

## METALS EXPLORATION PLC

### PLACING OF £12 MILLION

Metals Exploration Plc (“Metals Ex” or the “Company”) (AIM: MTL), the natural resources exploration and development company with assets in the Pacific Rim region, is pleased to announce that the Company has conditionally raised £12 million (before expenses) through a placing of 104,347,828 new ordinary shares at a price of 11.5 pence per share (the “Placing”).

#### Highlights

- £12 million fundraising at 11.5 pence per share
- Major shareholder Solomon Capital has committed to increase its interest in the Company from 29.9% to 44.1% subject only to regulatory and shareholder approval
- Bankable Feasibility Study funded to completion
- Step out drilling for gold and drill testing of a potential copper porphyry planned
- £8 million debt facility arranged in January 2009 to be terminated

#### Background to the Placing

The Company is pleased to announce a conditional Placing of £12 million.

Solomon Capital Limited (“Solomon”) has conditionally subscribed for £8 million in the Placing, which would increase its interest in the Company from 29.9% to 44.1%. As set out below, the increase in Solomon’s interest to 30% or more of the issued share capital is subject to a waiver from the Panel on Takeovers and Mergers (the “Panel”) and such waiver being approved by independent shareholders. As a result, the Placing will be in two tranches of approximately £5.72 million and £6.28 million. Further information on the Placing is set out below under “Details of the Placing”.

The funds raised will be used:

- To complete the ongoing Bankable Feasibility Study (“BFS”) on the Company’s Runruno project;
- To fund a drilling programme outside the existing resource boundary with the aim of adding to the existing 2 million ounce gold resource;
- To fund a separate exploration programme and associated drilling to test for copper porphyry potential at Runruno; and
- To provide resources to enable a smooth transition to mine development on completion of the BFS.

Of the £12 million conditionally raised in the Placing, the Directors plan that £8 million will be used to fund the completion of the BFS, while the step-out drilling and early construction works will be allocated £1.5 million each. The remaining £1 million will be used to provide a contingency for the BFS and to pay the expenses of the Placing.

On completion of the second tranche of the Placing, the £8 million debt facility provided by Shelfco 725 Limited, a sister company of Solomon, would be terminated.

#### Jonathan Beardsworth, Chief Executive Officer, commented:

“We are delighted to have secured this funding and to have received such strong support from both existing and new investors. In particular, we welcome Solomon Capital’s further commitment to and endorsement of our company.

"The new funding enables us to complete the Bankable Feasibility Study without drawing down on the loan facility, as well as providing the opportunity for step-out drilling outside the existing project area.

"The BFS was initiated on 1 February 2009, and is targeted to report by 31 January 2010. To date 13,000 metres have already been drilled and resource updates can be expected as we receive assay results and process them into the resource model. With metallurgical testwork proceeding satisfactorily and the FTAA awaiting final Presidential sign-off, we are in a strong position to deliver on our objectives as planned."

**Christian Candy, beneficial owner of Solomon Capital, comments:**

"Solomon Capital (our private equity business) has now committed £11.5 million to Metals Ex. We have done so because we believe the company to be significantly undervalued with substantial upside potential.

I have visited site at Runruno and seen the potential for myself. We met with Government officials and saw at first hand that the permitting and regulatory process in the Philippines is run in a professional and efficient way. I have been impressed with the Government's commitment to support responsible mining development as a means of contributing to economic growth. Metals Ex's focus on the local environmental and humanitarian issues was a major consideration in our investment. I am delighted with the Company's recent award at the Asia Mining Conference in Singapore for its community development programmes.

This investment removes any financing risk from the Metals Exploration equation and will allow the management team to focus on maximising the value of the business. Our team at Solomon intends to work closely with management to help them achieve this, and with more than £200 million in liquid funds, CC1 (as part of CPC Group) is in a strong position to look for opportunities outside, as well as inside the property sector."

**Notes to Editors**

Christian Candy's Solomon Capital is 100% owned by Guernsey based CC1 Group - his private equity vehicle. The group made an initial 29.9% investment (£3.5 million) into Metals Exploration in January 2009, via a new placing of shares. The Metals Ex transaction is one of CC1's first significant investments outside of the property business. Christian Candy is better known as joint CEO and Founder of design and development management firm, Candy & Candy.

**Details of the Placing**

The Placing comprises a total of 104,347,828 new ordinary shares (the "Placing Shares"), which can be issued under the existing authorities granted to the Directors.

Solomon, which currently holds 49,370,436 ordinary shares, or 29.9 per cent. of the issued share capital, has conditionally agreed to subscribe for £8,000,000, or 69,565,218 Placing Shares, in the Placing. Following such subscription, Solomon's holding would increase to 118,935,653 ordinary shares, or 44.1% of the enlarged issued share capital.

Under the provisions of Rule 9 of the City Code on Takeovers and Mergers, the increase in Solomon's holding to 30% or more of the issued share capital would normally require Solomon Capital to make a general offer in cash to all other shareholders to acquire the balance of shares not held by it. The Company intends to seek a waiver from the Panel of the requirement for Solomon to make such an offer. Such waiver would be subject to the approval of independent

shareholders voting on a poll at an extraordinary general meeting of the Company to be held on or around 26 June 2009 (the "EGM") (the "Whitewash").

In order to allow sufficient time for the Whitewash process, the Placing is being undertaken in two tranches. The first tranche comprises the issue of 49,703,866 Placing Shares (the "First Placing Shares") raising approximately £5.72 million (the "First Placing"). The second tranche would comprise the issue of 54,643,962 Placing Shares (the "Second Placing Shares") raising £6.28 million (the "Second Placing"), all of which would be subscribed for by Solomon.

The Placing is conditional, inter alia, on completion of a placing agreement entered into between the Company and HansonWesthouse (the "Placing Agreement"). The Placing Agreement, in so far as it relates to the First Placing, is conditional, inter alia, on:

- (a) Admission of the First Placing Shares to trading on AIM ("First Admission") occurring by not later than 8.30 a.m. on 12 May 2009 (or such later time and/or date as HansonWesthouse and the Company may agree but in any event not later than 5.30 p.m. on 21 May 2009); and
- (b) the Placing Agreement not having been terminated prior to First Admission.

The Placing Agreement, in so far as it relates to the Second Placing, is conditional, inter alia, on:

- (a) First Admission having occurred as referred to in paragraph (a) above;
- (b) Admission of the Second Placing Shares occurring by not later than 8.30 a.m. on 29 June 2009 (or such later time and/or date as HansonWesthouse and the Company may agree but in any event not later than 5.30 p.m. on 1 September 2009);
- (c) the Panel waiving the obligation of Solomon Capital to make a general offer that would otherwise arise as a result of the Second Placing and such waiver being approved by independent shareholders voting on a poll at the EGM (and not, save with the written consent of HansonWesthouse, at any adjournment thereof); and
- (d) the Placing Agreement not having been terminated.

The Company has agreed with Solomon that payment for its subscription in the Second Placing would be made on or before 15 September 2009. Such payment would be secured by a personal guarantee from Christian Candy, and the Company will benefit from interest on the outstanding amount until payment is made.

It should be noted that the First Placing is not conditional on the Second Placing occurring, but the Second Placing is conditional on the First Placing having occurred in accordance with the terms of the Placing Agreement.

Following First Admission there will be a total of 215,022,382 ordinary shares in issue with each share carrying the right to one vote and following Second Admission there would be a total of 269,666,344 ordinary shares in issue with each share carrying the right to one vote.

The subscription by Solomon constitutes a related party transaction under the AIM Rules for Companies. The Directors (excluding Tim Dean) consider, having consulted with HansonWesthouse, that the terms of the subscription by Solomon are fair and reasonable insofar as shareholders are concerned.

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