

Metals Exploration PLC  
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Metals Exploration - Masapelid Project Update

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**MASAPELID: MAPPING OF LAYONG VEIN DEFINES DRILL TARGETS.**

Metals Exploration is pleased to announce that surface mapping of the Layong Vein at the company's Masapelid Project in Surigao del Norte Province, Philippines, has been completed and drill targets have been planned. The first drill rig will be mobilized over the coming weeks.

Mapping and sampling will now be focussed on Vein 6, which is orientated sub-parallel to the Layong Vein. Historical records report that Vein 6 had underground development work undertaken but no significant mining took place because of bad ground conditions.

Both these Veins lie in the Layab-Looc corridor which was highlighted by Western Mining's soil geochemistry program in the early 1990s to have the best potential for Gold mineralization.

Drilling is scheduled to start within the first week of May and the company looks forward to the announcement of drill results as they come to hand.

#### Project Summary:

The Layong Vein at the company's Masapelid Island Project was previously mined during the 1930's and closed due to the outbreak of WW2. The area encompassing the Layong Vein has not been extensively explored by modern techniques and the board sees the project as having a real opportunity to define gold resources.

The Masapelid Project encompasses an island of the same name just off northeast coast of Surigao del Norte Province. The project is located in a well mineralised corridor of present-day and historical mining operations, being 6 kilometres northeast of the former gold+copper mining operations of Manila Mining Corporation (Placer) and 15 kilometres northeast of the Anglo American's recent Boyongan discovery where hole TSD-38 returned 366 m @ 1.66% copper & 4.49 g/t gold.

The Masapelid Project has had previous exploration conducted over it by several major mining companies since the 1970s and the Company believes that there exists good potential to delineate gold (+/-copper) resources.

Previous mining on Masapelid Island dates back to Spanish colonial times. In the 1930s, the northeast trending Layong vein at Layab was developed with reports of 21,000 tonnes of ore extracted at grades of 16 to 24 g/t Au. Other parallel veins were identified but not mined reportedly because of difficult ground conditions.

Development down to the 300 level (-100 metres below surface) was recorded, but deeper development on the 400 level apparently did not take place. Outbreak of World War II stopped all mining activities and no formal mining activities were resumed after the war.

During the 1980s, artisanal gold miners worked the Layab and Gumod areas. After the discovery of the rich Diwalwal gold mining area on Mindanao Island, all artisanal mining ceased on Masapelid Island.

Exploration has been sporadic since the 1970s. During the 1980s, sampling of the quartz veins from within some of the historical underground workings and artisanal diggings returned gold assays ranging up to 15g/t Au with occasional high-grade values up to 426 g/t Au.

Last month the Company's own rock-chip sampling from the Layong Vein area obtained grades as high as 24g/t Au and 121g/t Au.

During the early 1990s, a major international mining company, Western Mining Corporation ("WMC"), carried out a regional soil sampling program and some diamond drilling, thus generating a comprehensive data base covering the whole island. The soil geochemistry program highlighted the Layab-Looc corridor as containing the best potential for the discovery of gold mineralisation in addition to the previously mined deposits. The most significant soil gold anomalies (>200ppb Au) occur over areas of 1,100 metres x 600 metres and 1,400 metres x 1,000 metres.

#### Qualified Person

Gary Powell has been involved in mineral exploration projects for over 20 years. He has a Bachelor of Applied Science degree in geology, and is a member of the Australasian Institute of Mining and Metallurgy ("AusIMM"). He has compiled, read and approved the technical disclosure in this announcement.

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