

19 September 2016

Dear Shareholder

### **Rights Issue - Information for Shareholders**

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

Under the Offer, eligible shareholders will have the opportunity to subscribe for new fully paid ordinary shares in Metal Bank (**New Shares**) on the basis of one New Share for every ten shares held at an issue price of \$0.03 per New Share.

The Offer will be made pursuant to an Offer booklet (**Offer Document**) and if you are eligible and wish to participate in the Offer, you will need to complete your personalised Entitlement and Acceptance Form that will accompany that Offer Document.

Shareholders will also be invited to apply for additional New Shares (**Additional Shares**) in excess of their entitlement (**Top-Up Facility**) if there is a shortfall between applications received from Eligible Shareholders and the number of New Shares proposed to be issued under the Offer. Additional Shares will be issued at an issue price of \$0.03 per New Share.

The Offer is led and managed by Taylor Collison (**Lead Manager**).

A copy of the Offer Document is expected to be lodged with ASX and sent to eligible shareholders on or about Tuesday 4 October 2016. The Offer Document will be despatched to shareholders with registered addresses in Australia, New Zealand and Singapore and who hold Shares as at the record date of 7.00 pm (Melbourne time) on Friday 30 September 2016 (**Record Date**).

Pursuant to the ASX Listing Rules, Metal Bank is required to provide you with certain information before proceeding with the Offer. This letter contains all the information required by Appendix 3B of the Listing Rules.

1. A maximum of 179,286,996 New Shares will be issued pursuant to the Offer (subject to the rounding of fractional entitlements to New Shares).
2. The New Shares will rank equally in all respects from the date of allotment with the existing class of quoted Shares.
3. The issue price of the New Shares will be \$0.03 each.
4. Metal Bank will apply for quotation of the New Shares issued pursuant to the Offer on the official list of the ASX.
5. The funds raised from the Offer (after costs) 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.

6. It is anticipated that the New Shares subscribed for will be entered into uncertificated holdings on or before Friday 21 October 2016.

7. The total number and class of all securities quoted on ASX (including the maximum number of Shares to be issued under the Offer) is as follows:

Shares	Number
Shares on issue at the Announcement Date	509,536,630
Shares offered under the Placement	116,666,666
Shares offered under the Offer	62,620,330
Total Shares on issue on completion of the Placement and Offer	688,823,626

\*The number of New Shares to be issued under the Offer is subject to the rounding of fractional entitlements to New Shares.

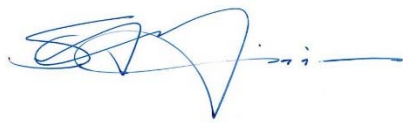
8. Metal Bank has 15,000,000 options on issue, all unquoted.
9. All New Shares issued pursuant to the Offer will have the same dividend entitlements as existing Metal Bank shares on issue.
10. No shareholder approval for the Offer is required.
11. The Offer is non-renounceable. This means that eligible shareholders who do not take up their entitlements to participate in the Offer will not be able to transfer or receive any value for those entitlements and their equity interest in Metal Bank will be diluted.
12. The New Shares in the Offer will be offered on the basis of one new share for every ten shares held by the shareholder as at the Record Date. Fractional entitlements will be rounded up.
13. The offer under the Offer relates to fully paid ordinary shares in the capital of Metal Bank.
14. The record date to determine entitlements is 7.00 pm (Melbourne time) on Friday 30 September 2016.
15. Shareholders will be invited to apply for additional New Shares in excess of their entitlement. If there are excess applications for additional New Shares, an appropriate allocation policy will be applied as set out in the Offer Document. The Entitlement and Acceptance Form will contain instructions on how to apply for additional shares.
16. Only shareholders with registered addresses in Australia, New Zealand and Singapore will be sent the Offer Document. In compliance with Listing Rule 7.7.1, Metal Bank has decided that it is unreasonable to make the Offer to shareholders with registered addresses outside of a limited number of jurisdictions (non-eligible shareholders) having regard to each of the following:
  - the number of those security holders registered;
  - the number and value of the securities that would have been offered to those security holders; and
  - the cost of complying with the legal requirements and requirements of regulatory authorities in some overseas jurisdictions.
17. The closing date for receipt of acceptances is 5.00 pm (Melbourne time) on Friday 14 October 2016.

18. The broker to the Offer is Taylor Collison.
19. The Offer Document for the Offer and the Entitlement and Acceptance Form are expected to be despatched to eligible shareholders on or about Tuesday 4 October 2016.
20. The latest date for despatch of certificates or entry of the New Shares subscribed for into your security holdings is Friday 21 October 2016.

The above information was provided to the ASX on 19 September 2016.

If you have any queries regarding your entitlement or participation in the upcoming Offer, please contact the Share Registry on +61 (0) 8096 3502

Yours faithfully



Sue-Ann Higgins  
Company Secretary