

## METALS EXPLORATION PLC

### FINAL RESULTS FOR THE THREE MONTH PERIOD ENDED 31 DECEMBER 2008

Metals Exploration plc (AIM: MTL) (“Metals Ex” or “the Company”), the natural resources exploration and development company with assets in the Pacific Rim region, is pleased to announce its final results for the three month period ended 31 December 2008.

#### Highlights

In the three month period ended 31 December 2008:

- Runruno resource upgraded to 2.0 Moz of gold and 34.4 Mlb of molybdenum, with 756,000 oz Au and 17.2 Mlb Mo classified as Measured and Indicated Resources.
- Scoping study completed, suggesting production of 183,000 ozs gold and 1.7m lbs moly production per annum, a capital cost of US\$208m (including moly circuit) and an average annual cash operating costs of US\$285 per oz Au (net of moly credits at US\$20/lb).

#### Post 31 December 2008:

- £12m raised in a two-stage placing from new and existing shareholders, allowing:
  - completion of Bankable Feasibility Study without further funding
  - existing debt facility to be cancelled
  - step out drilling outside current project area to add to the current resource
  - additional drilling to test for copper porphyry potential at Runruno.
- Major shareholder Solomon Capital has committed to increase its interest in the Company from 29.9% to 44.1% subject to regulatory and shareholder approval.
- Bankable Feasibility Study progressing well with 15,000 metres of drilling completed. Resource upgrades are expected through the year.
- Conversion of existing Exploration Permit (EP) into Financial and Technical Assistance Agreement (FTAA) has reached the final stage at the Office of the President of the Philippines.
- FCF Minerals, the subsidiary which operates the Runruno project, receives the Best Community Development Initiative Award at the Asia Mining Congress in Singapore.

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## **CHAIRMAN'S STATEMENT**

I greet shareholders once again, just three months after publication of our previous Annual Report. The reason for this abbreviated accounting period is simply so that we can align the Company's year end with those of our overseas and operating subsidiaries.

In my Chairman's Statement in the last Annual Report I went into some detail about the condition of the Group and the reasons for my confidence in its future. I do not propose to repeat myself here, but my sentiments remain the same and I commend that previous Statement to you if you have not already had the opportunity to review it.

In the three months since publication of the last Annual Report the Group has moved ahead materially on a number of fronts. I am reluctant to tempt fate, but there are a number of reasons for suggesting that the worst of the economic storms, in so far as they affect us, may now be behind us.

First amongst these is the powerful support of our largest shareholder, Solomon Capital Limited ("Solomon"). In the last few weeks we have been able to announce that Solomon has committed a further £8m into the Company, subject to regulatory and shareholder approval, along with another £4m contributed by new and existing shareholders. This additional injection would increase Solomon's interest in the Company above 29.9% to 44.1% and shareholders will have the opportunity to vote on this proposal at an EGM in due course. I need hardly add that we would not have announced this if it did not have the full support of the Board as being in our view in the best interests of the Company and all shareholders.

This £12m will allow us to complete the bankable feasibility study ("BFS") at Runruno without relying on the £8m loan facility provided earlier by a sister company of Solomon beyond the nominal £0.25m drawn down to date. Indeed it is our intent to terminate the loan facility altogether assuming Solomon's increased investment in the Company receives regulatory and shareholder approval.

Importantly these additional funds will also give us the flexibility to conduct exploration outside the existing resource area with a view to expanding the total resource base. I remind shareholders that the current 2 million ounce resource is contained within an area extending approximately 1.5 kilometres north to south and 500 metres east to west on the western base of the Runruno volcanogenic complex. The diameter of the entire dome is approximately 3.5 kilometres, and the existing resource area covers just a fraction of that total area. We now have the means to start testing the potential of the rest of the dome.

Funds have been allocated to support two distinct exploration programmes: firstly, step-out drilling to the north-east of the existing resource to establish the continuity of the orebody around the base of the dome as suggested in our last resource update dated 13 October 2008; and, secondly, to drill deep into the centre of the dome to test for copper porphyry potential. Success in either programme would add material value to the Group.

Meanwhile at Runruno the BFS is in full swing. At the start of the year the requirement to complete a 65,000 metre drilling programme seemed a daunting prospect. Three months on I am happy to report that we have five drilling rigs operating on site and, at the time of writing, have already completed 15,000 metres of the requirement. Once assays are received back and fed into the geological model we can expect to start announcing regular resource updates through the rest of the year. Our minimum expectation is to be able to convert Inferred ounces into Indicated, and Indicated ounces into Measured. We remain on track to announce the final results of the BFS in the first quarter of next year.

Our permitting process received a welcome boost in March this year with the announcement that our FTAA application had been endorsed by Secretary Lito Atienza of the Department of the Environment and Natural Resources to the Office of the President of the Republic of the Philippines for final approval and sign off. We look forward to final confirmation.

We regularly emphasise the priority we attach to our community and environmental responsibilities. Consequently it was pleasing to receive further recognition of our efforts in March this year at the Asia Mining Congress in Singapore where FCF Minerals Corporation, a subsidiary of the Company, received the “Sustainability Award” in recognition of our training of 640 out of school youths in Nueva Viscaya Province. The award was adjudicated and presented by a panel including William Bulmer, Head of the Mining Division at the International Finance Corporation of the World Bank Group.

With all of the above noted, I trust shareholders understand the basis for my continued confidence in the future prospects of the Group:

- We start with a solid resource base of 2 million ounces of gold and associated molybdenum which we can expect to progressively firm up through the course of the year;
- We have the backing of a committed and well resourced major shareholder who, subject to regulatory and shareholder approval, has committed over £11m to the Company already this year;
- This funding allows us to complete the BFS at Runruno, as well as expanding our exploration activities outside the existing resource area with a view to expanding the resource base still further;
- We are at the final stages of our FTAA application process and are waiting for approval by the Office of the President of the Republic of the Philippines;
- And the commitment of the Group and all employees to responsible and sustainable development ensures that we retain the support of the communities amongst whom we operate.

I look forward to reporting further on our progress as the year unfolds.

**I R Holzberger**  
*Executive Chairman*

## **CHIEF EXECUTIVE’S REVIEW**

Despite global markets remaining unsteady, the period from 1 October 2008 has been another positive one for the Group. We have continued to develop our Runruno project with a resource upgrade, the completion of the Scoping Study and subsequent commitment to a Bankable Feasibility Study. Additionally, the FTAA permit has advanced to the Office of the President and we have conditionally raised over £15m through two placings supported by our new major shareholder, Solomon Capital, as well as existing shareholders, and received further international recognition for our community relations program.

In January 2009, we welcomed Solomon Capital as a 29.9% shareholder through its participation in a placing. Subject only to regulatory and shareholder approval, its shareholding is set to increase to 44.1% through their participation in a further two stage placing. Following the completion of this fundraising the debt facility arranged in January with Shelfco 725 Limited (a sister company of Solomon Capital) will be terminated.

## Runruno Resource Development

The total geological resource inclusive of low grade dilution currently reports on a JORC-compliant basis, at a lower cut off grade of 0.3 g/t Au, as 31.2 Mt at 2.0 g/t Au and 0.05% Mo – containing 2.0Moz gold and 34.4Mlb molybdenum. The resource estimate is detailed in Measured, Indicated and Inferred categories below.

### Runruno Resource Estimate – October 2008

Resource Category	Tonnes (x 10 <sup>6</sup> )	Gold (Au)		Molybdenum (Mo)	
		g/t	oz	%	lb
Measured	3.55	2.37	270,000	0.100	7,800,000
Indicated	7.98	1.90	487,000	0.053	9,360,000
Inferred	19.64	1.98	1,248,000	0.040	17,258,000
<b>Total</b>	<b>31.17</b>	<b>2.00</b>	<b>2,005,000</b>	<b>0.050</b>	<b>34,418,000</b>

The resource has been estimated using the results of all drilling conducted since the Company acquired the project in 2005, together with four diamond drillholes completed between 2000 and 2001 prior to acquisition. The resource has been estimated on the basis of 220 drillholes (32,153 metres) consisting of 119 diamond drillholes (18,756 metres) and 101 RC drillholes (13,397 metres).

The resource estimate was determined by the process of modelling mineralised envelopes which are defined by a natural cut off grade of 0.3 g/t Au. This effectively results in the calculation of a ‘diluted’ resource by including areas of internal low grade material and an external rind of low grade material into the geological resource. As a consequence the defined mineralised horizons and the diluted resource better represent the actual resource likely to be recovered during a mining operation, after mining dilution and ore losses are accounted for.

### Resource Potential

The Company has previously identified potential similarities between the Runruno deposit in the Philippines and the Cripple Creek deposit in Colorado. To explore this potential analogy, the Company commissioned Dr. Eric Jensen PhD, a world renowned expert on alkaline intrusive-associated gold mineralisation, especially Cripple Creek style deposits, to undertake an investigation of the Runruno mineralisation and its host rocks. Dr. Jensen visited Runruno between 7 and 15 February 2008.

The key conclusions from Dr. Jensen’s report to the Company following his visit include:

- “In short, the Runruno gold deposit is remarkable in terms of its shared characteristics with other alkaline epithermal deposits, including Cripple Creek, Colorado, and its additional potential as MTL’s exploration activities continue and expand.”
- “Significant potential for additional discoveries of mineralization seems obvious.”

Results of limited recent drilling in the north of the deposit, re-interpretation of previous drilling, and mapping of surface exposures of the mineralisation have identified extensions to the sub-horizontal zones of mineralisation in that area. The mineralisation remains open-ended to the north and the Company believes that there is good potential to identify additional resources and to add to the current

resource base in the north. The recent £12m fund raising has allowed us to allocate £1.5m to a drilling program outside the existing resource boundary.

### Scoping Study

The study was based on an open pit mining operation and biological leaching using the proven BIOX® process combined with conventional carbon in leach treatment to recover gold to doré bullion and molybdenum to a saleable molybdenum product.

The project, as defined in the study, is based on a nine year mine operation which in full production would produce:

- An average of 183,000 oz of gold and 1.7 Mlb of molybdenum per annum;
- From a 3.0 Mt per annum mine and processing operation,
- At a cash operating cost of US\$285/oz net of projected molybdenum credits.

A summary of the key project fundamentals is presented below:

<i>Scoping Study Years 1-9</i>			
	Unit	Gold Only Project	Gold & Moly Project
Annual milling rate	Mt	3.0	3.0
Gold grade	g/t	2.09	2.09
Molybdenum grade	%	0.056	0.056
Gold recovery	%	90.6	90.6
Molybdenum recovery	%	-	45
Gold bullion produced per annum,	oz	183,000	183,000
Contained molybdenum produced per annum	lb	-	1,700,000
Annual mining rate	Mt	3.0	3.0
Life of mine strip ratio		5.9:1	5.9:1
Capital cost	US\$million	203.4	208.4
Annual operating cost	US\$million	84.6	86.1
Cash operating cost (net of Mo at US\$20/lb)	US\$/oz	463	285

The study was project managed by the Company, with sub-studies undertaken by a number of external consultants including the Ammtec Group (processing), Goldfields/SGS (processing), Ausenco (plant design), GHD (tailings storage), Parsons Brinkoff (roads), Dallas Cox (mine design) and bmp Environment and Community Care (environment). In addition, a variety of other groups and consultants contributed to elements of the study.

The development cost for the project inclusive of molybdenum recovery is estimated to be US\$208.4 million as presented below:

#### *Summary of Forecast Capital Cost Estimate*

Area	Capital estimate \$US million	% of total Capital
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Mine	2.6	1.2
Process plant (excluding site preparation and temporary facilities which are included in on-site infrastructure and indirect costs)	79.1	38.0
Tailing storage facility	10.6	5.1
On-site infrastructure	21.3	10.2
Off-site infrastructure	8.3	4.0
Indirect costs	9.6	4.6
EPCM – plant	21.5	10.3
Owners cost – total	55.4	26.6
<i>Including:</i>		
- Engineering contingency @ 10% – non plant	8.0	
- Engineering contingency @ 15% – plant	14.8	
Total	208.4	100

The operation of the Runruno project will benefit from its location, logistics and the ready supply of hydroelectric power from the National Grid. The estimate of cash operating costs (direct costs denominated in 2008 dollars inclusive of a 10% contingency allowance) are shown below in total dollars and per oz of gold both gross and net of molybdenum credits (at US\$20/lb of molybdenum). It is forecast that the direct cost to produce gold gross will be US\$462.29/oz and net of credits will be US\$284.83/oz.

***Summary of Forecast Operating Cost Estimate***

<b>Area</b>	<b>Operating cost estimate \$US million gold only</b>	<b>Operating cost estimate \$US million gold + moly</b>	<b>US\$/oz gold gross</b>	<b>US\$/oz gold net of moly credits</b>
Mine	33.6	33.6	180.41	111.15
Process Plant	41.7	43.2	231.95	142.90
Admin & Infrastructure	9.3	9.3	49.93	30.77
Total annual cost	84.6	86.1	462.29	284.83

The major cost categories are mining (35%), power (22%), reagents (20%) and labour (14%).

The positive results from the study provided the basis for the Company to commit the project to a full Bankable Feasibility Study which commenced on 1 February 2009, and is targeted to report by 31 January 2010.

**Drilling Division**

In order to assume direct control of the drilling required to support the Bankable Feasibility Study, the Company has established its own drilling division consisting, currently, of three diamond drilling rigs and one multi-purpose drilling rig capable of conducting RC and diamond drilling.

The division is staffed by suitably trained drilling personnel, is overseen by an experienced drill supervisor and has the necessary support infrastructure.

## **Permitting**

The Runruno project is currently held as an Exploration Permit (EP-000013II) issued to FCF Minerals Corporation (FCF), a Philippine incorporated company. The Company owns 85% of FCF and has an option over the remaining 15%.

Application has been made to convert the EP into a mining licence, or Financial and Technical Assistance Agreement (FTAA), under the 1995 Philippine Mining Act. The FTAA is a partnership between Metals Ex and the Philippine Government, designed to allow the Company 100 per cent ownership of the project, while developing the mineral resource in an environmentally and socially responsible manner.

On the 6 March 2009, Secretary Lito Atienza of the Department of Environment and Natural Resources endorsed the FTAA application by FCF to President Gloria Macapagal Arroyo. Approval by the President and numbering by the MGB Regional Office are the final stages in the permitting process at Runruno.

## **Environment & Community Relations**

The Company follows the World Bank Guidelines and the Equator Principles in all aspects of its environmental and community related work.

An environmental baseline study has been completed, and is supplemented by continued routine environmental monitoring. In addition, an Environmental Impact Assessment is underway, which will form part of the application for the Environmental Clearance Certificate under the FTAA.

The Group supports and makes donations to the Runruno Livelihood Foundation, a non-profit organization with a well staffed community relations group which works closely with the local communities and to instigate sustainable health, life and business development programmes to the benefit of these communities. The proposed development at Runruno is supported by all impacted local communities.

FCF was awarded the Kabalikat Award (Industry Category) for Region 2, by the Technical Education and Skills Development Authority (TESDA), for its outstanding role played in technical educational and skills development.

The Kabalikat Award is TESDA's annual institutional award recognising the promotion and enhancement of technical education and skills development. The award is conferred to outstanding local government units, institutions and companies for their contribution in the promotion and development of the country's middle level manpower in terms of skills, abilities, work attitude, values and best practices.

FCF was awarded the Presidential Mineral Industry Environment Award (PMIEA) Platinum Award in the Exploration Category in recognition of its exemplary performance in environmental management. The purpose of the award is to recognise outstanding levels of dedication, initiative and innovation in the pursuit of excellence in environmental management.

FCF was also the runner up at the Philippine annual Mine Safety and Environment Conference in this year's nationwide "Best Mining Forest Contest" for its Mining Forest Programme.

In March 2009, FCF was awarded the Best Community Development Initiative Award at the Asia Mining Congress in Singapore. The award was presented by William Bulmer, Head of the Mining Division for the International Finance Corporation of the World Bank Group, to Dr. Ernesto Mendoza, Senior Vice President of FCF Minerals. To date the FCF Minerals community development program

has provided training to and assisted in the employment of 640 Out-of-School-Youths (OSY) from the province of Nueva Viscaya in the northern Philippines where the Company's Runruno project is located. The OSY Skills Development and Job Placement Program started with a pilot project in the village of Runruno, jointly implemented by FCF and the Technical Education and Skills Development Authority (TESDA), the Philippine government agency responsible for developing local manpower in the country.

## **Funding**

In January 2009, the Company raised £3.7m through a placing of new ordinary shares at a price of 7 pence per share. The Company also agreed terms with Shelfco 725 Limited, a sister company of Solomon Capital, for an £8m loan facility available for drawdown in tranches conditional on development milestones being met.

In May 2009, the Company announced the conditional raising of £12m through a two stage placing to new and existing shareholders, at a price of 11.5 pence per share. As part of this process, our 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.

Under the provisions of Rule 9 of the City Code on Takeovers and Mergers, the increase in Solomon's holding to 30% or more would normally require Solomon Capital to make a general offer to acquire the balance of shares not held by it. The Company intends to seek a waiver from the Takeover 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 25 June 2009.

In order to allow sufficient time for the Whitewash process, the Placing has been undertaken in two tranches. The first tranche comprised the issue of 49,703,866 shares, raising approximately £5.72m contributed to by various investors and Solomon Capital in order to retain their 29.9% interest. The second tranche would comprise the issue of 54,643,962 shares raising £6.28m all of which would be subscribed for by Solomon.

## **Management**

The Group has made a number of key management appointments in order to meet the challenge of completing the Bankable Feasibility Study at Runruno. I am proud of the quality of our team, and thank them for their commitment.

### **J P B Beardsworth**

*Chief Executive*

## **Glossary of Terms**

Inferred Mineral Resource is that part of a Mineral Resource for which tonnage, grade and mineral content can be estimated with a low level of confidence. It is inferred from geological evidence and assumed but not verified geological and/or grade continuity. It is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes which may be limited or of uncertain quality and reliability.

Indicated Mineral Resource is that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are



too widely or inappropriately spaced to confirm geological and/or grade continuity but are spaced closely enough for continuity to be assumed.

Measured Mineral Resource is that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a high level of confidence. It is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are spaced closely enough to confirm geological and grade continuity.

**CONSOLIDATED INCOME STATEMENT FOR THE 3 MONTH PERIOD ENDED 31 DECEMBER 2008**

	<i>3 month period ended 31 December 2008</i>	<i>Year ended 30 September 2008</i>
<i>Notes</i>	<i>£</i>	<i>£</i>
<b>Continuing Operations</b>		
Revenue	–	–
Cost of sales	–	–
	<hr/>	<hr/>
<b>Gross loss</b>	–	–
Administrative expenses	(500,892)	(3,259,863)
Analysed as follows:		
Foreign exchange gains	173,973	153
Other administrative expenses	(674,865)	(3,260,016)
	<hr/>	<hr/>
Total administrative expenses	(500,892)	(3,259,863)
	<hr/>	<hr/>
<b>Operating loss</b>	(500,892)	(3,259,863)
Finance income	6,695	106,978
Finance costs	(27,791)	(285,868)
	<hr/>	<hr/>
<b>Loss before taxation</b>	(521,988)	(3,438,753)
Taxation	–	–
	<hr/>	<hr/>
<b>Loss for the period</b>	(521,988)	(3,438,753)
	<hr/>	<hr/>
<b>Attributable to:</b>		
Equity holders of the parent	(490,594)	(3,516,433)
Minority interest	(31,394)	77,680
	<hr/>	<hr/>
	(521,988)	(3,438,753)
	<hr/>	<hr/>
<b>Loss per share:</b>		
Basic and diluted	1 (0.44)p	(3.55)p
	<hr/>	<hr/>

## CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2008

	<i>As at 31 December 2008</i> £	<i>As at 30 September 2008</i> £
<b>Non-current assets</b>		
Property, plant and equipment	1,341,807	965,575
Goodwill	1,010,816	1,010,816
Other intangible assets	11,608,254	8,958,889
Investments designated at fair value through profit and loss	201,219	183,464
Trade and other receivables	356,230	275,113
	14,518,326	11,393,857
<b>Current assets</b>		
Trade and other receivables	340,328	267,843
Cash and cash equivalents	731,313	1,955,210
	1,071,641	2,223,053
<b>Current liabilities</b>		
Trade and other payables	(308,795)	(432,551)
	(308,795)	(432,551)
<b>Non-current liabilities</b>		
Long-term borrowings	(2,000,000)	(2,000,000)
	(2,000,000)	(2,000,000)
<b>Net assets</b>	13,281,172	11,184,359
<b>Equity</b>		
Share capital	1,122,838	1,122,838
Share premium account	15,503,969	15,503,969
Shares to be issued reserve	2,287,969	2,275,025
Translation reserve	2,748,026	588,027
Profit and loss account	(8,930,094)	(8,439,500)
	12,732,708	11,050,359
Equity attributable to equity holders of the parent	12,732,708	11,050,359
Minority interest	548,464	134,000
	13,281,172	11,184,359

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the 3 month period ended 31 DECEMBER 2008**

	<i>Share capital</i>	<i>Share premium account</i>	<i>Shares to be issued reserve</i>	<i>Translation reserve</i>	<i>Minority interest</i>	<i>Profit and loss account</i>	<i>Total equity</i>
	£	£	£	£	£	£	£
<b>Balance at 1 October 2008</b>	1,122,838	15,503,969	2,275,025	588,027	134,000	(8,439,500)	11,184,359
Exchange differences on translating foreign operations	-	-	-	2,159,999	445,858	-	2,605,857
Loss for the period	-	-	-	-	(31,394)	(490,594)	(521,988)
Total recognised income and expenses for the period	-	-	-	2,159,999	414,464	(490,594)	2,083,869
Movement in share based payments	-	-	12,944	-	-	-	12,944
<b>Balance at 31 December 2008</b>	1,122,838	15,503,969	2,287,969	2,748,026	548,464	(8,930,094)	13,281,172

**Equity is the aggregate of the following:**

- Share capital; being the nominal value of shares issued
- Share premium account; being the excess received over the nominal value of shares issued less direct issue costs
- Shares to be issued reserve; being the expense recognised in the income statement for share based remuneration
- Translation reserve; being the foreign exchange differences on the translation of foreign subsidiaries
- Minority interest; being the net assets attributable to minority shareholders
- Profit and loss account; being the cumulative loss attributable to equity shareholders

**CONSOLIDATED CASH FLOW STATEMENT FOR THE 3 MONTH PERIOD ENDED  
31 DECEMBER 2008**

	<i>3 month period ended 31 December 2008</i>	<i>Year ended 30 September 2008</i>
	£	£
<b>Net cash used in operating activities</b>	(825,447)	(3,191,647)
<b>Investing activities</b>		
Purchase of intangible assets	(506,778)	(2,179,646)
Purchase of property, plant and equipment	(228,686)	(868,671)
<b>Net cash used in investing activities</b>	<u>(735,464)</u>	<u>(3,048,317)</u>
<b>Financing activities</b>		
Proceeds from issue of share capital	-	3,838,506
<b>Net cash from financing activities</b>	<u>-</u>	<u>3,838,506</u>
<b>Net decrease in cash and cash equivalents</b>	(1,560,911)	(2,401,458)
Cash and cash equivalents at beginning of period	1,955,210	3,934,510
Foreign exchange differences	337,014	422,158
<b>Cash and cash equivalents at end of period</b>	<u>731,313</u>	<u>1,955,210</u>

**NOTES**

**1. Loss per share**

	<i>3 month period ended 31 December 2008</i>	<i>Year ended 30 September 2008</i>
	£	£
Loss		
Net loss attributable to equity shareholders for the purpose of basic and diluted loss per share	<u>(490,594)</u>	<u>(3,516,433)</u>
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	<u>112,283,795</u>	<u>99,076,462</u>
Basic and diluted loss per share	<u>(0.44)p</u>	<u>(3.55)p</u>

The loss per share was calculated on the basis of net loss attributable to equity shareholders divided by the weighted average number of ordinary shares. The basic and diluted loss per share is the same, as the exercise of share options and warrants would reduce the loss per share and therefore, is anti-dilutive.

Number of potential ordinary shares that are not currently dilutive	26,996,154	24,494,696
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## **2. Annual Report and Accounts**

A copy of the annual report and accounts will be sent to shareholders shortly and will also be available from the Company's registered office, 200 Strand, London WC2R IDJ, and on the Company's website; [www.metalsexploration.com](http://www.metalsexploration.com). Notice of an annual general meeting of the Company to be held on 25 June 2009 will be posted together with the annual report and accounts.

## **3. Financial information**

The financial information set out in this announcement does not comprise the Group's statutory accounts for the 3 month period ended 31 December 2008 or the year ended 30 September 2008.

The financial information has been extracted from the statutory accounts of the Group for the 3 month period ended 31 December 2008 and the year ended 30 September 2008. The auditors reported on those accounts; their reports were unqualified and did not contain a statement under either Section 498 (2) or Section 498 (3) of the Companies Act 2006 or, Section 237 (2) or Section 237 (3) of the Companies Act 1985.

The statutory accounts for the year ended 30 September 2008 have been delivered to the Registrar of Companies, whereas those for the 3 month period ended 31 December 2008 will be delivered to the Registrar of Companies following the Company's Annual General Meeting.