

## METALS EXPLORATION PLC

### **DRILLING IN THE NORTHERN SECTOR OF THE RUNRUNO RESOURCE RETURNS HIGHER GRADE MINERALISATION IN A NEWLY RECOGNISED STRUCTURE**

#### **\* EXPLORATION PERMIT APPLICATIONS LODGED OVER THREE PROPERTIES IN LUZON, PHILIPPINES**

29 March 2007

The Board of Metals Exploration PLC (“the Company”) is pleased to announce that the Company received encouraging assay results from a drill hole in the northern-most part of the Runruno gold-molybdenum deposit.

The Company has also lodged three Applications for Exploration Permits (“EPA”) with the Regional offices of the Mines & Geosciences Bureau (“MGB”) in Northern Luzon, Philippines. The three properties, namely Dupax, Sulong and Capas all comprise gold ± copper-zinc mineralisation identified by previous explorers, and offer the potential for the delineation of economically viable deposits of gold and/or base metals.

#### **RUNRUNO PROJECT**

Drill hole MXD055 was drilled in the northern part of the 2 million ounce resource area to test for vertical structures identified towards the end of last year in field mapping.

The key gold results from drill hole MXD055 are summarised below:

Drill-hole ID	Intercept (metres)			Au g/t
	From	to	Width	
MXD055	0.00	2.10	2.10	1.96
	3.00	4.00	1.00	8.10
	7.00	13.50	6.50	1.49
	18.10	20.50	2.40	1.40
	21.15	24.50	3.35	1.21
	83.30	84.30	1.00	4.81
	86.20	91.30	5.10	9.05

total combined intercept = 21.45 metres @ 3.74g/t gold

Notes:

1. Drillholes prefixed with MXD consist of diamond drill core with a minimum core diameter size of HQ3 (61mm).
2. 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 assays.
3. Molybdenum assays are pending for this drill hole.

The mineralisation encountered in the drill hole is considered to be significant in that it indicates that there is more than one structure within the northern part of the deposit hosting gold-molybdenum mineralisation. These results help to ratify the Company’s geological model and enhance the potential for similar mineralisation elsewhere in the Runruno project area.

## **EXPLORATION PERMIT APPLICATIONS**

### **DUPAX EPA**

The Dupax EPA comprises two separate blocks – Dupax (5,042 hectares) and Solano (3,814 hectares) – totaling some 8,856 hectares in area. The EPA is located in Nueva Vizcaya Province, some 200km north of Manila.

The Dupax block contains a previously identified and partially open pit mined zinc-copper-gold massive sulphide deposit. The deposit occurs as a massive sulphide body in agglomerate and disseminated sulphide in silicified sediments, predominantly underlain by marine clastics intercalated with pillow basalts and pyroclastics. This package is intruded by dikes and sills of intermediate to basic composition.

Major structures strike northwest and grossly conform to the trend of the mineralized zones. Principal ore minerals are sphalerite, chalcopyrite, tennantite and secondary covellite. The best grades obtained from sampling of the outcrop are 45.7% zinc, 3.89% copper and ~4g/t gold.

Previous work focused on defining a restricted lens of high-grade, direct shipping massive sulphide zinc-copper ore which was partially mined out by open pit methods (ca 1960/70s). Previous production records are currently unknown.

Gossans and manganese mineralisation occurs along strike of the main fault structure and show potential for additional massive sulphide deposits in the area. Geological logs of tunnels excavated during the 1960s(?) describe a weathered and oxidized profile of 12 meters thickness, which would make surface prospecting for massive sulphides more difficult. Gossanous material at surface is the best indicator of sulphide mineralisation at depth.

The Dupax block is a poorly explored area which hosts economic grades of massive sulphide Zinc-Copper-Gold mineralization. There appears to be an obvious structural control on the mineralization.

Little is known about the Solano block.

Once the EPA has been granted, the Company intends to carry out detailed geological mapping, soil geochemistry, followed by geophysical surveys to determine favourable areas for drill testing.

### **SULONG EPA**

The Sulong EPA covers some 6,963 hectares in area and is situated to the east of Solano, Nueva Vizcaya Province, approximately 220km north of Manila.

The area has previously been mined for manganese (ca 1970s) which, is interpreted as being the oxidised portion of an extensive vein-fault system, although there is little evidence of shipment of manganese ore.

During the early 1990s Climax conducted a regional geochemistry survey of the district, including the Sulong area.

During the late 1990s, Placer Pacific Exploration Phils., Inc. (a subsidiary of Placer Dome), carried out stream sediment geochemistry and rock sampling of the Sulong area. Sampling of outcrop within the EPA area returned assay grades up to 0.64g/t gold.

The Company believes that the area comprises a large gold-bearing vein-fault system and potential for porphyry copper mineralisation. Once the EPA has been granted, the Company intends to carry out detailed geological mapping, soil geochemistry and geophysical surveys to determine favourable areas for drill testing.

## **CAPAS EPA**

The Capas EPA covers some 3,564 hectares in area and is situated approximately 20km southwest of Tarlac City, Tarlac Province, some 100km northwest of Manila.

The Capas EPA area had been investigated by several explorers since 1987 when an alluvial panning “Gold Rush” saw approximately 2,000 hand panners working in the area recovering alluvial nuggets and gold dust. It has been estimated that approximately 30 kilos of gold was realized from this small scale hand mining.

In 1987, West Gold Exploration Inc. (“WGE”) conducted a geochemical sampling program over the area consisting of pan concentrate sampling of the various drainages in the area. A large area of anomalous gold values was delineated on the property.

In 1988-89, BHP Engineering (“BHPE”) carried out an exploration program consisting of surface geological mapping, soil, float and outcrop sampling, tunneling and channel sampling, resulting in the identification of a prospective target area known locally as the Manganese Area. This area contains significant surface alteration and anomalous gold values.

In 1990, BHPE carried out a program of diamond core drilling in the Manganese Area. Four vertical diamond drill holes, DDH-1 to DDH-4, were completed for a total of 300 metres.

In 1993, WGE undertook shallow surface drilling (up to 3 meters depth) east of the Manganese Area to test the extent of the gold anomaly identified in drill-hole DDH-4. A surface area of 25 metres by 100 metres was defined with anomalous gold grades.

The area is underlain by three distinct volcano-sedimentary units namely: basalt, argillite and lithic tuff; indurated tuffaceous sediments, and younger largely undeformed sediments. These units are intruded by a number of quartz diorite bodies.

Gold mineralization is hosted by weakly altered andesite and DDH-4 intersected gold mineralisation averaging >1g/t gold over 20 metres starting from 4 metres below surface. The Company believes that the property has the potential for the delineation of a shallow gold resource, which may be amenable to heap-leaching.

Once the EPA has been granted, the Company intends to carry out detailed mapping of structures in the Manganese Area to determine structural controls to the mineralization at Capas. A programme of shallow RC drilling will then be planned to identify a shallow gold resource which may be amenable to heap leaching.

## **QUALIFIED/COMPETENT PERSONS**

Gary Powell (a Director of the Company) has been involved in the mining and exploration industry for more than 24 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. 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' (JORC Code). 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.

#### **NEWLY DESIGNED WEBSITE**

A newly designed website is now up and running for the Company at:

[www.metalsexploration.com](http://www.metalsexploration.com)

#### **ENQUIRIES:**

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