

Metal Bank Limited

(ACN 127 297 170)

NOTICE OF EXTRAORDINARY GENERAL MEETING

Time: 11.00 a.m.

Date: 13 September 2011

Place: The offices of Mills Oakley Lawyers at Level 34, 60 Margaret Street, Sydney NSW 2000

This Notice of Meeting and Explanatory Statement should be read in its entirety. If shareholders are in any doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting and Explanatory Statement, please do not hesitate to contact Guy Robertson, Company Secretary on +61 2 9078 7666.

Table of Contents

1	Time and Place of Meeting	3
2	How to Vote	3
3	Voting in Person	3
4	Voting by Proxy	3
5	Majority Required	3
6	Inter-conditional Resolutions	3
7	Notice of Extraordinary General Meeting	3
	AGENDA	4
1	Resolution 1 – Placement	4
2	Resolution 2 – Acquisition of Spinifex Ridge East Pty Limited	4
3	Resolution 3 – Option Placement	4
4	Resolution 4 – Advisor Fee	4
	EXPLANATORY STATEMENT	5
1	Background to the Acquisition	5
1.1	Details of the Agreement	5
1.2	Details of Spinifex Ridge East	6
1.3	Pro-Forma Capital Structure	6
2	Resolution 1 – Placement	6
2.1	Background	6
2.2	Approvals Required	6
2.3	Information Required by ASX Listing Rule 7.5	7
2.4	Recommendation of Directors	7
3	Resolution 2 – Acquisition of Spinifex Ridge East Pty Limited	7
3.1	General	7
3.2	Execution Shares	7
3.3	Completion Shares and Final Tranche Shares	8
3.4	Recommendation of Directors	8
4	Resolution 3 – Option Placement	8
5	Resolution 4 – Advisor Fees	9
6	Glossary	10
Schedule 1	Terms and Conditions of Placement Options	12

1 Time and Place of Meeting

The Extraordinary General Meeting of the Shareholders to which this Notice relates will be held at 11.00 a.m. (AEST) on 13 September 2011 at the offices of Mills Oakley Lawyers at Level 34, 60 Margaret Street, Sydney NSW 2000.

2 How to Vote

The business of the Extraordinary General Meeting affects your Shareholding and your vote is important.

3 Voting in Person

To vote in person, attend the Extraordinary General Meeting on the date and at the place set out above.

4 Voting by Proxy

To vote by Proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out in the Proxy Form.

5 Majority Required

All of the Resolutions are ordinary resolutions and will be passed if more than 50% of the votes cast by shareholders entitled to vote on the Resolutions are cast in favour of the Resolutions.

6 Inter-conditional Resolutions

Resolutions 2, 3 and 4 are inter-conditional. If one of these Resolutions is not passed, then none of those Resolutions will be passed.

7 Notice of Extraordinary General Meeting

Notice is given that the Extraordinary General Meeting of Shareholders of Metal Bank Limited (**Metal Bank** or **Company**) will be held at 11.00 a.m. (AEST) on 13 September 2011 at the offices of Mills Oakley Lawyers at Level 34, 60 Margaret Street, Sydney, NSW 2000.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Extraordinary General Meeting. The Explanatory Statement and the Proxy Form are part of this Notice of Meeting.

The Directors of the Company have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Extraordinary General Meeting are those who are registered Shareholders of the Company at 11.00 a.m. (AEST) on 13 September 2011 at the offices of Mills Oakley Lawyers at Level 34, 60 Margaret Street, Sydney, NSW 2000.

Terms and abbreviations used in this Notice of Meeting are defined in the Glossary.

AGENDA

Resolutions

1 Resolution 1 – Placement

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4, and for all other purposes, Shareholders ratify the allotment and issue of 2,000,000 Shares at \$0.15 on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

2 Resolution 2 – Acquisition of Spinifex Ridge East Pty Limited

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, subject to the passing of resolutions 3 and 4, for the purpose of ASX Listing Rules 7.1 and 7.4 and for all other purposes, Shareholders approve the acquisition of 80% of Spinifex Ridge East Pty Limited including:

- (a) ratification of the allotment and issue of 2,800,000 Shares to the Vendor; and*
- (b) approve the allotment and issue to the Vendor (or its nominee) of 6,200,000 Shares on Completion; on the terms and conditions set out in the Explanatory Statement.*

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue or may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, and any associate of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

3 Resolution 3 – Option Placement

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, subject to the passing of resolutions 2 and 4, for the purposes of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the allotment and issue 15,000,000 Options on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

4 Resolution 4 – Advisor Fee

To consider, and if thought fit, to pass, with or without amendment, the following as an **ordinary resolution**:

“That, subject to the passing of resolutions 2 and 3, for the purpose of ASX Listing Rule 7.1, and for all other purposes, Shareholders approve the allotment and issue 2,500,000 Shares to advisors and consultants as nominated by the Vendor on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Dated 11 August 2011

BY ORDER OF THE BOARD

Guy Robertson
Company Secretary

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the EGM to be held at 11.00 a.m. (AEST) on 13 September 2011 at the offices of Mills Oakley Lawyers at Level 34, 60 Margaret Street Sydney, NSW 2000. The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

The Directors recommend that Shareholders read this Explanatory Statement in full in conjunction with the accompanying Notice of Meeting of which this Explanatory Statement forms a part.

1 Background to the Acquisition

1.1 Details of the Agreement

On 25 May 2011, the Company announced it had entered into a binding term sheet to acquire 80% of the issued capital of Spinifex Ridge East from the Vendor, being the sole shareholder of Spinifex Ridge East at the time execution of the term sheet. On the 22 June 2011, the Company entered into the Agreement, which has superseded the term sheet.

The material terms of the Agreement are as follows:

- (a) **Conditions Precedent:** The Acquisition remains conditional upon the satisfaction or waiver of the following conditions precedent:
 - (i) **Shareholder and Regulatory Approval:** the Company obtaining all necessary Shareholder and regulatory approvals required by the Corporations Act and the ASX Listing Rules in relation to the Acquisition;
 - (ii) **Third Party Consents:** the Company obtaining any necessary third party consents, waivers and approvals in relation to the Acquisition;
 - (iii) **Proxy Deed Polls:** the Company obtaining duly executed Proxy Deed Polls by the Proxy Shareholders;
 - (iv) **Placement:** the completion of the Placement in accordance with its terms (refer to Resolution 1); and
 - (v) **Option Placement:** the completion of the Option Placement in accordance with its terms (refer to Resolution 3),
on or before 15 October 2011 or a later date agreed by the Company and the Vendor;
- (b) **Consideration:** The Company will satisfy the consideration for the Acquisition as follows:
 - (i) payment of \$140,000 to the Vendor (which has been completed); and
 - (ii) the allotment and issue of a total of up to 12,000,000 Shares to the Vendor (or its nominee) as follows:
 - (A) **(Execution Shares)** 2,800,000 Shares allotted and issued to the Vendor (or its nominee) (which has been completed);
 - (B) **(Completion Shares)** 5,600,000 Shares allotted and issued to the Vendor (or its nominee) on Completion; and
 - (C) **(Final Tranche Shares)** the allotment and issue to the Vendor (or its nominee) of up to 3,600,000 Shares (if further Shareholder approval is required, the maximum number of Final Tranche Shares to that approval obtained at the EGM will be issued and the remainder paid in cash);
- (c) **Royalty:** The Company is liable to pay to the Vendor a 2% gross royalty on all minerals extracted from the Tenements (i.e. gross revenue less direct operational costs before tax);
- (d) **Shareholders Agreement:** Describes the relationship between the Company and the Vendor, including board, shareholders meetings, dividend distribution policy and the Company's requirement to fund Spinifex Ridge East, up to and including when a decision to mine is reached.
- (e) **Warranties:** The Agreement contains warranties and representations on behalf of the Vendor customary for an agreement of this nature; and

- (f) **Other:** The Agreement otherwise contains terms and conditions customary for an agreement of this nature.

It is noted that whilst the Consideration payable in respect of the Acquisition includes the issue of up to 12,000,000 Shares to the Vendor (or its nominee), the Company and the Vendor have agreed that the Company will issue to the Vendor (or its nominee) 6,200,000 Shares on Completion and will pay the remainder as a cash sum to the Vendor (or its nominee) in full and final satisfaction of the Consideration. When taking into account the Execution Shares issued to the Vendor on 9 June 2011, this results in the Vendor (or its nominee) being issued a total of 9,000,000 Shares in respect of the Acquisition.

The cash portion of the Consideration referred to above will be paid in an amount equal to 3,000,000 Shares multiplied by the VWAP. The VWAP is \$0.171, and accordingly the cash component of the Consideration payable by the Company to the Vendor (or its nominee) is \$513,000.

This cash component of the Consideration is in accordance with the Company's stated background and stated objectives set out at page 11 of its Prospectus and is within the Company's proposed use of funds set out at page 7 of the Prospectus.

1.2 Details of Spinifex Ridge East

Spinifex Ridge East owns 100% of the Tenements which form the Spinifex Ridge East Project and which are located approximately 50km north east of Marble Bar in the East Pilbarra Region of Western Australia,

1.3 Pro-Forma Capital Structure

The capital structure of the Company following completion of all steps of the Acquisition contemplated by the Notice of Meeting is set out below:

Shares	Number
Shares on issue as at the date of the Notice ¹ :	36,985,001
Shares to be issued to complete the Acquisition ² :	8,700,000
Total Shares on completion of the Acquisition:	45,685,001
Options	Number
Options on issue as at the date of the Notice:	Nil
Options to be issued pursuant to the Acquisition:	15,000,000
Total Options on completion of the Acquisition	15,000,000

2 Resolution 1 – Placement

2.1 Background

The Company issued a total of 2,000,000 Shares on 9 June 2011 at a price of \$0.15 raising a total of \$300,000 (before costs).

This capital was raised from sophisticated and professional investors utilising the Company's 15% placement capacity under ASX Listing Rule 7.1.

Resolution 1 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the Placement.

2.2 Approvals Required

ASX Listing Rule 7.1 permits a company to issue securities representing no more than 15% of the issued capital of that company in any 12 month period without shareholder approval. The Company issued the Shares the subject of the Placement within the 15% capacity permitted under ASX Listing Rule 7.1. However, ASX Listing Rule 7.4 allows an issue of securities made without the approval of shareholders to be treated as having been made with approval for the purposes of ASX Listing Rule 7.1 provided the issue did not breach ASX Listing Rule 7.1 and shareholders subsequently approve the issue.

Approval is now sought pursuant to ASX Listing Rule 7.4 to approve the prior issue of the Shares under the Placement so that the Company retains its capacity to issue up to 15% of its issued capital, if required, in the next 12 months without Shareholder approval.

¹ This includes Shares issued under the Placement and the Execution Shares.

² This includes the Completion Shares, Final Tranche (assuming 600,000 Shares comprising the Final Tranche Shares are issued and the remaining 3,000,000 Shares comprising the Final Tranche Shares are paid in cash as detailed above) and the Advisor Shares.

2.3 Information Required by ASX Listing Rule 7.5

In compliance with the information requirements of ASX Listing Rule 7.5, Shareholders are advised of the following particulars in relation to the Placement:

- (a) the total number of Shares issued under the Placement was 2,000,000;
- (b) the Shares issued under the Placement were issued as part of a fundraising by the Company at a price of \$0.15 per Share;
- (c) the Shares the subject of the Placement rank pari passu with the existing ordinary Shares on issue;
- (d) the Shares issued under the Placement were allotted to sophisticated and professional investors who were not related parties of the Company;
- (e) the funds will be used by the Company to:
 - (i) commence the review of historical data in relation to the Tenements;
 - (ii) commence field work and investigations on those Tenements; and
 - (iii) further exploit other tenement projects held by the Company;
 - (iv) due diligence costs for any other potential acquisitions that may become available; and
 - (v) general working capital of the Company.
- (f) \$300,000 was raised under the Placement (before costs).

2.4 Recommendation of Directors

The Directors (excluding Mr V J Fayad who abstains due to a conflict) unanimously recommend that Shareholders vote in favour of Resolution 1.

3 Resolution 2 – Acquisition of Spinifex Ridge East Pty Limited

3.1 General

As outlined in Section 1.1, the Company has entered into the Agreement pursuant to which the Company agreed to, amongst other things, allot and issue the Consideration Shares to the Vendor (or its nominee) as part of the Consideration for the Acquisition. Accordingly, Resolution 2 seeks Shareholder:

- (a) ratification for the allotment and issue of the Execution Shares to the Vendor on 9 June 2011 ; and
- (b) Shareholder approval for the allotment and issue of the Completion Shares and Final Tranche Shares to the Vendor (or its nominee).

3.2 Execution Shares

(a) Approvals Required

ASX Listing Rule 7.1 permits a company to issue securities representing no more than 15% of the issued capital of that company in any 12 month period without shareholder approval. The Company issued the Execution Shares within the 15% capacity permitted under ASX Listing Rule 7.1.

However, ASX Listing Rule 7.4 allows an issue of securities made without the approval of shareholders to be treated as having been made with approval for the purposes of ASX Listing Rule 7.1 provided the issue did not breach ASX Listing Rule 7.1 and shareholders subsequently approve the issue.

Approval is now sought pursuant to ASX Listing Rule 7.4 to approve the prior issue of the Execution Shares so that the Company retains its capacity to issue up to 15% of its issued capital, if required, in the next 12 months without Shareholder approval.

(b) Information Required by ASX Listing Rule 7.5

In compliance with the information requirements of ASX Listing Rule 7.5, Shareholders are advised of the following particulars in relation to the Execution Shares:

- (i) the total number of Execution Shares issued was 2,800,000;
- (ii) the Execution Shares were issued as part of the consideration for the Acquisition at a deemed issue price of \$0.15 per Share;
- (iii) the Execution Shares rank pari passu with the existing ordinary Shares on issue;

- (iv) the Execution Shares were issued to the Vendor;
- (v) no funds will be raised from the issue of the Execution Shares as the allotment and issue is part of the Consideration for the Acquisition, under the terms of the Agreement.

3.3 Completion Shares and Final Tranche Shares

(a) Approvals Required

ASX Listing Rule 7.1 permits a company to issue securities representing no more than 15% of the issued capital of that company in any 12 month period without shareholder approval.

Approval is now sought under ASX Listing Rule 7.1 for the allotment and issue of the Completion Shares and the Final Tranche Shares, the effect of such approval is that those Shares will not be counted as reducing the number of equity securities which the Company can issue without Shareholder approval under the limit imposed by ASX Listing Rule 7.1.

(b) Information Required by ASX Listing Rule 7.3

In compliance with the information requirements of ASX Listing Rule 7.3, Shareholders are advised of the following particulars in relation to the Completion Shares and the Final Tranche Shares:

- (i) the maximum number of Completion Shares to be issued is 5,600,000 and the maximum number of Final Tranche Shares to be issued is 600,000 (in aggregate, 6,200,000 Shares) (as discussed at the end of Section 1.1);
- (ii) the Completion Shares and Final Tranche Shares will be issued to the Vendor (or its nominee) no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;
- (iii) the Completion Shares and Final Tranche Shares will be issued as part consideration for the Acquisition at a deemed issue price of \$0.15 per Share;
- (iv) the Completion Shares and Final Tranche Shares will be allotted and issued to the Vendor (or its nominee) which is not a related party of the Company;
- (v) the Completion Shares and Final Tranche Shares will be allotted and issued on the terms and conditions set out in the Agreement; and
- (vi) no funds will be raised from the issue of the Completion Shares and the Final Tranche Shares as the allotment and issue is part of the Consideration for the Acquisition, under the terms of the Agreement.

3.4 Recommendation of Directors

The Directors (excluding Mr V J Fayad who abstains due to a conflict) unanimously recommend the Shareholders vote in favour of Resolution 2.

4 Resolution 3 – Option Placement

4.1 General

As outlined in Section 1.1(b)(v), the Agreement is conditional upon the Company completing the Option Placement.

Resolution 3 seeks Shareholder approval for the allotment and issue of the Options comprising the Option Placement.

4.2 Approvals Required

ASX Listing Rule 7.1 permits a company to issue securities representing no more than 15% of the issued capital of that company in any 12 month period without shareholder approval.

Approval is now sought under ASX Listing Rule 7.1 for the allotment and issue of the Options comprising the Option Placement, the effect of such approval is that the Options comprising the Option Placement will not be counted as reducing the number of equity securities which the Company can issue without Shareholder approval under the limit imposed by ASX Listing Rule 7.1.

4.3 Information Required by ASX Listing Rule 7.3

In compliance with the information requirements of ASX Listing Rule 7.3, the following information is provided in relation to the Option Placement:

- (a) the maximum number of Options to be issued is 15,000,000;
- (b) the Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;
- (c) the issue price will be \$0.001 per Option;
- (d) the Options will be allotted and issued to sophisticated and professional investors, which are not related parties of the Company;
- (e) the Options will be issued on the terms and conditions set out in Schedule 1; and
- (f) the Company intends to use the funds raised from the Option Placement for working capital.

4.4 Recommendation of Directors

The Directors (excluding Mr V J Fayad who abstains due to a conflict) unanimously recommend the Shareholders vote in favour of Resolution 3.

5 Resolution 4 – Advisor Fees

5.1 General

Resolution 4 seeks Shareholder approval for the allotment and issue of the Advisor Shares persons as nominated by the Vendor in consideration for their services in facilitating the Acquisition.

The effect of Resolution 4 will be to allow the Company to allot and issue the Advisor Shares during the period of 3 months after the Meeting (or a longer period, if allowed by the ASX), without using the Company's 15% annual placement capacity.

5.2 Approvals Required

ASX Listing Rule 7.1 permits a company to issue securities representing no more than 15% of the issued capital of that company in any 12 month period without shareholder approval.

Approval is now sought under ASX Listing Rule 7.1 for the allotment and issue of the Advisor Shares, the effect of such approval is that the Advisor Shares will not be counted as reducing the number of equity securities which the Company can issue without Shareholder approval under the limit imposed by ASX Listing Rule 7.1.

5.3 Information Required by ASX Listing Rule 7.3

In compliance with the information requirements of ASX Listing Rule 7.3, Shareholders are advised of the following information in relation to the Advisor Shares:

- (a) the number of Advisor Shares to be issued is 2,500,000;
- (b) the Advisor Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;
- (c) the issue price for the Advisor Shares will be nil;
- (d) the Advisor Shares will be allotted and issued to advisors and consultants nominated by the Vendor who are not related parties of the Company;
- (e) the Advisor Shares issued will be fully paid ordinary Shares issued on the same terms and conditions as the Company's existing Shares; and
- (f) no funds will be raised from the issue of the Advisor Shares as the issue is being made in consideration for services by advisors and consultants in facilitating the Acquisition.

5.4 Recommendation of Directors

The Directors (excluding Mr V J Fayad who abstains due to a conflict) unanimously recommend Shareholders vote in favour of Resolution 4.

6 Glossary

Acquisition means the acquisition of 80% of the issued capital in Spinifex Ridge East by the Company from the Vendor pursuant to the terms of the Agreement.

Advisor Shares means 2,500,000 Shares.

Agreement means the agreement between the Company and the Vendor in relation to the Acquisition dated 22 June 2011 and as further described in Section 1.1 of the Explanatory Statement.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the listing rules of the ASX.

Board means board of directors of the Company.

Business Day means a day (not being a Saturday or Sunday) on which Australian banks (as defined in section 9 of the Corporations Act) are open for general banking business in the capital city of the State.

Company means Metal Bank Limited (ACN 127 297 170).

Completion means completion of Acquisition and all other matters the subject of the Agreement.

Completion Shares means 5,600,000 Shares.

Consideration Shares means the:

- (a) Execution Shares;
- (b) Completion Shares; and
- (c) Final Tranche Shares.

Consideration means consideration for the Acquisition set out in paragraph 1.1 of the Explanatory Statement.

Constitution means the Constitution of the Company.

Corporations Act means *Corporations Act 2001* (Cth)

Directors means the directors of the Company.

EGM means the extraordinary general meeting of the Company's Shareholders to be held by the Company as soon as practicable following execution of the Agreement, at which the Company will seek Shareholder approval and ratification (as applicable) for the resolutions summarised in the Notice.

Execution Shares means 2,800,000 Shares.

Explanatory Statement means the explanatory statement accompanying the Notice of Meeting.

Final Tranche Shares means up to 3,600,000 Shares (and which has reduced to 600,000 by agreement between the Company and the Vendor, with the remaining 3,000,000 Shares being paid as a cash sum to the Vendor (or its nominee) in accordance with Section 1.1).

General Meeting or **Meeting** means the meeting convened by the Notice.

Notice or **Notice of Meeting** or **Notice of General Meeting** means this notice of general meeting including the Explanatory Statement and the Proxy Form.

Option Placement means the placement by the Company at Completion of 15,000,000 Options at an issue price of \$0.0001 to certain professional and sophisticated investors agreed by the Company and the Vendor to raise \$1,500 (before costs).

Optionholder means professional and sophisticated investors agreed by the Company and the Vendor to participate in the Option Placement.

Options means an option in the capital of the Company on the terms and conditions set out in Schedule 1.

Placement means the placement by the Company of 2,000,000 Shares at \$0.15.

Prospectus means the Company's prospectus dated 25 February 2011.

Proxy Deed Polls means the deed polls in favour of the Vendor to be executed by the Proxy Shareholders and which shall be held by and for the benefit of the Vendor or nominee of the Vendor until completion of the EGM.

Proxy Form means the proxy form accompanying the Notice of Meeting.

Proxy Shareholders means Shareholders who together have shareholdings in the Company which carry voting rights to at least 30% of the total issued share capital of the Company as at the date of the Agreement.

Resolutions mean the resolutions set out in the Notice of Meeting, or any one of them as the context requires.

Share or **Shares** means fully paid ordinary share or shares in the capital of the Company.

Shareholder means a holder of a Share.

Spinifex Ridge East means Spinifex Ridge East Pty Limited (ACN 149 884 238).

Spinifex Ridge East Project means initially, in relation to the Tenements which are located approximately 50 km north east of Marble Bar in the East Pilbarra Region of Western Australia, the review of historical data, including identification of iron ore and copper/molybdenum targets, and the commencement of field work and investigations by the Company.

State means the State of New South Wales in the Commonwealth of Australia.

Tenements means the Spinifex Ridge East Project (45/2596, E45/3099) and includes all extensions, renewals, conversions, substitutions, modifications, amalgamations and variations thereof together with any substitute tenements of any nature whatsoever granted or applied for over the whole or part of the land the subject of these tenements.

Vendor means Gary Holbrook as nominee for Australian Royalties Corporation Pty Limited as trustee for Australian Pensioners Fund Trust.

VWAP means the volume weighted average price of the Shares for the 5 days prior to the date of the Agreement and during which the Shares were traded on the ASX.

Schedule 1 Terms and Conditions of Placement Options

Each Option entitles the Optionholder to subscribe for one Option on the following terms and conditions:

- (a) The Options will expire at 5.00pm (AEST) on 30 June 2014 (**Expiry Date**). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (b) The amount payable upon exercise of each Option will be \$0.20 (**Exercise Price**).
- (c) The Options held by each Optionholder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
- (d) An Optionholder may exercise their Options by lodging with the Company, before the Expiry Date:
 - (i) written notice of exercise of Options specifying the number of Options being exercised; and
 - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised;**(Exercise Notice).**
- (e) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (f) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Options required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.
- (g) The Options are transferable.
- (h) All Options allotted upon the exercise of Options will upon allotment rank pari passu in all respects with other Shares.
- (i) The Company will not apply for quotation of the Options on ASX. The Company will apply for quotation of all Options allotted pursuant to the exercise of Options on ASX within 10 Business Days after the date of allotment of those Options.
- (j) If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (k) There are no participating rights or entitlements inherent in the Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 Business Days after the issue is announced. This will give Optionholders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
- (l) An Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised.

PROXY FORM

APPOINTMENT OF PROXY
METAL BANK LIMITED
ACN 127 297 170
EXTRAORDINARY GENERAL MEETING

I/We _____
of _____
being a member of METAL BANK LIMITED entitled to attend and vote at the Extraordinary General Meeting, hereby
Appoint _____

Name of proxy

OR ☐ the Chair of the Extraordinary General Meeting as your proxy

or failing the person so named or, if no person is named, the Chair of the Extraordinary General Meeting, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, as the proxy sees fit, at the Extraordinary General Meeting to be held at 11.00 a.m. on 13 September 2011 at The offices of Mills Oakley Lawyers at Level 34, 60 Margaret Street, Sydney NSW, and at any adjournment thereof.

If no directions are given, the Chair will vote in favour of all the Resolutions.

☐ If the Chair of the Extraordinary General Meeting is appointed as your proxy, or may be appointed by default, and you do **not** wish to direct your proxy how to vote as your proxy in respect of **Resolutions 1 to 4** please place a mark in this box.

By marking this box, you acknowledge that the Chair of the Extraordinary General Meeting may exercise your proxy even if he has an interest in the outcome of Resolutions 1 to 4 and that votes cast by the Chair of the Extraordinary General Meeting for Resolutions 1 to 4 other than as proxy holder will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your votes on Resolutions 1 to 4 and your votes will not be counted in calculating the required majority if a poll is called on Resolutions 1 to 4.

OR

Voting on Business of the Extraordinary General Meeting

	FOR	AGAINST	ABSTAIN
Resolution 1 – Placement of Shares	☐	☐	☐
Resolution 2 – Acquisition of Spinifex Ridge East Pty Limited	☐	☐	☐
Resolution 3 – Placement of Options	☐	☐	☐
Resolution 4 – Advisor Fees	☐	☐	☐

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not to be counted in computing the required majority on a poll. If two proxies are being appointed, the proportion of voting rights this proxy represents is _____ %

Signature of Member(s):

Date: _____

Individual or Member 1

Member 2

Member 3

Sole Director/Company Secretary

Director

Director/Company Secretary

Contact Name: _____

Contact Ph (daytime): _____

METAL BANK LIMITED
ACN 127 297 170

Instructions for Completing 'Appointment of Proxy' Form

1. **(Appointing a Proxy):** A member entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint not more than two proxies to attend and vote on a poll on their behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If a member appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes. A duly appointed proxy need not be a member of the Company.
2. **(Direction to Vote):** A member may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing Instructions):**
 - **(Individual):** Where the holding is in one name, the member must sign.
 - **(Joint Holding):** Where the holding is in more than one name, all of the members should sign.
 - **(Power of Attorney):** If you have not already provided the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.
 - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual members from attending the Extraordinary General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the Extraordinary General Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the Extraordinary General Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (a) post to METAL BANK LIMITED, Suite 4, Level 2, 2 Bligh Street, SYDNEY, NSW, AUSTRALIA, 2000; or
 - (b) facsimile to the Company on facsimile number +61 2 9235 0163,

so that it is received not less than 48 hours prior to commencement of the Meeting.

Proxy forms received later than this time will be invalid.
