

Metals Exploration PLC

30 June 2006

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Metals Exploration - Interim Results

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Metals Exploration plc

("Metals Ex" or "the Company")

Unaudited interim results for the 6 months to 31 March 2006.

LONDON - 30 June 2006 - the Directors of Metals Exploration plc (AIM: MTL) ("Metals Ex" or "the Company"), the UK based gold exploration company with a focus on the Philippines, are pleased to announce its unaudited interim results for the 6 months ended 31 March 2006.

Highlights - up to 31 March 2006

\* 25 January 2005 - A Joint Venture Agreement signed with Medusa Mining Limited and Philsaga Mining Corporation over the former Lacandola gold mine on Masapelid Island, (the "Masapelid Project").

\* 7 March 2006 - An Exploration Permit Application lodged at the Minerals and Geosciences Bureau for a property located in the district of Northern Luzon, Philippines, covering an area of approximately 5,845 hectares and to the north of the Santo Nino property, previously a copper- gold producer.

Highlights - post 31 March 2006

\* 11 May 2006 - JORC inferred mineral resource for Runruno of 23 million tonnes estimated at an average grade of 2.3 grams per tonne gold and 0.07% molybdenum. Management believe that the resource appears to be able to be extended in all directions, although this can only be determined with more certainty with further exploration.

\* 20 June 2006 - Historical data had been obtained and collated in respect of the Baguio Exploration Permit Application, where a non-JORC compliant

resource had previously been estimated of approximately 150Mt at an average grade of 0.3% Cu and 0.2 g/t Au.

Commenting on the results, Steven Smith, Chairman of Metals Exploration plc said:

"It has been a very exciting time for Metals Exploration since coming to AIM in October 2004. We recently announced a JORC-compliant resource for the Runruno Project of 23 million tonnes at an average grade of 2.3 grams per tonne gold and 0.07% molybdenum. The 'in-ground' value of this resource is already significant and we are looking forward to upgrading this resource both in size and resource categories in the near future. We are most encouraged by how the determination of the resource has developed in a such a short period of time considering the first drill hole commenced in November 2005, just seven months ago.

"We are now planning to commence scoping studies contemporaneously with the drilling programmes to determine the potential viability of the resource defined so far and to increase the resource base respectively."

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Metals Exploration plc

## CHAIRMAN'S STATEMENT

Following the Metal Ex's admission to AIM in October 2004 the Company has focused its efforts on the acquisition of significant interest in exploration projects in the Philippines which, the Company considers to have substantial exploration opportunities.

## MASAPELID PROJECT

On 23 December 2004, Metals Ex signed an agreement with the claim owner of the Masapelid Project (San Manuel Mining Corporation). The agreement allowed Metals Ex to earn a 70% economic interest in the Project by paying San Miguel Mining Corp US\$ 105,000 and issuing 1,250,000 ordinary shares in Metals Ex over a three year period.

On 25 January 2005, Metals Ex announced that it has signed a Joint Venture Agreement ("JVA") with Medusa Mining Limited ("Medusa") and Philsaga Mining Corporation ("Philsaga") (together the "Medusa Group") over the Masapelid Project.

Medusa is a company listed on the Australian Stock Exchange ("ASX: MML") and, in conjunction with Philsaga, is processing ore at its Co-O plant, which is being supplied by Philsaga from the Co-O gold mine in Agusan del Sur, approximately 240 kilometres to the south-south-west of Masapelid Island.

In summary the principal terms of the JVA are:

- \* the Medusa Group has the right to earn an 84% share of the Interest, with Metals Ex retaining a 16% share of the Interest or alternatively retaining a 10% Net Profit Interest ("NPI") from Medusa in any mining operation;
- \* the Medusa Group is to expend the first US\$1million on the Masapelid Project and is to partly fund MTL's remaining acquisition cost of the Interest;
- \* the Medusa Group is to operate the Masapelid Project;
- \* the remaining shares and cash consideration to acquire the Interest will be shared 84% by Medusa and 16% by MTL with the following payments to be made:
  - (i) on or before 27 February 2006, proportionate payments to a total of US\$25,000 cash and the issue of 40,000 shares by MTL and shares equivalent in value to 210,000 MTL shares by Medusa, such value to be determined with reference to the average price of one ordinary share in MTL during the 5 days of trading on AIM immediately preceding 24 January 2006;
  - (ii) on or before 27 January 2007, proportionate payments to a total of US\$25,000 cash and the issue of 40,000 shares by MTL and shares equivalent in value to 210,000 MTL shares by Medusa; and
  - (iii) on or before 27 January 2008, proportionate payments to a total of US\$30,000 cash and the issue of 80,000 shares by MTL and shares equivalent in

value to 420,000 MTL shares by Medusa.

\* on completion of the expenditure of US\$1 million, MTL has the exclusive right to choose to contribute 16% of the on-going expenditure or to dilute to a 10% NPI (in which case Medusa would then own 100% of the Interest); and

\* on commencement of any production, the present shareholders of San Manuel Mining Corp ("SMMC") will receive a 1.5% Net Smelter Royalty ("NSR").

The Masapelid Project has a history of narrow vein mining commencing before World War II. Records indicate that 20,666 tonnes at 15 g/t Au were produced by the Km73 Mining Company from the Layong Vein on the eastern side of the island before the mine closed prematurely prior to World War II. A further 133,000 tonnes were reported to have been outlined by underground development in the parallel No.6 Vein. Two shafts were sunk approximately 300 metres apart to depths of 122 metres and 30 metres with horizontal development completed on 3 levels. The parallel veins are interpreted to be approximately 900 metres long, strike in a north-easterly direction, are commonly approximately 1 metre wide and contain ancillary silver, lead, zinc and minor copper minerals.

The island contains extensive zones of clay-pyrite alteration in andesitic volcanics suggestive of a large hydrothermal system. Younger calcareous sediments also exhibit signs of alteration and are potential host rocks for disseminated style deposits.

In 1983 Benguet Exploration Inc. examined the property and collected four samples which averaged 1.52 oz/t Au, 4.34 oz/t Ag, 3.77% Pb, 1.56% Zn and 2.14% Cu.

In early 1986 a four hole diamond drilling programme was undertaken under a United Nations Development Program ("UNDP") in conjunction with the Mines and Geoscience Bureau ("MGB") to test the vein extensions on the western side of the island. These holes returned 1 metre @ 22.5 g/t Au in DDH 1, 1 metre @ 35 g/t Au in DDH 2 and 1 metre @ 72 g/t Au in DDH 4.

In the early 1990s Western Mining Corporation ("WMC") undertook extensive exploration focused on discovering porphyry copper-gold mineralisation involving stream sediment sampling, grid based soil sampling, 141 kilometres of ground magnetics, a gravity survey, an IP survey in 3 areas, and 9 diamond drill holes. The soil sampling outlined coherent gold anomalies over 900 metres of strike, corresponding to the projected strike of the Layong and No.6 Veins.

WMC's hole MSI-D1 on the western side of the island near the UNDP-MGB drilling described above also intersected vein mineralisation of 1.48 metres @ 11.81 g/t Au.

Three diamond drill holes were completed by WMC in the Sampotan area at the southern tip of the island where porphyry copper mineralisation was intersected including 264.82 metres @ 0.32% Cu in hole MSI-D7 with the last sample in the hole assaying 1% Cu and 0.5 g/t Au over 0.5 metres

A previous sample of remnant ore from a shaft collar returned 24.2 g/t Au, 154 g /t Ag, 7.86% Pb, 6.81% Zn and 0.55% Cu.

## RUNRUNO PROJECT

On 2 February 2005, Metals Ex had signed an option agreement over the Runruno Project. The agreement allows Metals Ex to earn up to a 70% economic interest in the project by paying the FCF Mining Corporation US\$210,000 and 1,600,000 ordinary shares in Metals Ex over a three year period.

On 23 November 2005, Metals Ex announced that the Company has agreed with Christian Mining Inc ("CMI") the terms of an option that gives MetalsEx the exclusive option to purchase up to an additional 15% shareholding in FCF Mining Corporation ("FCF") (the "Option"). FCF is the holder of the Runruno Exploration Permit.

MetalsEx, through a Memorandum of Agreement dated 1 February 2005, currently holds a 70% shareholding in FCF. Therefore the Option allows the Company to increase its holding in FCF to up to 85%. This will effectively give the Company the opportunity to acquire up to 85% of its Runruno gold and molybdenum project.

A summary of the key terms of the Option are:

- 1 MetalsEx shall pay to CMI an annual Option fee of US\$65,000 until the Option is either exercised or withdrawn by MetalsEx. MetalsEx has sole discretion to terminate the Option;
- 2 MetalsEx can exercise the Option, at any time, by acquiring CMI's remaining shareholding of FCF anywhere from 1% to 15%. The exercise price is the amount of US\$400,000 for every 1% of CMI's shareholding of FCF, up to a maximum of US\$6 million for all of CMI's remaining 15% shareholding of FCF, and
- 3 In the event that MetalsEx decides to exercise the Option but only for a part of and not the entirety of CMI's 15% shareholding in FCF, MetalsEx has the right to continue to have the Option to acquire the balance, by maintaining the terms and conditions of the Option. The exercise period of the Option is unlimited.

Runruno is located approximately 200 km north of Manila in Nueva Viscaya Province. Geologically, the area is underlain by prominent alkaline syenite and

monzonite intrusives and alkaline volcanic flows and tuffs. Gold mineralization has been known to exist in Runruno since the early 1960's and the property has a long history of exploration.

From 1969 - 1972 a local company (Fil-Am) completed a total of 69 diamond drill holes for a total of 7,300 meters. Using the results from this program they calculated a 13.4 million tonne resource at an average grade of 1.41 g/t gold, and 0.8 g/t gold cutoff, for a total contained 607,500 ounces gold.

In 1974, Consolidated Goldfields of Australia optioned the property from Fil-Am for one year and drilled 9 widely spaced diamond drill holes. Following this work approximately 9,000 meters of drilling had been completed on Runruno. In 1978 Fil-Am commissioned a feasibility study from Kurimoto Ironworks and Nissho Iwai and Co Ltd of Japan to be based on the available diamond hole data. The study found that the property was economically viable with an estimated resource of approximately 450,000 ounces of gold mineable by block-caving method.

Golden Arrow Mining took out an option over the property in 1980 and carried out further drilling until they relinquished the option in 1998 due to financial and internal management problems. Base Metal Mineral Resources signed an exclusive agreement with Fil-Am in 1995 allowing them to explore, develop and operate the property. In 1996 ACA Howe International Ltd was engaged to calculate a resource estimate for the property. In their report ACA Howe estimated an inferred resource containing 607,000 ounces of gold, and that the resource might be understated by up to 30% due to poor core recovery.

In 2000 Greenwater Mining Corporation together with others carried out further work on the resource. Unpublished reports suggested that with further work a 2 million ounce gold resource was achievable. Mr Powell was given access to core samples drilled by Greenwater during his due diligence visit in November 2004 and his conclusion was that the quality of work carried out was of a very high standard and therefore their results can be regarded as not requiring any substantial verification process.

Metals Ex has, since acquiring its option over Runruno in February 2005, carried out a careful review of all previous works and reports, a basic structural analysis of the deposit, field mapping and sampling and extensive sampling of the small scale miner's tunnels.

Results of sampling and mapping of the local miners' tunnels located at the Balcony 1, Balcony 2, Main Runruno, Tayab and Malilibeg areas have confirmed the existence of the high grade (>1.4g/t Au) potential of gold mineralisation (and molybdenum) in the hanging-wall and foot-wall zones of the main Runruno mineralisation.

The local miners' tunnels are located predominantly in the hanging-wall or

foot-wall zones of the main Runruno mineralisation, which has been mapped at surface over a strike distance of 2.5 kilometres. The local miners' tunnels occur over a distance of approximately 2 kilometres.

After the completion of the underground tunnel sampling programme, a diamond drilling programme commenced in November 2005 to define a resource with better grades than previously obtained in the 1970s and to increase the known resource size.

On 31st March 2006, the Company announced that it continues to receive encouraging results from the drilling programme at Runruno. The table below summarises the key results returned from the Company's drilling program since November 2005, including the 2 Greenwater drill holes completed in 2000-2001:

Drill-hole Number 1	Collar Coordinates		Intercept (metres)			Au	Mo	
	mE	mN	From	to	Width	g/t	%	
RUD-001	21204	14753	44	48	4	2.71	0.032	
		54 56	2		1.09	0.046		
		60 66	6		3.83	0.291		
		88 92	4		1.25	0.007		
		104 108	4		1.23	0.012		
		132 136	4		1.93	0.114		
		140 152	12		2.06	0.043		
		total combined intercept 3			36	2.18	0.084	
RUD-004	21293	15134	4	14	10	3.91	0.025	
		28 36	8		4.45	0.041		
		72 90	18		2.48	0.099		
		94 102	8		2.07	0.053		
		total combined intercept 3			44	3.09	0.063	
MXD1	21219	15084	38	40	2	1.82	0.068	
		42 50	8		4.00	0.059		
		107 110	3		2.57	0.041		
		116 120	4		1.44	0.002		
		122 135	13		1.68	0.039		
		total combined intercept 3			30	2.37	0.038	
MXD2	21318	15272	72	80	8	1.86	0.079	
MXD3	21219	15084	37	40	3	2.20	0.044	
		45 46	1		1.54	0.018		
		47 53	6		3.31	0.045		
		total combined intercept 3			10	2.80	0.042	
MXD4	21361	15453	39	40	1	1.30	0.105	
		88 90	2		2.32	0.024		
		92 98	6		1.98	0.012		
		total combined intercept 3			9	1.98	0.025	
MXD5	21279	15187	37	40	3	2.33	0.027	

		84	95	11	4.33	0.079	
		total combined intercept 3			14	3.90	0.068
MXD6	21295	15383	114	116	2	2.07	0.012
		120	125	5	1.39	0.026	
		156	166	10	2.05	0.026	
		total combined intercept 3			17	1.86	0.024
MXD7	21205	14988	116	121	5	2.64	0.083
		123	125	2	1.86	0.111	
		131	135	4	2.09	0.164	
		148	156	8	2.36	0.045	
		total combined intercept 3			19	2.32	0.087
MXD8	21261	15478	83	88	5	2.93	0.029
		112	119	7	6.62	0.044	
		138	148	10	2.29	0.098	
		total combined intercept 3			22	3.81	0.065
MXD9	21192	15409	77	85	8	1.91	0.052
MXD10	21098	15200	93	97	4	1.08	0.011
MXD11	21019	15117	33	38	5	5.03	0.087
MXD12	10992	15052	100	103	3	2.60	0.019
MXD13	21182	14813	65.4	70	4.6	2.31	0.163
		77	83	6	3.80	0.401	
		130	138	6	3.00	0.057	
		146.1	154	7.9	2.20	0.075	
		162	165.2	3.2	1.00	0.118	
		total combined intercept 3			27.7	2.60	0.161
MXD14	20985	15345	60	68	8	0.61	0.081

#### Notes:

1. Drillholes prefixed with RUD were drilled by Greenwater during 2000-2001. Drillholes prefixed with MXD were drilled by the MetalsEx since November 2005.
2. Collar Coordinates are the coordinates of the collar of the drillholes. The drillholes are inclined -60degrees from horizontal, excepting MXD3 (-70degrees), and orientated towards a grid azimuth of 100degrees (easterly). In general the drillholes are spaced 100 metres apart.
3. Reporting of the above composited intercepts was determined by applying an upper and lower boundary defined by a low grade cut-off of 0.7g/t Au. Some composited intercepts include single metre, internal intercept grades of less than 0.7g/t Au. Isolated single metre intercepts are not reported unless considered to be significant. No high grade cut-off has been applied to the individual gold or molybdenum assays.

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 appears 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 was based.

On 09 May 2006, Metals Ex announced 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 were combined together with together with the two drillholes of Greenwater to calculate a JORC compliant Inferred Resource totaling 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 of molybdenum.

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

## RUNRUNO RESOURCE ESTIMATE

The preliminary Resource estimate was 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 of 2.5 tonnes per cubic metre. The Resource estimate is contained within a surface area measuring 1,100 metres x 500 metres.

On 12 June 2005, the Company announced the results of drillholes MXD16 to MXD25.

Drill-hole Number	Collar Coordinates		Intercept (metres)			Au	Mo
	mE	mN	From	to	Width	g/t	%
MXD16	21014	14944	74	77	3	2.10	0.003
		85 87	2	11.25		0.059	
			total combined intercept 3		5	5.76	0.025
MXD17	21174	14898	79	83	4	3.91	0.523
		98 104	6	1.05		0.064	
		136 138	2	1.03		0.006	
			total combined intercept 3		12	2.00	0.207
MXD20	21075	14771	80.25	86	5.75	3.04	0.313
MXD21	21131	15352	67	69	2	1.70	0.019
MXD22	20996	14695	59.7	62	2.3	2.90	0.113
MXD23	21177	14634	0	3	3	1.57	0.040
		48 68	20	1.41		0.037	

	157	165	8	5.92	0.054		
	total combined intercept 3			31	2.59	0.042	
MXD25 4	21273	14799	58	60	2	3.33	0.059
	71	78	7	2.27	0.106		
	total combined intercept 3			9	2.51	0.096	

Notes:

1. Drillholes prefixed with MXD have been drilled by MetalsEx since November 2005 and consist of diamond drill core with a minimum core diameter size of HQ3 (61mm).
2. Collar Coordinates are the coordinates of the collar of the drillholes. The drillholes are inclined -60degrees from horizontal, excepting MXD22,23 (-70degrees) and MXD25 (-58degrees), and orientated towards a grid azimuth of 100degrees (easterly). Each drillhole is planned to intercept the mineralisation at 90 thus mineralisation 'interception' widths are close to actual or 'true' widths. In general the drillholes are drilled on a grid spacing of 100 metres apart.
3. Reporting of the above composited intercepts was determined by applying an upper and lower boundary defined by a low grade cut-off of 0.7g/t Au. Some composited intercepts include single metre, internal intercept grades of less than 0.7g/t Au. Isolated single metre intercepts are not reported unless considered to be significant. No high grade cut-off has been applied to the individual gold or molybdenum assays.
4. MXD25 is a re-drill of hole MXD24 which was abandoned after intercepting a cavity near the surface. It is also the first drillhole results to be obtained outside of the current resource area. The mineralisation intercepted is from the footwall zone only. The hangingwall zone was not intercepted as it is interpreted as having been eroded away.

The results from drillholes MXD16 to MXD22 are located within the JORC inferred mineral resource of 23 million tonnes at an average grade of 2.3g/t Au and 0.07% Mo. Drillhole MXD25 is the first drillhole to be drilled outside of the boundary of the resource.

The Company is conducting further testing on the results of drillholes MXD15,18 and 19 including check assaying and multi-element analysis. The results of which will be announced in due course.

The Company is currently extending the resource by drilling areas uphill to the east and to the north. The results from the latest drillholes have confirmed the size and grades of the recently announced JORC inferred mineral resource estimate thus indicating the potential to upgrade the current resource from JORC

inferred to JORC indicated category.

The results of MXD25 have demonstrated the immediate potential to expand on the size of the current resource towards the east. It is important to note that the drillhole has been interpreted as having only intercepted the footwall zone of the mineralisation. It is interpreted that the hangingwall mineralisation has already been eroded away, thus was not able to be intercepted by the drillhole.

Metals Ex maintains an active camp at Runruno with staff that includes geologists, samplers and field workers. Current activities in the field is dominated by diamond drilling to increase the size of the current resource base and it is intended to carry out some infill drilling within the current resource area to upgrade the status of the JORC 'inferred' mineral resource to 'indicated'.

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.

## PURAY PROJECT

On 28 June 2005, the Company announced the signing of an option to purchase agreement for the Puray copper-zinc-silver-gold project located in the Philippines ("the Puray Project").

The Puray Project comprises one Exploration Permit Application covering some 6,075 hectares, and is located only 28 kilometres from the city of Manila. The Puray property has been explored and partially mined since the 1930's. The mineralisation is polymetallic, containing high-grade and disseminated copper-zinc-silver-gold. The style of mineralisation is similar to the Kuroko style of massive sulphide deposits, which have been major producers of copper, zinc, silver, gold and lead in Canada (e.g. Kidd Creek, Ontario, Canada). The high grade and commonly high precious metal content of Kuroko deposits continue to make them attractive exploration targets.

During 1969 to 1972 mining of massive sulphide-copper ore was carried out by Eastern Rizal Copper Corporation. Approximately 700 tonnes of bornite ore was mined of which a 200 tonne parcel was shipped directly to Japan for smelting.

The grade of the shipment reportedly averaged 20% Cu, 5.75 g/t Au and 196g/t Ag. The remaining 500 tonnes of the massive bornite ore stockpile was lost in a hill-slide during a typhoon in 1972.

In 1981, Eastern Rizal Copper Corporation reported that there remained in the underground workings several thousand tonnes of massive sulphide ore grading 10-50% Cu. They also reportedly calculated a proven and probable resource of 8 million tonnes at an average grade of >0.7% Cu and an additional 28 million

tonnes of possible resources at an unspecified grade for the remaining disseminated sulphide mineralisation. The resources calculations were derived from the results of sampling surface trenches and tunnels, although they are not verifiable, and do not necessarily comply with the JORC guidelines for the reporting of mineral resources.

ERCC did not consider other metals such as zinc, gold or silver as being significant, therefore it appears that assaying for these metals were not always carried out. The current metal prices for these other metals, however is considered by the Company to be of some economic importance when reviewing the potential for this project. Samples obtained from the surface during a recent field visit by the Company returned assays ranging up to 8.9% Cu, 1.7% Zn and 1.3g/t Au.

The occurrence of 'direct shipping' bornite and chalcopyrite ore indicates the potential for the delineation of high-grade Kuroko-style mineralisation of significant size over a potential strike length of up to 6 kilometres.

Upon granting of the Exploration Permit Application, it is the intention of Metals Exploration to exercise the option to purchase agreement and apply modern exploration techniques to define the project's size and grade potential. The Company considers the acquisition of the Puray polymetallic project an exciting opportunity to enhance its projects portfolio and ultimately deliver increased value to the shareholders.

#### EXPLORATION PERMIT APPLICATION - BAGUIO DISTRICT ("WORLDWIDE")

On the 7th March 2006, the Company announced that the Baguio regional office of the Mines & Geosciences Bureau ("MGB") accepted an Application for an Exploration Permit ("EPA") from the Company. The application is for a property located in the district of Northern Luzon, Philippines, and adjoins the Santo Nino property, previously a copper- gold producer.

The EPA covers an area of approximately 5,845 hectares and is located about 10 kilometres to the northeast of Baguio City. The property is underlain by quartz diorite and andesite rock types and was previously the object of extensive exploration for copper+gold+molybdenum porphyry mineralisation during the 1970s.

On 20 June 2006, the Company further announced that certain historical data had been obtained and collated in respect the EP Application.

In 1974, the MGB carried out a trial IP survey over the area comprising porphyry style mineralisation. Subsequently, Worldwide Mineral and Industrial Corporation ("Worldwide"), a Philippine corporation, in conjunction with the MGB, carried out a programme of soil geochemistry (645 samples) to follow up the interpreted IP anomalies. Results of the soil survey produced best results of 4,481ppm Cu

with 28 samples returning results greater than 1,000ppm Cu.

Between 1974 and 1981, Worldwide reputedly completed 44 diamond drill holes for an aggregate total of 12,989 metres over a surface area of 600m x 1,200m. The data package obtained so far relates to 34 of these holes, drilled on a grid spacing of between 100 to 200 metres, for an aggregate total of 10,407 metres. Worldwide estimated a positive and possible resource for each drill hole based on the polygonal method of resource estimation. Their non-JORC compliant resource totals approximately 150Mt at an average grade of 0.3% Cu and 0.2 g/t Au.

It should be noted, that Worldwide's estimate is not compliant with the reporting guidelines as defined by the JORC Code, the Australasian Code for Reporting of Identified Mineral Resources and Ore Reserves.

The first 18 drill holes were only drilled to an average depth of 175 metres. Later, three diamond drill holes were drilled to confirm some of the better mineralisation encountered in the earlier drilling and to test the mineralisation at depth. The results of these three confirmatory holes are tabulated below:

Drill-hole ID	Depth (metres)	Intercept (metres)			Cu (g/t)	Au (g/t)	Ag
		From	To	Width (%)			
C1	510	18	474	456	0.35	0.22	2.41
C2	255	21	255	234	0.41	0.33	4.11
C3	506	0	468	468	0.31	0.26	3.22

In 1982, Worldwide submitted a small batch of samples (21kg) to the nearby Philex Metallurgical and Assay Laboratory for metallurgical testing. The samples were mixed and split into two x 2kg test batches for flotation testwork. It was reported that the second test batch averaged head grades of 0.36% Cu, 0.09 g/t Au, 3.76 g/t Ag and 0.006% Mo. The concentrate produced by flotation method assayed at 23.2% Cu, 2.3 g/t Au, 55 g/t Ag and 0.17% Mo. The laboratory reported that 'the submitted sample was fast-floating and no problem was encountered in producing separate concentrates of copper and molybdenum of marketable grade'. The molybdenite concentrate produced was about 0.01% by weight of the total sample and assayed 45-55% MoS<sub>2</sub> with a recovery of 45-55%.

Subsequent to 1980, very little work has been carried out within the EP Application area. Given the limited nature of the data collated so far, no assurance or implication is being given, or should be assumed to be being given, by the inclusion of this historical data that the mineralisation has been, or will in the future be, deemed to be economic.

The Company intends to carry out some confirmatory drilling if and when the EP Application is granted and will then evaluate the results of the drilling to determine the next phase of exploration.

## OUTLOOK

The Directors believe that it is clear from the above descriptions of Masapelid, Runruno, Puray and Worldwide, that each of the projects have considerable merit.

Metals Ex will keep its shareholders fully informed as these projects advance.

SM Smith

Chairman

## QUALIFIED PERSON

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.

## EXPLANATION OF TERMS

Au	chemical symbol for gold
Ag	chemical symbol for silver
Cu	chemical symbol for copper
Mo	chemical symbol for molybdenum
g, kg	gram, kilogram
t, Mt	tonne, million tonnes
g/t	grams per tonne, which is equivalent to parts per million (g /t Au = grams of gold per tonne)
ppm	parts per million
oz	troy ounce (= 31.103477 grams)
%	percent (0.1% Cu = 1,000 parts per million of copper)
IP survey	Induced Polarisation survey - An electrical geophysical survey technique measuring the magnetic field spontaneously induced in a volume of rock by the application of an electric current. A technique often used to identify disseminated sulphide deposits

Consolidated Profit and Loss Account

for the 6 months ended 31 March 2006 - Unaudited

Year ended	Note	6 months	6 months	
		ended 31 March	ended 31	30
September 2005		2006	March 2005	
(audited)		(unaudited)	(unaudited)	
		£	£	£
Turnover		-	-	-
Administrative expenses (187,378)		(226,319)	(66,023)	
<b>OPERATING LOSS</b> (187,378)		(226,319)	(66,023)	
Interest Receivable 10,819		18,705	6,580	
Interest Payable (355)		(784)	-	
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b> (176,914)			(208,398)	(59,443)
Tax on loss on ordinary activities		-	-	-
<b>LOSS FOR THE FINANCIAL PERIOD AFTER TAXATION</b> (176,914)			(208,398)	(59,443)
Loss per ordinary share - basic and fully (0.67p) diluted		2	(0.42p)	(0.25p)

Consolidated Balance Sheet  
31 March 2006 - Unaudited

	At 31	At 31	At
30 September	March 2006	March 2005	
2005	(unaudited)	(unaudited)	
(audited)	Note	£	£
<b>FIXED ASSETS</b>			
Intangible fixed assets	5	1,675,932	287,115
1,587,992			
Investments		202,443	-
-			
		1,878,375	287,115
1,587,992			
<b>CURRENT ASSETS</b>			
Debtors		19,596	45,299
11,204			
Cash at bank and in hand		962,171	328,567
1,178,687			
		981,767	373,866
1,189,891			
<b>CURRENT LIABILITIES</b>			
Creditors: amounts falling due within one		216,196	64,736
193,021			
year			
<b>NET CURRENT ASSETS</b>		765,571	309,130
996,870			
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		2,643,946	596,245
2,584,862			

TOTAL NET ASSETS		2,643,946	596,245
2,584,862			
CAPITAL AND RESERVES			
Called up share capital	7	510,064	266,433
471,683			
Share premium		2,291,000	292,255
1,694,271			
Shares to be issued		101,000	97,000
288,000			
Profit and loss account		(385,312)	(59,443)
(176,914)			
EQUITY SHAREHOLDERS FUNDS		2,516,752	596,245
2,277,040			
Minority interests	127,194	-	
307,822			
	2,643,946	596,245	
2,584,862			

Consolidated Cash Flow Statement for the  
6 months ended 31 March 2006 - Unaudited

		6 months ended	6 months ended
		31 March 2006	31 March 2005
		(unaudited)	(unaudited)
(audited)	Note	£	£
Year ended 30			
September 2005			
Net cash outflow from operating activities	3	(211,536)	(46,586)
(35,131)			
Returns on investment		17,921	6,580
10,464			

Capital expenditure - Exploration and (858,956) development costs	(609,011)	(190,115)
Cash outflow before financing (883,623)	(802,626)	(230,121)
Financing: Issue of shares 2,116,073	586,110	483,688
(Decrease)/Increase in cash 1,232,450	(216,516)	253,567

Notes to the Financial Statements  
for the Period ended to 31 March 2006 - Unaudited

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared in accordance with applicable accounting standards generally accepted in the United Kingdom and with the policies which the company will adopt for its annual accounts and which are detailed below. The figures and the financial information for the year ended 30 September 2005 do not constitute the statutory accounts for that year. Those accounts have been delivered to the Registrar and included the auditors' report which was unqualified and did not contain a statement either under section 237 (2) or 237(3) of the Companies Act 1985.

Basis of Accounting

The accounts have been prepared under the historical cost convention.

#### Basis of Consolidation

The group accounts consolidate those of the company and its subsidiary undertakings using the acquisition method of accounting.

#### Exploration and development costs

Costs relating to the acquisition, exploration and development of mineral properties are capitalised until such time as an economic reserve is defined and mining commences or the mining property is abandoned.

Once mining commences the asset is amortised on a depletion percentage basis. Provision is made for impairments to the extent that the asset's carrying value exceeds its net recoverable amount.

#### Investments

Investments are stated at cost less provision for any impairment.

#### Deferred tax

Deferred tax is provided for on a full provision basis on all timing differences which have arisen but not reversed at the balance sheet date. A deferred tax asset is not recognized to the extent that the transfer of economic benefit in future is uncertain. Any assets and liabilities recognized have been discounted.

#### Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

### Going concern

The Company is in the early stages of development and has limited cash resources, its success will depend largely upon the outcome of future mining exploration and development programmes of Far East and in particular the Philippines.

The directors believe they have considered all relevant information and have concluded that it is appropriate to prepare these financial statements on the going concern basis. The financial statements do not include any adjustments that may be required if the funds are not available or if the trading plans were not materially achieved.

Notes to the Financial Statements  
for the Period ended to 31 March 2006 - Unaudited

## 2. LOSS PER ORDINARY SHARE

The basic loss per share is based on 48,734,058 ordinary shares, being the weighted average number of ordinary shares in issue during the period, and on the loss after taxation for the period of £208,398. The diluted loss per share calculation is identical to that used for basic earnings per share as the exercise of warrants would have the effect of reducing the loss per ordinary share and therefore is not dilutive under the terms of the FRS22 "Earnings per share".

Basic loss per share is calculated by dividing the profit or loss after taxation for the period available to the ordinary shareholders by the sum of the weighted average number of ordinary shares in issue during the period.

### 3. RECONCILIATION OF OPERATING LOSS TO OPERATING CASH FLOWS

	£
Operating loss	(226,319)
(Increase) in debtors	(8,392)
Increase in creditors	23,175
Net cash outflow from operating activities	(211,536)

### 4. MOVEMENT IN CASH BALANCES

	£
Net cash balances as at 1 October 2005	1,178,687
Movement in 6 months ended 31 March 2006	(216,516)
Net cash balances as at 31 March 2006	962,171

### 5. EXPLORATION AND DEVELOPMENT COSTS

	£
Cost	
At 1 October 2005	1,587,992
Additions	87,940
At 31 March 2006	1,675,932

## 5. EXPLORATION AND DEVELOPMENT COSTS (continued)

On 23 December 2004 Metals Exploration plc concluded an agreement with the claim owner of the Masapelid Project (Philippines), San Manuel Mining Corp. The agreement allows Metals Exploration plc to earn a 70% economic interest in the project on completion of the following payment schedule:

Exploration plc	Cash	Shares in Metals
	US\$	
On completion	25,000	250,000
1 year after completion	25,000	250,000
2 years after completion	25,000	250,000
3 years after completion	25,000	250,000

Metals Exploration plc is able to withdraw at any time in return for relinquishing its earned interest.

On 25 January 2006 the company signed a joint venture agreement (JVA) with Medusa Mining Limited and Philsaga Corporation in respect of the Company's interest in the San Miguel Mining Corporation. The principal terms of the JVA are that the company will retain a 16% share of the interest or alternatively retain a 10% net profit interest, in return for a reduced payment schedule, as follows:

Exploration plc	Cash	Shares in Metals
	US\$	
On completion	25,000	250,000
1 year after completion	4,000	40,000

2 years after completion	4,000	40,000
3 years after completion	4,800	80,000

On 2 February 2005 Metals Exploration plc signed an option agreement on the Runruno Project. The agreement allows Metals Exploration plc to earn a 70% interest in the project which is owned by FCF Mining Corp. The following payment schedule has been agreed:

Exploration plc	Cash	Shares in Metals
	US\$	
On completion	100,000	400,000
1 year after completion	30,000	400,000
2 years after completion	40,000	400,000
3 years after completion	40,000	400,000

Notes to the Financial Statements  
for the Period ended to 31 March 2006 - Unaudited

#### 5. EXPLORATION AND DEVELOPMENT COSTS (continued)

On 23 November 2005, the company signed an option agreement with Christian Mining Inc to acquire an additional 15% shareholding in FCF Mining Corp, which if exercised would give the company an 85% interest. The company shall pay a US\$65,000 option fee until the option is either exercised or withdrawn, although the company has sole discretion to terminate the option. The exercise price of the option is US\$400,000 for each additional 1% shareholding, subject to a maximum fee of US\$6 million. The exercise period of the option is indefinite.

Exploration and development costs included in the balance sheet represent the completion payments on both the above projects together with the costs incurred on due diligence, concluding the contracts and subsequent exploration.

## 6. WARRANTS IN ISSUE

Exercisable at £0.40	Exercisable at £0.0325	Exercisable at £0.08	Exercisable at £0.12	Exercisable at £0.20
At 1 October 2005	10,500,000	1,496,708	-	7,812,500
-				
Issued in the period 2,000,000	-	-	1,300,000	2,500,000
Exercised in period -	(200,000)	(500,000)	-	(2,698,053)
-				
At 31 March 2006 2,000,000	10,300,000	996,708	1,300,000	7,614,447

Warrants held by the directors as at 31 March 2006 were as follows:

	Exercise Price	Exercise period from issue	Number of shares
G Powell	12p	Up to 7 years	1,000,000
	40p	Up to 7 years	500,000
Reef Securities Ltd *	0.0325p	Up to 7 years	1,000,000
	20p	Up to 7 years	1,000,000
	40p	Up to 7 years	500,000
Philip Barnett **	0.0325p	Up to 7 years	1,000,000
	20p	Up to 7 years	500,000
	40p	Up to 7 years	500,000

\* Reef Securities Ltd is a company controlled by SM Smith.

\*\* Philip Barnett resigned as a director on 25 April 2006.

Notes to the Financial Statements  
for the Period ended to 31 March 2006 - Unaudited

7. SHARES IN ISSUE

The company has the following ordinary shares of 1p each in issue:

Date of issue	Number	Nominal Value £
At 30 September 2005	47,168,332	471,683
14 November 2005	700,000	7,000
6 December 2005	62,500	625
21 December 2005	674,496	6,745
23 December 2005	25,000	250
16 January 2006	125,000	1,250
20 January 2006	148,902	1,489
30 January 2006	43,125	431
7 February 2006	1,250,000	12,500
21 February 2006	400,000	4,000
27 February 2006	49,030	491
07 March 2006	40,000	400
08 March 2006	125,000	1,250
10 March 2006	195,000	1,950
At 31 March 2006	51,006,385	510,064

The directors held the following 1p ordinary shares at 31 March 2006:

GR Powell	-	1,000,000 Ordinary Shares of 1p each
Reef Securities Limited *	-	1,500,000
P Barnett	-	NIL

## 8. POST BALANCE SHEET EVENTS

Between 1 April 2006 and 30 June 2006 the company issues 1,947,574 new 1p Ordinary Shares at prices ranging between 3.25p per share and 20p per share, pursuant to the exercise of existing warrants.

On 19 April 2006 the company announced the grant of 1,200,000 share options under its Unapproved Share Option Scheme. The options were granted to key employees in the Philippines and are exercisable at 12p per option at any time after 12 months from the date of grant up to 7 years from the date of grant.

The Directors do not own any share options.

Notes to the Financial Statements  
for the Period ended to 31 March 2006 - Unaudited

## 9. THE INTERIM REPORT

The Interim Report was approved by the Directors' on 30 June 2006.

Copies of the Interim Report may be obtained on written request to the Company Secretary, Metals Exploration plc, 7 Savoy Court, Strand, London WC2R 0ER.

This information is provided by RNS  
The company news service from the London Stock Exchange

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