

Metals Exploration PLC

11 May 2006

2006-05-11 07:04:07

Metals Exploration - Resource Update - Runruno

RNS Number:7609C

Metals Exploration PLC

11 May 2006

METALS EXPLORATION PLC

RUNRUNO PROJECT - PRELIMINARY JORC-COMPLIANT INFERRED MINERAL RESOURCE E

23 MILLION TONNES AT 2.3G/T GOLD AND 0.07% MOLYBDENUM, CONTAINING

1.7 MILLION OUNCES GOLD AND 34 MILLION POUNDS MOLYBDENUM

11 May 2006

The Board of Metals Exploration PLC ("the Company") is pleased to announce that a preliminary resource estimate has just been completed for the Runruno gold-molybdenum deposit.

The results of the Company's first 17 diamond drill holes have been combined

together with those for the two drillholes of Greenwater to calculate a 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.

The resource estimate is classified as an Inferred Mineral Resource as defined by the JORC Code, the Australasian Code for Reporting of Identified Mineral Resources and Ore Reserves.

The Company intends to commence a desk-top study into the economics of the Runruno deposit given that it believes that there is potential to significantly increase the resource to more than 3 million ounces of contained gold and 50 million pounds of contained molybdenum.

## RUNRUNO PROJECT

### Resource Estimate

A preliminary resource estimate has just been completed using the assay data collected from the Company's drilling program (drillholes MXD01-MXD17) and two of the Greenwater diamond drillholes completed in 2000-01 (RUD-001 & RUD-004).

The resource estimate was carried out using the results of Greenwater's bulk

density measurements which averaged 2.5 tonnes per cubic metre. A lower cut-off grade of 0.7g/t Au and no upper cut-off grade was applied to the gold assays. As the gold analysis is being carried out by screen fire assay technique and that there are no extraordinarily high gold assays, it was deemed not necessary to apply an upper cut-off grade to the gold assays. No lower or upper cut-off grades were applied to the molybdenum assays. The resource estimate is contained within a surface area measuring 1,100 metres x 500 metres.

### Drilling Programme

Since November 2005, the Company has drilled 25 diamond drill holes and is awaiting the results for holes MXD018 to MXD025. So far the results have been obtained from drilling on a 100m x 100-200m grid spacing over a surface area of approximately 1000 metres x 700 metres. The mineralised zones still appear to be approximately 100 metres thick with higher grade zones at the hangingwall and footwall positions within the zone. This area encompasses the southern-most portion of the area previously drilled by Fil-Am during the 1970s, upon which their resource calculation of 600,000 ounces gold was based.

The Company is currently extending the drilling area northwards through the Fil-Am resource area and uphill to the east.

### Sampling & Analysis

## Sample Preparation

The drill core is taken from the drill site to a secure compound at the Company's field camp and is logged by the geologist. The drill core is then split into two equal halves along its long axis, with one half being sampled at predetermined intervals, bagged and sent for analysis. The remaining half-core is retained in core boxes and stored on site for future reference.

The bagged half-core samples are being submitted to an independent 'ISO17025 accredited' laboratory for sample preparation and analyses for gold and molybdenum. All of the half-core samples are crushed by the laboratory and a 900-1000 gram split is taken, pulverized and presented for analysis.

The remaining crushed sample is retained in bags and stored at the laboratory for a period of three months before being returned to the Company for storage. These remaining crushed samples will be used in the future for additional analyses for gold, molybdenum, silver, sulphur and other elements as deemed necessary, for example, for resource estimation work.

## Analytical Techniques

Gold: Gold analysis is by classical 'Screen Fire Assay'

technique that involves sieving a 900-1000 gram sample to 200 mesh (75microns).The entire oversize and duplicate undersize fractions are fire assayed and the weighted average gold grade calculated. This is one of the most appropriate methods for determining gold content if there is a 'coarse gold' component to the mineralisation.

Molybdenum: The sample is dissolved in Aqua Regia (3:1 HCl:HNO<sub>3</sub>) and Molybdenum analysis is carried out by Inductively Coupled Plasma - Optical Emission Spectrometry (ICP-OES) method.

#### Desk-Top Study

As part of the Company's strategy to explore and develop the Runruno project, various studies will be commenced, including but not limited to metallurgical testwork.

#### Explanation Of Terms

Au	chemical symbol for gold
Mo	chemical symbol for molybdenum
HCl	chemical symbol for Hydrochloric Acid
HNO <sub>3</sub>	chemical symbol for Nitric Acid
g	gram

t	tonne
g/t grams	grams per tonne, which is equivalent to parts per million (g/t Au = of gold per tonne)
kt	thousand tonnes
%	percent (0.034% Mo = 340 parts per million of molybdenum)
lb	avoirdupois pound (= 453.59237 grams)
oz	troy ounce (= 31.103477 grams)
micron millionth	A unit of length equal to one thousandth of a millimetre or one of a metre.
200 mesh mesh	the number of openings (200) in one linear inch of screen mesh (200 approximately equals 75 microns)
JORC	Joint Ore Reserves Committee
JORC Code	The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves
Mineral Resource interest	is a concentration or occurrence of material of intrinsic economic interest
there	in or on the Earth's crust in such form, quality and quantity that are reasonable prospects for eventual economic extraction
Inferred Mineral Resource	is that part of a Mineral Resource for which tonnage, grade and mineral content can be estimated with a low level of confidence. It is inferred from geological evidence and assumed but not verified geological and/or grade continuity. It is based on information gathered through

appropriate

and techniques from locations such as outcrops, trenches, pits, workings

reliability drill holes which may be limited or of uncertain quality and

## FORWARD LOOKING STATEMENT

Given the results of the preliminary resource estimation, the Company believes that the projected extensions of the mineralised zone, based on the recent computer modeling and the generation of a robust geological model, indicates that there is significant potential to increase the size of the resource to the north and to the east of the currently drilled area. The Company is now targeting the definition of a gold-molybdenum resource containing greater than 3 million ounces of gold and 50 million pounds of molybdenum.

## 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. He has compiled, read and approved the technical disclosure in this regulatory announcement.

The information in the report to which this statement is attached that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Brian Lueck, who is a Member of the Association of Professional Engineers and Geoscientists of British Columbia, Canada. Mr Brian Lueck is employed as a technical consultant to the Company and 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 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC Code). Mr Brian Lueck consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

ENQUIRIES:

Steven Smith - Chairman: + 44 (0) 7797 721 858

Jonathan Anderson - Investor Relations: + 44 (0) 7950 410 680 or  
+63 (0) 917 560 6654

Philip Haydn-Slater - WH Ireland Limited: + 44 (0) 2072 201 666

The company news service from the London Stock Exchange

END

DRLSFSFISSEMSEFI