

Metals Exploration PLC
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Metals Exploration - Drilling Report

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RECONNAISSANCE MAPPING AND SAMPLING AT RUNRUNO PROJECT IDENTIFIES
WIDE ZONE OF

GOLD AND MOLYBDENUM MINERALISATION OVER 2.2 KILOMETRES

Metals Exploration is pleased to announce the surface delineation of a 100 metre wide, continuous zone of gold+molybdenum+copper+silver mineralisation over a strike length of at least 2,200 metres and down-dip depth of up to 400 metres.

Preliminary results from rock-chip sampling of the northern and southern limits of the mineralised zone defined so far have just been received this morning.

Gold assays results of 1.2 to 4.89 g/t Au have been obtained from the northern end and for the southern end gold assay results range up to 2.5 g/t Au. The

Company is waiting for conformation of the gold analyses from the laboratory as well as analytical results for molybdenum, silver and other elements. The zone of mineralisation is believed to extend to depth, further to the north and possibly to the south as well.

Mapping is continuing to define the strike limits to the structure.

Results from recent rock-chip sampling in March and April of the 'high-grade' miners' tunnels located in the central part of the mineralised zone have just been received with results ranging up to 54 g/t Au and 4,300 ppm Mo. The Company is highly encouraged by these results. Surface sampling of the mineralised zone is currently underway and the Company is anticipating receiving the first results in the next few days of the first batch of surface rock-chip sampling and trenching programs.

The Runruno Project comprises one Exploration Permit (EP-II-13) and is located some 210 kilometres to the north-northeast of Manila in Northern Luzon. The property is adjacent to Climax Mining Ltd's Didipio project, which contains the Dinkidi gold+copper deposit with a reported global resource of 121 million tonnes, grading 0.97 g/t Au and 0.39% Cu, for contained 3.8 million ounces of gold and 470,000 tonnes of copper.

Gold was first discovered at Runruno during the early 1960s and itinerant 'high-grade' miners have since been selectively mining the higher gold grade mineralisation within the main mineralised zone.

From 1969 to 1974, Fil-Am Resources Inc. ("Fil-Am") completed a total of approximately 8,670 metres of diamond drilling in the central part of the mineralised zone, over a strike length of approximately 600 metres, opened 3 adits and developed 800 metres of exploratory drives. Results of Fil-Am's channel sampling of the exploratory drives returned significant results ranging up to 11.82 ounces/tonne gold (367 g/t Au) with the main area averaging 2.8 ounces/tonne gold (87 g/t Au) over 40 metres by 20 metres.

In 1978 and 1979 a feasibility study was completed by two Japanese companies, and a 1980 feasibility report gave an estimated resource, at 0.8 g/t Au cutoff, of 13.4 million tonnes with an average grade of 1.4 g/t Au and 3.29 g/t Ag for contained 600,000 ounces of gold to a depth of approximately 200 metres below the highest part of the deposit.

Towards the end of 2000 and early 2001, Placer Dome Exploration Pty Ltd ('Placer') completed 11 diamond drill holes for a total of 2,020 metres. Only two holes were drilled through the mineralised zone with another two abandoned at the upper contact of the zone. The remaining holes targeted geophysical anomalies elsewhere within the tenement.

Best results from the two holes which intersected the mineralised zone are 24m @ 1.74 g/t Au from 42 metres and 12m @ 2.06 g/t Au from 140 metres in hole RUD-0001, and 10m @ 3.91 g/t Au and 246ppm Mo from 4 metres; 8m @ 4.45 g/t Au and 404 ppm Mo from 28 metres and 30m @ 2.07 g/t Au and 749ppm Mo from 72 metres.

At the present prices of gold and molybdenum, US\$430/oz and US\$35/lb respectively, the Company believes that the Runruno gold+molybdenum+copper+silver deposit has good potential to be increased in value through increasing the tonnage by further drilling of the strike and depth extensions and by analysing future drill samples for gold and molybdenum.

Notes:

1. Analyses of element in parts per million ("ppm") is equivalent to grams per tonne ("g/t")
2. Chemical Symbols are given for gold (Au); silver (Ag); molybdenum (Mo).
3. Abbreviations are given for ounce (oz); pound (lb), US dollars (US \$)

Qualified Person

Gary Powell has been involved in the mining and exploration industry for more than 20 years. He has a Bachelor of Applied Science degree in geology, and is a member of the Australasian Institute of Mining and Metallurgy ("AusIMM") and the Australasian Institute of Geoscientists ("AIG"). He has compiled, read and approved the technical disclosure in this regulatory announcement.

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