bind the Directors or the Company.

##### **Resolution 2: Re-election of Director – Inés Scotland**

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

*"That, for the purpose of clause 11.1(c) of the Constitution and for all other purposes, Ms Scotland, a Director, retires by rotation, and being eligible, is re-elected as a Director."*

##### **Resolution 3: Approval of issue of Performance Rights and Shares to Executive Director – Tony Schreck**

To consider and, if thought fit, to pass, the following resolution as an ordinary resolution:

*"That for the purposes of ASX Listing Rule 10.14 and for all other purposes, Shareholders approve the grant of performance rights and issue of Shares on vesting of performance rights under the Performance Rights Plan, on the terms and conditions set out in the Explanatory Memorandum".*

#### **Special Business**

##### **Resolution 4 – Approval of 10% Placement Capacity**

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

*“That for the purposes of ASX Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to 10% of the Company’s issued share capital (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 on the terms and conditions set out in the Explanatory Statement”.*

**Dated 26 October 2017**

BY ORDER OF THE BOARD

A handwritten signature in blue ink, appearing to read 'Sue-Ann Higgins', followed by a horizontal line.

Sue-Ann Higgins  
**Company Secretary**

## Notes

1. **Record Date:** The Directors of the Company have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders of the Company at 4.30pm (AEDT) on Saturday, 25 November 2017.
2. **Voting and Proxies**
  - a. Votes at the Annual General Meeting may be given personally or by proxy, attorney or representative.
  - b. A Shareholder entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of the Shareholder by completing, signing and returning the enclosed Proxy Form by the time and in accordance with the instructions set out in the Proxy Form.
  - c. A proxy must be signed by the Shareholder or his or her attorney who has not received any notice of revocation of the authority. Proxies given by corporations must be signed in accordance with corporation's constitution and Corporations Act
  - d. Where the Shareholder is entitled to cast two or more votes, the Shareholder may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.
  - e. If the Shareholder appoints two proxies and the appointment does not specify the proportion or number of the Shareholders votes each proxy may exercise half of the votes. Any fractions of votes brought about by the apportionment of a proxy will be disregarded.
  - f. A proxy need not be a Shareholder.
  - g. Any instrument of proxy deposited or received at the registered office of the Company in which the name of the appointee is not filled in, will be deemed to be given in favour of the chairman of the Meeting.
  - h. If voting boxes are not completed in the instrument of proxy, they proxy may vote as they choose on that item.
  - i. If the Chairman of the meeting is appointed proxy (or he becomes proxy by default), and the boxes 'for', 'against' or 'abstain' opposite the items for resolutions are not completed, this will be deemed an express authorisation for the Chairman to exercise the proxy as the Chairman sees fit, including in relation to item 1 (Adoption of the Remuneration Report) or any other item connected directly or indirectly with the remuneration of a member of the Key Management Personnel, even though the Chairman is, and those items are, connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Metal Bank Group. The Chairman intends to vote all undirected and available proxies in favour of each item of business, subject to any voting exclusions that apply to the proxy (as described below). Shareholders will be informed of the proxy position at the meeting.
  - j. To be effective, Proxy Forms must be received by the Company (by mail, facsimile or email as detailed on the Proxy Form) no later than 4.30pm on 25 November 2017.
3. **Corporate Representative:** Any corporate shareholder who has appointed a person to act as its corporate representative at the Meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority must be sent to the Company and/or registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative.
4. **Questions:** At the meeting, the Chairman will allow a reasonable opportunity for Shareholders to ask questions about, or make comments on, the management of the Company and on the Remuneration Report. Shareholders will also be given a reasonable opportunity at the meeting to ask the Company's auditor, RSM Bird Cameron Partners, questions about the content of its report, and the conduct of its audit of the Company, for the year.
5. **Majority Required:** Resolutions 1 – 3 inclusive are ordinary resolutions and will be passed if more than 50% of the votes cast by Shareholders entitled to vote on the Resolutions are cast in favour of the Resolutions. Resolution 4 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

6. **Voting Exclusion Statement:** Under ASX Listing Rule 14.11, the Company will disregard any votes cast on the Resolutions by the persons noted below in respect of each resolution, provided that the Company will not disregard a vote if:
- a. it is cast by a person as proxy for a member who is entitled to vote, in accordance with the directions on the proxy appointment form; or
  - b. it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides,
- even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company.

***Resolution 1 – Adoption of Remuneration Report***

Persons excluded: a member of the Key Management Personnel (KMP) details of whose remuneration are included in the Remuneration Report, or a closely related party of such member.

***Resolution 2 – Re-election of Ms Inés Scotland as a Director***

Persons excluded: Ms Scotland, her nominee(s), and any of their respective Associates.

***Resolution 3 – Approval of issue of Performance Rights and Shares to a Director***

Persons excluded: Mr Tony Schreck; any director of the Company who is eligible to participate in the employee incentive scheme in respect of which the approval is sought and, if ASX has expressed an opinion under rule 10.14.3 that approval is required for participation in the employee incentive scheme by anyone else, that person; and any of their respective Associates. In addition, any votes cast by a member of the Key Management Personnel and closely related parties of such members will be disregarded.

***Resolution 4 – Approval of 10% Placement Capacity***

Persons excluded: Any person who may participate in the proposed issue; any person who might obtain a benefit (other than a benefit solely in the capacity of a holder of ordinary shares) if the Resolution is passed; and any of their respective Associates.

## **EXPLANATORY STATEMENT**

### **Introduction**

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the Annual General Meeting to be held at 4.30 pm (AEDT) on Monday, 27 November 2017 at the Boardroom of RSM Bird Cameron Partners at Level 13, 60 Castlereagh Street, Sydney NSW 2000.

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Annual General Meeting.

The Directors recommend that Shareholders read this Explanatory Statement in full in conjunction with the accompanying Notice of which this Explanatory Statement forms a part.

### **Resolution 1 – Adoption of Remuneration Report (non-binding vote)**

#### **1.1 Background**

Section 250R(3) of the Corporations Act 2001 requires that a resolution to adopt the Remuneration Report must be put to the vote at the Annual General Meeting. The vote on this Resolution is advisory only and does not bind the Directors or the Company.

The Remuneration Report is set out in the Directors' Report in the Company's 2017 Annual Report. The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company.

In accordance with Section 250SA of the Corporations Act 2001, Shareholders will be provided with a reasonable opportunity to ask questions concerning, or make comments on, the Remuneration Report at the Annual General Meeting.

Under the Corporations Act 2001 if twenty five (25%) per cent or more of votes that are cast are voted against the adoption of the Remuneration Report at each of two consecutive Annual General Meetings, Shareholders will be required to vote at the second of those Annual General Meetings on a resolution (a "spill resolution") that another meeting be held within 90 days at which all of the Company's Directors (other than the Managing Director) must go up for re-election.

At the Company's last Annual General Meeting, the votes cast against the Remuneration Report represented less than twenty five (25%) per cent of the total votes cast, and accordingly, a spill resolution will not be required to be put at the Meeting.

The Directors will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the Meeting when reviewing the Company's remuneration policies.

#### **1.2 Board Recommendation**

Noting that each Director has a personal interest in their own remuneration from the Company (as such interests are described in the Remuneration Report) and, as described in the voting exclusions on this resolution (set out in the Notice of Annual General Meeting), that each Director (or any Closely Related Party of a Director) is excluded from voting their shares on this resolution, the Board unanimously recommend that shareholders vote in favour of Resolution 1 to adopt the Remuneration Report. The Chairman will vote undirected proxies in favour of Resolution 1.

#### **1.3 Voting Exclusions**

The Company will disregard any votes cast on this Resolution (in any capacity) by or on behalf of a member of the Key Management Personnel (being those persons described as such in the Remuneration Report) or a closely related party of such a member in contravention of Section 250R

and 250BD unless the vote is cast as proxy for a person entitled to vote in accordance with a direction on the proxy form.

Any undirected proxies held by Directors or other Key Management Personnel or their closely related parties for the purposes of Resolution 1 (excluding the Chairman) will not be voted on Resolution 1. Accordingly, if you intend to appoint a member of Key Management Personnel as your proxy, please ensure that you direct them how to vote. If you intend to appoint the Chairman of the meeting as your proxy, you can direct him to vote by marking the box for Resolution 1. By marking the Chairman's box on the proxy form you acknowledge that the Chairman of the meeting will vote in favour of this item of business as your proxy.

## **Resolution 2 – Re-election of Director – Inés Scotland**

### **2.1 Background**

The Constitution of the Company requires that, at every Annual General Meeting, at least one Director shall retire from office and, provided that such Director is eligible for re-election at the meeting, may offer himself or herself for re-election.

Pursuant to rule 11.1(c) of the Company's Constitution, Ms Inés Scotland retires at the 2017 Annual General Meeting but, being eligible, offers herself for re-election.

A brief profile of Ms Scotland is set out in the Annual Report of the Company.

### **2.2 Board Recommendation**

The Board (with Ms Scotland abstaining), recommends that Shareholders vote in favour of the re-election of Ms Scotland. The Chair intends to vote undirected proxies in favour of Ms Scotland's re-election.

### **2.3 Voting Exclusions**

The Company will disregard any votes cast on this Resolution (in any capacity) by or on behalf of Ms Scotland, her nominee(s), and any of their respective Associates.

## **Resolution 3 – Approval of issue of performance rights and shares to Tony Schreck**

### **3.1 Background**

The Metal Bank Performance Rights Plan (***the Rights Plan***) and issue of securities under the Rights Plan was approved by shareholders at the Annual General Meeting of the Company held on 12 November 2015.

ASX Listing Rule 10.14 provides that the acquisition of securities under an employee incentive scheme by a director requires shareholder approval. Shareholder approval is therefore sought for the issue of a maximum of 1,805,054 Rights (***Rights***) under the Rights Plan to Mr Tony Schreck, the Managing Director of the Company, and to the issue of shares on the exercise of such of those Rights which vest upon satisfaction of the applicable vesting conditions.

As the Company is a mineral exploration company it does not generate cash from its operations and in order to preserve cash for exploration activities, the Board has determined, where possible, to provide short term and long term incentives to its executive directors, employees and individual contractors by issue of Rights under the Rights Plan to ensure attraction, retention and ongoing incentives for its executives and employees.

Mr Schreck is the Company's Managing Director.

In deciding on the quantum of Rights to be issued to Mr Schreck, the Board considered that a number of shares equivalent to 25% of his base salary, based on a share price of 2.77 cents (being the 30 day VWAP at the date of Board approval of the offer of Rights) would be appropriate. Given the Company's

circumstances and having regard to the performance hurdles on vesting of the Rights, the Board considers that the allocation of Rights is reasonable and appropriate.

### **3.2 Other Information for the purposes of Listing Rule 10.15**

The Rights and Shares are to be issue to Mr Schreck, an executive Director of the Company.

The maximum number of Rights and Shares which may be issued to Mr Schreck is 1,805,054.

No consideration is payable for the Rights, or upon issue of shares upon satisfaction of the vesting conditions associated with the Rights. Subject to the satisfaction of the vesting conditions described below and any adjustments made in accordance with the Rights Plan, Mr Schreck will receive one share in the Company for each Right granted.

On 27 November 2016, 1,666,667 Performance Rights were issued to Tony Schreck following approval of shareholders at the General Meeting held on 24 November 2016. 666,667 shares were subsequently issued to Mr Schreck on 4 September 2017 following partial vesting of a portion of those Rights. The balance of those Rights have lapsed without vesting. On 30 September 2017, 616,000 Performance Rights were issued to the Company Secretary, Sue-Ann Higgins and 1,120,000 Performance Rights were issued to the Exploration Manager, Mr Trevor Wright. 308,000 Shares have since been issued to Sue-Ann Higgins and 448,000 Shares have been issued to Trevor Wright upon partial vesting of a portion of those Rights, with the balance lapsing without vesting. No other Rights have been issued under the Rights Plan since the last approval.

To be eligible to participate in the Rights Plan, a person must be a full or part time employee, contractor or consultant (approved by the Board) of the Company or any subsidiary of the Company or a director of the Company or any of its subsidiaries.

A voting exclusion statement is included in the Notice of Meeting to which this Explanatory Statement relates.

No loan will be made to the Director in connection with the acquisition of the Rights.

If the resolution is passed, the Rights will be issued to Mr Schreck as soon as practicable following shareholder approval, and in any event, not more than one month following the date of the Meeting.

### **3.3 Additional Information**

The Rights are subject to the following Vesting Conditions which must be satisfied to the satisfaction of the Board (in its discretion), or waived by the Board:

- (a) Mr Schreck remaining employed by the Company or one of its subsidiaries for the duration of the Performance Period; and
- (b) Mr Schreck meeting the following performance hurdles during the Performance Period, in respect of the percentage of Rights allocated to each hurdle:
  - Vesting of 25% of the Rights is subject to the 60 day VWAP of the Company's share price on the vesting date being a 100% increase on the 30 day VWAP of 2.77 cents at the date of the offer of Performance Rights by the Board;
  - Vesting of 25% of the Rights is subject to the 60 day VWAP of the Company's share price on the vesting date being a 50% increase on the 30 day VWAP of 2.77 cents at the date of the offer of Performance Rights by the Board;
  - Vesting of 20% of the Rights is subject to growth of the Triumph Project enabling a JORC resource to be prepared in support of a PFS when deemed appropriate by the Board;
  - Vesting of 20% of the Rights is subject to ensuring the Company is adequately funded to achieve exploration objectives; and
  - Vesting of 10% of the Rights is subject to achieving full regulatory compliance during the performance period.



The Performance Period commences on the date on which the Board initially approved the allocation of Rights, being 1 September 2017, and ends at 5.00pm (Melbourne time) on 31 August 2018. Performance will be assessed by the Board or a subcommittee of the Board formed for this purpose.

The Rights expire at 5.00pm (Melbourne time) on 30 September 2018. Rights will expire before this date if Vesting Conditions are not satisfied or waived.

The Board has determined that for the purposes of the Rights Plan, Mr Schreck is a “Restricted Employee” being an employee that is routinely in possession of inside information. As such, in accordance with the Policy adopted by the Board regarding Shares granted upon vesting of Performance Rights to Restricted Employees, those Shares upon issue will be subject to a holding lock for a period of two years (Restriction Period) and may not be sold or otherwise disposed of during that Restriction Period. Shares may only be released from the holding lock during the Restriction Period:

- upon the Restricted Employee ceasing employment with the Company;
- upon a Change of Control event regarding the Company; or
- in limited Special Circumstances, such as serious injury, illness, financial hardship and/or natural disaster.

Upon expiry of the holding lock period, any disposal of the Shares will then be subject to observance of the Company’s Share Trading Policy in dealing with Shares.

The Board of Directors have determined that amount of Rights constitute reasonable remuneration in the event they were granted and shareholder approval under Chapter 2E of the Corporations Act 2001, is therefore not required.

Mr Schreck holds a relevant interest in 9,000,000 options with an exercise price of 3 cents, expiring 30 November 2018.

No shares will be issued to satisfy the exercise of Rights if this were to result in the Company exceeding the 5% cap as provided for in the Plan Rules.

Details of any securities issued under the Rights Plan and whether approval for the issue of securities was obtained under Listing Rule 10.14, will be published in each annual report of the Company relating to a period in which securities have been issued.

A summary of the Plan Rules were provided with the Notice of Annual General Meeting held on 12 November 2015. A copy may be requested by contacting the Company Secretary.

### **3.4 Board Recommendation**

The Board (with Mr Schreck abstaining) recommend that Shareholders vote in favour of Resolution 3.

### **3.5 Voting Exclusions**

The Company will disregard any votes cast on this Resolution (in any capacity) by or on behalf of each of Mr Tony Schreck; any director of the Company who is eligible to participate in the employee incentive scheme in respect of which the approval is sought and, if ASX has expressed an opinion under rule 10.14.3 that approval is required for participation in the employee incentive scheme by anyone else, that person; and any of their respective Associates. In addition, any votes cast by a member of the Key Management Personnel and closely related parties of such members will be disregarded. The Chairman of the meeting intends to vote undirected proxies in favour of the resolution.

## **Special Resolution**

### **Resolution 4 – Approval of 10% Placement Capacity**

#### **4.1 Background**

ASX Listing Rule 7.1A enables eligible entities to issue Equity Securities (as that term is defined in the Listing Rules) up to 10% of its issued capital through placements over a twelve month period after the Annual General Meeting (10% Placement Facility). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

The effect of Resolution 4 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the twelve month period after the Annual General Meeting (**10% Placement Period**) separate to the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 4 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The exact number of Equity Securities (if any) to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to section 7.2(c) below). The Company may use funds raised from any 10% Placement Facility for funding specific projects and/or general working capital. It may also use the 10% Placement Facility for non-cash consideration purposes such as joint venture or project acquisitions (although the Company presently has no intention to do so).

The Directors of the Company believe that Resolution 4 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this resolution.

#### **4.2 ASX Listing Rule 7.1.A**

##### **(a) Shareholder approval**

The ability to issue Equity Securities under the 10% Placement Facility is subject to Shareholder approval by way of a special resolution at an annual general meeting.

##### **(b) Equity Securities**

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

The Company, as at the date of the Notice, has one existing quoted class of Equity Securities being Shares.

##### **(c) Formula for calculating 10% Placement Facility**

ASX Listing Rule 7.1A.2 provides that eligible entities which have obtained Shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

##### **(A x D) – E**

**A** is the number of shares on issue 12 months before the date of the issue or agreement:

- (i) plus the number of fully paid shares issued in the 12 months under an exception in ASX Listing Rule 7.2;
- (ii) plus the number of partly paid shares that became fully paid in the 12 months;

(iii) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under ASX Listing Rules 7.1 and 7.4;

(iv) less the number of fully paid shares cancelled in the 12 months.

*Note: that A is has the same meaning in ASX Listing Rule 7.1 when calculating an entity's 15% placement capacity.*

**D** is 10%

**E** is the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under ASX Listing Rules 7.1 or 7.4.

**(d) ASX Listing Rule 7.1 and ASX Listing Rule 7.1A**

The ability of an entity to issue Equity Securities under ASX Listing Rule 7.1A is in addition to the entity's 15% placement capacity under ASX Listing Rule 7.1.

The actual number of Equity Securities that the Company will have capacity to issue under ASX Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (refer to section 7.2(c) above).

**(e) Minimum Issue Price**

The issue price of Equity Securities issued under ASX Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

**(f) 10% Placement Period**

Shareholder approval of the 10% Placement Facility under ASX Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- (ii) the date of the approval by shareholders of a transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).

**4.3 Specific Information required by ASX Listing Rule 7.3A**

Pursuant to and in accordance with ASX Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

**(a) Minimum Price**

Any Equity Securities issued will be issued at an issue price of not less than 75% of the volume weighted average price for the Company's Equity Securities over the 15 Trading Days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

**(b) Risk of Voting Dilution**

If Resolution 4 is approved by the Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company would be diluted as

shown in the below table (in the case of unlisted options, only if the unlisted options are exercised). There is a risk that:

- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Annual General Meeting; and
- (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date, which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The table below shows the dilution of existing Shareholders on the basis of the market price of Shares as at close of business on 13 October 2016 and the current number of ordinary securities for variable "A" calculated in accordance with the formula in ASX Listing Rule 7.1A(2) as at the date of this Notice of Meeting.

The table also shows:

- (i) two examples where variable "A" has increased by 50% and 100%. Variable "A" is based on the number of ordinary shares the Company has on issue as at the date of this Notice of Meeting. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro-rata entitlements issue or scrip issued under a takeover offer) or future specific placements under ASX Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (ii) two examples of where the price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable "A" in ASX Listing Rule 7.1A.2		Dilution		
		50% decrease in Deemed Price \$0.012	Deemed Price \$0.024	100% Increase in Deemed Price \$0.048
Current Variable A 713,841,427 Shares	10% Voting Dilution	71,384,143 Shares	71,384,143 Shares	71,384,143 Shares
		\$856,610	\$1,713,219	\$3,426,438
50% increase in current Variable A 1,006,772,124 shares	10% Voting Dilution	100,677,212 Shares	100,677,212 Shares	100,677,212 Shares
	Funds Raised	\$1,208,127	\$2,416,253	\$4,832,506
100% increase in current Variable A 1,427,682,854 Shares	10% Voting Dilution	142,768,285 Shares	142,768,285 Shares	142,768,285 Shares
	Funds Raised	\$1,713,219	\$3,426,438	\$6,852,877

**The table has been prepared on the following assumptions:**

- (i) The Company issues the maximum securities available under the ASX Listing Rule 7.1A being 10% of the Company's shares on issue at the date of the Meeting;
- (ii) No unlisted options are exercised into fully paid ordinary securities before the date of the issue of securities under ASX Listing Rule 7.1A. The Company has 15,000,000 unlisted Options on issue at the date of this Notice of Meeting;

- (iii) The table does not demonstrate an example of dilution that may be caused to a particular shareholder by reason of placements under ASX Listing Rule 7.1A, based on that shareholder's holding at the date of the Meeting;
- (iv) The table only demonstrates the effect of issues of securities under ASX Listing Rule 7.1A. It does not consider placements made under ASX Listing Rule 7.1, the "15% rule";
- (v) The price of ordinary securities is deemed for the purposes of the table above to be \$0.024, being the closing price of the Company's listed securities on ASX on 11 October 2017 (**Deemed Price**). The Deemed Price is indicative only and does not consider the 25% discount to market that the securities may be placed at;
- (vi) The Variable "A" is based on the number of ordinary shares the Company has on issue as at the date of this Notice of Meeting. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro-rata entitlements issue or scrip issued under a takeover offer) or future specific placements under ASX Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (vii) The table does not demonstrate the effect of listed options being issued under ASX Listing Rule 7.1A, it only considers the issue of the fully paid ordinary securities.

**(c) Date of Issue**

The Company will only issue the Equity Securities during the 10% Placement Period. The approval under Resolution 4 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under ASX Listing Rule 11.1.2 (a significant change to the nature or scale of activities or ASX Listing Rule 11.2 (disposal of main undertaking).

**(d) Purpose of Issue under the 10% Placement Capacity**

The Company may seek to issue the Equity Securities for the following purposes:

- (i) non-cash consideration for joint venture, licensing or collaboration agreements or the acquisition of new projects (although the Company presently has no proposal to do so). In such circumstances the Company will provide a valuation of the non-cash consideration as required by ASX Listing Rule 7.1A.3; or
- (ii) cash consideration. In such circumstances, the Company intends to use the funds raised towards advancing specific Company projects, and in particular the Triumph project, its other Australian exploration projects and general working capital.

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

**(e) Allocation Policy**

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the subscriber of Equity Securities will be determined on a case by case basis having regard to factors including but not limited to the following:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
- (ii) the effect of the issue of the Equity Securities on the control of the Company;
- (iii) the financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisers (if applicable).

The subscribers under the 10% Placement Facility have not been determined as at the date of this Notice of Meeting but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

Further, if the Company were to pursue an acquisition and were it to be successful in acquiring new resources assets or investments, it is possible that the subscriber under the 10% Placement Facility will be the vendors of the new resources assets or investments.

**(f) Previous Approval**

The Company previously obtained Shareholder approval under ASX Listing Rule 7.1A at its Annual General Meeting held on 24 November 2016.

The Company did not place any shares under 7.1A during the 12 months following the 2016 Annual General Meeting.

The total number of Equity Securities issued in the 12 months preceding xx October 2017 is 25,017,800 and the percentage they represent of the total number of equity securities on issue at the commencement of that 12 month period is 3.63%.

Details of all issues of equity securities by the Company during the 12 months preceding the date of the meeting are set out in Appendix 1.

**(g) Voting Exclusion**

A voting exclusion statement is included in the Notice of Meeting to which this Explanatory Statement relates. At the date of that Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

**(h) Directors' Recommendation**

The Directors unanimously recommend Shareholders vote in favour of Special Resolution 4.

## **7 Glossary**

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In this Explanatory Statement and Notice of General Meeting:

**AEDT** means Australian Eastern Daylight Savings Time, in Sydney, New South Wales.

**Annual Report** means the Directors' Report, the Financial Report, and Auditor's Report, in respect of the year ended 30 June 2017.

**ASIC** means Australian Securities and Investments Commission.

**Associated Body Corporate means:**

- (a) a related body corporate of the Company, within the meaning of section 50 of the Corporations Act;
- (b) a body corporate that has voting power in the Company of not less than 20%; or
- (c) a body corporate in which the Company has voting power of not less than 20%

where 'voting power' has the meaning in section 610 of the Corporations Act.

**Associates** has the meaning given by Sections 10 to 17 of the Corporations Act.

**ASX** means ASX Limited (ACN 008 624 691) or the Australian Securities Exchange as the context requires.

**ASX Listing Rules** means the listing rules of the ASX.

**Auditor's Report** means the auditor's report on the Financial Report.

**Board** means the board of directors of the Company.

**Business Day** means a day (not being a Saturday or Sunday) on which Australian banks (as defined in section 9 of the Corporations Act) are open for general banking business in the capital city of the State.

**Chair** means the person appointed to chair the Meeting of the Company convened by the Notice.

**Closely Related Party** means:

- a spouse or child of the member; or
- has the meaning given in section 9 of the Corporations Act.

**Company, MBK or Metal Bank** means Metal Bank Limited (ACN 127 297 170).

**Constitution** means the Constitution of the Company.

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

**Director** means a director of the Company.

**Directors' Report** means the annual directors' report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

**Equity Security** has the same meaning as in the Listing Rules.

**Explanatory Statement** means the explanatory statement which forms part of the Notice.

**Financial Report** means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

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

**Key Management Personnel or KMP** means persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

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

**Option** means an option to subscribe for a Share.

**Proxy Form** means the proxy form accompanying the Notice.

**Remuneration Report** means the remuneration report which forms part of the Director's Report for the financial year ended 30 June 2017 and which is set out in the Annual Report.

**Resolution** mean a resolutions set out in the Notice.

**Share or Shares** means fully paid ordinary share or shares in the capital of the Company.

**Shareholder** means a holder of a Share.

**State** means the State of New South Wales in the Commonwealth of Australia.

**VWAP** means the volume weighted average price of the Shares for a specified time period during which the Shares were traded on the ASX.

## Appendix 1 - Information required by Listing Rule 7.3A.6

	Issue 1	Issue 2
Date of issue:	24/11/16	4/9/17
Number issued:	23,595,133	1,422,667
Class/Type of equity security:	Ordinary shares	Ordinary shares
Summary of terms:	Equal to all ordinary shares	Equal to all ordinary shares
Names of persons who received securities or basis on which those persons was determined:	Berne No 132 Nominees Pty Ltd <600835> on behalf of Indigo Pearl Capital Ltd as beneficial holder	Anthony Schreck; Sue-Ann Higgins; Trevor Wright
Price:	3 cents per share	Deemed 3 cents per share
Discount to market price (if any):	None	None
Total cash consideration received:	Nil – issued in settlement of loan of \$707,854	None – issue of shares upon partial vesting of performance rights granted to employees and consultants under the Metal Bank Performance Rights Plan
Amount of cash consideration spent:	N/A	N/A
Use of cash consideration:	Repayment of loan	N/A
Intended use for remaining amount of cash (if any):	N/A	N/A
Non-cash consideration paid:	\$707,854	\$42,680
Current value of that non-cash consideration:	\$566,283	\$34,144



## VOTING/PROXY FORM

I/We being shareholder(s) of Metal Bank Limited and entitled to attend and vote hereby:

### APPOINT A PROXY

The Chairman of the meeting **OR**



**PLEASE NOTE:** If you leave the section blank, the Chairman of the Meeting will be your proxy.

If no individual(s) or body corporate(s) is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf, including to vote in accordance with the following directions (or, if no directions have been given, and to the extent permitted by law, as the proxy sees fit), at the Annual General Meeting of the Company to be held at **Boardroom of RSM Bird Cameron Partners at Level 13, 60 Castlereagh Street, Sydney NSW 2000 on Monday, 27 November 2017 at 4.30pm (AEDT)** and at any adjournment or postponement of that Meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1 (except where I/we have indicated a different voting intention below) even though this Item is connected directly or indirectly with the remuneration of a member(s) of key management personnel, which includes the Chairman. The Chairman of the Meeting intends to vote all undirected proxies available to them in favour of each Item of Business.

### VOTING DIRECTIONS

#### Agenda Items

		For	Against	Abstain*			For	Against	Abstain*
1	Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	3	Issue of Rights and Shares to Director – Tony Schreck	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	Re-election of Director – Inés Scotland	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	4	Approval of 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



\* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

### SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, all the shareholders should sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the Corporations Act 2001 (Cth).

Email Address

☐ Please tick here to agree to receive communications sent by the company via email. This may include meeting notifications, dividend remittance, and selected announcements.

## HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE MEETING, PLEASE BRING THIS FORM WITH YOU.  
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**

### CHANGE OF ADDRESS

Your address as it appears on Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes.

### APPOINTMENT OF A PROXY

If you wish to appoint the Chairman as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman, please write that person's name in the box in Step 1. A proxy need not be a shareholder of the Company. A proxy may be an individual or a body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman will be your proxy.

### DEFAULT TO THE CHAIRMAN OF THE MEETING

If you leave Step 1 blank, or if your appointed proxy does not vote on a poll in accordance with your directions or does not attend the Meeting, then the proxy appointment will automatically default to the Chairman of the Meeting, who is required to vote the proxies as directed.

### VOTING DIRECTIONS – PROXY APPOINTMENT

You may direct your proxy on how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as they choose to the extent they are able. If you mark more than one box on an item, your vote on that item will be invalid.

### PROXY VOTING BY KEY MANAGEMENT PERSONNEL

If you wish to appoint a Director (other than the Chairman) or other member of the Company's key management personnel, or their closely related parties, as your proxy, you must specify how they should vote on Resolutions 1 by marking the appropriate box. If you do not, your proxy will not be able to exercise your vote for Resolutions 1.

**PLEASE NOTE:** If you appoint the Chairman as your proxy (or if they are appointed by default) but do not direct them how to vote on an item (that is, you do not complete any of the boxes "For", "Against" or "Abstain" opposite that item), you will be expressly authorising the Chairman to vote as they see fit on that item.

### APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning Advanced Share Registry Limited or you may copy this form and return them both together.

To appoint a second proxy you must:

- On each Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- Return both forms together.

### CORPORATE REPRESENTATIVES

If a representative of a nominated corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A Corporate Representative Form may be obtained from Advanced Share Registry.

### SIGNING INSTRUCTIONS ON THE PROXY FORM

#### Individual:

Where the holding is in one name, the security holder must sign.

#### Joint Holding:

Where the holding is in more than one name, all of the security holders should sign.

#### Power of Attorney:

If you have not already lodged the Power of Attorney with Advanced Share Registry, please attach the original or a certified photocopy of the Power of Attorney to this form when you return it.

#### Companies:

Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held.

### LODGE YOUR VOTE

This Proxy Form (and any power of attorney under which it is signed) must be received at an address given below by 4.30pm (AEDT) on 25 November 2017, being not later than 48 hours before the commencement of the Meeting. Proxy Forms received after that time will not be valid for the scheduled meeting.



#### BY MAIL

Metal Bank Limited  
PO Box Q128  
Queen Victoria Building, NSW 1230



#### BY FAX

+61 2 9078 7661



#### BY EMAIL

info@metalbank.com.au



#### ALL ENQUIRIES TO

Telephone: +61 2 9078 7669