

METALS EXPLORATION PLC OPERATIONAL UPDATE

Metals Exploration plc (AIM: MTL) (“Metals Exploration” or “the Company”), the natural resources exploration and development company with assets in the Pacific Rim region, is pleased to provide an update on matters relating to the development of its Runruno gold-molybdenum project in the Philippines.

Highlights

- Leighton Contractors (Asia) (“Leighton”) appointed to develop a Fixed Lump Sum Price (“FLSP”) for the Engineering, Procurement and Construction (“EPC”) delivery mechanism for the Runruno process plant
- Licence agreement signed with Biomin Technologies S.A. (“Biomin”), the legal and beneficial owner of the BIOX® Process, granting the Company a licence to use BIOX® technology at Runruno
- Post-feasibility in-fill resource drilling programme nearing completion. Resource update expected in Q1 2011
- Metallurgical testwork on both gold and molybdenum recoveries continues
- “Declaration of Mining Project Feasibility” submitted to the Mines and Geosciences Bureau (“MGB”)

Leighton’s Contract

The Company has appointed Leighton to develop a FLSP in an “Open Book” environment for an EPC delivery mechanism for the process plant component of the Runruno project.

Leighton has a strong track record of delivering projects on time and on budget.

The assignment will be conducted in two distinct phases: Phase “A”, determination of the FLSP; and if the FLSP is agreed and the project committed to development, Phase “B”, the EPC based delivery of the works. Phase B will be considered on completion of Phase A and will be reviewed and defined during Phase A.

Phase A runs for a 90 day period during which sufficient engineering will be carried out to enable Leighton to develop and offer the Company a FLSP to construct the project under an EPC contract, based on tender packages received from equipment suppliers and sub-contractors.

On completion of the 90 day Phase A period a full design criteria, process control philosophy, process flow sheets, scope definition, detailed specifications codes and standards, and draft construction, commissioning and handover plans will be delivered to the Company.

Phase A is budgeted to cost US\$1.62m ex-VAT.

BIOX® Licence

The Company has entered into a licence agreement with Biomin which provides for the use of the BIOX® technology at Runruno for the recovery of gold from refractory gold rich sulphide

bearing ores. Biomin, a wholly owned subsidiary of Gold Fields Limited (“Gold Fields”) is the legal and beneficial owner of the BIOX® Process, and the licence agreement sets out the basis on which the Company may use BIOX® intellectual property

The precise terms of the licence are confidential, but are consistent with other agreements of this nature. The agreement manages the commercial relationship between the companies, protects Biomin’s intellectual property, provides various warranties and process guarantees, and obliges Biomin / Gold Fields to provide fee based technical support as required.

In-Fill Drilling Programme

To date 12,115 metres of the 13,400 metre post-feasibility study in-fill drilling programme previously advised has been completed. The results received so far are being reviewed by Mining Associates with a view to reporting a resource update in the first quarter of 2011.

The need to complete the original drilling programme, as well as any additional requirements identified from the work completed so far, will be assessed during the resource review.

Metallurgical Testwork

Two metallurgical testwork programmes are currently budgeted: flotation testwork at Maelgwyn Laboratories in Johannesburg, South Africa; and molybdenum recovery testwork at Electrometals' laboratory in Queensland, Australia.

The flotation testwork is proceeding satisfactorily, and the molybdenum testwork is due to recommence in January.

Declaration of Mining Project Feasibility

Under the terms of the Financial or Technical Assistance Agreement (“FTAA”) awarded to the Company in October 2009, the Company is required to submit a “Declaration of Mining Project Feasibility” to the MGB demonstrating by means of the feasibility study and other requirements listed in the FTAA that the project is viable using “internationally accepted sound mining practices”.

The Declaration of Mining Project Feasibility in respect of the Runruno project has been submitted to the MGB. Once it is approved, which is expected to be towards the end of the first quarter of 2011, the project will move into the “Development and Construction Period” under the FTAA.

Ian Holzberger, Executive Chairman, commented:

“I am pleased to be able to provide this positive update on the work completed at the project level since the announcement of the feasibility study in May. I am particularly pleased that we have formalised relationships with world-class partners in Leighton and Biomin for the EPC and Biox licence respectively. These agreements significantly move the project towards our objective of commencing development in the new year to take advantage of the dry season.

“At the corporate level, we will advise developments in relation to the Solomon Offer in due course.”

About Leighton Contractors:

Leighton Asia is part of the Leighton Group, Australia’s largest project development and contracting group with annual revenues exceeding US\$16.5 billion. It has been operating in

Asia for 35 years. Based in Hong Kong, the company also operates in Macau, China, Mongolia, Taiwan, the Philippines, Guam, Thailand, Vietnam, Laos, Cambodia and Indonesia.

Leighton Asia is one of Asia's foremost providers of mining services providing clients with a one-stop solution for all their mining requirements. Leighton Asia is currently mining coal and gold for clients in Indonesia, the Philippines and Mongolia. Its significant projects in the Philippines include the Rapu Rapu Mining project in Albay where Leighton built the Process Plant and undertook the mining Contract for Lafayette.

Leighton also recently completed the EPC Contract to design and build the Masbate Gold Process Plant and Power Station, and was awarded an eight year contract for mining works last year.

About BIOX® / Gold Fields:

The BIOX® Process, for the treatment of refractory gold ores and concentrates has been commercially in operation for the past 22 years. GOLD FIELDS LIMITED, the owner of the BIOX® Technology and the world's fourth largest gold mining company, is the leader in the testing, design and implementation of Biooxidation Processing Plants throughout the world. To date GOLD FIELDS has successfully commissioned eleven BIOX® plants, of which eight are currently in operation.

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