

23 January 2018

Cheng Tang
Senior Adviser, Listings Compliance (Melbourne)
ASX Limited
Via Email: cheng.tang@asx.com.au

Dear Ms Tang,

Metal Bank Limited (MBK): aware query

We refer to your letter of 19 January 2018 in relation to MBK's announcement entitled "Additional High Grade Results – New Constitution Prospect" lodged on the ASX Market Announcements Platform (**MAP**) on 16 January 2018 and released by ASX at 9.51am on 17 January 2018 (the **Announcement**).

We respond as follows to the questions set out in your letter:

- 1. Does MBK consider the information set out in the Announcement (*Information*) to be information that a reasonable person would expect to have a material effect on the price or value of its securities?**
Yes the Company considers that a reasonable person would expect that the Information would have a material effect on the price of its securities.
- 2. If the answer to question 1 is "no", please advise the basis for that view.**
Not Applicable.
- 3. If the answer to question 1 is "yes", when did MBK first become aware of the information? In answering this question, please state the date and time of when MBK first became aware of the information.**
 - (a) Raw data files containing assay results for the nine-hole drill programme were received in three batches: 22 December 2017, 4 January 2018 and 12 January 2018. The information in these files remained confidential and incomplete during this period.
 - (b) The Company's data base managers, Orr and Associates, were responsible for entering the information into the Company's data base and the final updated database was received by the Company from Orr and Associates on 12 January 2018.
 - (c) The Company's Exploration Manager/Competent Person for JORC purposes reviewed and interpreted the drilling results between 12 and 15 January 2018. This new interpretation identified a revised structural interpretation of the ore geometry for the New Constitution Prospect which was considered to represent material information in the context of this Prospect. During this time the information remained confidential and incomplete and a draft release was prepared and circulated to the Company's Board.

- (d) A Quality Assurance and Quality Control (**QAQC**) report for all of the assay results from the nine-hole programme was received on 16 January 2018 from Orr and Associates. This QAQC report is a pre-requisite for the Competent Person's sign-off on the release of exploration results under the JORC Code.
- (e) The ASX release was finalised and approved by the Company's Board on 16 January 2018 and lodged on MPA after market close on the same date.

- 4. If the answer to question 1 is "yes" and MBK first became aware of the information before the relevant date, did MBK make any announcement prior to the relevant date which disclosed the information? If so, please provide details. If not, please explain why this information was not released to the market at any earlier time, commenting specifically on when you believe MBK was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps MBK took to ensure that the information was released promptly and without delay.**

MBK first became aware of the Information before it was released to the market. The results from each individual assay batch were not considered material in isolation as the results were consistent with previous drill results and were not significant on a stand-alone basis. In the Company's view these results only became material once geological interpretation of the ore geometry had been completed on all of the data from the nine-hole drill programme. The final data was received on 12 January and the geological interpretation was not completed until 15 January. QAQC sign off was then obtained on 16 January 2018 prior to release on the same day. During this time and whilst these activities were being undertaken, the Information remained confidential and incomplete.

- 5. Please confirm that MBK is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.**

We confirm that the Company is in compliance with the Listing Rules, and in particular, Listing Rule 3.1.

- 6. Please confirm that MBK's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of MBK with delegated authority from the board to respond to ASX on disclosure matters.**

MBK's responses to the questions above have been authorised and approved by an officer of the Company with delegated authority from the Board to respond to ASX on disclosure matters.

Yours faithfully,



Sue-Ann Higgins
Company Secretary



19 January 2018

Sue-Ann Higgins
Company Secretary
Metal Bank Limited

By email: sue-ann@metalbank.com.au

Dear Ms Higgins

Metal Bank Limited ("MBK"): aware query

ASX Limited ("ASX") refers to the following:

- A. MBK's announcement entitled "Additional High Grade Results – New Constitution Prospect" lodged on the ASX Market Announcements Platform ("MAP") and released at 9:51am on 17 January 2018 (the "Announcement"), disclosing a drilling update of the results from nine reverse circulation drill holes from the New Constitution prospect.
- B. MBK's letter to ASX released as an announcement entitled "Response to ASX Price Query" lodged on MAP and released at 9:04am on 17 January 2018 where MBK's answer to ASX's question of whether MBK was aware of any information concerning it that had not been announced to the market which, if known by some in the market, could explain the recent trading in its securities, was yes.
- C. Listing Rule 3.1, which requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.
- D. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:

"an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity"

and section 4.4 in Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B "When does an entity become aware of information"*.

- E. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

"3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:

3.1A.1 One or more of the following applies:

- *It would be a breach of a law to disclose the information;*
- *The information concerns an incomplete proposal or negotiation;*

- *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- *The information is generated for the internal management purposes of the entity; or*
- *The information is a trade secret; and*

3.1A.2 *The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and*

3.1A.3 *A reasonable person would not expect the information to be disclosed."*

- F. ASX's policy position on the concept of "confidentiality", which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. In particular, the Guidance Note states that:

"Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule."

Having regard to the above, ASX asks MBK to respond separately to each of the following questions and requests for information:

1. Does MBK consider the information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
2. If the answer to question 1 is "no", please advise the basis for that view.
3. If the answer to question 1 is "yes", when did MBK first become aware of the information? In answering this question, please state the date and time of when MBK first became aware of the information.
4. If the answer to question 1 is "yes" and MBK first became aware of the information before the relevant date, did MBK make any announcement prior to the relevant date which disclosed the information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe MBK was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps MBK took to ensure that the information was released promptly and without delay.
5. Please confirm that MBK is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
6. Please confirm that MBK's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of MBK with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than half an hour before the start of trading (ie before 9.30 a.m. AEDT) on Wednesday, 24 January 2018. If we do not have your response by then, ASX will have no choice but to consider suspending trading in MBK's securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, MBK's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at cheng.tang@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to MBK's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

It should be noted that MBK's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in MBK's securities under Listing Rule 17.1.

If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

[Sent electronically without signature]

Cheng Tang
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