

QUARTERLY ACTIVITIES REPORT

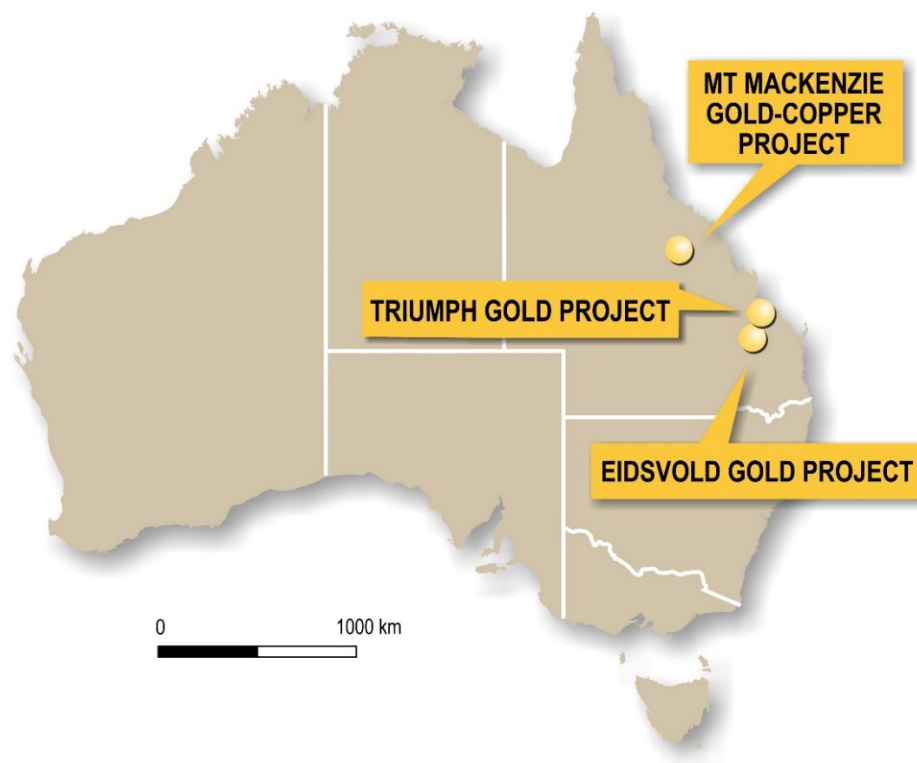
For the quarter ended 31 March 2016

HIGHLIGHTS

- Planning undertaken for the next phase of exploration on the Eastern Australia gold projects of Triumph, Mt Mackenzie and Eidsvold
- Negotiations continuing on the Mason Valley Copper Project for more favourable joint venture terms
- Project generation reviews of advanced to near producing gold \pm copper opportunities continuing
- Announcement of a \$500,000 capital raise via a private placement and a share purchase plan (fully underwritten)

Metal Bank Limited (ASX:MBK)

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



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 ± copper 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.

Exploration over the past 12 months concentrated on evaluating four historical copper mines in a world class copper district in Nevada which have been overlooked by modern exploration and drilling. While ore grade copper was intersected in drilling we do not see the near term scope to support a medium to small scale copper mining scenario with a production profile of at least 20,000t copper per year based on the exploration completed. Furthermore, given the recent downturn in metal markets, MBK has elected not to continue with the Mason Valley Copper Project Joint Venture on the commercial terms announced on 4 February 2015, however is continuing negotiations with Mason Valley Copper Properties Ltd on a non-exclusive basis for new joint venture terms to enable it to take the project forward.

MBK's focus is now on advancing its Eastern Australian gold projects towards resource development and in parallel to continue to review and assess more advanced and near production resource opportunities and assets.

The eastern Australian exploration priority is to advance three 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.

On the **Triumph project** the Company's improved understanding of the high grade gold mineralisation controls of the system has resulted in defining a previously unrecognised, large scale gold target with indications that it could represent the centre of the entire gold system. Further work is required to access this potential but it represents a significant step forward for the prospectivity of the project. Aircore drilling is planned (to commence in Q2, 2016) to investigate the targets areas that are concealed by shallow cover.

On the **Mt Mackenzie project**, compilation of historical data has identified a porphyry mineral system originally discovered via 1970's porphyry copper exploration which remarkably has been overlooked by modern gold exploration. Based on the historical data the porphyry system has many similarities to a number of intrusion related gold deposits of eastern Australia and MBK is planning initial field work (to commence in Q2, 2016) over the 'rediscovered' mineral system.

The discovery of high grade gold and copper mineralisation on the **Eidsvold project** by Metal Bank in 2014 has identified a new intrusion related gold camp in the prospective New

England Orogen. This represents a unique ‘first mover opportunity’ on a 250km² intrusive complex which is dominantly undercover and virtually unexplored. The intrusive complex is centred on the historical Eidsvold goldfield (100,000oz Au prod. circa 1900) which forms a small basement window through the cover sediments. This represents a potential high risk/high return greenfields opportunity and MBK may consider a joint venture partner to assist with advancing the project.

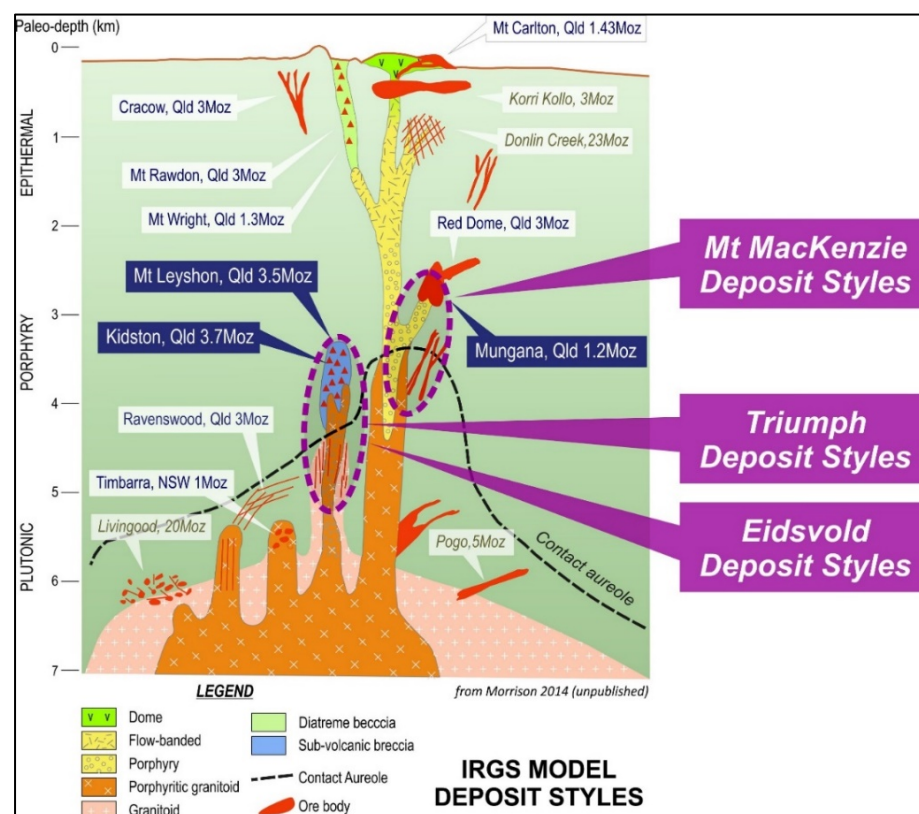


Figure 1: Intrusive related gold deposit styles showing MBK projects.

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 (2 Moz Au) gold mine and the historical Mt Morgan (8 Moz Au and 0.4 Mt Cu) mine in the Northern New England Orogen, south-east Queensland.

Exploration by Metal Bank demonstrates that the Triumph gold camp extends over 15km², of which approximately 90% is concealed beneath shallow sedimentary cover rocks (<10m thick), masking the prospective basement rocks. The district remains highly underexplored with almost the entire focus of historical exploration and mining being contained within a small mining lease (~0.2km² in area) located within an outcropping area in the centre of the goldfield.

A structural reconstruction of the Triumph Project area, reversing the late movement of the Norton Fault which postdates the gold mineralisation, points towards a magnetic low which is central to the entire project. Limited outcrop associated with the magnetic low (<1%) has identified a felsic intrusion (\pm porphyritic with minor to trace chalcopyrite) exposed through the shallow sedimentary cover. Potential exists for significant gold mineralisation under the shallow sedimentary cover within the magnetic low as well as adjacent to the magnetic low. Refer Figure 2 to Figure 5 below showing the current interpretation and the priority targets within and surrounding the central magnetic low. This target has been faulted and dislocated across the Norton Fault (approximately 1km displacement) with the structural reconstruction, reversing the fault movement, highlighting a magnetic low which is central to the Triumph gold camp and which is rimmed by the historical mines. The magnetic low has not been the focus of any previous exploration efforts.

An aircore drilling programme is planned to commence in Q2, 2016 to investigate interpreted structures and alteration features concealed by shallow cover sediments (<10m thick) observed in the helimagnetic data interpreted to represent the centre of the gold system.

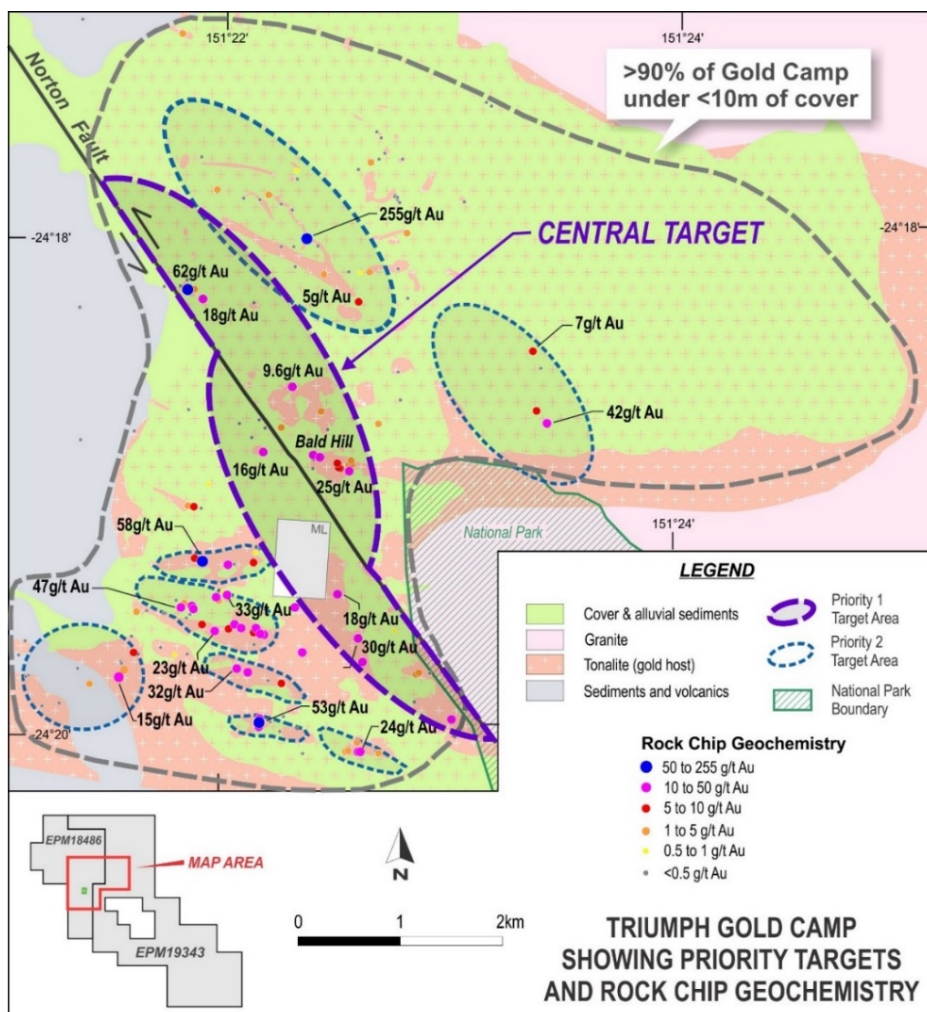


Figure 2: Triumph gold camp showing priority targets

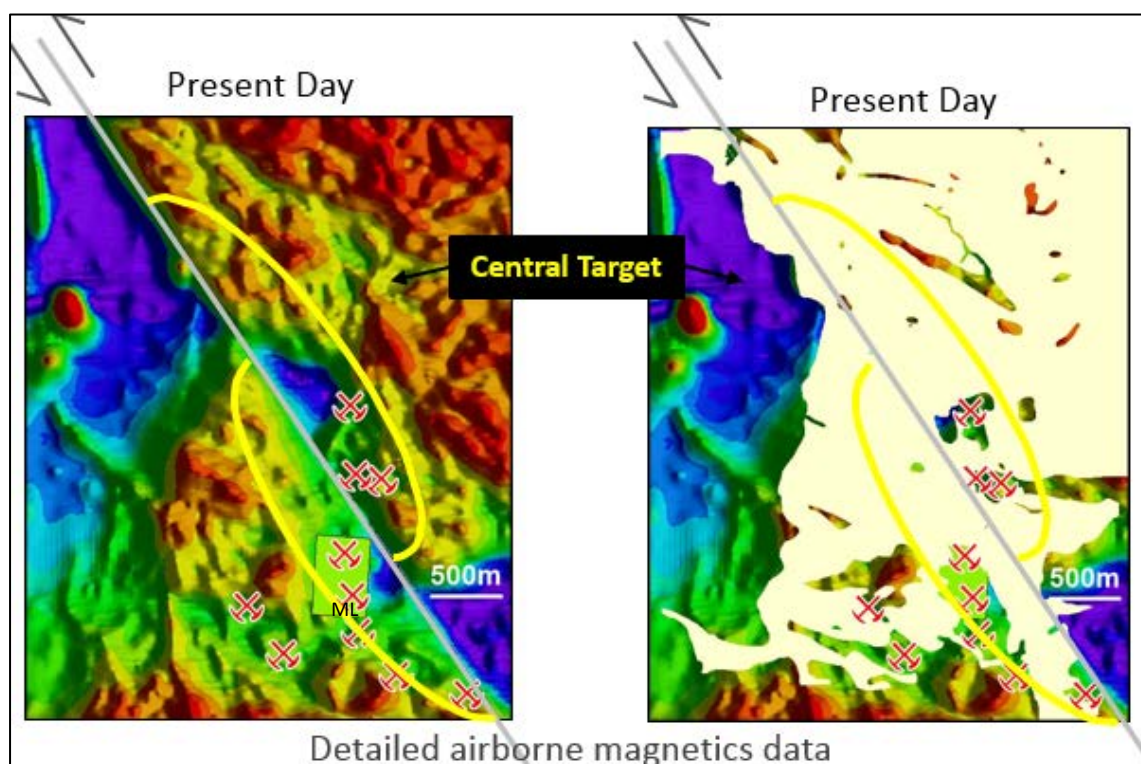


Figure 3: Central Target with magnetic low interpreted as the 'engine room' driving the gold system offset by the Norton fault.

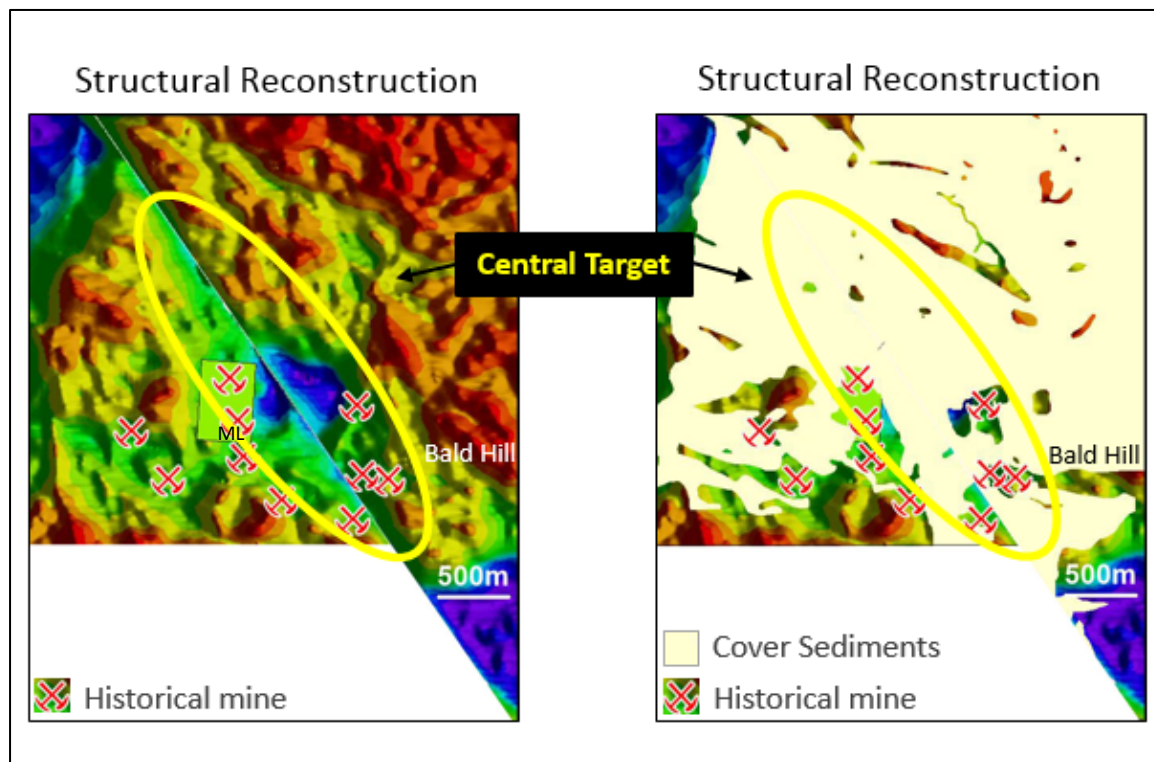


Figure 4: Structural reconstruction of the Central Target showing the magnetic low central to the gold system and almost completely concealed by shallow cover sediment.

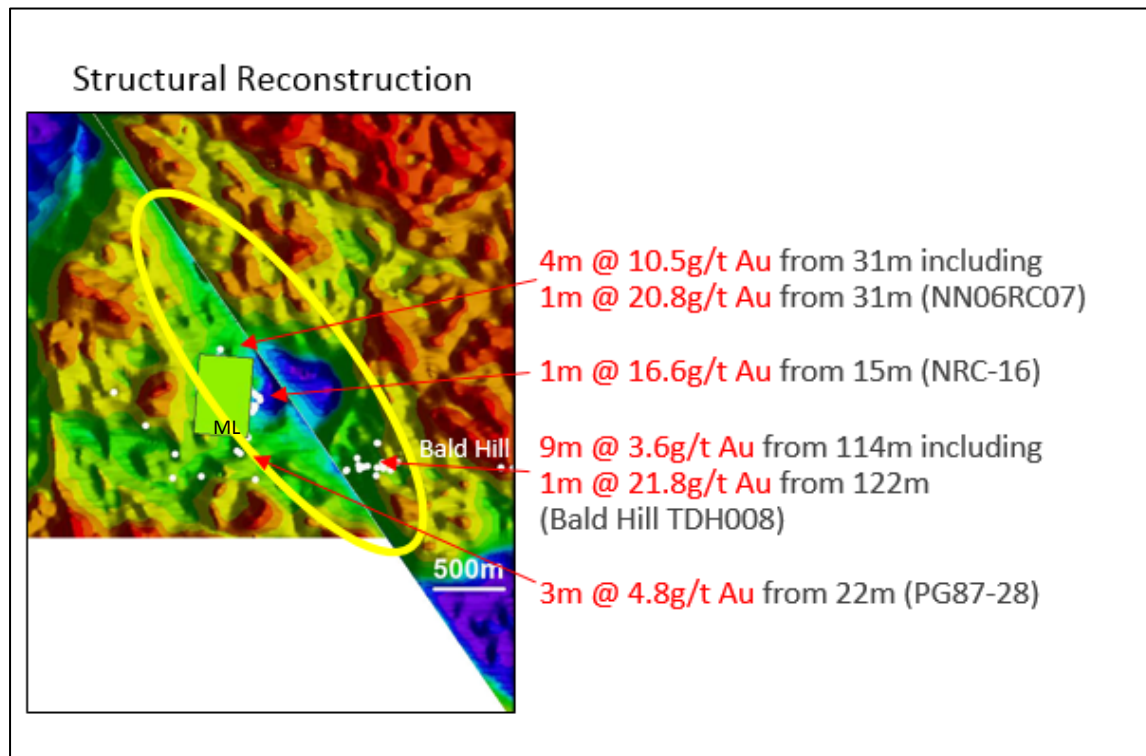


Figure 5: Structural reconstruction of the Central Target showing high grade gold intersected in the previous drilling peripheral to the magnetic low

The widespread, narrow, high grade gold mineralisation identified to date within the 15km² Triumph gold camp is interpreted to represent the 'smoke' around a larger gold system that is still yet to be discovered within the project. Exploration to date has almost solely focused on areas of outcrop. While this work has identified numerous zones of narrow high grade zones, the exploration vectors point towards areas undercover which have not been tested.

Mt Mackenzie Project (100% MBK)

The Mt Mackenzie project is located 40km NE of the Mt Carlton Au-Ag-Cu mining operation owned by Evolution Mining; an operation that produces approximately 85,000 gold equivalent ounces per year.

Compilation of historical 'porphyry copper' exploration data from the 1970's covering the Mt Mackenzie Project has led to the recognition of a copper-molybdenum porphyry style mineral system which has never been sampled for gold or silver. The historical data defines coincident copper (to 1000ppm Cu) and molybdenum (to 105ppm Mo) soil anomalies associated with porphyry style mineralisation within an area of approximately 800m x 800m; these anomalies being open (Figure 6). Geological mapping over the soil anomalies completed as part of the historical exploration highlights broad areas of silica-sericite-pyrite alteration as part of the porphyry mineral system. Two shallow drill holes (<150m) completed in the 1970's intersected intense alteration but did not explain the source of the copper and molybdenum soil anomalies.

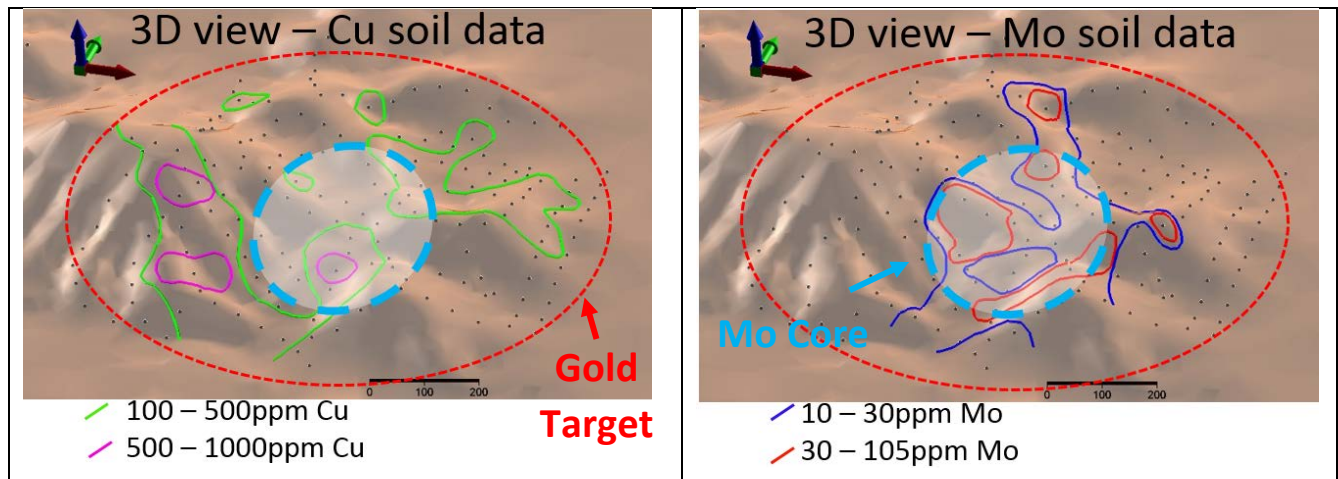


Figure 6: **Left figure** – 3D view of historical copper soils showing outline of gold target (red dashed line). **Right figure** – 3D view of historical molybdenum soils interpreted to represent the inner core (blue dashed line) of the porphyry system around which is interpreted to be prospective for gold mineralisation.

Many large porphyry style gold deposits in eastern Australia contain elevated copper and molybdenum with examples including the Mt Leyshon (3.5Moz Au) and Kidston (3.7Moz Au) deposits.

MBK is planning an initial exploration programme to commence in Q2, 2016 (weather permitting) to assess the gold potential of this overlooked copper-molybdenum porphyry intrusive mineral system.

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 (3 Moz Au) and Mt Rawdon (2 Moz Au) gold mines in the Northern New England Orogen (refer Figure 7 and Figure 8).

The discovery of high grade gold mineralisation including 1m @ 17.45g/t Au, 90g/t Ag, and 2.5% Cu ¹ as part of an intrusion related gold system confirms our exploration model and importantly opens up the potential of the entire Eidsvold intrusive complex (250km²) which is almost entirely concealed beneath sedimentary cover.

¹ ASX Release 15/4/2014

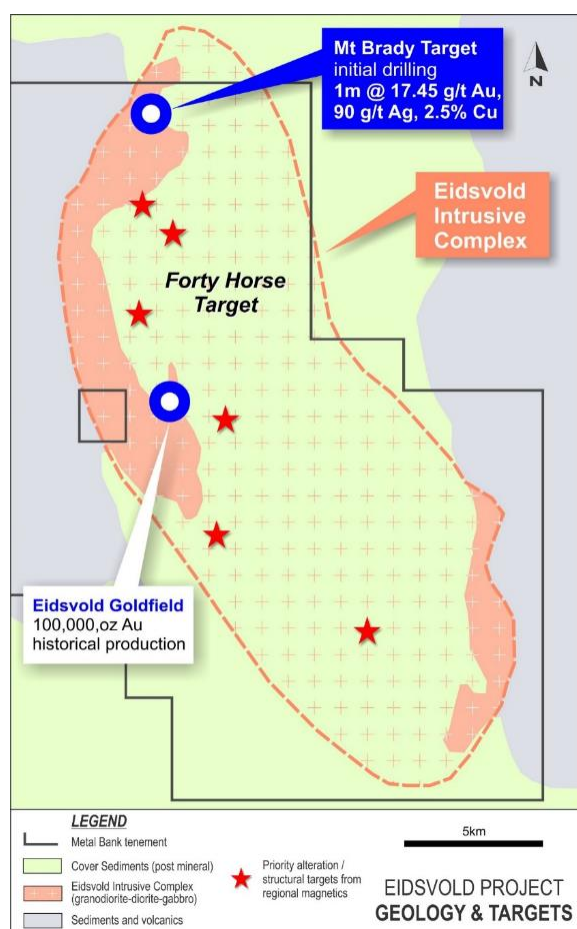


Figure 7: Location of priority target areas on regional geology summary

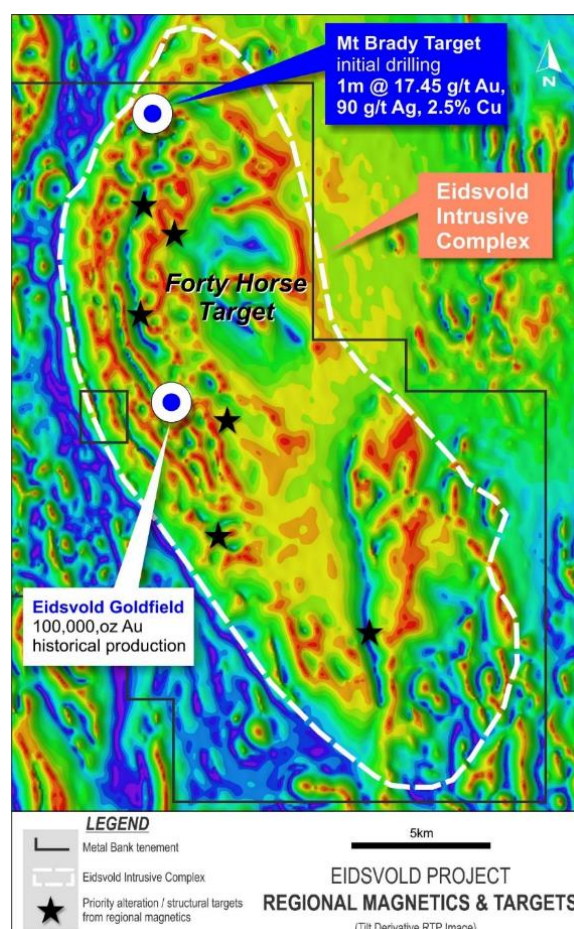


Figure 8: Location of priority target areas on RTP tilt derivative processed regional magnetics

Mason Valley Copper Project, Nevada (Joint Venture)

Following the Quarter, Metal Bank elected not to continue with the Mason Valley Copper Project on the commercial terms announced on 4 February 2015. MBK is however continuing negotiations (on a non-exclusive basis) seeking more favourable joint venture terms with the Project owners.

New Opportunities

During the Quarter the Company continued 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.

Metal Bank Capital Raising

Metal Bank raised \$100,000 during the Quarter via a placement of 25 million shares at 0.4 cents per share to a sophisticated investor (Placement). Subscription for a further 25 million shares, raising an additional \$100,000, has been received from an investor associated with the Company's Chair, Inés Scotland and is subject to and conditional on shareholder approval at a general meeting of the Company to be held on 10 May 2016.

The Company also announced the offer of a Share Purchase Plan (SPP) to its shareholders, on the same pricing terms as the Placement, to raise \$300,000. The SPP opened on 7 April 2016 and the closing date for acceptances is 6 May 2016. The SPP is fully underwritten by an independent sophisticated investor.

For further information contact:

Tony Schreck

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, Eidsvold and Mt Mackenzie 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>Guy Robertson (Executive Director)</p> <p>Tony Schreck (Executive Director)</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 8268 8691 Facsimile: +61 2 8268 8699</p> <p>www.metalbank.com.au</p>
<p>Company Secretary</p> <p>Sue-Ann Higgins</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</p> <p>Please direct all shareholding enquiries to the share registry.</p>

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

Metal Bank Limited

Mount Mackenzie Project

EPM15668 – Queensland

Roar Resources Pty Ltd (Wholly Owned Subsidiary)

Triumph Project

EPM18486 – Queensland

EPM19343 – Queensland

Eidsvold Project

EPM18431 – Queensland

EPM18753 – Queensland