



**MBK**

**METAL BANK LIMITED**

ABN 51 127 297 170

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Interim Financial Report  
For the half year ended 31 December 2020

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**METAL BANK LIMITED AND CONTROLLED ENTITIES**  
**ABN 51 127 297 170**

**INTERIM FINANCIAL REPORT**  
**For the Half Year Ended 31 December 2020**

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## COMPANY DIRECTORY

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### **DIRECTORS**

Inés Scotland  
Guy Robertson  
Sue-Ann Higgins

### **COMPANY SECRETARY**

Sue-Ann Higgins

### **REGISTERED OFFICE**

Suite 506  
Level 5, 50 Clarence Street  
Sydney NSW 2000  
Telephone: 02 9078 7669  
Facsimile: 02 9078 7661

### **AUDITORS**

RSM Australia Partners  
Level 13, 60 Castlereagh Street  
Sydney NSW 2000

### **SHARE REGISTRAR**

Atomic Pty Ltd  
Level 12 575 Bourke Street  
Melbourne VIC 3000  
Telephone: 02 9698 5414

### **STOCK EXCHANGE LISTING**

Australian Securities Exchange  
(Home Exchange: Melbourne, Victoria)  
Code: MBK

### **BANK**

Westpac Banking Corporation  
275 Kent Street  
Sydney NSW 2000

[www.metalbank.com.au](http://www.metalbank.com.au)

**METAL BANK LIMITED AND CONTROLLED ENTITIES**  
**ABN 51 127 297 170**

**INTERIM FINANCIAL REPORT**  
**For the Half Year Ended 31 December 2020**

**DIRECTORS' REPORT**

Your directors submit the financial report of Metal Bank Limited (the 'parent' or 'Company') and its controlled entities (the consolidated entity) for the half-year ended 31 December 2020 ('Half Year').

**DIRECTORS**

The names of Directors who held office during or since the end of the half year are:

Inés Scotland	Chair
Guy Robertson	Executive Director
Sue-Ann Higgins	Executive Director

**RESULTS**

The loss after tax for the half-year ended 31 December 2020 was \$207,479 (2019: \$221,219).

**REVIEW OF OPERATIONS**

Metal Bank Limited is pleased to outline below the activities for the half year ended 31 December 2020.

The Company's 8 Mile and Eidsvold projects are high quality large-scale gold projects with multi-million-ounce potential in a region that hosts several gold mines including Cracow (3 Moz Au), Mt Rawdon (2 Moz Au), Mt Morgan (8 Moz Au, 0.4 Mt Cu) and Gympie (5 Moz Au). Both projects are associated with historical goldfields and represent intrusion related gold systems (**IRGS**) with multi-million-ounce upside within the northern New England Orogen of eastern Australia. Refer to Figure 1.



Figure 1: Location of the 8 Mile and Eidsvold Projects in SE Queensland

## HIGHLIGHTS

**8 Mile** Phase 1 of the Company's exploration program, including an 11 hole drill program, was completed at the **8 Mile project** located near the Mt Rawdon gold mine (2 Moz) in SE Queensland, with a successful first direct drill test for a bulk tonnage intrusive related Au system at Flori's Find. Results included<sup>1</sup>:

- broad mineralisation intersected at Flori's Find on the edge of the system returning 52m @ 0.3g/t Au and 250 ppm Mo
- additional support for the Exploration Target<sup>2</sup> grade and tonnes at Flori's Find including 6m @ 1.87 g/t Au from 159m and 3m @ 1.95 g/t Au from 70m
- increased technical understanding indicating the main part of the system lies to the immediate northwest of Flori's Find with the first direct test drill hole intersecting the southern margin of the intrusive system
- Additional drilling has since been completed to the north in February 2021, with results awaited

**Eidsvold** The presence of a large hydrothermal system at the Great Eastern Target, Eidsvold Project was confirmed by the first two drill holes completed to fulfill the Queensland Government CEI (Collaborative Exploration Initiative) Grant to MBK in 2020<sup>3</sup>

The drilling and additional petrological, geophysical studies provide strong evidence for a new priority Cu-Au porphyry style target approximately 1km to the west of drilling, identified as a later event from pervasive overprinting alteration increasing in intensity towards the new target

Drilling to test the new target is scheduled to commence in March 2021

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<sup>1</sup> MBK: ASX Release 16 November 2020

<sup>2</sup> MBK: ASX Release 23 April 2020

<sup>3</sup> MBK: ASX Release 16 November 2020

<b>CEI Grant</b>	A Collaborative Exploration Grant was secured from the Qld Government of up to \$86,000 to fully fund the costs of two drill holes each up to 250m deep at the Eidsvold Project
<b>Corporate</b>	The sale of the Company's Triumph tenements was completed with the Company receiving a \$400,000 cash payment and total potential additional consideration of \$6 million plus a 1% gross royalty
<b>Capital Raise</b>	The Company successfully completed a Placement raising \$927,007 and an Entitlement Offer to Shareholders raising an additional \$1,184,508

## Business Overview

### 8 Mile Project

The **8 Mile project** is centred on the Perry goldfield and represents a large hydrothermal mineral system near the Mt Rawdon gold mine (2 Moz).

Mineralisation at the Eastern Target of the 8 Mile project is focused along a >3.6km long structural corridor which hosts the Perry prospect in the north and Flori's Find prospect in the south. The Western Target and northern extensions of the Eastern Target remain untested.

A near surface maiden Inferred Mineral Resource of 195,000t @ 2.4g/t Au has been identified at the Flori's Find prospect forming the basis for an Exploration Target of 3.6 to 5.1 Mt grading between 1.60 - 2.14 g/t Au for a total of 180,000 to 355,000 oz Au using a nominal 1 g/t Au cut-off<sup>4</sup>.

Phase 1 of the Company's exploration program was completed during the Half Year, including an 11 hole drill program for 1656.1m. In addition to infill and step out drilling to build on the shallow Mineral Resource, the first test for bulk tonnage style Au mineralisation at Floris Find target (ETDD037) was successful and supports the exploration model of a large-scale intrusive system at depth driving Au (and Mo) mineralisation at Flori's Find.

This first hole to test for bulk tonnage style mineralisation was collared 150m west of previous drilling and returned four intercepts within a 52m zone of strong alteration from 219m downhole and 125m down-dip of previous drilling (Figure 2). Results include 4m @ 0.84 g/t Au from 219m, 5m @ 0.64 g/t Au from 266m and anomalous molybdenum zones up to 10m @ 519ppm Mo from 248m. A composite uncut interval over the entire altered zone returned 52m @ 0.3g/t Au and 250ppm Mo.

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<sup>4</sup> MBK ASX Release 23 April 2020

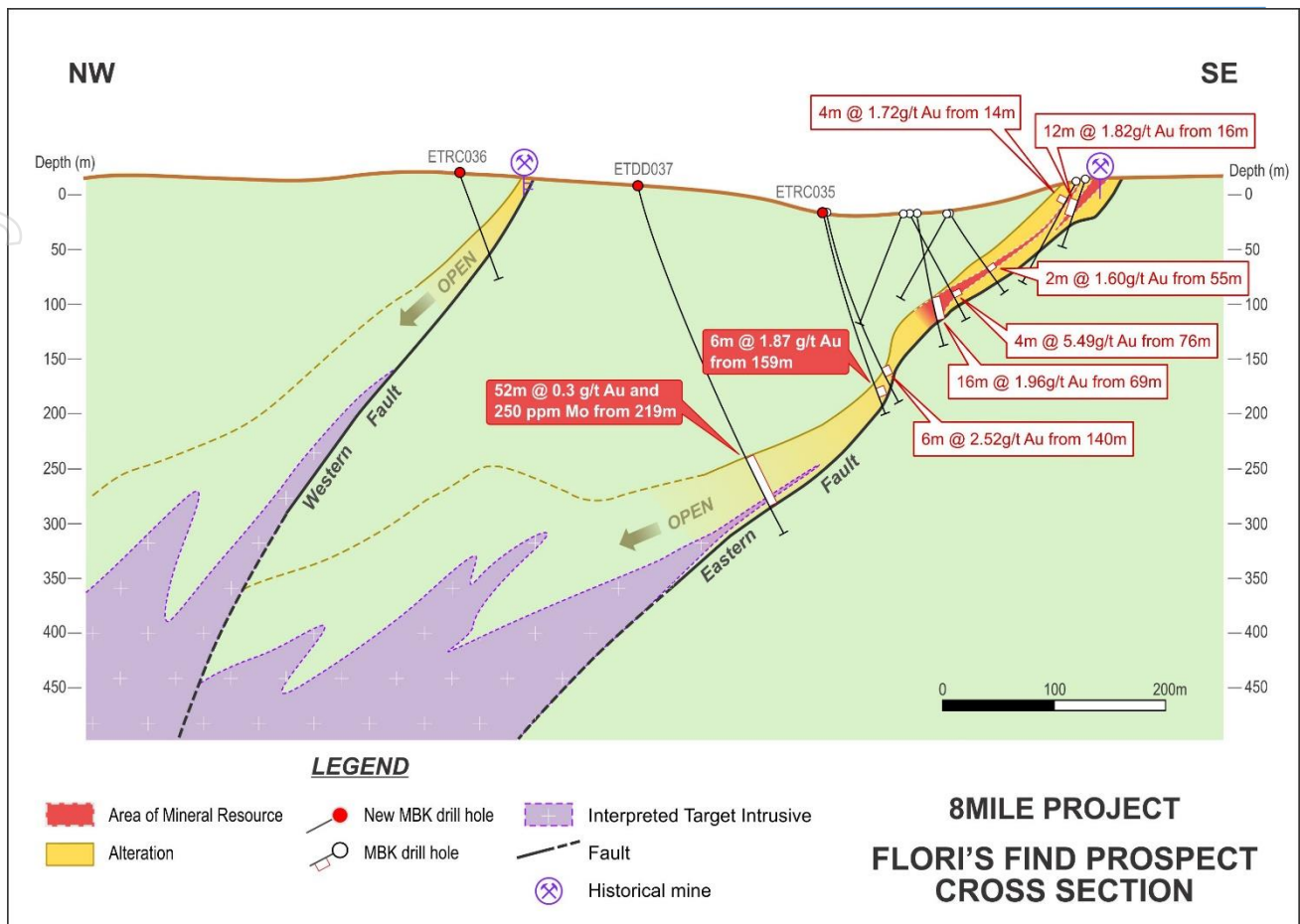


Figure 2: Cross section of Flori's Find and Flori's Copper show prospects showing alteration continues for 375m down dip from surface based on visual alteration observations in ETDD037 and a second parallel dipping system emerging from initial drilling in the west.

ETDD037 terminated at 297.1m. Detailed analysis of drill core demonstrates the occurrence of small fingers or dykes of intensely altered porphyry intrusive (**Figure 3**). These dykes are coincident with broad Au mineralisation and strong peripheral alteration, and are interpreted as emanating out of the main intrusive body, providing the first direct evidence for bulk tonnage style Au mineralisation potential.

This drillhole also demonstrates an increasing intensity of alteration and associated mineralisation in proximity to an intrusion source, and a strong molybdenum component is emerging within the Flori's Find system. This is identified as a separate phase from the Au mineralised component and Mo results from this program build on previous results<sup>5</sup> including 5m @ 1343 ppm Mo from 68m (ETRC029) and 10m @ 519 ppm Mo from 248m (ETDD037). Refer to Figure 3 below.

<sup>5</sup> MBK: ASX Release 7 July 2020

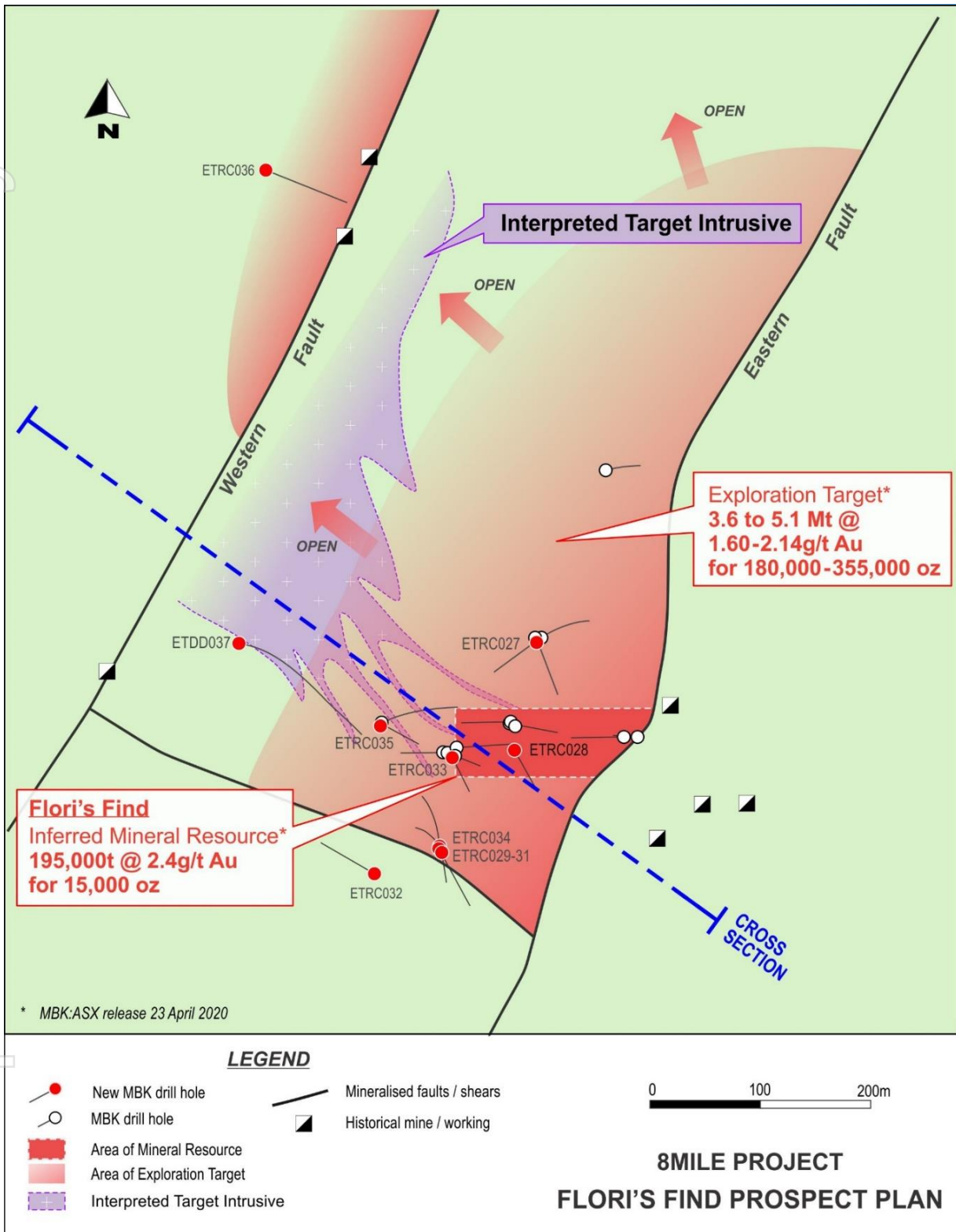


Figure 3: Drill plan of Flori's Find showing Mineral Resource, Exploration Target and location of porphyry leaking into the main shear zone.

The completed drilling program has established the geometry of the mineralised system as plunging to the northwest, and ETDD037 appears to have intersected mineralisation on the southern margin of the system.

The drill results strongly support the Company's exploration strategy for locating a potentially mineralized bulk tonnage Au system at depth, down-dip of Flori's Find deposit. Additional drilling in February 2021 has been completed to the immediate north of ETDD037 with the aim to intersect the main mineral system. Results are awaited.



## Eidsvold Project

The Eidsvold Project presents a 7km<sup>2</sup> IRGS opportunity at its Great Eastern Target<sup>6</sup> of a similar scale and geophysical response to the 3M oz Au Mt Leyshon deposit and 6 km northeast of the Eidsvold historical goldfield with 100,000 oz Au historical production.

The maiden Great Eastern Target drill program at Eidsvold was completed during the Half Year exceeding expectations and successfully identifying peripheral alteration representing the potential presence of a late-stage Cu-Au IRGS hydrothermal system.

Two holes were drilled into the large 7km<sup>2</sup> blind, conceptual Great Eastern Target, located 6 km northeast of the 100,000 oz Au Eidsvold Goldfield. These drill holes were completed to fulfill the Queensland Government Collaborative Exploration Incentive (CEI) drilling initiative awarded to MBK in 2020<sup>7</sup>. The aim of the CEI funded drilling was to determine if the large target area is hydrothermally altered, consistent with IRG mineralized systems and supported by multiple surface and geophysical evaluations<sup>8</sup>, or a large unaltered intrusive plug.<sup>1</sup>

The drill program resulted in a combined 136.9m of drill core from within the intrusive over the two drill holes. The overlying sediment was considerably deeper than geophysical modelling had indicated. GET002 drilled through 396m of overlying sediment and then intrusive until 475.5m for a total of 79.5m of intrusive tested. GET003 drilled through 459m of sediment and then intrusive until 516.4m for a total of 57.4m of intrusive tested.

While individual sporadic 1m interval results in the intrusives intersected up to 0.13% Cu and 0.43 g/t Au, within broad zones of weakly elevated Au and Cu representing the early phase intrusion, detailed logging of drill core, petrological and geochemical studies and additional airborne magnetics modelling provide strong technical support for a later stage potential Cu-Au IRG system.

The source of the system is interpreted to be centered 1 km to the west of the completed drill holes (refer to Late Western Intrusive in Figure 4) and which overprints an early weakly mineralized Cu-Mo style porphyry system.

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<sup>6</sup> MBK ASX Release 5 May 2020

<sup>7</sup> MBK:ASX Release 3 August 2020

<sup>8</sup> MBK:ASX Release 5 May 2020

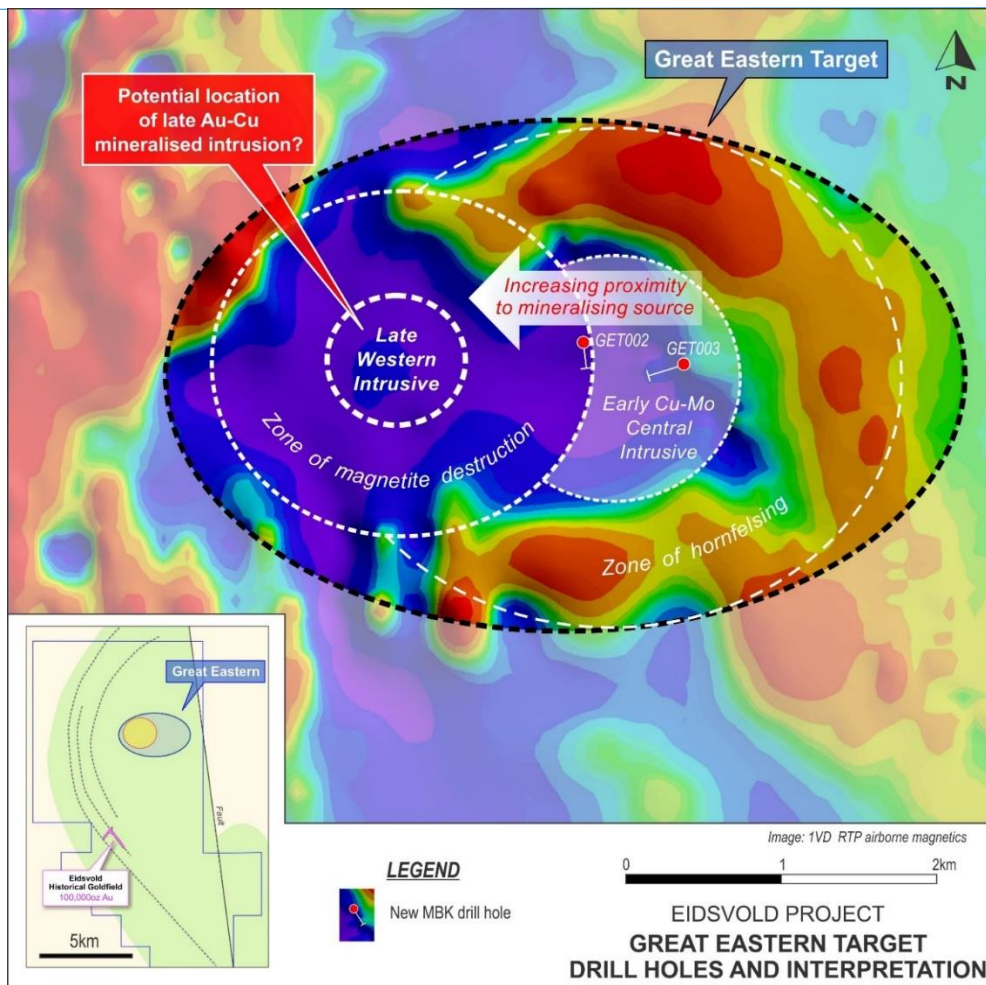


Figure 4: Showing the potential source location of an Au-Cu mineralised intrusion based on outcome of Queensland Government CEI funded drilling at the Great Eastern Target.

A later event representing the source of the system potentially located 1km to the west of drilling, (refer Figure 4), has been defined by:

- pervasive overprinting alteration and veining with a marked increase of intensity towards the west;
- petrology consistently identified discrete and pervasive overprinting alteration which is interpreted to be part of a more penetrative and broader alteration system from a later source and not in isolation;
- petrology also confirming an association with magnetite destruction;
- presence of characteristic cross cutting phyllic alteration and vein sequence of quartz-pyrite±Cu±Au to later quartz-carbonate-sericite- clay-sulphide ±Ag±As±Sb;
- broad 45m interval of 222 ppm As (up to 0.3%) with elevated Sb (up to 30ppm) in GET002, signifying a very distal geochemical zonation to a second hydrothermal system; and
- reinterpretation of airborne magnetics defining a broad 2 km diameter refined target area to the west, where the magnetized hornfelsed margin of the earlier event has been destroyed by hydrothermal alteration from the later event (Refer to Figure 4).

Confirmation of the depth of and dip of the contact between the intrusive and overlying sediment indicates a depth of overlying sediment of <150m in the refined target area.

### **Mt Brady and Forty Horse Targets<sup>9</sup>**

Three drill holes were completed at Mt Brady. Two drill holes were designed to test below previous results of 1m@ 17.4 g/t Au and 2.5% Cu<sup>10</sup> returned a discreet zone of sub-economic, elevated Au and Cu mineralisation with the mineralisation pinching out at depth. Additional testing 400m to the southwest beneath historical workings returned up to 1m @ 0.9 g/t Au from 57m.

At the blind Forty Horse target which is located directly along strike from the 100,000 oz Au historical Eidsvold Goldfield, three drill holes were completed, intersecting weak pathfinder geochemistry.

### **CEI Grant**

During the Half Year, the Company received a collaborative Exploration Initiative (CEI) grant of up to \$86,000 to fully fund the drilling of two drill holes up to 250m each for a total of 500m, to drill test the Eidsvold project's Great Eastern Target.

The application for the Eidsvold project was one of only 25 successful applications due to the high quality and prospectivity of the target presented.

The successful application was applied to the first drill test of the new 7 km<sup>2</sup> Great Eastern Intrusion Related Gold (IRG) target. The location of the Great Eastern Target is shown in Figure 4 above.

### **Triumph Project**

MBK completed the sale of the Company's Triumph tenements during the Half Year for a total potential consideration of \$6.4 million (including cash of \$400,000 to fund exploration activities on the Company's other projects) plus a 1% gross royalty.

### **Capital Raising**

In September 2020 the Company completed a Placement and Entitlement Offer (both oversubscribed) raising a total of \$2,111,508 (before costs)<sup>11</sup> to fund its exploration programs at 8 Mile and Eidsvold.

132,429,645 new ordinary shares were issued under the Placement at \$0.007 per Share (**Offer Price**) raising \$927,000, together with a total of 66,214,287 free attaching unlisted options exercisable at 1.5 cents on or before 31 March 2022 (**New Options**).

169,215,433 new ordinary shares were issued under the Entitlement Offer at the Offer Price raising an additional \$1,184,508, with 84,607,803 New Options also issued.

An additional 15,000,000 New Options were issued to holders of AFSL licences who assisted in the Placement.

The Company's total issued capital after the capital raising is:

1,184,508,304 ordinary shares; and  
165,822,090 New Options.

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<sup>9</sup> MBK: ASX Release 2 February 2021

<sup>10</sup> MBK ASX Release 15 Apr 2014

<sup>11</sup> MBK ASX Release 7 September 2020

## Corporate

During the Half Year, the Company made application for additional exploration projects in Queensland. One application is over an area adjacent to the 8 Mile Project for which the application process is ongoing, with the Company being the only applicant. The other application has been made over an area unrelated to the Company's existing projects, however, is subject to competing applications. Further details will be provided in the event the Company's application is successful.

The Company also continued with its review and analysis of new growth opportunities through acquisition and corporate transactions, with the focus on cash-flow generating assets to assist with the funding of the exploration portfolio.

The Company paid related parties comprising executive director and company secretary fees \$25,000 for the Half Year ended 31 December 2020.

The Company spent \$727,000 on exploration activities in the Half Year, including \$412,000 in drilling costs with the balance in geological, geophysical and assay costs.

## Tenement Schedule

### Roar Resources Pty Ltd (Wholly Owned Subsidiary)

Eidsvold Project  
EPM18431 – Queensland  
EPM18753 – Queensland  
EPM26660 – Queensland

8 Mile Project  
EPM26945 - Queensland

## Competent Persons Statement

*The information in this report that relates to Exploration Results, Mineral Resources and Exploration Target statements is based on information compiled or reviewed by Mr Trevor Wright as set out in the Company's ASX Releases dated 7 Nov 2019, 23 April 2020, 6 July 2020 and 16 November 2020 (8 Mile) and 5 May 2020 and 22 October 2020 (Eidsvold). The Company is not aware of any new information or data that materially affects the information included in these ASX Releases and in the case of reported Mineral Resources, all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed. Mr Wright is a Member of The Australasian Institute of Geoscientists and is a contractor to the Company. Mr Wright 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 Wright 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.*



**Inés Scotland**  
Executive Chair

## METAL BANK LIMITED AND CONTROLLED ENTITIES

### SIGNIFICANT CHANGES IN STATE OF AFFAIRS

In the opinion of the Directors, other than the matters covered above in this report and the accounts and notes attached thereto, there were no significant changes in the state of affairs of the consolidated entity that occurred during the financial period under review.

### DIVIDENDS

No dividends have been paid or declared since the end of the previous financial year to the date of this report.

### EVENTS SUBSEQUENT TO REPORTING DATE

There have been no events subsequent to year end which would have a material effect on the consolidated entity's financial statements at 31 December 2020.

### AUDITOR'S INDEPENDENCE DECLARATION

Auditors' Independence Declaration under Section 307C of the Corporations Act 2001.

The lead auditor's independence declaration for the half year ended 31 December 2020 is set out on page 13.

This report is signed in accordance with a resolution of the Board of Directors.



Guy Robertson  
Director  
Sydney  
Dated: 12 March 2021

**RSM Australia Partners**

Level 13, 60 Castlereagh Street Sydney NSW 2000

GPO Box 5138 Sydney NSW 2001

T +61 (0) 2 8226 4500

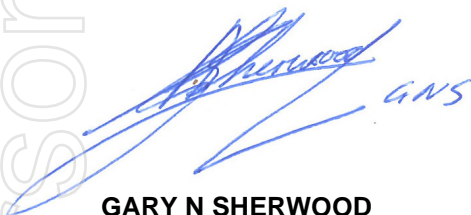
F +61 (0) 2 8226 4501

www.rsm.com.au

**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the review of the financial report of Metal Bank Limited for the half year ended 31 December 2020, 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 review; and
- (ii) any applicable code of professional conduct in relation to the review.

*RSM***RSM AUSTRALIA PARTNERS**  
*GNS***GARY N SHERWOOD**

Partner

Sydney, NSW

Dated: 12 March 2021

**METAL BANK LIMITED AND CONTROLLED ENTITY**  
**ABN 51 127 297 170**

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME**

For the half year ended 31 December 2020

	Note	31 December 2020 \$	31 December 2019 \$
Revenue	2	20,206	7,249
Administration expenses		(37,374)	(25,033)
Employee benefits expenses		(767)	(1,625)
Compliance and regulatory expenses		(82,014)	(46,324)
Director fees		(33,000)	(25,000)
Management and consulting fees		(73,414)	(128,932)
Travel expenses		-	(1,554)
Share based payments		(17,000)	-
Loss before income tax		(223,363)	(221,219)
Income tax expense		-	-
Loss for the period		(223,363)	(221,219)
Other comprehensive income		-	-
Total comprehensive loss for the period		(223,363)	(221,219)
Basic and diluted loss per share (cents per share)		(0.02)	(0.03)

The accompanying notes form part of this financial report.

**METAL BANK LIMITED AND CONTROLLED ENTITIES**  
**ABN 51 127 297 170**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
As at 31 December 2020

	Note	31 December 2020 \$	30 June 2020 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		2,159,255	627,052
Trade and other receivables		69,129	35,619
Financial assets		1,250	1,250
		<u>2,229,634</u>	<u>663,921</u>
Assets classified as held for sale		-	6,400,000
		<u>2,229,634</u>	<u>7,063,921</u>
<b>TOTAL CURRENT ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Plant and equipment		4,959	6,593
Evaluation and exploration expenditure	3	3,110,819	2,235,455
Contingent consideration		6,000,000	-
		<u>9,115,778</u>	<u>2,242,048</u>
<b>TOTAL NON-CURRENT ASSETS</b>			
<b>TOTAL ASSETS</b>			
		<u>11,345,412</u>	<u>9,305,969</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		419,843	220,303
<b>TOTAL CURRENT LIABILITIES</b>			
		<u>419,843</u>	<u>220,303</u>
<b>TOTAL LIABILITIES</b>			
		<u>419,843</u>	<u>220,303</u>
<b>NET ASSETS</b>			
		<u>10,925,569</u>	<u>9,085,666</u>
<b>EQUITY</b>			
Share capital	5	22,844,668	20,852,582
Reserves	5	71,180	
Accumulated losses		(11,990,279)	(11,766,916)
		<u>10,925,569</u>	<u>9,085,666</u>
<b>TOTAL EQUITY</b>			
		<u>10,925,569</u>	<u>9,085,666</u>

The accompanying notes form part of this financial report.

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**METAL BANK LIMITED AND CONTROLLED ENTITIES**  
**ABN 51 127 297 170**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
For the half year ended 31 December 2020

	Note	Issued Capital \$	Reserves \$	Accumulated Losses \$	Total \$
<b>Balance as at 1 July 2020</b>		20,852,582	-	(11,766,916)	9,085,666
Total comprehensive loss for the period		-	-	(223,363)	(223,363)
Issue of shares		2,111,512	-	-	2,111,512
Cost of share issue		(119,426)	-	-	(119,426)
Share based payments		-	71,180	-	71,180
<b>Balance as at 31 December 2020</b>		<u>22,844,668</u>	<u>71,180</u>	<u>(11,990,279)</u>	<u>10,925,569</u>
<b>Balance as at 1 July 2019</b>		20,852,582	-	(10,435,820)	10,416,762
Total comprehensive loss for the period		-	-	(221,219)	(221,219)
<b>Balance as at 31 December 2019</b>		<u>20,852,582</u>	<u>-</u>	<u>(10,657,039)</u>	<u>10,195,543</u>

The accompanying notes form part of this financial report.

**METAL BANK LIMITED AND CONTROLLED ENTITIES**  
**ABN 51 127 297 170**

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
For the half year ended 31 December 2019

	31 December 2020 \$	31 December 2019 \$
<b>OPERATING ACTIVITIES</b>		
Payments to suppliers and employees	(186,991)	(229,905)
Interest received	206	6,891
Net cash used in operating activities	<u>(186,785)</u>	<u>(223,014)</u>
<b>INVESTING ACTIVITIES</b>		
Payment for exploration and evaluation	(727,278)	(544,860)
Proceeds from sale of project	400,000	-
Net cash used by investing activities	<u>(327,278)</u>	<u>(544,860)</u>
<b>FINANCING ACTIVITIES</b>		
Share issue	2,111,512	-
Cost of share issue	(65,246)	-
	<u>2,046,266</u>	<u>-</u>
Net decrease in cash held	1,532,203	(767,874)
Cash at the beginning of the financial year	627,052	1,753,685
Cash at the end of the financial period	<u><u>2,159,255</u></u>	<u><u>985,811</u></u>

The accompanying notes form part of this financial report.

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**METAL BANK LIMITED AND CONTROLLED ENTITIES**  
**ABN 51 127 297 170**

**NOTES TO THE FINANCIAL STATEMENTS**  
For the half year ended 31 December 2020

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**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of preparation**

The interim financial report is a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134: Interim Financial Reporting. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report does not include all of the information required for a full annual financial report. This interim financial report should be read in conjunction with the annual financial report for the year ended 30 June 2019, together with any public announcements made by Metal Bank Limited and its controlled entity during the half-year.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

These financial statements were authorised for issue on 12 March 2021.

**Accounting policies**

The accounting policies and methods of computation adopted in the preparation of this interim financial report are, unless otherwise stated, consistent with those adopted and disclosed in the most recent annual financial report.

**New and revised Standards and Amendments**

The adoption of all the new and revised Standards and Interpretations has not resulted in any material changes to the consolidated entity's accounting policies and has no effect on the amounts reported for the current or prior half-years. The Group has considered for the first time AASB 16 "Leases".

AASB 16 provides a model for the identification and treatment of lease arrangements in the financial statements. AASB 16 superseded the lease guidance including AASB 117 Leases and the related Interpretations, when it became effective for the Group for the accounting period beginning 1 July 2019. The Group has no leases and there is therefore no impact on the accounts for this or the prior comparative financial period.

**2. REVENUE**

	31 December 2020 \$	31 December 2019 \$
Revenue		
Interest income	206	7,249
Government subsidy	20,000	-
	<u>20,206</u>	<u>7,249</u>

**METAL BANK LIMITED AND CONTROLLED ENTITIES**  
**ABN 51 127 297 170**

**NOTES TO THE FINANCIAL STATEMENTS**  
For the half year ended 31 December 2020

**3. EXPLORATION AND EVALUATION EXPENDITURE**

	31 December 2020 \$	30 June 2020 \$
	<u>                    </u>	<u>                    </u>
Exploration and evaluation expenditure	2,235,455	2,235,455
<b>Reconciliation of carrying amount</b>		
Balance at beginning of financial period	2,235,455	8,804,339
Expenditure in current period	875,364	717,160
Expenditure reclassified to assets available for sale	-	(6,400,000)
Exploration expenditure written off	-	(886,044)
Balance at end of financial period	<u>3,110,819</u>	<u>2,235,455</u>

**4. CONTINGENT CONSIDERATION**

	2020 \$	2019 \$
	<u>                    </u>	<u>                    </u>
<b>Non-current assets</b>		
Contingent consideration	<u>6,000,000</u>	<u>-</u>

The Company sold its interest in the Triumph project in September 2020 for \$6,400,000 comprised as follows:

- \$400,000 in cash
- \$1.5 million on the purchaser achieving a Mineral Resource of 500,000 oz au or more;
- \$2 million on the purchaser achieving a Mineral Resource of 1,000,000 oz au or more;
- \$2.5 million on the purchaser achieving a Mineral Resource of 2,000,000 oz au or more; and a 1% gross royalty.

The cash received of \$400,000 has been deducted from the carrying value of the asset, and the remaining balance will be reviewed for impairment annually.

**5. SEGMENT INFORMATION**

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

## 6. EQUITY

### (a) Issued Capital

	31 December 2020 \$	30 June 2020 \$
1,184,508,304 (30 June 2020 – 882,864,297 ) fully paid ordinary shares	<u>22,898,848</u>	<u>20,852,582</u>

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 period:

	December 2020 No. Shares	June 2020 No. Shares	December 2020 \$	June 2020 \$
Opening balance – start of reporting period	882,864,297	882,864,297	20,852,582	20,852,582
Issue of shares	301,644,007	-	2,111,512	-
Cost of issue		-	(65,246)	-
Closing balance – end of reporting period	<u>1,184,508,304</u>	<u>882,864,297</u>	<u>22,898,848</u>	<u>20,852,582</u>

### (b) Reserves

#### Share options

	December 2020 No. Options	June 2020 No. Options	December 2020 \$	June 2020 \$
Opening balance	-	-	-	-
Share options issued	165,822,090	-	54,180	-
Closing balance	<u>165,822,090</u>	<u>-</u>	<u>54,180</u>	<u>-</u>

The Company issued 150,822,090 free attaching share options as part of the September 2020 capital raise on the basis of one option for every two new shares issued. In addition, the Company issued 15,000,000 options to an advisor for assisting in the capital raise. All options have an exercise price of \$0.015 and an expiry date of 31 March 2022.

The options issue to the advisor have been valued using Black & Scholes using a risk rate of .21%, volatility of 100%, share price on date of issue \$0.01, exercise price \$0.015 and expiry date 31 March 2022.

### (c) Performance Rights

On the 30 September 2020 the Company issued 9,120,000 performance rights to the Exploration Manager.

Non market based conditions include a service period to 31 August 2021, achieving the exploration strategy on the 8 Mile and Eidsvold projects and regulatory compliance. Market based conditions include an allocation

subject to the Company's share price being a 100% increase on the 30 day VWAP of \$0.0105 as at 23 September 2020 and an allocation based on the Company's share price being a 50% increase on the 30 day VWAP of \$0.0105 as at 23 September 2020

The performance period ends on 30 September 2021.

The performance rights were valued at \$70,000 of which an expense of \$17,000 was recognised during the period ended 31 December 2020.

#### **7. EVENTS SUBSEQUENT TO REPORTING DATE**

There have been no events subsequent to year end which would have a material effect on the consolidated entity's financial statements at 31 December 2020.

#### **8. CONTINGENT ASSETS AND CONTINGENT LIABILITIES**

The consolidated entity currently has no contingent assets or contingent liabilities.

**METAL BANK LIMITED AND CONTROLLED ENTITY**  
**ABN 51 127 297 170**

**DIRECTORS' DECLARATION**  
For the half year ended 31 December 2020

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The Directors of the consolidated entity declare that:

1. The financial statements and notes, as set out on pages 14 to 20 are in accordance with the Corporations Act 2001 and:
  - (a) comply with Accounting Standard AASB 134: Interim Financial Reporting, and other mandatory professional reporting requirements; and
  - (b) give a true and fair view of the consolidated entity's financial position as at 31 December 2020 and its performance for the half year ended on that date.
2. In the Directors' opinion there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



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Guy Robertson  
Director

Sydney  
Dated: 12 March 2021

## INDEPENDENT AUDITOR'S REVIEW REPORT

### TO THE MEMBERS OF

### Metal Bank Limited

#### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Metal Bank Limited which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the half-year ended on that date, 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 half-year end or from time to time during the half-year.

#### *Directors' Responsibility for the Half-Year Financial Report*

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 31 December 2019 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Metal Bank Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



### *Independence*

In conducting our review, 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 review report.

### *Basis for Qualified Conclusion*

Included in Note 4 of the half-year financial report is a financial asset with a carrying value of \$6,000,000 as at 31 December 2020. As disclosed in Note 4, a sale transaction was concluded in September 2020 for a variable consideration based on staged payments upon the identification of future JORC Mineral Resource milestones as well as a potential royalty. There is significant judgement required with regards to the estimation of the likelihood and timing of the future JORC milestones, and therefore the value of the consideration that will ultimately be received. We were unable to obtain sufficient appropriate audit evidence about the assumptions used to determine the fair value of the asset. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

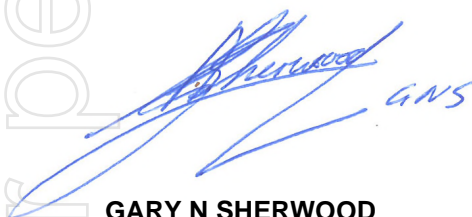
### *Qualified Conclusion*

Based on our review, which is not an audit, with the exception of the matter described in the preceding paragraph, we have not become aware of any matters that makes us believe that the half-year financial report of Metal Bank Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.



**RSM AUSTRALIA PARTNERS**



**GARY N SHERWOOD**  
Partner

Sydney, NSW

Dated: 12 March 2021