

Metals Exploration Issue of Equity

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Metals Exploration PLC
18 October 2006

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Metals Exploration plc ("Metals Ex" or "the Company")

Issue of Equity

Placing to raise #5 million

HIGHLIGHTS

#5 million raised (before expenses) through an institutional placing.

Funds will be used primarily to advance the Company's Runruno gold-molybdenum project in the Philippines, which, as previously announced, has a preliminary JORC compliant Inferred Mineral Resource totalling an estimated 23 million tonnes at an average grade of 2.3 g/t gold and 0.07% molybdenum for a total contained 1.7 million ounces of gold and 34 million pounds (15.4kt) of molybdenum.

Company strategy to move into development of a 150,000-200,000 oz/yr gold mining operation at Runruno.

Recent appointment of Jonathan Beardsworth as CEO complements management team with extensive corporate experience and proven track record in mineral exploration, project development, feasibility studies and mining finance.

Metals Ex is an AIM-quoted gold and copper exploration company with a focus on the Philippines.

The Company is pleased to announce that it has raised #5 million (before expenses) through a placing (the "Placing") of new ordinary shares of 1 pence each at 25 pence per ordinary share (the "Placing Shares") through its broker Collins Stewart. The Placing Shares have been issued at a discount of 22.5% to the closing price of the shares at 32.25p on 16 October 2006.

Application will be made for the Placing Shares to trade on AIM and it is expected that dealings in the Placing Shares will commence on 24 October 2006.

The Placing Shares will rank pari passu in all respects with the existing shares in issue. The number of shares in issue following the Placing will be 75,862,167.

The majority of the funds will be used to conduct further drilling operations at Runruno with a view to increasing the size of the resource to the Company's medium term target of 2.5m oz Au by mid 2007. Funds will also be used to improve the definition of the resource, to conduct metallurgical testing and preliminary environmental studies, and to prepare for the commencement of a bankable feasibility study starting around mid 2007.

Jonathan Beardsworth, CEO, said: "We are delighted with the support shown by existing major shareholders, and pleased to welcome important new institutional shareholders to the Company. Runruno is an exciting gold / moly project which already has a resource capable of sustaining a 150,000-200,000 ounce per year gold mining operation. The Placing gives us the opportunity to increase the resource and move towards development."

Qualified/competent persons

Gary Powell (a Director of the Company) 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 and the Australasian Institute of Geoscientists. Gary Powell is the Qualified Person for the purposes of the AIM Guidance Note on Mining, Oil and Gas Companies dated March 2006. He has compiled, read and approved the technical disclosure in this regulatory announcement.

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