

19 September 2016

Dear Optionholders

Rights Issue - Information for Optionholders

Metal Bank Limited (ASX: MBK) (**Metal Bank** or the **Company**) today announced that it intends to raise approximately \$5.4 million (before costs) through an equity raising comprising:

- a placement of fully paid ordinary shares to certain institutional and sophisticated investors to raise \$3.5 million; and
- a one for ten underwritten pro-rata non-renounceable entitlement offer by way of rights issue of fully paid ordinary shares to existing eligible shareholders to raise approximately \$1.9 million (**Offer**).

Details of the Offer are set out in the letter to shareholders in respect of the Offer lodged with ASX today.

Under the Offer, every eligible shareholder who is registered as the holder of Metal Bank shares at 7.00 pm (Melbourne time) on Friday 30 September 2016 (**Record Date**) will be entitled to participate in the Entitlement Offer in respect of the number of Metal Bank shares for which that person is then registered as the holder.

Accordingly, to be eligible to participate in the Entitlement Offer in respect of the Metal Bank shares to be issued on exercise of the Metal Bank options you hold, you must exercise those Metal Bank 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 so that you may participate in the Entitlement 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 Metal Bank options together with payment of the exercise price for each Metal Bank option exercised.

You are encouraged to read the documents relating to the Offer before exercising any of your Metal Bank options.

Yours faithfully



Sue-Ann Higgins
Company Secretary