

1 November 2017

[Optionholder name and address]

Dear Optionholder

Pro Rata Non-Renounceable Rights Issue – Information for Optionholders

Metal Bank Limited (Metal Bank) today announced a fully underwritten non-renounceable rights issue (**Offer**) to raise up to \$2.86 million (before costs). Details of the Offer are set out in the Prospectus lodged with ASX today.

Under the Offer, eligible shareholders will be able to subscribe for 1 New Share for every 5 Shares held at 5pm (Melbourne time) on Monday, 6 November 2017 (**Record Date**) at an issue price of 2 cents per New Share and will receive 1 free New Option for every 1 New Share subscribed for under the Offer.

Shareholders with a registered address in Australia and New Zealand at 5pm (Melbourne time) on the Record Date will be eligible to participate in the Offer in respect of that number of Metal Bank shares for which that person is then registered as the holder.

Accordingly, to be eligible to participate in the Offer in respect of the Metal Bank shares to be issued on exercise of the Metal Bank options you hold, you must exercise those options and be registered as the holder of the underlying Metal Bank shares before the Record Date.

The purpose of this letter is to advise you of the Offer and to give you adequate opportunity to exercise some or all of your Metal Bank options so that you may be registered as the holder of the underlying Metal Bank shares before the Record Date and able to participate in the Offer.

To exercise some or all of your Metal Bank options you will need to give notice in writing to Metal Bank in accordance with the terms and conditions of issue of those options together with payment of the exercise price for each Metal Bank option exercised.

You are encouraged to read the Prospectus before exercising any of your Metal Bank options.

Yours faithfully



Sue-Ann Higgins
Company Secretary