

Metals Exploration PLC

Runruno Resource Update

02 November 2007

RESOURCE UPGRADED TO INDICATED & INFERRED – 2Moz GOLD & 40Mlb MOLYBDENUM

Metals Exploration PLC ("the Company"), the natural resources exploration and development company with assets in the Pacific Rim region, is pleased to report that it has completed Phase 1 of an infill drilling programme and technical review of the 100% controlled Runruno gold-molybdenum deposit in the Philippines.

Phase 1 has resulted in a contained metal total at Runruno of 2.05 million ounces of gold of which 0.409 million ounces is Indicated and 39.5 million pounds of molybdenum of which 10 million pounds is Indicated. This is a slight increase of 0.8% in total gold and significant increase of 14.8% in total molybdenum from the previous estimation. The grade shown for the Indicated section of the molybdenum resource has risen by over 60%.

The Company has estimated a JORC-compliant Indicated & Inferred Mineral Resource of 28Mt at 2.27% gold per tonne (g/t) and a 0.06% grade of molybdenum, comprising of:

- *Indicated Resource of 5.45Mt at 2.33 g/t gold & 0.09% molybdenum*
- *Inferred Resource of 22.6Mt at 2.26 g/t gold & 0.06% molybdenum*

Jonathan Beardsworth, Chief Executive of Metals Exploration Plc, commented:

"We are pleased to have upgraded and increased resource status of the gold-molybdenum deposit from Inferred to Indicated & Inferred further demonstrating the potential of Runruno. The size of the gold resource was not increased due to the recent drilling intersecting a non-mineralised dyke in an area of limited drilling where we had previously inferred a resource. The high molybdenum grades of 0.09% in the Indicated category and the move from Inferred to Indicated has resulted in a 60% rise in the grade, which would make the project a substantial producer of molybdenum in its own right.

As we now control 100% of Runruno, additional drilling has been planned, both within the immediate resource area and the wider volcanic complex, where a number of prospective targets have already identified. We have strong confidence that the resource status will improve further and we expect to have drilling results out by the end of Q1 2008.

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RUNRUNO PROJECT

Drilling Programme

Since November 2005, the Company has drilled 76 diamond drill holes (12,345 metres) and 68 RC drillholes (9,700 metres) on a 100m x 100m grid spacing for the total resource area and recently approximately 20% of that area was infill drilled on a 50m x 25m grid spacing. The resource lies from surface to maximum depth of 150 metres over a surface area of approximately 1,800 metres x 900 metres. The mineralisation envelope is predominantly 100 metres in thickness with higher grade zones at the hangingwall and footwall margins.

The mineralisation remains open to the south and north and consequently the Company believes the resource has the potential to increase further in size.

Resource Update

The resource was estimated by Company and consulting geologists using a validated database, and computer modelling using Micromine. The revised JORC-compliant Indicated & Inferred Mineral Resource was calculated from the results of the Company's RC and diamond core drilling programmes since November 2005, (144 drillholes, 22,045 metres) combined with Greenwater's 2000-01 diamond drill holes (4 drillholes, 568 metres) to arrive at a total combined Indicated and Inferred Mineral Resource of 28.04 million tonnes at an average grade of 2.27 grams per tonne gold and 0.064% molybdenum.

An additional 91 drill holes for 13,794 metres have made added since the last resource estimation was published in December 2006.

A summary of the resource estimations carried out for the Runruno deposit, since the Company acquired the Runruno Project, is shown below in Table 1.

Table 1. Runruno Deposit – Previous Mineral Resource Estimations – 2006.

Inferred Resource	Tonnes	Gold		Molybdenum	
		g/t	ounces	%	pounds
11-May-06	23M	2.30	1.7M	0.07	34M
06-Dec-06	28.3M	2.23	2.03M	0.06	34.4M

The current resource statement, in compliance with the AIM Guidance for Mining Companies, is shown below in Table 2.

Table 2. Runruno Deposit – Gross Resources – 28 October 2007.

Resource Category	Tonnes	Gold		Molybdenum	
		g/t	ounces	%	pounds
Indicated	5.455M	2.33	0.409M	0.089	10.765M
Inferred	22.58M	2.26	1.637M	0.058	28.771M
TOTAL	28.04M	2.27	2.046M	0.064	39.536M

- Notes:
1. Metals Exploration currently holds 85% of the project, with an option to purchase the remaining 15%. Therefore current net attributable resources is 85%.
 2. No high/top cut off applied to gold grades – preliminary statistical analyses of gold assays indicate that there is negligible ‘nugget effect’.
 3. Cut off grade of 0.7g/t gold applied to the model.
 4. No high/top cut or low cut off grades applied to molybdenum grades.
 4. Average bulk density of 2.5.

Some assays are still outstanding and it is expected that the last of the assay results will be received within the next three weeks, although they are not expected to significantly affect the size and grade of the resource.

Discussion

The infill drilling programme was carried out over approximately 20% of the resource area. In this area the resource conversion of the gold from Inferred to Indicated was in the order of 100% of the Inferred Mineral Resource to Indicated Mineral Resource category. This gives the Company confidence that future conversion from Inferred to Indicated will be of the similar order.

During the later stages of this drilling programme the Company intersected a cross-cutting phonolite dyke which effectively blanked out a major part of the inferred extension to the current resource. As a result the overall tonnage of the resource was unable to be increased significantly from the previous resource. However the increase in the molybdenum content combined with the increase in gold grade has effectively increased the resource by the equivalent value of approximately 230,000 ounces of gold (at a \$780/oz gold and \$32.5/lb molybdenum).

The more closely spaced drilling also highlighted several new structural controls on the mineralisation. A structural review of the geology of the deposit and its surrounds is being initiated, to assist in further drilling of the resource and exploration of the wider area.

Other Activities

Higher than expected molybdenum grades in the Indicated Resource confirms that the current metallurgical work attempting to increase the molybdenum recovery rate are important and should continue. Recent metallurgical tests have shown a recovery of 50% of contained molybdenum rising from an initial 35% recovery.

The Company is continuing with other activities such as metallurgical testwork, social and environmental studies as part of a feasibility study into the economics of the Runruno deposit. Results will be announced as they are received from the Company’s consultants.

There have been recent media articles regarding the Secretary of the DENR [*define?*] reviewing mining companies activities and their mining permits in the Nueva Vizcaya province. The Company’s community relations and environmental protection policies are of a high standard and the local communities have given written resolutions giving their full support and endorsement to the Company and to the development of the Runruno project. The exploration permit is valid and we have no reason to believe that the permit will be revoked.

Analytical Techniques

Gold Gold analysis is by classical 'Screen Fire Assay' technique that involves sieving a 900-1,000 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:HNO₃) and analysis is carried out by Inductively Coupled Plasma - Optical Emission Spectrometry (ICP-OES) method.

Glossary of Terms

JORC The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2004 (the 'JORC Code' or 'the Code'). The Code sets out minimum standards, recommendations and guidelines for Public Reporting in Australasia of Exploration Results, Mineral Resources and Ore Reserves. The definitions in the JORC Code are either identical to, or not materially different from, those similar codes, guidelines and standards published and adopted by the relevant professional bodies in Australia, Canada, South Africa, USA, UK, Ireland and many countries in Europe.

Mineral Resource is a concentration or occurrence of material of intrinsic economic interest in or on the Earth's crust in such form, quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories when reporting under JORC.

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 techniques from locations such as outcrops, trenches, pits, workings and drill holes which may be limited or of uncertain quality and reliability.

Indicated Mineral Resource is that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are too widely or inappropriately spaced to confirm geological and/or grade continuity but are spaced closely enough for continuity to be assumed.

Measured Mineral Resource is that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a high level of confidence. It is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are spaced closely enough to confirm geological and grade continuity.

Cut off Grade The lowest grade, or quality, of mineralised material that qualifies as economically mineable and available in a given deposit. May be defined on the basis of economic evaluation, or on physical or chemical attributes that define an acceptable product specification.

High/Top cut The value assigned to individual samples shown to have a grade so high that they are not truly representative of the overall grade in the deposit. In a resource estimate these high values may also be referred to as being due to the "Nugget Effect". They are

downgraded to prevent over estimation of the total resource as they exert an undue statistical weight.

Au	chemical symbol for gold
Mo	chemical symbol for molybdenum
HCl	chemical symbol for Hydrochloric Acid
HNO ₃	chemical symbol for Nitric Acid
g	gram
t	tonne (= 1 million grams)
g/t	grams per tonne, equivalent to parts per million (g/t Au = grams of gold per tonne)
%	percent (1% = 10,000 parts per million)
lb	avoirdupois pound (= 453.59237 grams)
oz	troy ounce (= 31.103477 grams)
micron	A unit of length (= one thousandth of a millimetre or one millionth of a metre).
200 mesh	the number of openings (200) in one linear inch of screen mesh (200 mesh approximately equals 75 microns)

QUALIFIED/COMPETENT PERSONS

Gary Powell (a Director of the Company) has been involved in the mining and exploration industry for more than 23 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 (Lic. No. 21298). 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'. 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.