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PLACEMENT AND RIGHTS ISSUE TO RAISE UP TO \$5.4 MILLION

Overview

- **Metal Bank to raise up to \$5.4 million through an Equity Raising comprising a:**
 - **Placement of fully paid ordinary shares to raise \$3.5 million.**
 - **One for ten pro-rata non-renounceable rights issue of fully paid ordinary shares to existing eligible shareholders to raise up to \$1.9 million.**
- **Offer price of \$0.03 per share represents a 14.3% discount to the last traded price of Metal Bank shares.**
- **Funds raised will be used to further exploration at the Triumph gold project in Queensland.**

Metal Bank Limited (ASX: MBK) (**Metal Bank** or the **Company**) is pleased to announce that it is raising up to \$5.4 million (before costs) through a placement of fully paid ordinary shares to sophisticated and institutional investors (**Placement**) and a pro-rata non-renounceable one for ten rights issue of fully paid ordinary shares (**New Shares**) in Metal Bank to existing eligible shareholders (**Entitlement Offer**) (together, the **Equity Raising**).

The Equity Raising is lead managed by Taylor Collison (**Lead Manager**). In addition the raising is being supported by affiliates of the Sprott Group of Companies.

Funds raised from the Equity Raising (after costs) will be used to further exploration at the Triumph gold project in Queensland following the recent promising results and provide working capital for the Company.

About the Placement

Metal Bank will place new ordinary shares to certain sophisticated and institutional investors at the issue price of A\$0.03 per share to raise A\$3.5 million. It is expected that approximately 116,666,667 fully paid ordinary shares will be issued as part of the Placement.

Shareholders will be eligible to participate in the Entitlement Offer in respect of any shares issued to them under the Placement.

The Placement will be within the Company's Listing Rule 7.1 and 7.1A capacity and the issue of these shares will not require shareholder approval.

Use of Funds

Funds raised under the Equity Raising will be used to:

- Accelerate exploration on the Triumph gold project in SE Queensland where two recent high grade gold-silver discoveries have been made through shallow drilling.
- Fund ongoing exploration on the Eidsvold gold project in SE Queensland and Business Development looking at other advanced gold opportunities.
- Provide general working capital.

About the Entitlement Offer

The offer price for the Entitlement Offer is **\$0.03** per New Share (**Offer Price**). Under the Entitlement Offer, eligible shareholders will be able to subscribe for **one** New Share for every **ten** existing fully paid ordinary shares held at 7.00pm (Melbourne time) on **Friday 30 September 2016 (Record Date)** at the Offer Price.

Entitlements are non-renounceable and will not be tradeable on ASX or otherwise transferable. Shareholders who do not take up their entitlements will not receive any value in respect of those entitlements that they do not take up. Shareholders who are not eligible to receive entitlements will not receive any value in respect of the entitlements they would have received had they been eligible.

In addition to being able to apply for new shares under the Entitlement Offer, eligible shareholders will also have the ability to apply for additional new shares in excess of their entitlement that are not subscribed for by other eligible shareholders under the Entitlement Offer at the Offer Price.

Eligible shareholders will receive an information booklet including a personalised entitlement and acceptance form which will provide further details of how to participate in the Entitlement Offer. A copy of the information booklet will also be lodged with ASX. Metal Bank will also despatch a letter in relation to the Entitlement Offer to each holder of options. Those shareholders who Metal Bank determines to be ineligible shareholders will also be notified.

An investor presentation on the Entitlement Offer has been lodged with ASX today. The investor presentation contains important information, including a summary of key risks associated with an investment in Metal Bank and foreign selling restrictions with respect to the Entitlement Offer.

Equity Raising Key Dates

Event	Date
Announcement of the Equity Raising	19 September 2016
Shareholder notice despatched	27 September 2016
Shares traded on an “ex” entitlement basis	29 September 2016
Settlement of Placement	29 September 2016
Issue and Allotment of Placement Shares	30 September 2016
Record Date for eligibility to participate in the Entitlement Offer	7.00 pm (Melbourne time) 30 September 2016
Despatch of Entitlement Offer Booklet and Entitlement and Acceptance Form to eligible shareholders	4 October 2016
Entitlement Offer opens	4 October 2016
Last date to extend the Closing Date for the Entitlement Offer	11 October 2016
Entitlement Offer closes	7pm (Melbourne time) 14 October 2016
New Shares quoted on deferred settlement basis	17 October 2016
Shortfall (if any) announced to ASX	19 October 2016
Settlement of New Shares under the Entitlement Offer	20 October 2016
Issue of New Shares under the Entitlement Offer and despatch of Holding Statements	21 October 2016
New Shares under Entitlement Offer commence trading on a normal settlement basis	24 October 2016

All dates are indicative only and subject to change. All times and dates refer to times and dates in Melbourne, Australia. Subject to the requirements of the *Corporations Act 2001* (Cth), the ASX Listing Rules and any other applicable laws, Metal Bank reserves the right, with the consent of the Lead Manager, to withdraw or vary the timetable without notice.

Conversion of Loan Funds to Equity

On 3 February 2015 the Company entered into a Loan Agreement with Celtic Stars Capital Ltd, (subsequently replaced as lender by Indigo Pearl Capital Limited, a related party of the Company's Chair, Ms Scotland) (**Lender**) for advances of up to \$US500,000 (refer ASX Announcement: 3 February 2015). The loan was subsequently fully drawn down and is due for repayment (together with interest) in cash on or before 3 February 2017. The Company has reached agreement with the Lender to repay the Loan and interest as at the date of this Announcement in the sum of approximately AUD\$700,000 in exchange for Shares in the Company at the Issue Price under the Equity Raising. The issue of such shares will be subject to and conditional on approval of the Company's Shareholders at the next General Meeting of the Company, which is expected to be the 2016 Annual General Meeting.

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 2508, Level 25 31 Market Street Sydney NSW 2000 AUSTRALIA</p> <p>Phone: +61 2 9078 7669 Facsimile: +61 2 9078 7661</p> <p>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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