MBK
METALBANKLIMITED

ABN 51 127 297 170

# Metal Bank Limited
# and its controlled entities

# Annual Financial Report

# For the year ended
# 30 June 2014

**METAL BANK LIMITED AND ITS CONTROLLED ENTITY**
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**Dear Shareholder**

On behalf of the Directors of Metal Bank Limited (Metal Bank, MBK or the Company), I am pleased to report on the activities of the Company for the year ended 30 June 2014.

Significant progress was made during the year following the capital raising of $1.75 million in August 2013 and the acquisition of Roar Resources Pty Ltd that brought to MBK the Triumph and Eidsvold gold projects later in the year.

The Roar acquisition was for shares only in the amount of 106,944,444 shares at a deemed price of 2 cents per share or $2.1 million.

Through the above transactions the Company acquired capital, a major project and an exploration team, including consultants, with significant ability and resource experience.

The focus for the year has been on the Triumph and Eidsvold projects. In Triumph we have identified an underexplored intrusion related gold camp extending over 15km$^2$. Ground exploration and airborne magnetics have identified eleven priority drill targets, one of which – Bald Hill, was drilled during the year with encouraging results.

At Eidsvold, a further intrusion related gold district, the Company has similarly identified several priority targets. Drilling at the Mt Brady prospect intersected strongly anomalous gold mineralisation in all four holes providing support for further exploration within a 10km long structural corridor in this region.

MBK plans to continue exploration work on these projects with a view to moving them towards resource definition. In addition the Company continues to review new projects which may complement its existing portfolio and which it could develop thereby adding to shareholder wealth.

From a corporate perspective we have been focusing on strengthening our governance through compiling a Directors skills matrix and updating our policies and procedures. This work is important as a foundation to support the growth of MBK which is planned for 2014 and 2015.

On behalf of the Board of Directors I would like to thank shareholders for their ongoing support.

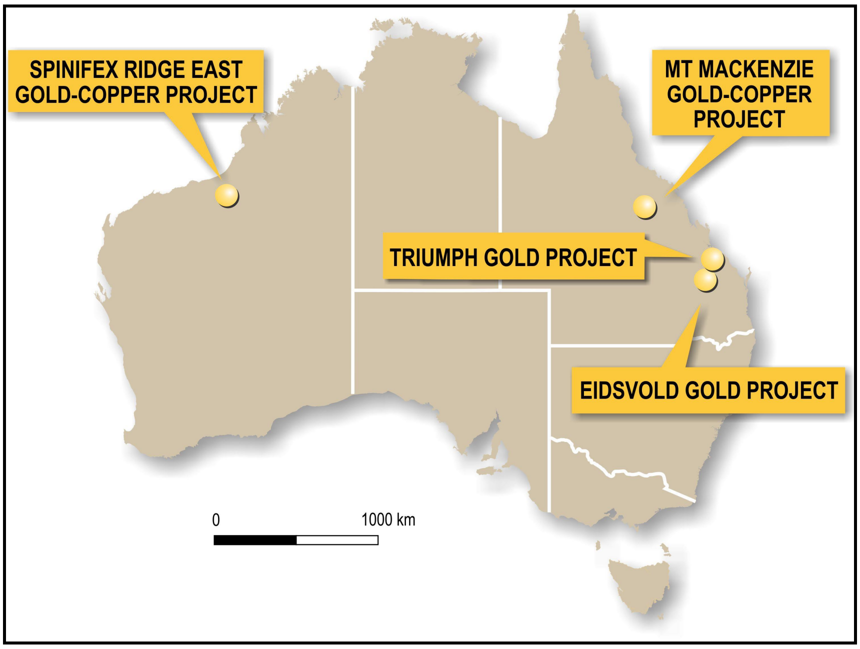
Yours faithfully,

Inés Scotland
Non-executive Chair
26 September 2014

# REVIEW OF OPERATIONS

The operations of the consolidated entity during the year are as described below:

**Figure 1: Metal Bank Limited – Current Project Locations**




In late 2013 Shareholders approved the acquisition of Roar Resources Pty Ltd which holds the Triumph and Eidsvold gold projects in south east Queensland.

**Triumph and Eidsvold Projects**

These projects were the focus of the Company's exploration activities during the year.

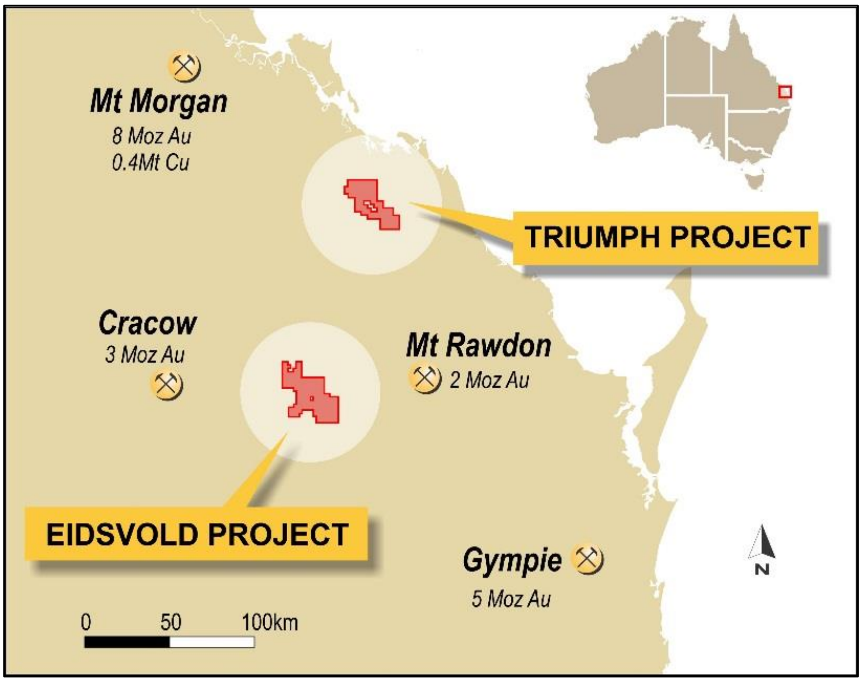



**Figure 2: Triumph and Eidsvold projects**

***Triumph Project (100% MBK) – Gold***

Metal Bank completed drilling at the Triumph gold project following the 100% acquisition of Roar Resources Pty Ltd in October 2013 with a total of 10 holes completed for 1727 metres.

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.

Exploration by Metal Bank demonstrates that the Triumph gold camp extends over 15km$^2$, of which approximately 90% is concealed beneath shallow sedimentary cover rocks (<10m thick), masking the prospective basement rocks. The district remains highly under explored with almost the entire focus of historical exploration and mining being contained within a small mining lease (~0.2km$^2$ in area) located within an outcropping area in the centre of the goldfield.

Metal Bank has identified eleven priority targets areas (refer Figure 3) within the interpreted 15km$^2$ Triumph gold camp with Bald Hill representing the first of these targets to be drill tested. Detailed airborne magnetics data has proved an essential tool for the identification of prospective structural zones and areas of hydrothermal alteration beneath the shallow cover sediments. Rock chip sampling within basement windows (exposed beneath the cover sediments) has returned results of greater than 5g/t Au from each of the targets areas with four of the targets returning in excess of 50g/t Au (up to 255g/t Au), refer to Figure 3.

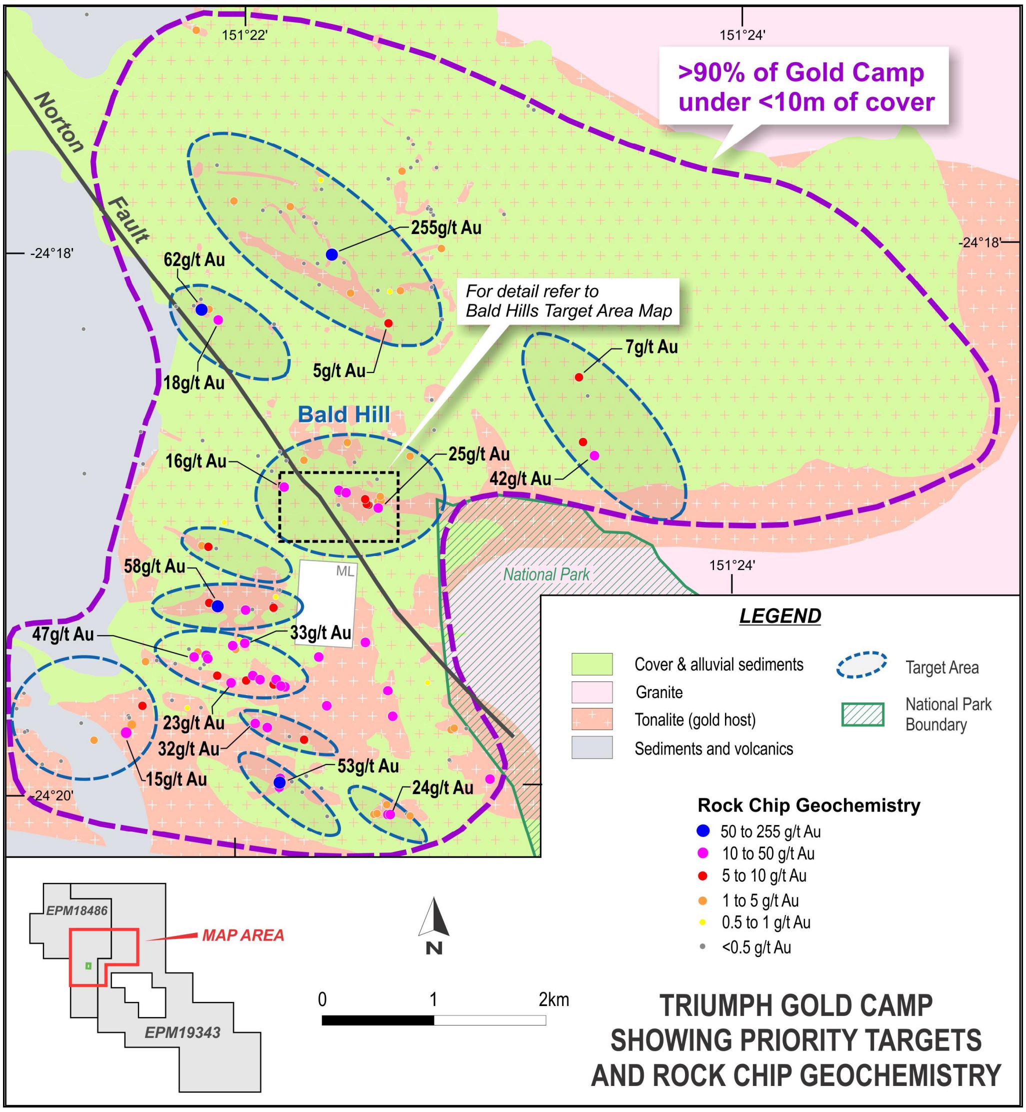



**Figure 3: Triumph gold camp showing priority targets and rock chip geochemistry.**

At Bald Hill an initial diamond drill programme intersected gold mineralisation associated with an east west trending structural zone of intense hydrothermal alteration / veining (greater than 20m true width) coincident with an IP chargeability anomaly (refer to Figure 4 showing the location of the drill holes). The best result received to date is **9m @ 3.6g/t Au** from 114m (TDH008) with TDH007 intersecting a broad gold zone of **27m @ 0.43g/t Au** approximately 100m west, along strike. Refer to Table 1 for significant gold mineralisation intersected.

This drill programme represents the first mineral exploration at Bald Hill in over 25 years since AMOCO completed seven initial percussion holes (open hole). While all of the AMOCO holes intersected gold mineralisation they were too shallow (30 to 50m hole depth) to penetrate the entire mineralised structure. It is also likely that some of these holes ended in the shallow historical underground workings.

Table 1 showing mineralisation intersections in drilling

| Hole ID | Prospect | *Drill Method | Easting | Northing | RL | Azi | Dip | Depth | Results |
|---|---|---|---|---|---|---|---|---|---|
| **TDH007** | Bald Hill | DD | 334970 | 7309897 | 139.0 | 7.5 | -60 | 174.6m | 1.2m @ 0.82g/t Au and 7g/t Ag from 5.6m<br>3m @ 1.65g/t Au from 14m<br>1m @ 0.80g/t Au and 5g/t Ag from 56m<br>1m @ 1.57g/t Au and 16g/t Ag from 79m<br>6m @ 0.95g/t Au, 19g/t Ag and 0.12% Cu from 91m<br>1m @ 0.91g/t Au and 13g/t Ag from 100m<br>2m @ 0.92g/t Au, 33g/t Ag and 0.17% Cu from 109m<br>1m @ 0.69g/t Au, 25g/t Ag, and 0.30% Cu from 114m<br>*(27m @ 0.43g/t Au and 11g/t Ag from 89m to 116m)* |
| **TDH008** | Bald Hill | DD | 335092 | 7309852 | 152.0 | 15.0 | -50 | 174.6m | **9m @ 3.6g/t Au and 8g/t Ag from 114m**<br>**Incl. 1m @ 21.8g/t Au** and 19g/t Ag from 122m |
| **TDH009** | Bald Hill | DD | 334885 | 7309892 | 121.9 | 15.0 | -50 | 171.8m | No significant results >0.5g/t Au |
| **TDH010** | Norton Fault | DD | 334885 | 7309892 | 123.3 | 240 | -60 | 144.3m | 0.9m@ 4.44g/t Au from 6m (alluvial gravel)<br>1m @ 2.94g/t Au from 33m<br>1m @ 2.18g/t Au from 68m<br>1m @ 0.88g/t Au from 95m<br>1m @ 1.51g/t Au from 130m |
| **TDH011** | Bald Hill | DD | 335241 | 7309948 | 144.1 | 225 | -63 | 252.8m | 1m @ 0.61g/t Au from 132m<br>1m @ 0.55g/t Au from 137m<br>1m @ 0.92g/t Au from 159m<br>*(10m @ 0.23g/t Au from 129m to 139m)* |
| **TDH012** | Galena | RCD | 334074 | 7309204 | 130.9 | 180.0 | -50 | 249.9m | 1m @ 1.04g/t Au from 132m |
| **TDH013** | Bald Hill | RC | 334954 | 7309979 | 132.1 | 210.0 | -50 | 102.0m | 4m @ 1.32g/t Au from 137m<br>*(21m @ 0.35g/t Au and 1.9g/t Ag from 37m to 58m)* |
| **TDH014** | Bald Hill | RC | 335098 | 7310085 | 133.8 | 210.0 | -50 | 63.0m | RC precollar abandoned (redrilled TDH016RCD)<br>No significant results >0.5g/t Au |
| **TDH015** | Bald Hill | RC | 335136 | 7309946 | 148.6 | 210.0 | -50 | 93.0m | 1m @ 0.84g/t Au from 23m<br>1m @ 1.53g/t Au from 41m<br>*(7m @ 0.29g/t Au and 2.6g/t Ag from 18m to 25m )* |
| **TDH016** | Bald Hill | RCD | 335102 | 7310086 | 134.0 | 210.0 | -50 | 300.6m | No significant results >0.5g/t Au |

Gold results shown using a 0.5 g/t cut-off

*(gold results shown using a 0.1 g/t cut-off – to highlight zones of anomalous gold)*

*DD – diamond core, RC – reverse circulation drilling, RCD – reverse circulation drilling with a diamond core tail

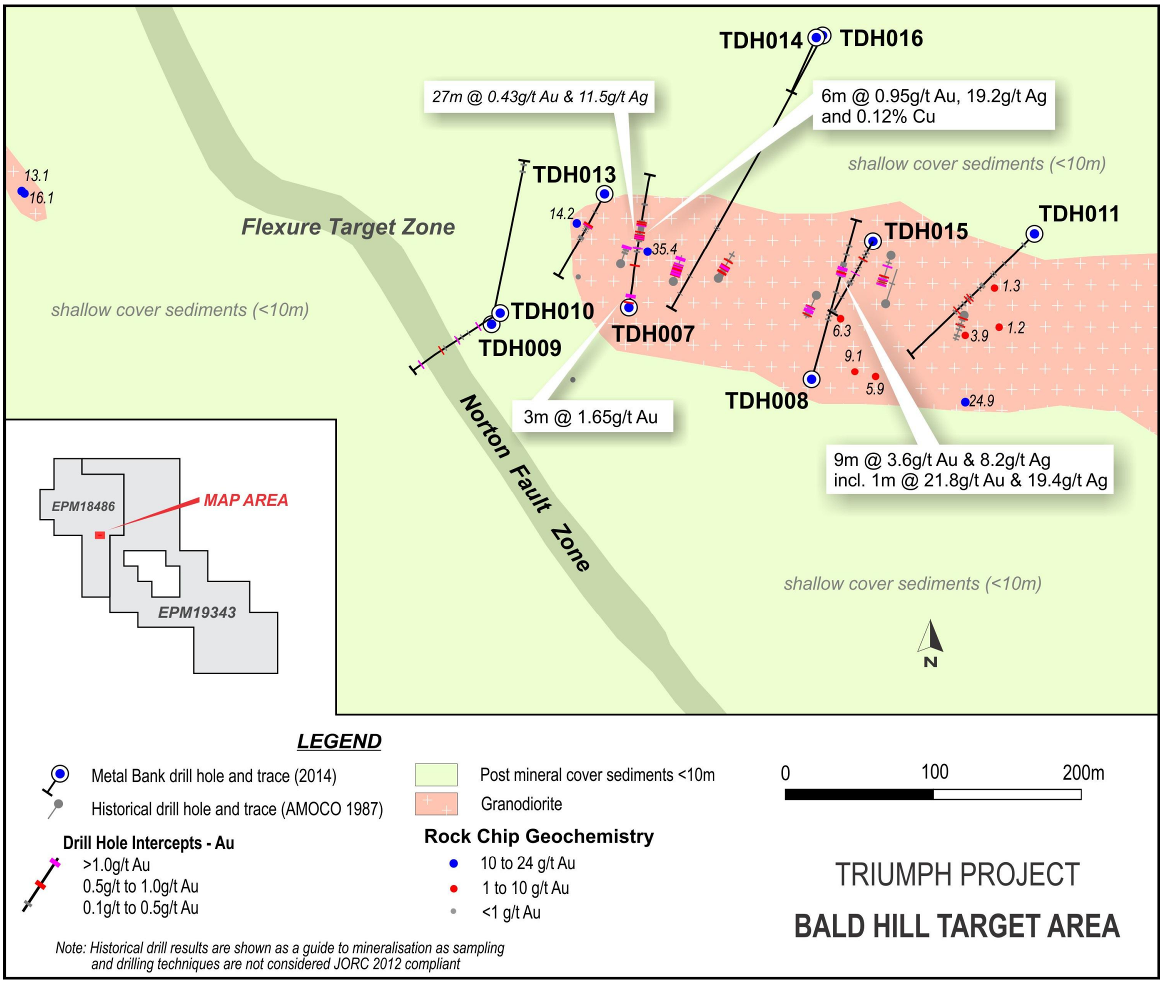



**Figure 4: Bald Hill target area showing Metal Bank and historical drill locations.**

Subsequent modelling of geological, drilling and geophysical data has identified a high grade target zone at Bald Hill which is interpreted to extend from surface to more than 100m below surface where 9m @ 3.6 g/t Au was intersected and also remains open at depth (refer Figure 5). The surface expression of the high grade gold target is defined by a highly elevated gold-in-soil anomaly of 0.1g/t Au to 0.9g/t Au together with typical pathfinder elements such as Ag-Bi-As-Sb. The peak soil anomaly measures greater than 200m x ~50m and is coincident with shallow historical underground gold workings which extend to approximately 10m below surface (Figure 5 and Figure 6).

Only a limited amount of drilling has been completed at Bald Hill which provides alteration and metal zonation vectors towards the high grade target zone. Recent drilling has intersected broad zones of low grade gold mineralisation including 21m @ 0.35g/t Au (TDH013) and 27m @ 0.43g/t Au (TDH007) interpreted to represent the margins of the higher grade central target zone.

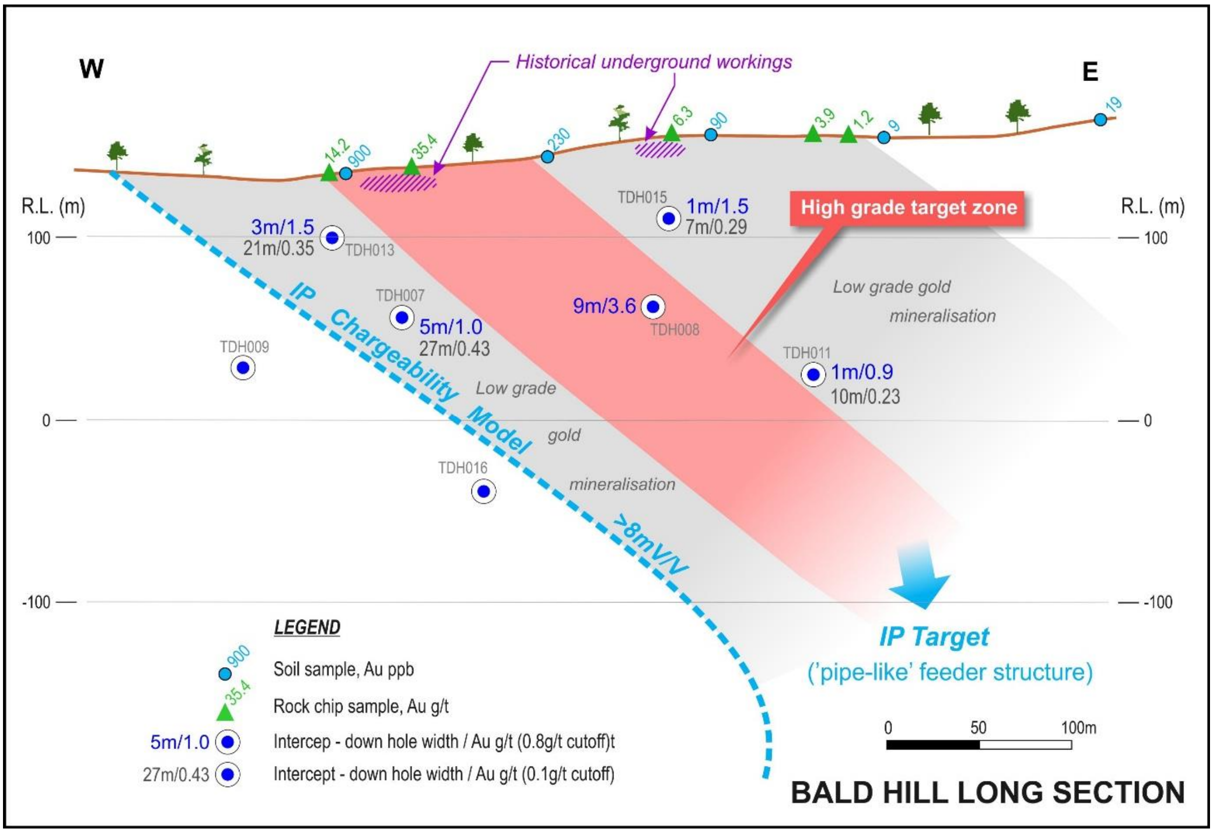



**Figure 5: Bald Hill long-section showing high grade target zone**

A 3D induced polarisation (3DIP) survey was completed over the central portion of Bald Hill which highlighted the current mineralisation but also indicates a 'pipe like' feeder structure immediately to the east of the high grade gold target and extending to depth (Figure 6). Elevated soil geochemistry (max. 121ppb Au) occurs where the structure intersects the surface adding support to our interpretation.

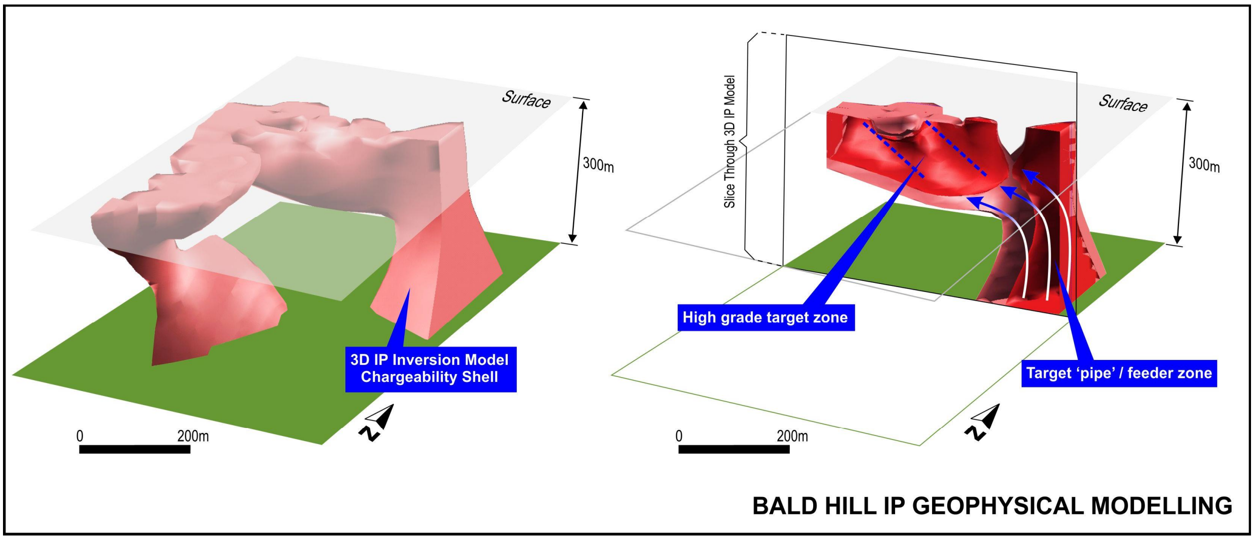



Figure 6: ***Left figure*** - Bald Hill 3D induced polarisation inversion model (geophysical data) showing 8mv/v IP 'shell' which corresponds to sulphide mineralisation from available drilling data. ***Right figure*** - Slice through model which corresponds to the upper portion of the long section shown in figure 1, 8mv/v and 9mv/v shells shown.

The next phase of drilling will not only continue to target shallow high grade gold resource potential but also test the potential that the 'pipe like' / feeder represented by the IP chargeability data and interpreted to represent a Kidston breccia style system (3Moz Au).

Gold results from a single drill hole (TDH010) targeting the **Norton Fault Zone** have returned 1m @ 2.94g/t Au and 1m @ 2.18g/t Au. This is the first drill hole to target the structure which can be traced under shallow cover via magnetics data for over 6km (Figure 3 and Figure 4).

The Norton Fault is interpreted as an important regional structure that has not only been active post mineralisation but potentially active during the main gold mineralisation event. Confirmation of gold mineralisation associated with the fault significant increases the prospectivity of the 6km long structure. A flexure in the Norton fault where the Bald Hill gold mineralised trend intersects is drill ready (figure 4).

***Eidsvold Project (100% MBK) - gold***

The project is centered on the historical Eidsvold goldfield (100,000 oz Au mined in the early 1900's) within the Eidsvold Intrusive Complex, located between Cracow (3 Moz Au) and Mt Rawdon (2 Moz Au) gold mines in the Northern New England Orogen.

Exploration by Metal Bank has shown the Eidsvold Intrusive Complex (granodiorite-diorite-gabbro) to represent an overlooked and highly prospective intrusion related gold district with initial drill results returning high grade mineralisation. The vast majority of the intrusive complex is concealed beneath post mineral sedimentary cover. Based on structural / alteration interpretations, Metal Bank has identified several priority targets within a 10km corridor which extends north from the 100,000 oz Au Eidsvold goldfield to Mt Brady where initial drilling has intersected high grade gold (Figure 7).

At Mt Brady a total of 4 diamond drill holes for 685m targeted two geophysical (induced polarisation) ± geochemical targets. On surface, central to the geophysical / geochemical targets, hydrothermal breccia returned grab samples up to 14.7 g/t Au with soil geochemistry defining a coincident Au-Ag-As-Sb-Bi-Te ± Cu/Pb/Zn anomaly. The multielement association at Mt Brady of Au-Cu-Ag-As-Bi-Te is typical of intrusion driven hydrothermal systems. All 4 holes intersected zones of strongly anomalous gold mineralisation with the best drill results shown in Table 1 and the location of the drill holes shown in Figure 8. Importantly, Mt Brady is the only one of the priority targets identified that actually outcrops.

Table 1 showing mineralisation intersections in drilling.

| Hole ID | Prospect | *Drill Method | Easting | Northing | Azi | Dip | Depth | Results |
|---|---|---|---|---|---|---|---|---|
| MBDD001 | Mt Brady | DD | 309583 | 7203278 | 334.5 | -60 | 218.0m | **1m @ 17.45g/t Au, 90g/t Ag, and 2.5% Cu from 136m** |
| MBDD002 | Mt Brady | DD | 309759 | 7203383 | 270 | -55 | 234.7m | No significant results above 0.5g/t Au cut-off |
| MBDD003 | Mt Brady | DD | 309055 | 7203378 | 270 | -80 | 130.0m | 1m @ 0.73 g/t Au from 106m |
| MBDD004 | Mt Brady | DD | 309524 | 7203360 | 115 | -50 | 102.3m | **1m @ 6.28 g/t Au from 27m** |

Gold results shown using a 0.5 g/t cut-off
*True width of mineralisation is not known

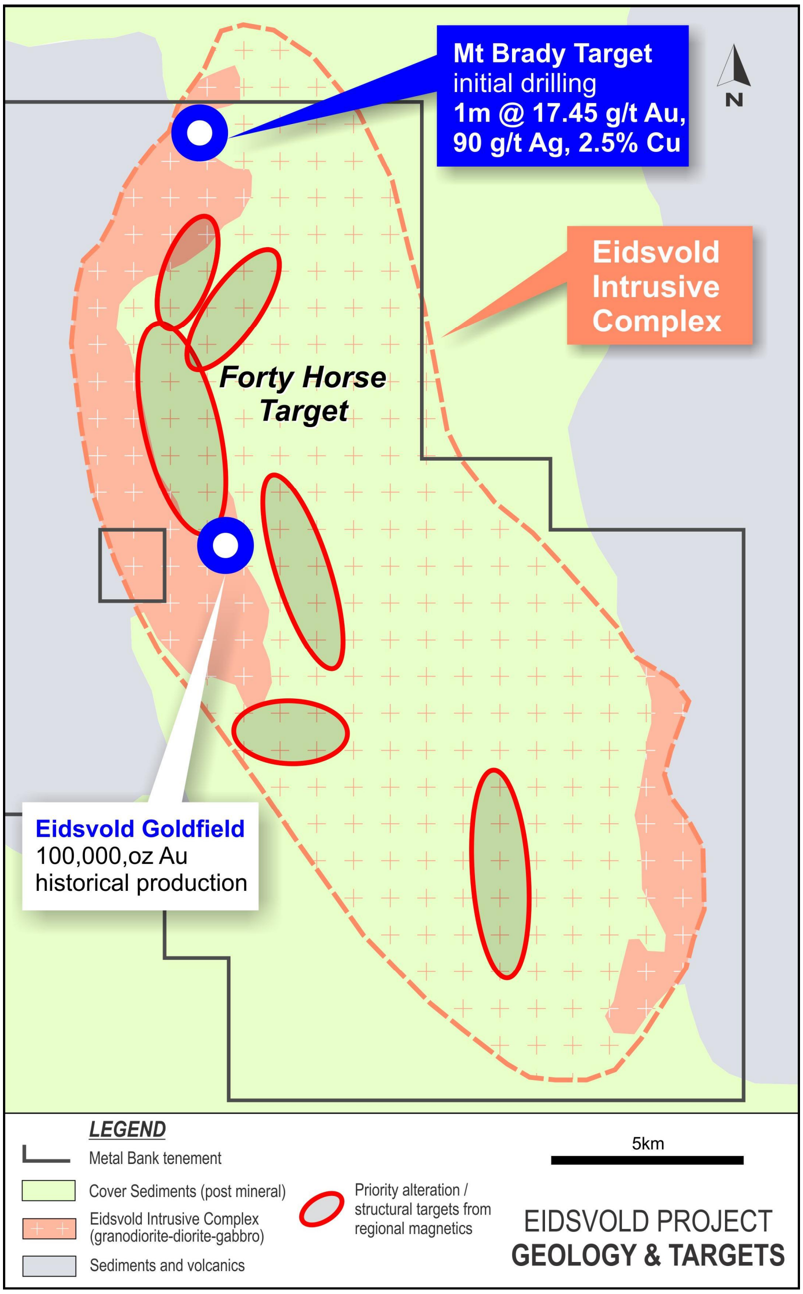



**Figure 7: Eidsvold Project and the location of the Mt Brady target.**

The priority targets for the Eidsvold Project are as follows:

1. Mt Brady target – Identified high grade gold mineralisation to be defined with further drilling in addition to other geochemical / structural targets identified within multiphase intrusive complex.
2. Forty Horse target areas – Breccia and sheeted vein style gold mineralisation associated with alteration / structural targets (magnetic lows) within a 10km structural corridor (N-S trending) between the Eidsvold Goldfield and Mt Brady beneath Jurassic cover sediments.
3. Regional magnetic targets (both structural and alteration) beneath Jurassic cover sediments.

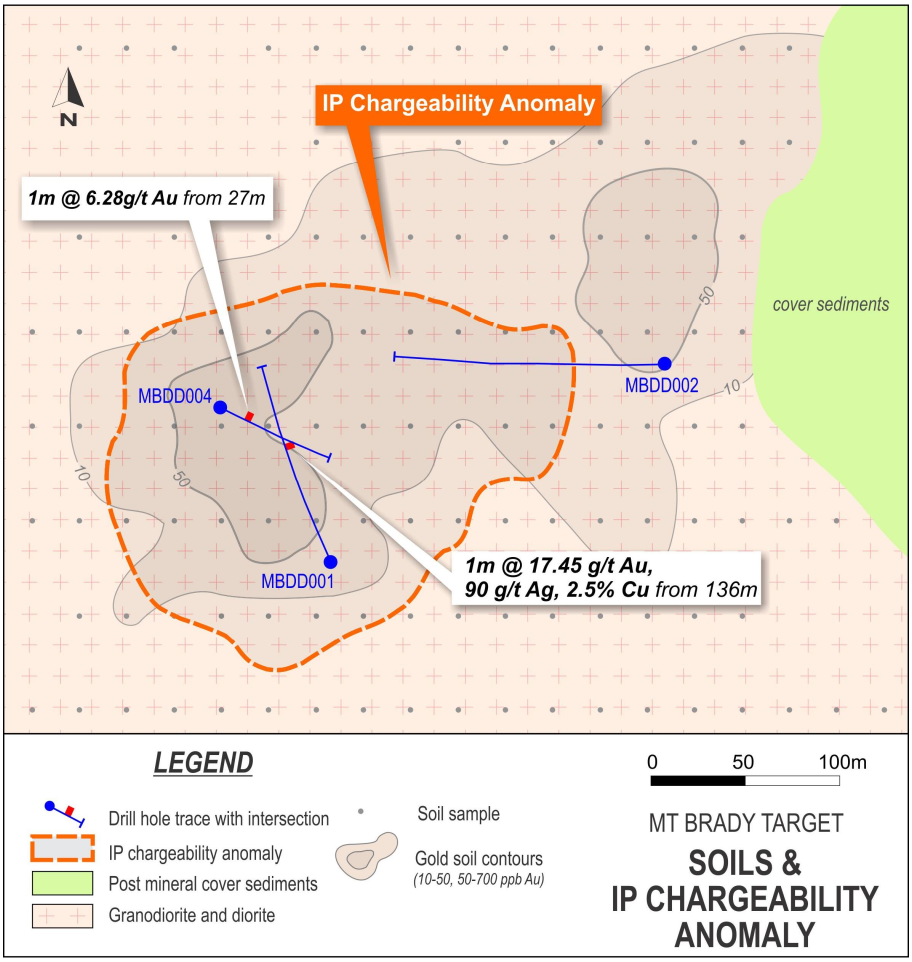



**Figure 8: Location of drilling on the Mt Brady target.**

A targeted exploration program is planned which will not only continue to focus on the Mt Brady mineral system but also advance targets within the 10km long structural corridor (Forty Horse target) that extends beneath shallow sedimentary cover from the Eidsvold goldfield in the south through to Mt Brady in the north. Refer to Figure 7.

***Spinifex Ridge East (80% MBK) – Gold/Copper***

The Spinifex Ridge East Project ($54km^2$) is located in the Pilbara region of Western Australia and lies immediately along strike from the Spinifex Ridge Copper Molybdenum deposit containing a mineral resources of approximately 300,000t of Mo and 500,000t Cu. (refer to Moly Mines Limited web site ASX:MOL)

A field visit was completed over the project which confirmed the prospectivity of the Norms Find prospect. Previous sampling at Norms Find by Metal Bank has returned high grade gold and copper results of 30.8g/t Au, 154g/t Ag, and 6.5% Cu (Norms Find prospect).

Remarkably, no drilling has even been conducted on the project despite its proximity to a major Cu-Mo deposit and the mapped presence of porphyritic intrusive rocks interpreted to be a part of the same intrusion driven mineral system. The forward exploration programme is under review.

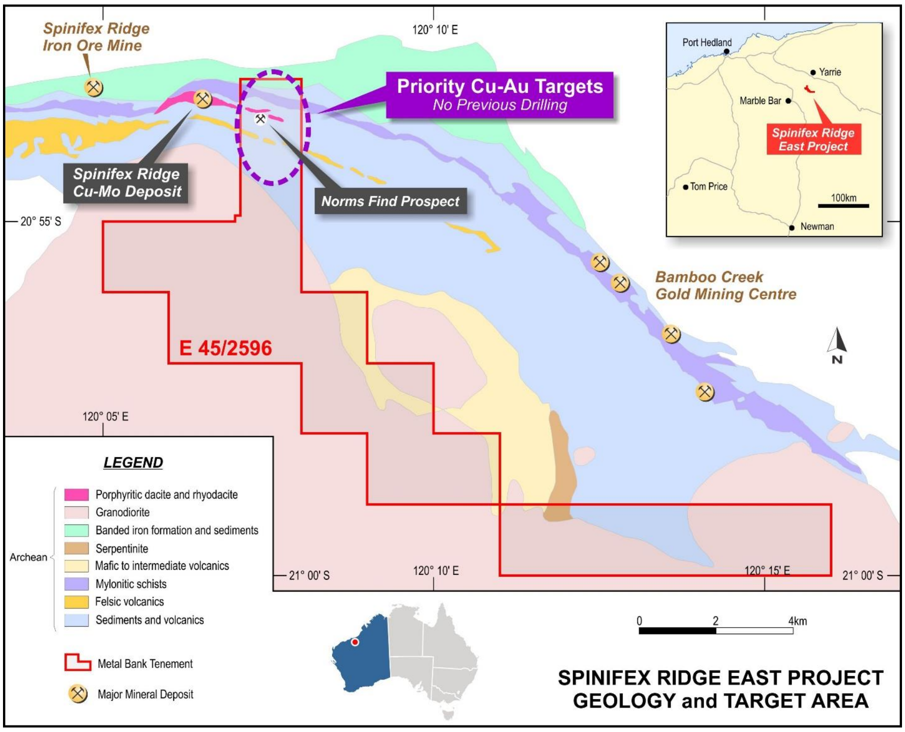



**Figure 9: Showing the Regional Geology of the project and location of priority Cu-Au targets**

***Mt Mckenzie Project – Copper/Molybdynum/Gold***

The project lies approximately 40km north east of the Mt Carlton mining operation Au-Ag-Cu (Evolution Mining). The target for the project is porphyry style Cu-Mo-Au mineralisation associated with regional NW trending structures. A detailed review of the historical exploration data has identified several Cu-Mo anomalies (with no historical Au analysis). These anomalies have received limited previous follow-up and represent priority targets for MBK.

**CORPORATE**

On 13 August the Company appointed Inés Scotland as Chair of the Company, replacing Mr Tony Ho who retired.

Ms Scotland was most recently the Managing Director and CEO of Ivanhoe Australia, an ASX listed entity with a market capitalisation of $500m.

Prior to this Inés was the Managing Director and CEO of Citadel Resource Group Limited, which at the time of acquisition by Equinox in 2011, was developing the Jabal Sayid Copper Project in Saudi Arabia and, had a market capitalisation of $1.3B.

Mr Tony Schreck was appointed to the Board as an executive director as part of the acquisition of Roar Resources Pty Ltd which was settled with the issue of 106,944,444 Company shares at a deemed price of 2 cents per share.

Mr George Frangeskides resigned as a director on 27 December 2013.

In addition the Company issued 15,000,000 options to management (exercisable at 3 cents prior to 30 November 2018) and 15,000,000 shares at a deemed price of 2 cents per share to advisors to the acquisition and for services in relation to capital raising.

Tony Schreck

Anthony Schreck
Executive Director
26 September 2014

## Schedule of Tenements

| ***Mining Tenements*** | ***Location*** | ***Percentage Interest*** |
|---|---|---|
| **Roar Resources Pty Ltd (Wholly Owned Subsidiary)** | | |
| *Triumph Project* | | |
| EPM 18486 | Queensland | 100% |
| EPM 19343 | Queensland | 100% |
| *Eidsvold Project* | | |
| EPM 18431 | Queensland | 100% |
| EPM 18753 | Queensland | 100% |
| EPM 19548 | Queensland | 100% |
| | | |
| **Spinifex Ridge East Pty Ltd (80% Owned)** | | |
| E45/2596 | Spinifex Ridge East, WA | 80% |
| **Metal Bank Limited (100% Owned)** | | |
| EPM15668 | Mount McKenzie, QLD | 100% |

*E – Exploration Licence; EPM – Exploration Permit*

*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 ("**Metal Bank**"), through its board and executives, recognises the need to establish and maintain corporate governance policies and practices that reflect the requirements of the market regulators and participants, and the expectations of members and others who deal with Metal Bank. These policies and practices remain under constant review as the corporate governance environment and good practices evolve.

**ASX Corporate Governance Principles and Recommendations**

The Metal Bank board has elected to adopt and report against the third edition of ASX Corporate Governance Council Principles and Recommendations (the Principles"). Accordingly, this Corporate Governance Statement is dated and was approved by the board on 11 September 2014 and a copy is included in Metal Bank's 2014 Annual Report.

As Metal Bank currently has only a small market capitalisation and only three directors it is unable at this stage of its development to report full compliance with the Principles. Where its processes do not fit the Principles, the board believes that there are good reasons for the different approach being adopted. A summary of the areas of non-compliance and reasons are as follows:

- Recommendation 1.5: The Company has, as yet, no established policy in relation to gender diversity. The company has only one full time employee and as a consequence the opportunity for creating a meaningful gender diversity policy is limited.
- Recommendation 2.4: Metal Bank's board is not comprised of a majority of independent directors. The board has determined that, consistent with the size of the Company and its strategy and activities, the board shall be comprised of three directors, two of whom are executive directors.
- Recommendation 4.2: Declarations regarding the annual and half year financial statements are received from the two executive directors who perform functions usually undertaken by a CEO or CFO. The Board has resolved that declarations regarding the Quarterly Report will also be provided commencing from the September 2014 Quarterly.

The eight Principles and the Company's position in respect of each of them, are set out below:

**Principle 1: Lay solid foundations for management and oversight**

*1.1 A listed entity should disclose:*
*a) the respective roles and responsibilities of the board and management; and*
*b) those matters expressly reserved to the board and those delegated to management.*

The respective roles and responsibilities of Metal Bank's Board and management and those matters expressly reserved to the board and those delegated to management are set out in detail in the Metal Bank Board Charter, a copy of which is included on the Corporate Governance page of the Company's website www.metalbank.com.au.

The board's role is to govern the Company in the best interests of the shareholders as a whole, including setting the Company's strategy, promoting and protecting the Company's interests and overseeing the management of the Company.

The board is responsible for:

- Overseeing, approving and monitoring the Company's strategic and operating objectives, acquisitions and divestments;
- Reviewing and approving the Company's systems of risk management and internal compliance and control, including the integrity of the Company's accounting and corporate reporting systems, and monitoring the performance of the Company in these areas;
- Approving and monitoring annual budgets, major capital expenditure and capital management;
- Approving and adopting documents required by laws or external regulation, including annual and financial reports and statements to shareholders;
- Monitoring the operational and financial position and performance of the Company;

- Appointment and removal of a CEO and/or managing director, executive directors and the Company Secretary, evaluation their performance and approving the terms and conditions of employment including remuneration;
- Delegating authority to the executive directors to ensure the effective day-to-day management of the business of the Company and monitoring the exercise of such delegated authority;
- Ratifying the appointment and removal of senior executive positions reporting to the managing or executive directors and determining whether the terms and conditions (including remuneration) are appropriate,
- Ensuring that policies and procedures are in place consistent with the Company's objectives, corporate governance standards and relevant laws and monitoring compliance in these areas; and
- Ensuring corporate accountability to the shareholders through an effective shareholder communications strategy.

The Metal Bank board consists of two executive directors, with responsibilities for finance and accounting and management of exploration activities, respectively.

An executive director's primary objective is to ensure the ongoing success of the Company through being responsible for those aspects of the management and development of the Company delegated to the executive director by the Board in accordance with his or her terms of engagement.

Duties of executive directors include to:

- devote the whole of his or her time, attention and skill during normal business hours and at other times as reasonably necessary, to the duties of the office;
- develop with the Board the ongoing corporate strategy; implementing and monitoring strategy and reporting to the Board on current and future initiatives;
- be accountable for planning, coordinating and directing the operations of the Company to achieve strategic, financial and operating objectives as agreed with the Board;
- promote the interests of the Company;
- advise the Board regarding the most effective organisational structure and oversee its implementation;
- assess business opportunities of potential benefit to the Company;
- recommend policies to the Board in relation to a range of organisational issues including delegations of authority;
- ensure statutory, legal and regulatory compliance and comply with corporate policies and standards; and
- Ensure appropriate risk management practices and policies are in place.

*1.2 A listed entity should:*

*a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election as a director; and*

*b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.*

The board of Metal Bank has determined that it will ensure appropriate checks are undertaking prior to appointing a person, or putting a person forward to shareholders as a candidate for election as a director. These will include checks as to the person's character, experience, education, criminal record and bankruptcy history, where required.

Information about a candidate standing for election or re-election as a director will be provided to shareholders to enable them to make an informed decision on whether or not to elect or re-elect the candidate. This information may include:

- biographical details, including relevant qualifications, experience and skills;
- details of other material directorships;

- a statement regarding whether the director qualifies as independent;
- any material adverse information or potential conflicts of interest, position or association;
- the term of office currently served (for directors standing for re-election); and
- a statement whether the board supports the election or re-election of the candidate.

*1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.*

All directors and senior executives of Metal Bank have a written agreement with the Company setting out the terms of their appointment.

*1.4 The Company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.*

The Company Secretary of Metal Bank is accountable to the board on all governance matters and reports directly to the Chairman as the representative of the board.

The Company Secretary is appointed and dismissed by the board.

The Company Secretary's advice and services are available to all directors.

*1.5 A listed entity should:*

*a) have a diversity policy which includes requirement for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;*

*b) disclose that policy or a summary of it; and*

*c) disclose at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either:*

*1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purpose); or*

*2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators" as defined in and published under that Act.*

As set out in its Code of Ethical Business Conduct, Metal Bank is committed to developing, maintaining and supporting a diverse workforce. The Company has, as yet, no established policy in relation to gender diversity. The company has only one full time employee and as a consequence the opportunity for creating a meaningful gender diversity policy is limited.

The Company will disclose at the end of each reporting period the respective proportions of men and women on the board and in senior executive positions. Currently the board comprises three members, one of which is a woman. The only other senior executive is the Company Secretary, who is also a woman.

*1.6 A listed entity should:*

*a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and*

*b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.*

The Board undertakes an annual performance evaluation of itself that:

- compares the performance of the Board with the requirements of its Charter; and
- effects any improvements to the Board Charter deemed necessary or desirable.

The performance evaluation is conducted in such manner as the Board deems appropriate. The Metal Bank board has conducted an evaluation of its role and the board's charter during the reporting period ending 30 June 2014 and adopted a new Board Charter, a copy of which is available on the Metal Bank website.

*1.7 A listed entity should:*

*a) have and disclose a process for periodically evaluating the performance of its senior executives; and*

b) *disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.*

The performance of all senior executives is reviewed at least once a year. The performance of the executive directors and other senior executives is reviewed by the Chairman on an annual basis. They are assessed against personal and Company Key Performance Indicators established from time to time as appropriate for the Company and their respective positions.

**Principle 2: Structure the board to add value**

*2.1 The board of a listed entity should:*

*2.1.1.1 have a nomination committee; or*

*2.1.1.2 if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.*

The board has determined that while it is comprised of only three members the board as a whole will perform the tasks and functions generally assumed by a nomination committee.

In particular, the board is responsible for:

- determining the size, composition and performance of the board;
- nomination, appointment and re-election of directors;
- succession planning generally; and
- induction, performance evaluation and remuneration of directors and senior executives.

The board periodically reviews its membership and composition to assess the overall mix of skills, knowledge, experience and backgrounds represented on the Board, including independence and diversity, to ensure it is able to discharge its duties and responsibilities effectively.

New directors are selected after consultation with all board members and their appointment voted on by the board. Each year, in addition to any board members appointed to fill casual vacancies during the year, one third of directors retire by rotation and are subject to re-election by shareholders at the Annual General Meeting.

*2.2 A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its memberships.*

During the 2014 financial year, the Metal Bank board conducted a governance skills review regarding the skills, knowledge and experience of the current board. The skills matrix is set out in the table below.

| | Executive Director – Finance | Executive Director – Geology | Chair | Company Secretary |
|---|---|---|---|---|

| | | | | |
|---|---|---|---|---|
| Skills and Experience | Accounting and financial reporting; corporate finance and internal financial controls; financial analysis skills, compliance and governance skills. | Project identification and acquisition, exploration, feasibility studies, management of exploration projects. | Executive Leadership; Independent & Non Executive Directorship experience; Strategy Development and Implementation; Project Acquisition and Management; OHSE&C experience; Nomination and Remuneration committee experience; Mining and Exploration Management; Marketing and Investor Relations; and Global Experience | Legal, compliance and governance skills; Mergers and Acquisition; risk management; and people management skills. |

The Metal Bank board has determined that any addition to board membership must be independent of shareholders and management.

*2.3 A listed entity should disclose:*

*2.3.1 the names of the directors considered by the board to be independent directors;*

*2.3.2 if a director has an interest, position, association or relationship of the type described in Box 2.3 of the Principles but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and*

*2.3.3 the length of service of each director.*

Guy Robertson is an executive director and therefore not considered independent. He has served as a director since 17 September 2012.

Tony Schreck is an executive director and therefore not considered independent. He has served as a director since 29 November 2013.

The Chair, Inés Scotland is considered to be independent. She has served as a director since 12 August 2013. Ms Scotland is associated with a substantial security holder of the entity, however, the association is as discretionary beneficiary. She is not a director or other officer of the substantial security holder and accordingly, the association is not considered to compromise her independence.

*2.4 A majority of the board of a listed entity should be independent directors.*

The board recognizes that best practice is to have a majority of non-executive directors who are judged by the board to be independent of judgement and character and free of material relationships with the Company and other entities and people that might influence or would be perceived by shareholders to influence such judgement. However, the board has determined that, consistent with the size of the Company and its strategy and activities, the board shall be comprised of three directors, two of whom are executive directors.

The board will review membership and composition of the board periodically with a view to progressively increasing the independent directors on the board as the Company grows.

*2.5 The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.*

The Chair, Inés Scotland is considered to be independent.

*2.6 A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.*

Metal Bank Limited has a program for induction of new directors. Directors are active in undertaking professional development opportunities for the purpose of development and maintenance of their skills. Such activities are reported as part of the board's governance skills review, which also assists in identifying areas requiring further development.

**Principle 3: Act ethically and responsibly**

*3.2 A listed entity should:*

*3.2.1 have a code of conduct for its directors, senior executives and employees; and*

*3.2.2 disclose that code or a summary of it.*

Metal Bank has a Code of Ethical Business Conduct which applies to its directors, senior executive and employees, a copy of which is available on the Governance page of the Company's website: www.metalbank.com.au.

**Principle 4: Safeguard integrity in corporate reporting**

*4.1 the board of a listed entity should:*

*4.1.1 have an audit committee; or*

*4.1.2 if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.*

The board has determined that while it is comprised of only three members the board as a whole will perform the tasks and functions generally assumed by an audit committee.

In particular, the board is responsible for:

- The Company's financial statements and the adequacy of the Company's corporate reporting processes;
- The appointment, removal, rotation of the external auditor;
- The scope and adequacy of the external audit; and
- The independence and performance of the external auditor, including provision of non-audit services.

The board has approved a Financial Controls Procedure and reviews the financial procedures and controls adopted by the Company at least annually. The board meets with and receives regular reports from the external auditors concerning any matters that arise in connection with the performance of their role, including the adequacy of internal controls.

The board is responsible for overseeing the Company's relationship with the auditors and for determining and ensuring the independence of the auditors. The board has adopted an External Auditors Policy, a copy of which is available on the Governance page Company's website. Rotation of the lead partner involved in the external audit of the Company is required every 5 years.

*4.2 The board of a listed entity should, before it approves the entity's financial statements for a financial period, received from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.*

Declarations regarding the financial statements are received from the two executive directors who perform functions usually undertaken by a CEO or CFO. The board received such declarations for the half year and annual reports for 2014 and has resolved that such declarations will also be provided for Quarterly reports, commencing with the September 2014 report.

*4.3 A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.*

Metal Bank's auditor attends the Company's AGM in person and is available to answer questions from security holders relevant to the audit.

**Principle 5: Make timely and balanced disclosure**

*5.1 a listed entity should:*

*5.1.1 have a written policy for complying with is continuous disclosure obligations under the Listing Rules; and*

*5.1.2 disclose that policy or a summary of it.*

Metal Bank recognises that timely and balanced disclosure of all material information concerning the Company must be made on a continuous basis so as to ensure that the market is informed of all material events and developments as they arise. Metal Bank's Continuous Disclosure Policy is available on the Governance page of the Company's website: www.metalbank.com.au.

**Principle 6: Respect the rights of security holders**

*6.1 A listed entity should provide information about itself and its governance to investors via its website.*

Metal Bank's website includes a Governance page, which includes a copy of this Corporate Governance Statement and various governance policies.

*6.2 A listed entity should design and implement and investor relations program to facilitate effective two-way communication with investors.*

The Company's Shareholder Communication Policy, which is available on the Governance page of its website, summarises the Company's communication program, including regular reporting, email alerts, active participation at the Company's AGM and encouragement of shareholder communications.

*6.3 A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.*

Notices of the Annual General Meeting, together with accompanying information such as the explanatory memorandum, are sent to shareholders, either by mail or email, depending on the shareholder's election, and are also placed on the Company's website. Shareholders are encouraged to attend the Annual General Meeting and to ask questions.

*6.4 A listed entity should give security holders the option to receive communications from, and send communication to, the entity and its security registry electronically.*

The Company provides an email alert service. Shareholders are encouraged to register for this service through the Company's website and once registered will receive information by email, including ASX releases, annual and other reports, company presentations and notices of general meetings.

Shareholders may also elect to receive communications from the Company's share Registrar, Advanced Share Registry, by email.

**Principle 7: Recognise and manage risk**

*7.1 The board of a listed entity should:*

*7.1.1 have a risk committee; or*

*7.1.2 if it does not have a risk committee, disclose that fact and the processes it employs for overseeing the entity's risk management framework.*

The board has determined that while it is comprised of only three members the board as a whole will perform the tasks and functions generally assumed by a risk committee.

The Company has established policies for the oversight and management of material business risks. The Company's Risk Management Policy is available on the Governance page of its website: www.metalbank.com.au. This document sets out the Company's policy and processes for risk management and the roles and responsibilities of the board, executives and employees.

Metal Bank has incorporated risk management into its decision making and business planning processes so that risks are identified, analysed, ranked and appropriate risk controls and risk management plans are put into place to manage and reduce the identified risks, with all identified risks entered into a Risk Register.

The risk identification and management system, including the Risk Register, is reviewed annually by senior management and the board and policies and practices upgraded where issues are identified that require attention. Reviews of specific items are undertaken by senior management where issues are identified and immediate action is required.

Risk is a standing item on the agenda of board meetings, for reporting against identified material business risks.

*7.2 The board or a committee of the board should:*

*7.2.1 review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and*

*7.2.2 disclose in relation to each reporting period, whether such a review has taken place.*

Metal Bank's risk policy and risk register is reviewed by the Board of Directors annually to coincide with the preparation and lodgement of the Company's Annual Report. A review was undertaken in the financial year ending 30 June 2014.

*7.3 A listed entity should disclose:*

*7.3.1 If it has an internal audit function, how the function is structured and what role it performs; or*

*7.3.2 if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.*

The board has determined that, consistent with the size of the Company and its activities, an internal audit function is not currently appropriate. As noted regarding recommendations 7.1 and 7.2 above and regarding Principle 4 above, the board has adopted a Risk Management Policy and processes appropriate to the size of Metal Bank to manage the company's material business risks and to ensure regular reporting to the board on whether those risks are being managed effectively in accordance with the controls that are in place.

*7.4 A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and if it does, how it manages or intends to manage those risks.*

The board has reviewed the Company's exposure to economic, environmental and social sustainability risks and determined that, given the nature of its activities and the fact that the Company is reliant on raising funds for continued activities from shareholders or other investors, this represents a material economic risk. The Company's financial position is monitored on a regular basis and processes put into place to ensure that fund raising activities will be conducted in a timely manner to ensure the Company has sufficient funds to conduct its activities.

**Principle 8: Remunerate fairly and responsibly**

*8.1 The board of a listed entity should:*

*8.1.1 have a remuneration committee; or*

*8.1.2 if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.*

The board has determined that while it is comprised of only three members and given the Company has only one full time employee, the board as a whole will perform the tasks and functions generally assumed by a remuneration committee. The board determines, on a case by case basis, the terms and conditions of employment of company executives and consultants, including remuneration. Remuneration for senior executives is determined and reviewed by reference to the Company's performance, the individual's performance, as well as comparable information from listed companies in similar industries to ensure base remuneration is set to reflect the market for a comparable role.

*8.2 A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.*

The remuneration details of non-executive directors, executive directors and senior management for the year ended 30 June 2014 are set out in the Remuneration Report that forms part of the Directors' report in the Company's Annual Report.

The performance of the executive director and senior executives is measured against criteria agreed annually and incentives are linked to predetermined performance criteria and may, with shareholder approval, include the issue of shares and/or options.

*8.3 A listed entity which has an equity-based remuneration scheme should:*

*8.3.1 have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and*

*8.3.2 disclose that policy or a summary or it.*

The Company's Security Trading Policy, a copy of which is available on the Governance page of the Company's website www.metalbank.com.au, sets out restrictions on participation by staff in hedging arrangements over the Company's securities issued pursuant to any share scheme, performance right's plan or option plan. In particular:

- Staff are prohibited from in hedging arrangements over unvested securities; and
- Vested securities may only be hedged once they are exercised into shareholdings and only under the following conditions:
    - the details of the hedge are fully disclosed to the Chair and the Company Secretary (and to ASX and in the Annual Report, as appropriate);
    - the hedge transaction is treated as a dealing in securities and the restrictions and requirements of the Securities Trading Policy are satisfied; and
    - all holding locks have been removed from the relevant securities.

Your directors present their report on Metal Bank Limited and its subsidiaries (**Consolidated Entity** or the **Group**) for the year ended 30 June 2014.

**DIRECTORS**
The names of directors in office at any time during or since the end of the year are:

## ***Current Directors***

**INĖS SCOTLAND**
**NON-EXECUTIVE CHAIR**
B App Sc

Ms Scotland was most recently the Managing Director and CEO of Ivanhoe Australia, an ASX listed entity with a market capitalisation of $500m.

Prior to this Ms Scotland was the Managing Director and CEO of Citadel Resource Group Limited. Ms Scotland was a founding shareholder of Citadel and was its managing director through its growth, until its acquisition by Equinox Minerals in January 2011.

At the time of acquisition by Equinox, Citadel was developing the Jabal Sayid Copper Project in Saudi Arabia, had a market capitalisation of $1.3B and had raised more than $380m on the equity markets.

Ms Scotland has worked in the mining industry for over 20 years for large scale gold and copper companies in Australia, Papua New Guinea, USA and the Middle East. This has included working for Rio Tinto companies, Comalco, Lihir and Kennecott Utah Copper.

Appointed 13 August 2013.

Other current public company directorships:
- St Barbara Limited – non-executive director

Former directorships in the last 3 years:
- Ivanhoe Australia Limited
- Citadel Resource Group Limited

**ANTHONY SCHRECK**
**EXECUTIVE DIRECTOR**
B App Sc(Geol), GDipSc (Econ Geol), MAIG

Mr Schreck has 25 years of mineral exploration experience in Australia and the South West Pacific region (Solomon Islands). He has managed large exploration projects in challenging terrains for major companies including North Flinders Mines, Normandy, Newmont, Anglo Gold Ashanti and Xstrata.

Mr Schreck is credited with the grassroots discovery of the multi-million ounce Twin Bonanza gold system (Buccaneer and Old Pirate gold deposits) in the Northern Territory. He has been key in the successful startup and management of a number of private resource companies.

Appointed 29 November 2013.

Mr Schreck has held no other current public company directorships or former directorships in the last 3 years.

**GUY ROBERTSON**
**EXECUTIVE DIRECTOR**
B Com (Hons), CA.

Mr Robertson has more than 30 years' experience as Chief Financial Officer, Company Secretary and Director of both public and private companies in Australia and Hong Kong.

Previous roles included Chief Financial Officer/GM Finance of Jardine Lloyd Thompson, Colliers International Limited and Franklins Limited.

**GUY ROBERTSON (CONTINUED)**

Mr Robertson has over 5 years' experience in ASX listed mineral exploration companies and is currently a director of Artemis Resources Limited and was previously a Director of Hastings Rare Metals Limited.

Appointed 17 September 2012.

Other current public company directorships:

- Artemis Resources Limited

Former directorships in the last 3 years:

- Hastings Rare Metals Limited

## ***Former Directors***

**ANTHONY HO** Appointed 12 October 2011, resigned 13 August 2013.
**GRORGE FRANGESKIDES** Appointed 12 October 2012, resigned 27 December 2013

Directors have been in office since the start of the financial period to the date of this report unless otherwise stated.

## ***Secretary***

**SUE-ANN HIGGINS**
(Company Secretary)
BA LLB Hons ACIS GAICD

Ms Higgins is an experienced company executive who has worked for over 25 years in the mining industry including in senior legal and commercial roles with ARCO Coal Australia Inc, WMC Resources Ltd, Oxiana Limited and Citadel Resource Group Limited. Ms Higgins has extensive experience in governance and compliance, mergers and acquisitions, equity capital markets and mineral exploration, development and operations.

Appointed 21 August 2013

**Interest in the shares and options of the Company**

As at the date of this report, the interests of the directors in the shares and options of Metal Bank Limited were:

| | Ordinary Shares | Options |
|---|---|---|
| Inés Scotland | 17,500,000 | 3,000,000 |
| Anthony Schreck | 10,952,381 | 9,000,000 |
| Guy Robertson | - | - |

## SIGNIFICANT CHANGES IN STATE OF AFFAIRS

Other than as outlined in the Chairman's report, there were no significant changes in the state of affairs of the Company during the year.

## PRINCIPAL ACTIVITIES

The principal activity of the Company during the financial year was mineral exploration. There have been no significant changes in the nature of the Company's principal activities during the financial year.

## SIGNIFICANT AFTER BALANCE SHEET DATE EVENTS

There are no matters or circumstances that have arisen since the end of the financial period that have significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

## LIKELY FUTURE DEVELOPMENTS AND EXPECTED RESULTS

The primary objective of Metal Bank is to explore its current tenements in Australia and the Company continues to look to invest in other mineral resource projects In Australia and globally as part of its growth strategy.

The material business risks faced by the Company that are likely to have an effect on the financial prospects of the Company, and how the Company manages these risks, are:

- Future Capital Needs – the Company does not currently generate cash from its operations. The Company will require further funding in order to meet its corporate expenses, continue its exploration activities and complete studies necessary to assess the economic viability of its projects.
- Exploration and Developments Risks – the Company may fail to discover mineral deposits on its projects and once determined there is a risk that the Company's mineral deposits may not be economically viable. The Company employs geologists and other technical specialists, and engages external consultants where appropriate to address this risk.
- Commodity Price Risk – as a Company which is focused on the exploration of gold and base and precious metals, it is exposed to movements in the price of these commodities. The Company monitors historical and forecast price information from a range of sources in order to inform its planning and decision making.

## PERFORMANCE IN RELATION TO ENVIRONMENTAL REGULATION

The consolidated entity will comply with its obligations in relation to environmental regulation on its Western Australian and Queensland projects and when it undertakes exploration in the future. The Directors are not aware of any breaches of any environmental regulations during the period covered by this report.

## OPERATING RESULTS AND FINANCIAL REVIEW

The loss of the consolidated entity after providing for income tax amounted to $1,095,726 (2013: loss of $881,641). The result for the year was impacted by the following:

The Group's operating income increased to $49,156 (2013-$19,857) primarily the result of increased interest income given greater funds on hand.

Expenses increased to $1,144,882 (2013-$901,498). Current year expenses were impacted with share based payments of $494,868 granted to consultants for their work in connection with the acquisition of Roar Resources Pty Ltd and the capital raising.

Exploration costs increased to $3,425,211 (2013- $399,462) reflecting the acquisition of Roar Resources Pty Ltd $2,229,981 and subsequent exploration costs incurred on the Triumph and Eidsvold projects of $755,230.

Net assets increased to $4,056,909 (2013-$514,878) reflecting the acquisition of Roar Resources Pty Ltd for shares in the amount of $2,138,889, a capital raise of $1,750,000 in cash, the settlement of debt for shares in the amount of $250,000, the settlement of consulting fees for shares in the amount of $300,000, and offset by the trading loss for the year.

## DIVIDENDS PAID OR RECOMMENDED

The directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

## REMUNERATION REPORT

**Remuneration Policy**

The Board determines, on a case by case basis, the terms and conditions of employment of company executives and consultants, including remuneration. Remuneration for senior executives is determined and reviewed by reference to the Company's performance, the individual's performance, as well as comparable information from listed companies in similar industries to ensure base remuneration is set to reflect the market for a comparable role.

The Board's policy for determining the nature and amount of remuneration for Board members is as follows:

- the terms and conditions for the executive directors and other senior staff members, are developed by the Chair and Company Secretary and approved by the Board;
- in determining competitive remuneration rates, the Board may seek independent advice on local and international trends among comparative companies and industry generally. It examines terms and conditions for employee incentive schemes, benefit plans and share plans. Independent advice may be obtained to confirm that executive remuneration is in line with market practice and is reasonable in the context of Australian executive reward practices;
- the Company is a mineral exploration company, and therefore speculative in terms of performance. The Company does not generate cash from its operations and in order to preserve cash for exploration activities, may pay a base remuneration less than market rates to its directors and senior executives with salaries supplemented by options and performance incentives to ensure attraction and retention of talented directors and executives.
- all remuneration paid to directors is valued at the cost to the Company and expensed. Where appropriate, shares given to directors and executives are valued as the difference between the market price of those shares and the amount paid by the director or executive. Options are valued using the Black-Scholes methodology. Given the early stages in the Company's development no options or long term incentives have been issued and no key performance indicators have yet been developed for executives.
- the Board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The Chair in consultation with independent advisors determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability.

**DIRECTORS' AND EXECUTIVE OFFICERS' EMOLUMENTS**

**(a) Details of Directors and Key Management Personnel**

*(i)* *Current Directors*
Inés Scotland – Non-Executive Chair (appointed 13 August 2013)
Anthony Schreck – Executive Director (appointed 29 November 2013)
Guy Robertson – Executive Director (appointed 17 September 2012)

*Former Directors*
Anthony Ho – Non-Executive Chairman (resigned 13 August 2013)
George Frangeskides – Executive Director (resigned 27 December 2013)

*(ii)* *Company Secretary*
Sue-Ann Higgins (appointed 21 August 2013)

*(iii)* *Key Management Personnel*
Nil

Other than the directors and the company secretary, the Company had no Key Management Personnel for the financial year ended 30 June 2014.

Directors' remuneration and other terms of employment are reviewed annually by the Board having regard to performance against goals set at the start of the year, relative comparative information and independent expert advice.

Except as detailed in Notes (a) – (c) to the Remuneration Report, no director or officer has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the Company or a related body corporate with a director, a firm of which a director is a member or an entity in which a director has a substantial financial interest. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by directors and shown in Notes (a) – (c) to the Remuneration Report, prepared in accordance with the Corporations Regulations, or the fixed salary of a full time employee of the Company.

**(b) Remuneration of Directors and Key Management Personnel**

*Remuneration Policy*

The Board of Directors is responsible for determining and reviewing compensation arrangements. The Board will assess the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive team. Remuneration of Directors of the Group is set out below.

Given the early stages in the Company's development no performance remuneration has been granted.

**Parent & Group Key Management Personnel**

| | 2014 | | | | 2013 | | | |
|---|---|---|---|---|---|---|---|---|
| | Base Salary and Fees | Share Based Payments | Super-annuation | Total | Base Salary and Fees | Share Based Payments | Super-annuation | Total |
| I. Scotland | 40,566 | - | 3,752 | 44,318 | - | - | - | - |
| A. Schreck | 87,500 | 82,512 | 8,094 | 178,106 | - | - | - | - |
| G. Robertson | 60,828 | - | - | 60,828 | 48,333 | - | - | 48,333 |
| s. Higgins | 59,908 | - | - | 59,908 | - | - | - | - |
| G. Frangeskides | 19,160 | - | - | 19,160 | 24,243 | - | - | 24,243 |
| V. Fayad | - | - | - | - | 6,000 | - | - | 6,000 |
| A. Ho | 4,731 | - | - | 4,731 | 40,000 | 20,000 | - | 60,000 |
| M. Sutherland | - | - | - | - | 4,167 | - | - | 4,167 |
| **Totals** | **272,693** | **82,512** | **11,846** | **367,051** | **122,743** | **20,000** | **-** | **142,743** |

There are no other employment benefits, either short term, post-employment or long term, non-monetary or otherwise other than those outlined above.

**(c) Employee Related Share-based compensation**

To ensure that the Company has appropriate mechanisms to continue to attract and retain the services of Directors and Employees of a high calibre, the Company has a policy of issuing options that are exercisable in future at a certain fixed price.

No options were issued to employees during the year.

**OPTIONS ISSUED AS PART OF REMUNERATION**

Nine million options (with an exercise price of 3 cents and expiring 30 November 2018) were issued to Anthony Schreck upon his appointment as an Executive Director and the issue of such options were approved by Shareholders at the 2013 Annual General Meeting.

No other options have been issued to directors and executives as part of their remuneration for the year ended 30 June 2014.

**MEETINGS OF DIRECTORS**

The number of directors' meetings (including committees) held during the financial period each director held office during the financial period and the number of meetings attended by each director are:

| | Directors Meetings | | Audit Committee Meetings | |
|---|---|---|---|---|
| **Director** | **Meetings Attended** | **Number Eligible to Attend** | **Meetings Attended** | **Number Eligible to Attend** |
| I. Scotland | 4 | 4 | 2 | 2 |
| A. Schreck | 4 | 4 | 1 | 1 |
| G. Robertson | 5 | 5 | - | - |
| A. Ho | 1 | 1 | - | - |
| G. Frangeskides | 2 | 2 | 1 | 1 |

In addition to the board meetings there was one circular resolution by the board.

**INDEMNIFYING OFFICERS**

In accordance with the constitution, except as may be prohibited by the Corporations Act 2001, every officer or agent of the Company shall be indemnified out of the property of the Company against any liability incurred by him or her in his or her capacity as officer or agent of the Company or any related corporation in respect of any act or omission whatsoever and howsoever occurring or in defending any proceedings, whether civil or criminal.

The Company paid insurance premiums of $11,585 in August 2014 in respect of directors' and officers' liability. The insurance premiums relate to:

- costs and expenses incurred by the relevant officers in defending legal proceedings, whether civil or criminal and whatever their outcome;
- other liabilities that may arise from their position, with the exception of conduct involving wilful breach of duty or improper use of information to gain a personal advantage.

**PROCEEDINGS ON BEHALF OF COMPANY**

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceeding to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

**AUDITOR'S INDEPENDENCE DECLARATION**

The lead auditor's independence declaration under Section 307C in relation to auditor's independence for the year ended 30 June 2014 has been received and can be found on the following page.

**NON-AUDIT SERVICES**

The Board of Directors advises that no non-audit services were provided by the Company's auditors during the year.

This report is made in accordance with a resolution of the directors.

Guy Robertson
Director
**Sydney, 26 September 2014**

**RSM Bird Cameron Partners**
Level 12, 60 Castlereagh Street Sydney NSW 2000
GPO Box 5138 Sydney NSW 2001
**T** +61 2 8226 4500 **F** +61 2 8226 4501

## AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Metal Bank Limited for the year ended 30 June 2014, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

RSM Bird Cameron Partners

**RSM BIRD CAMERON PARTNERS**

**C J HUME**
Partner

Sydney, NSW
Dated: 26 September 2014

## METAL BANK LIMITED AND ITS CONTROLLED ENTITY
## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
## FOR THE YEAR ENDED 30 JUNE 2014

| | Note | 2014 $ | 2013 $ |
|---|---|---|---|
| Revenue | 2 | **49,156** | 19,857 |
| | | | |
| Administration expenses | | **(37,693)** | (47,024) |
| Personnel costs | | **-** | (9,508) |
| Compliance and regulatory expenses | | **(74,904)** | (47,174) |
| Legal fees | | **(31,559)** | (69,105) |
| Occupancy costs | | **(781)** | (2,633) |
| Marketing | | **(1,608)** | (18,881) |
| Directors fees | | **(140,902)** | (97,404) |
| Management and consulting fees | | **(255,203)** | (371,582) |
| Travel expenses | | **(10,097)** | (10,707) |
| Exploration expenditure written off | | **(65,787)** | (189,980) |
| Provision for diminution of investment | | **(31,250)** | (17,500) |
| Depreciation | | **(230)** | - |
| Share based payments | | **(494,868)** | (20,000) |
| | | | |
| **(LOSS) BEFORE INCOME TAX** | 3 | **(1,095,726)** | (881,641) |
| | | | |
| Income tax expense | 4 | **-** | - |
| | | | |
| **(LOSS) FOR THE YEAR** | | **(1,095,726)** | (881,641) |
| | | | |
| **(LOSS) ATTRIBUTABLE TO MEMBERS OF METAL BANK LIMITED** | | **(1,095,726)** | (881,641) |
| | | | |
| **OTHER COMPREHENSIVE INCOME** | | **-** | - |
| | | | |
| **TOTAL COMPREHENSIVE INCOME/(LOSS)** | | **(1,095,726)** | (881,641) |
| | | | |
| **Loss for the year is attributable to:** | | | |
| Owners of Metal Bank Limited | | **(1,095,726)** | (881,641) |
| Non-controlling interest | | **-** | - |
| | | **(1,095,726)** | (881,641) |
| | | | |
| **Total Comprehensive income for the year is attributable to:** | | | |
| Owners of Metal Bank Limited | | **(1,095,726)** | (881,641) |
| Non-controlling interest | | **-** | - |
| | | **(1,095,726)** | (881,641) |
| | | | |
| **Earnings per share** | | | |
| Basic and diluted loss per share (cents per share) | 20 | **(0.51)** | (1.48) |

*The Consolidated Statement of Profit or Loss and Other Comprehensive Income are to be read in conjunction with the attached notes*

## METAL BANK LIMITED AND ITS CONTROLLED ENTITY
## CONSOLIDATED STATEMENT OF FINANCIAL POSITION
## AS AT 30 JUNE 2014

| | Note | 2014 $ | 2013 $ |
|---|---|---|---|
| **CURRENT ASSETS** | | | |
| Cash and cash equivalents | 5 | **837,459** | 510,254 |
| Trade and other receivables | 6 | **69,750** | 11,324 |
| Financial assets | 7 | **1,250** | 32,500 |
| **TOTAL CURRENT ASSETS** | | **908,459** | 554,078 |
| | | | |
| **NON-CURRENT ASSETS** | | | |
| Plant and equipment | 8 | **2,070** | - |
| Exploration and evaluation expenditure | 10 | **3,425,211** | 399,462 |
| **TOTAL NON-CURRENT ASSETS** | | **3,427,281** | 399,462 |
| | | | |
| **TOTAL ASSETS** | | **4,335,740** | 953,540 |
| | | | |
| **CURRENT LIABILITIES** | | | |
| Trade and other payables | 11 | **278,831** | 188,662 |
| Liability for deferred consideration | 12 | **-** | 250,000 |
| **TOTAL CURRENT LIABILITIES** | | **278,831** | 438,662 |
| | | | |
| **TOTAL LIABILITIES** | | **278,831** | 438,662 |
| | | | |
| **NET ASSETS** | | **4,056,909** | 514,878 |
| | | | |
| **EQUITY** | | | |
| Issued Capital | 13 | **9,817,912** | 5,612,303 |
| Reserves | 14 | **494,885** | 250,973 |
| Accumulated losses | | **(6,255,888)** | (5,348,398) |
| | | **4,056,909** | 514,878 |
| Non controlling interest | | **-** | - |
| | | | |
| **TOTAL EQUITY** | | **4,056,909** | 514,878 |

*The Consolidated Statement of Financial Position are to be read in conjunction with the attached notes.*

## METAL BANK LIMITED AND ITS CONTROLLED ENTITY
### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
### FOR THE YEAR ENDED 30 JUNE 2014

| | Issued Capital $ | Reserves | Accumulated Losses $ | Non-controlling interest | Total $ |
|---|---|---|---|---|---|
| Balance as at 1 July 2013 | **5,612,303** | **250,973** | **(5,348,398)** | **-** | **514,878** |
| Loss for the year | | | **(1,095,726)** | | **(1,095,726)** |
| Other comprehensive income for the year | **-** | **-** | **-** | **-** | **-** |
| Total comprehensive income for the year | **-** | **-** | **(1,095,726)** | **-** | **(1,095,726)** |
| Transfer to share based payments reserve | **-** | **432,148** | **-** | **-** | **432,148** |
| Transfer from share based payments reserve | **-** | **(188,236)** | **188,236** | | **-** |
| Issue of share capital | **4,438,889** | **-** | **-** | **-** | **4,438,889** |
| Cost of share capital issued | **(233,280)** | **-** | **-** | **-** | **(233,280)** |
| **Balance as at 30 June 2014** | **9,817,912** | **494,885** | **(6,255,888)** | | **4,056,909** |
| Balance as at 1 July 2012 | **5,022,303** | **253,473** | **(4,466,757)** | **-** | **809,019** |
| Loss for the year | **-** | **-** | **(881,641)** | **-** | **(881,641)** |
| Other comprehensive income for the year | **-** | **-** | **-** | **-** | **-** |
| Total comprehensive income for the year | **-** | **-** | **(881,641)** | **-** | **(881,641)** |
| Transfer from asset revaluation reserve | **-** | **(2,500)** | **-** | **-** | **(2,500)** |
| Issue of share capital | **590,000** | **-** | **-** | **-** | **590,000** |
| Cost of share capital issued | **-** | **-** | **-** | **-** | **-** |
| **Balance as at 30 June 2013** | **5,612,303** | **250,973** | **(5,348,398)** | **-** | **514,878** |

*The Consolidated Statement of Changes in Equity are to be read in conjunction with the attached notes.*

## METAL BANK LIMITED AND ITS CONTROLLED ENTITY
## CONSOLIDATED STATEMENT OF CASH FLOWS
## FOR THE YEAR ENDED 30 JUNE 2014

| | Note | **2014** | 2013 |
|---|---|---|---|
| | | **$** | $ |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| Payments to suppliers and employees | | **(518,566)** | (999,490) |
| Payment for exploration and evaluation | | **(980,438)** | (65,484) |
| Interest received | | **46,720** | 25,142 |
| **NET CASH USED IN OPERATING ACTIVITIES** | 22 | **(1,452,284)** | (1,039,832) |
| | | | |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | |
| Payments for fixed assets | | **(2,300)** | - |
| Loan repaid by unrelated entity | | **-** | 192,097 |
| Cash on acquisition of subsidiary | | **31,789** | - |
| **NET CASH PROVIDED BY INVESTING ACTIVITIES** | | **29,489** | 192,097 |
| | | | |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | |
| Proceeds from issue of shares and options | | **1,750,000** | 240,000 |
| Costs of issue of shares | | **-** | - |
| **NET CASH PROVIDED BY FINANCING ACTIVITIES** | | **1,750,000** | 240,000 |
| | | | |
| **NET INCREASE/(DECREASE) IN CASH HELD** | | **327,205** | (607,735) |
| | | | |
| Cash at the beginning of the financial year | | **510,254** | 1,117,989 |
| **CASH AT THE END OF THE FINANCIAL YEAR** | | **837,459** | 510,254 |

*The Consolidated Statement of Cash Flows are to be read in conjunction with the attached notes.*

This financial report includes the consolidated financial statements and notes of Metal Bank Limited and its controlled entities (**Consolidated Group** or **Group**), and a separate note on the accounts of Metal Bank Limited as the parent entity ('Parent').

## 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

### BASIS OF PREPARATION

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

This financial report is presented in Australian Dollars.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The financial report covers the Group of Metal Bank Limited and controlled entities. Metal Bank Limited is a public listed company, incorporated and domiciled in Australia.

**a. Principles of Consolidation**

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Metal Bank Limited at the end of the reporting period. A controlled entity is any entity over which Metal Bank Limited has the ability and right to govern the financial and operating policies so as to obtain benefits from the entity's activities.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities is included only for the period of the year that they were controlled. A list of controlled entities is contained in Note 9 to the financial statements.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the consolidated group have been eliminated in full on consolidation.

Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, are reported separately within the equity section of the consolidated statement of financial position and statement of comprehensive income. The non-controlling interests in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

**Business Combinations**

Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is attained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to the business combination are expensed to the statement of comprehensive income.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

**b. Going Concern**

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and liabilities in the normal course of business.

As disclosed in the financial statements, the company and consolidated entity recorded operating losses of $1,095,726 and the consolidated entity had net cash outflows from operating activities of $1,452,284 for the year ended 30 June 2014. The company will need to raise additional capital in order to meet its scheduled exploration expenditure requirements.

These factors indicate significant uncertainty as to whether company and consolidated entity will continue as going concerns and therefore whether they will realise their assets and extinguish their liabilities in the normal course of business and at the amounts stated in the financial report.

The Directors believe that the company and consolidated entities will be able to continue as going concerns and that it is appropriate to adopt that basis of accounting in the preparation of the financial report after consideration of the following factors:

- The consolidated entity had net current assets of $629,628 and net assets of $4,056,909 as at 30 June 2014;
- The cash on hand as at the date is $837,459;
- The ability of the Company to raise further capital to enable the Company to meet scheduled exploration expenditure requirements. The company intends to raise in excess of $500,000 within the next 12 months;
- The company has successfully raised capital of $1,750,000 during the year; and
- The directors have assessed and satisfied themselves that the company will have adequate funding over the next 12 months to meet its obligations as and when these fall due.

Accordingly, the Directors believe that the company and consolidated entity will be able to continue as going concerns and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the company and consolidated entity do not continue as going concerns.

**c. Adoption of New and Revised Accounting Standards**

**Changes in accounting policies on initial application of Accounting Standards**

In the year ended 30 June 2014, the Group has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current annual reporting period.

It has been determined by the Group that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to Group accounting policies.

The Group has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2014. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to Group accounting policies.

The following Australian Accounting Standards have been issued or amended and are applicable to the Company but are not yet effective.

The Group does not anticipate the early adoption of any of the following Australian Accounting Standards:

| Reference | Title | Summary | Application date (financial years beginning) | Expected Impact |
|---|---|---|---|---|
| AASB 9 | *Financial Instruments* | Replaces the requirements of AASB 139 for the classification and measurement of financial assets. This is the result of the first part of Phase 1 of the IASBôs project to replace IAS 39. | 1 January 2015 (Changed to 1 January 2017 by AASB 2013-9C) | Unlikely to have significant impact |
| 2009-11 | *Amendments to Australian Accounting Standards arising from AASB 9* | Amends AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 and 1038 and Interpretations 10 and 12 as a result of the issuance of AASB 9. | 1 January 2015 | Unlikely to have significant impact |
| 2010-7 | *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)* | Amends AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127 for amendments to AASB 9 in December 2010 | 1 January 2015 | Unlikely to have significant impact |
| AASB 10 (Not-for-Profits Only) | *Consolidated Financial Statements* | Replaces the requirements of AASB 127 and Interpretation 112 pertaining to the principles to be applied in the preparation and presentation of consolidated financial statements. | 1 January 2014 | Unlikely to have significant impact |
| 2012-3 | *Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities* | This Standard adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria of AASB 132. | 1 January 2014 | Unlikely to be significant |
| 2013-3 | *Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets* | This Standard amends the disclosure requirements in AASB 136 to include additional disclosures about the fair value measurement and discount rates when the recoverable amount of impaired assets is based on fair value less costs of disposal. | 1 January 2014 | Unlikely to be significant |
| 2013-9B | *Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments* | Part B of 2013-9 makes amendments to particular Australian Accounting Standards to delete references to AASB 1031, and makes various editorial corrections to Australian Accounting Standards. | 1 January 2014 | Unlikely to be significant |

| | | | | |
|---|---|---|---|---|
| 2014-1A | *Amendments to Australian Accounting Standards* | Part A of 2014-1 amends various standards as a result of the annual improvements process | 1 July 2014 | Unlikely to be significant |
| 2014-1B | *Amendments to Australian Accounting Standards* | Part B of AASB 2014-1 makes amendments to AASB 119 *Employee Benefits* in relation to the requirements for contributions from employees or third parties that are linked to service. | 1 July 2014 | Unlikely to be significant |
| 2014-1C | *Amendments to Australian Accounting Standards* | Part C of AASB 2014-1 makes amendments to particular Australian Accounting Standards to delete their references to AASB 1031. | 1 July 2014 | Unlikely to be significant |
| 2014-1D | *Amendments to Australian Accounting Standards* | Part D of AASB 2014-1 makes amendments to AASB 1 *First-time Adoption of Australian Accounting Standards*, which arise from the issuance of AASB 14 *Regulatory Deferral Accounts* in June 2014. | 1 July 2014 | No Impact |
| AASB 1031 | *Materiality* | Re-issuance of AASB 1031 | 1 January 2014 | Unlikely to be significant |

**d. Income Taxes**

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income). Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses. Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity. Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised. Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

**e. Property, plant and equipment**

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

Plant and equipment – over 5 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

*(i) Impairment*

The carrying values of plant and equipment are reviewed for impairment at each balance date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use.

An impairment exists when the carrying value of an asset exceeds its estimated recoverable amount. The asset is then written down to its recoverable amount.

For plant and equipment, impairment losses are recognised in the statement of comprehensive income.

An annual transfer from the asset revaluation reserve to retained earnings is made for the difference between depreciation based on the re-valued carrying amounts of the assets and depreciation based on the assets' original costs. Additionally, any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amounts of the assets and the net amounts are restated to the re-valued amounts of the assets.

Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

*(ii) Derecognition and disposal*

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income in the year the asset is derecognised.

**f. Exploration and Evaluation Costs**

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

**g. Financial Instruments**

**Recognition and initial measurement**

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately.

**Classification and subsequent measurement**

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method, or cost.

*Amortised cost* is the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative recognized of the difference between that initial amount and the maturity amount calculated using the *effective interest method*.

*Fair value* is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense item in profit or loss.

The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

*(ii) Financial assets at fair value through profit or loss*

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a Group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

*(ii) Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, where they are expected to mature within 12 months after the end of the reporting period.

*(iii) Held-to-maturity investments*

Held-to-maturity investments are included in non-current assets where they are expected to mature within 12 months after the end of the reporting period. All other investments are classified as current assets.

*(iv) Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with changes in such fair value (ie gains or losses) recognized in other comprehensive income (except for impairment losses and foreign exchange gains and losses). When the financial asset is recognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are included in non-current assets where they are expected to be sold within 12 months after the end of the reporting period. All other financial assets are classified as current assets.

(i) *Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

**Derivative instruments**

The Group designates certain derivatives as either:

i. hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); or

ii. hedges of highly probable forecast transactions (cash flow hedges).

At the inception of the transaction the relationship between hedging instruments and hedged items, as well as the Group's risk management objective and strategy for undertaking various hedge transactions, is documented.

Assessments, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items, are also documented.

*(i) Fair value hedge*

Changes in the fair value of derivatives that are designated and qualified as fair value hedges are recorded in the statement of comprehensive income, together with any changes in the fair value of hedged assets or liabilities that are attributable to the hedged risk.

*(ii) Cash flow hedge*

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is deferred to a hedge reserve in equity. The gain or loss relating to the ineffective portion is recognised immediately in the statement of comprehensive income.

Amounts accumulated in the hedge reserve in equity are transferred to the statement of comprehensive income in the periods when the hedged item will affect profit or loss.

**Impairment**

At the end of each reporting period, the Group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in profit or loss. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

**Financial guarantees**

Where material, financial guarantees issued that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due are recognised as a financial liability at fair value on initial recognition.

The guarantee is subsequently measured at the higher of the best estimate of the obligation and the amount initially recognised less, when appropriate, cumulative amortisation in accordance with AASB 118: Revenue. Where the entity gives guarantees in exchange for a fee, revenue is recognised under AASB 118.

The fair value of financial guarantee contracts has been assessed using a probability-weighted discounted cash flow approach. The probability has been based on:

(iii) the likelihood of the guaranteed party defaulting in a year period;

(iv) the proportion of the exposure that is not expected to be recovered due to the guaranteed party defaulting; and

(v) the maximum loss exposed if the guaranteed party were to default.

**Derecognition**

Financial assets are recognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are recognised where the related obligations are discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

**h. Impairment of Assets**

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the consolidated statement of comprehensive income. Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen.

**i. Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of 3 months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial performance.

**j. Revenue Recognition**

Interest revenue is recognised using the effective interest method. It includes the amortisation of any discount or premium.

**k. Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST. Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

**l. Comparative Figures**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

**m. Significant judgements and key assumptions**

The directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

**n. Key judgements and estimates**

Key Judgment Exploration Expenditure

The Company capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been extracted, the directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded. Such capitalised expenditure is carried at reporting date at $3,425,211.

Key Judgment Environmental Issues

Balances disclosed in the financial statements and notes thereto are not adjusted for any pending or enacted environmental legislation, and the directors understanding thereof. At the current stage of the company's development and its current environmental impact the directors believe such treatment is reasonable and appropriate.

Key Estimate Taxation

Balances disclosed in the financial statements and the notes thereto, relating to taxation, are based on the best estimates of directors. These estimates take into account both the financial performance and position of the company as they pertain to current income taxation legislation, and the directors understanding thereof. No adjustment has been made for pending or future taxation legislation. The current income tax position represents that directors' best estimate, pending an assessment by the Australian Taxation Office.

Key Estimates Share based payment transactions

The Company measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by reference to the market price. Refer note 25.

## 2. REVENUE AND OTHER INCOME

| | 2014 | 2013 |
|---|---|---|

| | $ | $ |
|---|---|---|
| Interest received | **46,731** | 19,857 |
| Other income | **2,425** | - |
| | **49,156** | 19,857 |

## 3. LOSS FOR THE YEAR

Loss for the year is after charging:

| | **2014** | 2013 |
|---|---|---|
| | **$** | $ |
| Wages and salaries | **170,866** | - |
| Superannuation | **15,805** | - |
| Other employment related costs | **6,601** | 9,508 |
| | **193,272** | 9,508 |
| Less capitalised exploration costs | **(117,089)** | - |
| Less transferred to Directors fees | **(76,183)** | - |
| Personnel costs | **-** | 9,508 |

## 4. INCOME TAX EXPENSE

**(a)** No income tax is payable by the parent or consolidated entity as they recorded losses for income tax purposes for the period.

**(b) Reconciliation between income tax expense and prima facie tax on accounting profit (loss)**

| | **2014** | 2013 |
|---|---|---|
| | **$** | $ |
| Accounting profit (loss) | **(1,095,726)** | (881,641) |
| Tax at 30% | **(328,718)** | (264,492) |
| Tax effect of other (deductible)/non-deductible items | **(106,172)** | 6,000 |
| Deferred tax asset not recognised | **434,890** | 258,492 |
| Income tax expense | **-** | - |

**(c) Deferred tax assets**

| | | |
|---|---|---|
| Revenue tax losses | **454,626** | 315,486 |
| Deferred tax assets not recognised | **(434,890)** | (258,492) |
| Set off deferred tax liabilities | **(19,736)** | (56,994) |
| Income tax expense | **-** | - |

**(d) Deferred tax liabilities**

| | | |
|---|---|---|
| Exploration expenditure | **19,736** | **56,994** |
| Set off deferred tax assets | **(19,736)** | **(56,994)** |
| | **-** | **-** |

**(e) Tax losses**

| | | |
|---|---|---|
| Unused tax losses for which no deferred tax asset has been recognised | **5,174,384** | **3,232,594** |

Potential deferred tax assets attributable to tax losses and exploration expenditure carried forward have not been brought to account at 30 June 2014 because the directors do not believe it is appropriate to regard realisation of the deferred tax assets as probable at this point in time. These benefits will only be obtained if:

- the Company derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the loss and exploration expenditure to be realised;
- the Company continues to comply with conditions for deductibility imposed by law; and
- no changes in tax legislation adversely affect the company in realising the benefit from the deductions for the loss and exploration expenditure.

The applicable tax rate is the national tax rate in Australia for companies, which is 30% at the reporting date.

## 5. CASH AND CASH EQUIVALENTS

| | **2014** | 2013 |
|---|---|---|
| | **$** | $ |
| Cash and cash equivalents | **837,459** | 510,254 |

## 6. TRADE AND OTHER RECEIVABLES

| | **2014** | 2013 |
|---|---|---|
| | **$** | $ |
| **CURRENT** | | |
| Other receivables | **32,633** | **593** |
| GST Receivable | **37,117** | **10,731** |
| | **69,750** | **11,324** |

## 7. FINANCIAL ASSETS

| | **2014** | 2013 |
|---|---|---|
| | **$** | $ |
| **CURRENT** | | |
| *ASX Listed Shares* | | |
| Financial assets available for sale[1] | **1,250** | **32,500** |
| | **1,250** | **32,500** |

[1] 250,000 shares in Stratum Metals Limited at 0.5 cents per share as at 30 June 2014.

## 8. PLANT AND EQUIPMENT

| | **2014** | 2013 |
|---|---|---|
| | **$** | $ |
| **Office equipment** | | |
| At Cost | **2,300** | - |
| Accumulated depreciation | **(230)** | - |
| | **2,070** | - |
| **Office equipment** | | |
| Opening balance | **-** | - |
| Purchases | **2,300** | - |
| Depreciation | **(230)** | - |

| | | |
|---|---|---|
| Closing balance | **2,070** | **-** |

## 9. CONTROLLED ENTITY

| | **Country of Incorporation** | **Ownership % 2014** | Ownership % 2013 |
|---|---|---|---|
| **Parent Entity:** | | | |
| Metal Bank Limited | Australia | - | - |
| | | | |
| **Subsidiary:** | | | |
| Roar Resources Pty Ltd | Australia | 100 | - |
| Spinifex Ridge East Pty Limited | Australia | 80 | 80 |

On 2 December 2013 the Company acquired 100% of Roar Resources Pty Limited.

The purchase consideration was 106,944,444 shares in Metal Bank Limited.

The assets and liabilities recognised as a result of the acquisition are as follows:

| | 30 June 2014 $ |
|---|---|
| Cash and cash equivalents | 31,789 |
| Receivables | 10,228 |
| Exploration costs | 2,229,981 |
| Payables | (2,162) |
| | 2,269,836 |
| | |
| Consideration | |
| Issue of 106,944,444 shares | 2,138,889 |
| Cash payment of stamp duty | 130,947 |
| | 2,269,836 |

## 10. EXPLORATION AND EVALUATION EXPENDITURE

| | **2014 $** | 2013 $ |
|---|---|---|
| Exploration and evaluation expenditure | **3,425,211** | 399,462 |

| | | |
|---|---|---|
| **Reconciliation of carrying amount** | | |
| Balance at beginning of financial year | **399,462** | 523,958 |
| Project acquisition | **2,229,981** | - |
| Expenditure in current year | **861,555** | 65,484 |
| Exploration expenditure written off | **(65,787)** | (189,980) |
| Balance at end of financial period | **3,425,211** | 399,462 |

## 11. TRADE AND OTHER PAYABLES

| | 2014 $ | 2013 $ |
|---|---|---|
| **CURRENT** | | |
| Unsecured liabilities: | | |
| Trade payables | **203,085** | 88,661 |
| Sundry payables and accrued expenses | **75,746** | 100,001 |
| | **278,831** | 188,662 |

## 12. LIABILITY FOR DEFERRED CONSIDERATION

| | 2014 $ | 2013 $ |
|---|---|---|
| Liability for deferred consideration[1] | - | 250,000 |

[1] The liability for deferred consideration arose on the acquisition of Spinifex Ridge East Pty Limited in 2011, in which the Company has an 80% interest. The Company settled the liability during the year through the issue of 12 million shares.

## 13. SHARE CAPITAL

| | 2014 $ | 2013 $ |
|---|---|---|
| 292,929,445 (2013 – 71,485,001) fully paid ordinary shares | **9,817,912** | 5,612,303 |

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Reconciliation of movements in share capital during the year:

| | 2014 No. Shares | 2013 No. Shares | 2014 $ | 2013 $ |
|---|---|---|---|---|
| Opening balance – start of reporting period | **71,485,001** | 52,485,001 | **5,612,303** | 5,022,303 |
| Share Issue – 10 October 2012 | **-** | 1,000,000 | | 50,000 |
| Share Issue – 31 October 2012 | **-** | 6,000,000 | | 300,000 |
| Share Issue – 16 April 2013 | **-** | 12,000,000 | | 240,000 |
| Share Issue – 14 August 2013 | **87,500,000** | - | **1,750,000** | - |
| Share Issue – 2 December 2013 | **15,000,000** | - | **300,000** | - |
| Share Issue – 2 December 2013* | **12,000,000** | - | **250,000** | - |

| | | | | |
|---|---|---|---|---|
| Share Issue – 2 December 2013** | **106,944,444** | - | **2,138,889** | - |
| Cost of raising capital | **-** | - | **(233,280)** | - |
| | **292,929,445** | 71,485,001 | **9,817,912** | 5,612,303 |

* On 29 November 2013 shareholders approved the issue of 12,000,000 shares in settlement of a $250,000 debt as per note 12.

** Issued on acquisition of Roar Resources Pty Ltd.

**Capital Management**

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it may continue to provide returns for shareholders and benefits for other stakeholders.

The Company's capital includes ordinary share capital and financial liabilities, supported by financial assets.

Due to the nature of the Company's activities, being mineral exploration, it does not have ready access to credit facilities, with the primary source of funding being equity raisings. Accordingly, the objective of the Company's capital risk management is to balance the current working capital position against the requirements of the Company to meet exploration programmes and corporate overheads. This is achieved by maintaining appropriate liquidity to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required.

| | **2014** | 2013 |
|---|---|---|
| | **$** | $ |
| Cash and cash equivalents | **837,459** | **510,254** |
| Trade and other receivables | **68,750** | **11,324** |
| Financial assets | **1,250** | **32,500** |
| Trade and other payables | **(278,831)** | **(188,662)** |
| Liability for deferred consideration | **-** | **(250,000)** |
| Working capital position | **628,628** | **115,416** |

**Share options**

| | **2014** | **2013** |
|---|---|---|
| | **No.** | **No.** |
| Movements in share options | | |
| At 1 July | **21,000,000** | **21,000,000** |
| Company options issued during the year - unlisted | **55,000,000** | **-** |
| Options expired 30 June 2014 | **(15,000,000)** | **-** |
| At 30 June | **61,000,000** | **21,000,000** |

The Company has the following options outstanding as at 30 June 2014.

| Grant/Issue Date | Expiry Date | Exercise Price | Number | Listed/Unlisted |
|---|---|---|---|---|
| 21 February 2012 | 30 November 2014 | 10 cents | 6,000,000 | Unlisted |
| 15 August 2013 | 31 March 2015 | 3 cents | 40,000,000 | Unlisted |
| 2 December 2013 | 30 November 2018 | 3 cents | 15,000,000 | Unlisted |

The following table illustrates the number (No.) and weighted average exercise prices of and movements in share options issued during the year:

| | 2014 No. | Weighted average exercise price 2014 $ | 2013 No. | Weighted average exercise price 2013 $ |
|---|---|---|---|---|
| Outstanding at the beginning of the year | 21,000,000 | $0.17 | 21,000,000 | $0.17 |
| Granted during the year | 55,000,000 | $0.03 | - | - |
| Expired during the year | (15,000,000) | $0.20 | - | - |
| Exercised during the year | - | - | - | - |
| **Outstanding at the end of the year** | 61,000,000 | $0.037 | 21,000,000 | $0.17 |
| Exercisable at the end of the year | 61,000,000 | $0.037 | 21,000,000 | $0.17 |

The share options outstanding at the end of the year had a weighted average exercise price of $0.037 (2013: $0.17 and weighted average remaining contractual life of 1.58 years (2013: 1.12 years).

The following share-based payment arrangements are in place during the current and prior periods:

| Series | Number | Grant/Issue Date | Expiry date | Exercise Price | Fair Value at Grant Date | Listed/ Unlisted |
|---|---|---|---|---|---|---|
| Series 1 | 6,000,000 | 21/02/12 | 30/11/14 | 10 cents | 62,737 | Unlisted |
| Series 2 | 25,000,000 | 15/8/13 | 31/3/15 | 3 cents | 214,324 | Unlisted |
| Series 3 | 15,000,000 | 12/9/13 | 31/3/15 | 3 cents | 80,304 | Unlisted |
| Series 4 | 15,000,000 | 2/12/13 | 30/11/18 | 3 cents | 137,520 | Unlisted |

| | Series 1 | Series 2 | Series 3 | Series 4 |
|---|---|---|---|---|
| Expected volatility (%) | 80% | 78% | 78% | 78% |
| Risk-free interest free (%) | 3.65% | 3.31% | 3.31% | 3.31% |
| Expected life of option (years) | 2.36 | 1.62 | 1.54 | 6.0 |
| Exercise price ($) | 10 cents | 3 cents | 3 cents | 3 cents |
| Grant date share price | 4 cents | 2.5 cents | 2 cents | 1.7 cents |

## 14. RESERVES

| | **2014** | 2013 |
|---|---|---|
| | **$** | $ |
| Option issue reserve | **494,885** | 250,973 |

(a) Movements in options issue reserve – nil

| | | |
|---|---|---|
| Opening balance | **250,973** | 250,973 |
| Transferred to options reserve | **432,148** | - |
| Transfer from options reserve on options expiry | **(188,236)** | |
| | **494,885** | 250,973 |

(b) Movements in unrealised gains reserve

| | 2014 | 2013 |
|---|---|---|
| | **$** | $ |
| Opening balance | - | **2,500** |
| Decrease in value of financial assets | - | **(2,500)** |
| Closing balance | - | - |

## 15. FINANCIAL RISK MANAGEMENT

The group's principal financial instruments comprise mainly of deposits with banks and shares in listed companies shown as financial assets at fair value through profit and loss. The main purpose of the financial instruments is to earn the maximum amount of interest at a low risk to the group. The group also has other financial instruments such as trade debtors and creditors which arise directly from its operations.

The consolidated entity holds the following financial instruments at the end of the reporting period:

| | 2014 | 2013 |
|---|---|---|
| | **$** | $ |
| **Financial assets** | | |
| Cash and cash equivalents | **837,459** | 510,254 |
| Trade and other receivables | **69,750** | 11,324 |
| Financial assets at fair value through profit and loss | **1,250** | 32,500 |
| | **908,459** | 554,078 |
| **Financial liabilities** | | |
| Trade and other payables | **278,831** | 188,662 |
| Liability for deferred consideration | - | 250,000 |
| | **278,831** | 438,662 |

The main risks arising from the Company's financial instruments are market risk, credit risk and liquidity risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below:

**a. Market risk**

*Cash flow and fair value interest rate risk*
The group's main interest rate risk arises from cash deposits to be applied to exploration and development areas of interest. It is the group's policy to invest cash in short term deposits to minimise the group's exposure to interest rate fluctuations. The group's deposits were denominated in Australian dollars throughout the year. The group did not enter into any interest rate swap contracts
during the year ended 30 June 2014. Neither the group nor the parent has any short or long term debt, and therefore this risk is minimal.

**b. Credit Risk**

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the group. The group has adopted the policy of only dealing with credit worthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults. The cash transactions of the group are limited to high credit quality financial institutions.

The group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the group's maximum exposure to credit risk.

All cash holdings within the Group are currently held with AA rated financial institutions.

**c. Liquidity Risk**

The group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Surplus funds when available are generally only invested in high credit quality financial institutions in highly liquid markets.

**Financial Instrument composition and maturity analysis**

The tables below reflect the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such, the amounts may not reconcile to the statement of financial position.

| **Consolidated Group** | **Within 1 year** | | **1 to 5 years** | | **Over 5 years** | | **Total** | |
|---|---|---|---|---|---|---|---|---|
| | **2014 $** | 2013 $ | **2014 $** | 2013 $ | **2014 $** | 2013 $ | **2014 $** | 2013 $ |
| *Financial liabilities - due for payment:* | | | | | | | | |
| Trade and other payables | **278,831** | 188,662 | **-** | - | **-** | - | **278,831** | 188,662 |
| Liability for deferred consideration | **-** | 250,000 | **-** | - | **-** | - | **-** | 250,000 |
| Total contractual outflows | **278,831** | 438,662 | **-** | - | **-** | - | **278,831** | 438,662 |
| *Financial assets – cash flows realisable* | | | | | | | | |
| Cash and cash equivalents | **837,459** | 510,254 | **-** | - | **-** | - | **837,459** | 510,254 |
| Trade and other receivables | **69,750** | 11,324 | **-** | - | **-** | - | **69,750** | 11,324 |
| Financial assets | **1,250** | 32,500 | **-** | - | **-** | - | **1,250** | 32,500 |
| Total anticipated inflows | **908,459** | 554,078 | **-** | - | **-** | - | **908,459** | 554,078 |
| Net inflow on financial instruments | **629,628** | 115,416 | **-** | - | **-** | - | **629,628** | 115,416 |

**Cash flow sensitivity analysis for variable rate instruments**

A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) equity and profit or loss by the amounts shown below.

| | **Change in profit** | **Change in equity** |
|---|---|---|

| | Carrying Value | 100bp Increase | 100bp decrease | 100bp increase | 100bp decrease |
|---|---|---|---|---|---|
| **30 June 2014** | $ | $ | $ | $ | $ |
| Cash and cash equivalents | 837,459 | 8,374 | (8,374) | 8,374 | (8,374) |
| **30 June 2013** | | | | | |
| Cash and cash equivalents | 510,254 | 5,103 | (5,103) | 5,103 | (5,103) |

*Maturity of financial assets and liabilities*

The note below summarises the maturity of the group's financial assets and liabilities as per the director's expectations. The amounts disclosed are the contractual undiscounted cash flows. There are no derivatives.

| | < 6 months | 6 – 12 months | 1- 5 years | >5 years | Total |
|---|---|---|---|---|---|
| **30 June 2014** | $ | $ | $ | $ | $ |
| Trade and other receivables | 69,750 | - | - | - | 69,750 |
| Trade and other payables | 278,831 | - | - | - | 278,831 |
| Liability for deferred consideration | - | - | - | - | - |
| **30 June 2013** | | | | | |
| Trade and other receivables | 11,324 | - | - | - | 11,324 |
| Trade and other payables | 188,662 | - | - | - | 188,662 |
| Liability for deferred consideration | 250,000 | - | - | - | 250,000 |

**Fair value of financial assets and financial liabilities**

There is no difference between the fair values and the carrying amounts of the group's financial instruments. The Group has no unrecognised financial instruments at balance date.

**Financial Instruments Measured at Fair Value**

The financial instruments recognised at fair value in the statement of financial position have been analysed and classified using a fair value hierarchy reflecting the significance of the inputs used in making the measurements. The fair value hierarchy consists of the following levels:

- quoted prices in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

**Sensitivity analysis on changes in market rates**

A change of 20% in equity prices at the reporting date would increase/(decrease) equity and profit or loss as shown below:

| | Change in profit | | Change in equity | |
|---|---|---|---|---|
| **Carrying Value** | **20% increase** | **20% decrease** | **20% increase** | **20% decrease** |

| | | | | | |
|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ |
| **30 June 2014** | | | | | |
| Financial assets available for sale | | | | | |
| ASX listed investments | 1,250 | 250 | (250) | 250 | (250) |
| **30 June 2013** | | | | | |
| Financial assets available for sale | | | | | |
| ASX listed investments | 32,500 | 6,500 | (6,500) | 6,500 | (6,500) |

## 16. COMMITMENTS

The consolidated group currently has commitments for expenditure at 30 June 2014 on its Australian exploration tenements, up to the date of expiry, as follows:

| | **2014** | 2013 |
|---|---|---|
| | **$** | $ |
| Not later than 12 months | **411,667** | 160,000 |
| Between 12 months and 5 years | **734,500** | 160,000 |
| Greater than 5 years | **-** | - |
| | **1,146,167** | 320,000 |

The group has a further commitment to pay a retainer fee under outsourced consultancy and management agreements for the provision of geological and service personnel. These agreements can be cancelled with six months notice.

| | **2014** | 2013 |
|---|---|---|
| | **$** | $ |
| Not later than 12 months | **54,000** | 108,000 |
| Between 12 months and 5 years | **-** | 36,000 |
| Greater than 5 years | **-** | - |
| | **54,000** | 144,000 |

## 17. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There are no contingent liabilities or assets in existence at balance sheet date.

## 18. RELATED PARTY DISCLOSURES

Refer to the Remuneration Report contained in the Directors Report for details of the remuneration paid or payable to each member of the Group's key management personnel for the year ended 30 June 2014. Other than the Directors and secretary, the Company had no key management personnel for the financial period ended 30 June 2014.

The total remuneration paid to key management personnel of the company and the group during the year are as follows:

| | **2014** | 2013 |
|---|---|---|
| | **$** | $ |
| Short term employee benefits | **272,693** | 122,743 |
| Superannuation | **11,846** | |
| Share based payments | **82,512** | 20,000 |

| | |
|---|---|
| **367,051** | 142,743 |

**DIRECTORS' AND EXECUTIVE OFFICERS' EMOLUMENTS**

**(a) Details of Directors and Key Management Personnel**

*(i) Directors*

Inés Scotland (Non-Executive Chairman) (Appointed 13 August 2013)
Anthony Schreck (Executive Director) (Appointed 29 November 2013)
Guy Robertson (Executive Director) (Appointed 17 September 2102)

*(ii) Company secretary*

Sue-Ann Higgins – Company Secretary (Appointed 21 August 2013)

*(iii) Directors' remuneration*

Directors' remuneration and other terms of employment are reviewed annually by the Board having regard to performance against goals set at the start of the year, relative comparative information and, where applicable, independent expert advice.

Except as detailed in Notes (a) – (c) to the Remuneration Report in the Director's Report, no director has received or become entitled to receive, during or since the financial period, a benefit because of a contract made by the Company or a related body corporate with a director, a firm of which a director is a member or an entity in which a director has a substantial financial interest. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by directors and shown in Notes (a) – (c) to the Remuneration Report, prepared in accordance with the Corporations regulations, or the fixed salary of a full time employee of the Company.

**(b) Key Management Personnel**

Other than the Directors and secretary, the Company had no key management personnel for the financial period ended 30 June 2014.

**(c) Remuneration Options: Granted and vested during the financial year ended 30 June 2014**

There were no remuneration options granted during the financial year ended 30 June 2014.

**(d) Share and Option holdings**

All equity dealings with directors have been entered into with terms and conditions no more favourable than those that the entity would have adopted if dealing at arm's length.

## *Shares held by Directors and Officers*

**Period from 1 July 2013 to 30 June 2014**

| | Balance at beginning of period | Received as Remuneration | Purchased | Net Change Other | Balance at end of year |
|---|---|---|---|---|---|
| I. Scotland | - | - | 17,500,000 | - | 17,500,000 |
| A. Schreck | - | - | - | 10,952,381 | 10,952,381 |
| G. Robertson | - | - | - | - | - |
| A. Ho[1] | - | - | - | - | - |
| G. Frangeskides[2] | - | - | - | - | - |
| | - | - | 17,500,000 | 10,952,381 | 28,452,381 |

[1] Resigned as a director on 13 August 2013
[2] Resigned as a director on 27 December 2013

**Period from 1 July 2012 to 30 June 2013**

| | Balance at beginning of period | Received as Remuneration | Purchased | Net Change Other | Balance at end of year |
|---|---|---|---|---|---|
| V. Fayad[1] | 62,500 | - | - | (62,500) | - |
| A. Ho[2] | - | - | - | - | - |
| G. Robertson | - | - | - | - | - |
| I. Scotland | - | - | - | - | - |
| G. Frangeskides | - | - | - | - | - |
| | 62,500 | - | - | (62,500) | - |

[1] Resigned as a director on 12 October 2012
[2] Resigned as a director on 13 August 2013

***Options held by Officers and Directors***

**Period from 1 July 2013 to 30 June 2014**

| | Balance at beginning of period | Received as Remuneration | Net Change Other | Expired during period | Balance at end of year |
|---|---|---|---|---|---|
| I. Scotland | - | - | 3,000,000 | - | 3,000,000 |
| A. Schreck | - | 9,000,000 | - | - | 9,000,000 |
| G. Robertson | 250,000 | - | - | (250,000) | - |
| A. Ho[1] | - | - | - | - | - |
| G. Frangeskides[2] | - | - | - | - | - |
| | 250,000 | 9,000,000 | 3,000,000 | (250,000) | 12,000,000 |

[1] Resigned as a director on 13 August 2013
[2]Resigned as a director on 27 December 2013

**(e) Related Party Transactions**

| | **2014** **$** | 2013 $ |
|---|---|---|
| Payments to: | | |
| Lawler Corporate Finance Pty Limited[1] | **-** | 24,000 |

[1] Fees paid in the normal course of business for service rendered. Mr Vincent Fayad, a former director of the Company is a director of Lawler Corporate Finance Pty Ltd.

## 19. SEGMENT INFORMATION

The group's operations are in one business segment being the resources sector. The group operates in one geographical segment being Australia. All subsidiaries in the group operate within the same segment.

**Basis of accounting for purposes of reporting by operating segments**

*Accounting policies adopted*

Unless stated otherwise, all amounts reported to the Board of Directors as the chief decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Company.

*Inter-segment transactions*

Inter-segment loans payable and receivable are initially recognised at the consideration received net of transaction costs. If inter-segment loans receivable and payable are not on commercial terms, these are not adjusted to fair value based on market interest rates. This policy represents a departure from that applied to the statutory financial statements

*Segment assets*

Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

Unless indicated otherwise in the segment assets note, investments in financial assets, deferred tax assets and intangible assets have not been allocated to operating segments.

*Segment liabilities*

Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Company as a whole and are not allocated. Segment liabilities include trade and other payables and certain direct borrowings.

*Unallocated items*

Administration and other operating expenses are not allocated to operating segments as they are not considered part of the core operations of any segment.

## 20. EARNINGS PER SHARE

| | **2014** | 2013 |
|---|---|---|
| | **Cents** | Cents |
| **Reconciliation of earnings per share** | | |
| Basic and diluted earnings per share | **(0.51)** | (1.48) |
| Profit/(loss) used in the calculation of the basic earnings per share | **(1,095,726)** | (881,641) |
| **Weighted average number of ordinary shares:** | | |
| Used in calculating basic earnings per ordinary share | **214,619,095** | 59,649,385 |
| Dilutive potential ordinary shares | **-** | - |
| Used in calculating diluted earnings per share | **214,619,095** | 59,649,385 |

## 21. AUDITORS REMUNERATION

| | **2014** | 2013 |
|---|---|---|
| | **$** | $ |
| **Auditor of parent entity** | | |
| Audit or review of financial reports | **21,600** | **21,300** |
| Non-audit services | **-** | **-** |
| | **21,600** | **21,300** |

## 22. CASH FLOW INFORMATION

**Reconciliation of net cash used in operating activities with profit after income tax**

| | **2014** | 2013 |
|---|---|---|
| | **$** | $ |
| Loss after income tax | **(1,095,726)** | (881,641) |
| | | |
| Non-cash flows in loss: | | |
| Impairment of investments | **31,250** | 17,500 |
| Share based payments | **494,868** | 20,000 |
| Exploration written off | **65,787** | 189,980 |
| Depreciation | **230** | - |
| | | |
| Changes in assets and liabilities: | | |
| (Increase) in trade and other receivables | **(57,424)** | (2,944) |
| (Decrease)/Increase in trade and other payables | **89,169** | (317,243) |
| Increase in exploration | **(980,438)** | (65,484) |
| **Net cash (outflow) from operating activities** | **(1,452,284)** | (1,039,832) |

**Non-cash Financing and Investing Activities**

During the period the Company issued 106,944,444 shares at a deemed price of 2 cents per share to acquire Roar Resources Pty Limited (Roar).

In addition the company issued 15,000,000 shares at a deemed price of 2 cents per share in relation to the Roar acquisition and the capital raising.

A further 12,000,000 shares were issued at a deemed price of 2.08 cents per share to extinguish a debt obligation of $250,000.

## 23. PARENT ENTITY DISCLOSURES

**Financial Position**

| | **2014** | 2013 |
|---|---|---|
| | **$** | $ |
| **Current Assets** | | |
| Cash and cash equivalents | **806,586** | 510,254 |
| Trade and other receivables | **1,035,574** | 203,336 |
| Financial assets | **1,250** | 32,500 |
| **Total Current Assets** | **1,843,410** | 746,090 |
| | | |
| **Non-current Assets** | | |
| Office equipment | **2,070** | - |
| Financial assets | **2,409,835** | 140,002 |
| Evaluation and exploration expenditure | **80,425** | 67,448 |
| **Total Non-current assets** | **2,492,330** | 207,450 |
| | | |
| **Total Assets** | **4,335,740** | 953,540 |
| | | |
| **Current Liabilities** | | |
| Trade and other payables | **278,831** | 188,662 |
| Liability for deferred consideration | **-** | 250,000 |
| **Total Current Liabilities** | **278,831** | 438,662 |

| | | |
|---|---|---|
| **TOTAL LIABILITIES** | **278,831** | 438,662 |
| **NET ASSETS** | **4,056,909** | 514,878 |
| **EQUITY** | | |
| Issued capital | **9,817,912** | 5,612,304 |
| Reserves | **494,885** | 250,973 |
| Accumulated losses | **(6,295,216)** | (5,348,399) |
| **TOTAL EQUITY** | **4,056,909** | 514,878 |
| **Statement of Profit or Loss and Other Comprehensive Income** | | |
| **Total loss** | **(1,095,726)** | (881,641) |
| **Total comprehensive loss** | **(1,095,726)** | (881,641) |

**i. Financial Performance**

The subsidiary acquired did not trade from the date of acquisition with the result that the result of the Group equates to the result of the parent for the year.

**ii. Contingent liabilities and contingent assets**

The parent entity is responsible for the contingent liabilities and contingent assets outlined in note 17.

**iii. Commitments**

The parent entity is responsible for the commitments outlined in note 16.

**iv. Related parties**

An interest in subsidiary is set out in note 9.

Disclosures relating to key management personnel are set out in note 18.

## 24. SIGNIFICANT AFTER BALANCE DATE EVENTS

There are currently no matters or circumstances that have arisen since the end of the financial period that have significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

## 25. SHARE BASED PAYMENTS

Goods or services received or acquired in a share-based payment transaction are recognised as an increase in equity if the goods or services were received in an equity-settled share-based payment transaction or as a liability if the goods and services were acquired in a cash settled share-based payment transaction.

For equity-settled share-based transactions, goods or services received are measured directly at the fair value of the goods or services received provided this can be estimated reliably. If a reliable estimate cannot be made the value of the goods or services is determined indirectly by reference to the fair value of the equity instrument granted.

Transactions with employees and others providing similar services are measured by reference to the fair value at grant date of the equity instrument granted.

The following share based payments were made during the year:

| | Price per share* | 2014 $ | 2013 $ |
|---|---|---|---|
| **Ordinary shares** | | | |
| (a) On 2 December 2013, 15,000,000 ordinary shares were issued to advisors relating to the Roar Resources Pty Ltd acquisition and the capital raising. | 2 cents | **300,000** | - |
| (b) On 2 December 2013, 12,000,000 ordinary shares were issued to extinguish a debt obligation | 2 cents | **250,000** | - |
| (c) On 10 October 2012, 1,000,000 ordinary shares were issued to vendors as consideration for services rendered. | 5 cents | **-** | 50,000 |
| (d) On 31 October 2012, 6,000,000 ordinary shares were issued to vendors advisors as part consideration for acquisition of Spinifex Ridge East Pty Limited. | 5 cents | **-** | 300,000 |
| | | **550,000** | 350,000 |
| Applied to debt | | **(250,000)** | (300,000) |
| Allocated to cost of raising capital | | **(233,280)** | - |
| Charged to profit and loss | | **66,720** | 50,000 |

*The fair value of shares issued during the year was determined by reference to market price.

| **Share options** | Series | 2014 $ | 2013 $ |
|---|---|---|---|
| (a) On 15 August 2013, 25,000,000 unlisted options were issued to advisors and consultants, with an exercise price of 3 cents and an expiry date of 31 March 2015 | 2 | **211,824** | - |
| (b) On 12 September 2013, 15,000,000 unlisted options were issued to advisors and consultants, with an exercise price of 3 cents and an expiry date of 31 March 2015 | 3 | **78,804** | - |
| (c) On 2 December 2013, 15,000,000 unlisted options were issued to management of Roar Resources Pty Ltd, with an exercise price of 3 cents and an expiry date of 30 November 2018 | 4 | **137,520** | - |
| | | **428,148** | - |

The fair value of equity – settled unlisted share options granted is estimated as at the date of grant using the Black and Scholes model taking into account the terms and conditions upon which the options were granted.

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of options granted were incorporated into the measurement of fair value.

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# INDEPENDENT AUDITOR'S REPORT

# TO THE MEMBERS OF

# METAL BANK LIMITED

## Report on the Financial Report

We have audited the accompanying financial report of Metal Bank Limited, which comprises the consolidated statement of financial position as at June 2014 , and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

*Directors' Responsibility for the Financial Report*

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

*Auditor's Responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

*Independence*

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Metal Bank Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

*Opinion*

In our opinion:

(a) the financial report of Metal Bank Limited is in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the consolidated entity's financial position as at June 2014 and of its performance for the year ended on that date; and

  (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1

*Emphasis of matter*

Without qualifying our opinion, we draw attention to Note 1 in the financial report, which indicates that the company and consolidated entity incurred a loss of $1,095,726 and the consolidated entity had net cash outflows from operating activities of $1,452,284 for the year ended 30 June 2014. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty which may cast significant doubt about the company and consolidated entity's ability to continue as going concerns and therefore, the company and consolidated entity may be unable to realise their assets and discharge their liabilities in the normal course of business.

**Report on the Remuneration Report**

We have audited the Remuneration Report included in pages 24 to 25 of the directors' report for the year ended 30 June 2014. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001.* Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

*Opinion*

In our opinion the Remuneration Report of Metal Bank Limited for the year ended 30 June 2014 complies with section 300A of the *Corporations Act 2001*.

RSM Bird Cameron Partners

**RSM BIRD CAMERON PARTNERS**

**C J HUME**
Partner

Sydney, NSW
Dated: 26 September 2014

The following additional information is required by the Australian Securities Exchange pursuant to Listing Rule 4.10. The information provided is current as at 9 September 2014 unless otherwise stated.

**a. Distribution of Shareholders**

| Number held | Number of share holders | Number of shares | % of number of shares |
|---|---|---|---|
| 1 – 1,000 | 5 | 21 | 0.00% |
| 1,001 - 5,000 | 6 | 22,500 | 0.01% |
| 5,001 - 10,000 | 58 | 568,847 | 0.19% |
| 10,001 - 100,000 | 103 | 4,472,804 | 1.53% |
| 100,001+ | 102 | 287,865,273 | 98.27% |
| **Total** | **274** | **292,929,445** | **100.00%** |

**b.** The number of shareholders who hold less than a marketable parcel is 120.

**c. Substantial shareholders**

The names of the substantial shareholders in the Company, the number of equity securities to which each substantial shareholder and substantial holder's associates have a relevant interest, as disclosed in substantial holding notices given to the Company are:

| | No of shares | % |
|---|---|---|
| Indigo Pearl Capital Ltd | 24,285,647 | 8.29% |
| Celtic Stars Capital Ltd | 24,285,647 | 8.29% |
| Cartier Peaks Investments Ltd | 24,285,647 | 8.29% |
| Aristo Jet Capital Ltd | 24,285,647 | 8.29% |
| Greenvale Asia Limited | 24,285,647 | 8.29% |

**d. Twenty largest holders of each class of quoted equity security**

| | Name | No of Ordinary Shares | % |
|---|---|---|---|
| 1. | Pershing Australia Nominees Pty Ltd <Petra A/C> | 48,571,294 | 16.58 |
| 2. | Berne No 132 Nominees Pty Ltd <602987 A/C> | 24,285,647 | 8.29 |
| 3. | Berne No 132 Nominees Pty Ltd <600835 A/C> | 24,287,647 | 8.29 |
| 4. | Berne No 132 Nominees Pty Ltd <601299 A/C> | 24,287,647 | 8.29 |
| 5. | Citicorp Nominees Pty Limited | 14,401,666 | 4.91 |
| 6. | Europe Resources Limited | 12,000,000 | 4.10 |
| 7. | Fera Holdings Limited | 11,952,381 | 4.08 |
| 8. | Mr Anthony William Schreck | 10,952,381 | 3.74 |
| 9. | Mr Michael Adrian Sexton | 10,590,742 | 3.62 |
| 10. | Macquarie Bank Limited | 10,476,190 | 3.58 |
| 11. | Mr Mark Henry Winter | 9,822,931 | 3.35 |
| 12. | Seamoor Pty Ltd | 9,078,898 | 3.10 |
| 13. | Jamie Alexander William Alpen | 7,777,778 | 2.66 |
| 14. | Anthony Gerard & Therese Anne Smith <Ariel A/C> | 7,027,302 | 2.40 |
| 15. | Kanwara Sreechum | 6,150,000 | 2.10 |
| 16. | Mr Michael Davies | 3,468,254 | 1.18 |
| 17. | Black Swan Global Pty Limited <Black Swan Global Investment A/C> | 3,200,000 | 1.09 |
| 18. | Maharajapuram Venkataraman SridHar | 2,500,000 | 0.85 |
| 19. | Chifley Portfolios Pty Ltd <David Hannon Retirement A/C> | 2,475,953 | 0.85 |
| 20. | Mr Simon William Tritton | 2,175,000 | 0.74 |
| | | **245,481,711** | **83.80** |

**e. Restricted Securities**

There are no restricted securities.

**f. Unquoted equity securities**

The Company has the following unlisted options on issue.

40,000,000 unlisted options exercisable at 3 cents with expiry 31 March 2014
15,000,000 unlisted options exercisable at 3 cents with expiry 30 November 2018
6,000,000 unlisted options exercisable at 10 cents expiry 30 November 2014

**METAL BANK LIMITED AND ITS CONTROLLED ENTITY**
**ADDITIONAL INFORMATION FOR LISTED COMPANIES**
**AS AT 9 SEPTEMBER 2014**

## 1. Company Secretary

The name of the company secretary is Ms Sue-Ann Higgins.

## 2. Address and telephone details of entity's registered and administrative office

Suite 1053B, Level 15,
Goldfields House
1 Alfred Street
Sydney, New South Wales 2000
Telephone: +(612) 9078 7669
Facsimile: +(612) 9078 7661

Mailing Address
PO Box R933
Royal Exchange
NSW 1225 Australia

## 3. Address and telephone details of the office at which the register of securities is kept

Advanced Share Registry Ltd
110 Stirling Highway
Nedlands WA 6009
Telephone: +(619) 9389 8033
Facsimile: +(619) 9262 3723

## 4. Stock exchange on which the Company's securities are quoted

The Company's listed equity securities are quoted on the Australian Securities Exchange.
Home Exchange – Perth; ASX Code: MBK.

## 5. Review of Operations

A review of operations is contained in the Review of Operations report.

## 6. On market buy-back

There is currently no on-market buy-back.

**DIRECTORS**
Inès Scotland (Non-Executive Chairman)
Anthony Schreck (Executive Director)
Guy Robertson (Executive Director)

**COMPANY SECRETARY**
Sue-Ann Higgins

**REGISTERED OFFICE**
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**BANKERS**
Westpac

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