

## **Metals Exploration PLC**

### **Runruno Resource Update**

Metals Exploration PLC (“Metals Ex” or “the Company”), the natural resources exploration and development company with assets in the Pacific Rim region, is pleased to report an updated JORC-compliant resource statement in respect of the 100% controlled Runruno gold-molybdenum deposit in the Philippines.

#### **Highlights:**

- Total diluted JORC-compliant Measured, Indicated and Inferred Mineral Resource is now estimated at 2.0 Moz of gold and 34.4 Mlb of molybdenum.
- 270,000 oz Au and 7.8 Mlb Mo are now classified as Measured Resources under the JORC Code.
- 756,000 oz Au and 17.2 Mlb Mo (over 37% of the contained gold, and almost 50% of the contained molybdenum) are now classified as Measured and Indicated Resources under the JORC Code.
- Resource area is open to the north-east of the deposit, providing scope for further step-out drilling.
- Several additional vertical gold bearing structures have been identified within the body of the resource. Once adequately tested these structures may add to the resource base.
- In-house Drilling Division established to take control of the drilling required to feed in to the bankable feasibility study.

Jonathan Beardsworth, Chief Executive of Metals Ex, said:

“This upgrade into Measured status reinforces our confidence in the robustness of the deposit and demonstrates its continuity. In addition the update demonstrates that the mineralisation occurs at practical mineable widths and grades which will support large scale open pit mining.

“It is pleasing to report the unexpected news that the deposit remains open to the north-east, and, as a matter of priority, we will be mobilising drill rigs to establish whether we can add further resources to our account. Using the Company’s recently acquired drilling capability should prove more cost effective and efficient than using external contractors for this drilling.

“This resource update will now feed into the pit optimisation and mine planning which is the final element of the Scoping Study. Once completed, we expect to be able to communicate the results of the Scoping Study over the next few weeks.”

Metals Ex has upgraded approximately one third of the previous Indicated Resource to Measured status. As well as upgrading the reserve, results from the drilling programme also indicate the potential to further grow the resource. Drilling will continue with the focus on continuing to upgrade Inferred and Indicated Resources with the aim of advancing the project to Proven and Probable Reserves and bankable status.

The Company is in the process of completing its Scoping Study on the Runruno gold-molybdenum deposit. As input into the Scoping Study, the geological resource was re-estimated to take into account all the drilling completed up until the end of August 2008 and to include low grade materials which are likely to be mined as dilution in any mining operation.

The total geological resource inclusive of the low grade dilution now reports on a JORC-compliant basis, at a lower cut off grade of 0.3 g/t Au, as 31.2 Mt @ 2.0 g/t Au and 0.05% Mo - containing 2.0 Moz gold and 34.4 Mlb molybdenum. The resource estimate is detailed in Measured, Indicated and Inferred categories in Table 1 below.

**Table 1. Runruno Resource Estimate – October 2008**

| Resource Category | Tonnes (x 10 <sup>6</sup> ) | Gold (Au)   |                  | Molybdenum (Mo) |                   |
|-------------------|-----------------------------|-------------|------------------|-----------------|-------------------|
|                   |                             | g/t         | Ounces           | %               | Pounds            |
| 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> |

## Drilling

The resource has been estimated using the results of all drilling conducted since Metals Ex 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 latest round of drilling in support of the Scoping Study was designed to improve the understanding of the nature of the mineralisation and demonstrate resource continuity as a basis for a mining operation, with the drilling being concentrated in the southern portion of the resource area. This was successfully achieved with sufficient data being generated to:

- support geostatistical modelling of the gold and molybdenum distribution;
- upgrade approximately one third of the previously defined Indicated Resource to Measured status, and
- identify structures within the resource area which may host additional mineralisation.

## Resource estimation

The resource estimate was determined by the process of modelling mineralised envelopes which are defined by a natural cut off grade of 0.2 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.

Some of the infill drilling was completed at 25m x 25m drillhole spacing to demonstrate the continuity of the mineralisation and to improve the geostatistical modelling process. An outcome

of this work has been the ability to upgrade approximately one third of the previous Indicated Resource to Measured status. The Company has taken a conservative approach to the definition of the Measured Resource, as it considered the continuity of the mineralisation and grade distribution of only one of the main mineralised zones. The Company is also continuing with its programme of geostatistical modelling to determine the optimum drill spacing for the various JORC classifications of mineral resources going forward.

### **Recent drilling identifies extensions of the Runruno deposit to the north**

It was previously interpreted that sub-vertical structures had closed off the mineralisation to the north. However, 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.

### **Mapping identifies additional mineralised structures**

Since November 2007, the Company has initiated mapping and sampling programmes of the exposures of mineralising structures throughout the resource area and this has assisted greatly in defining the nature of the various mineralised zones. Significantly, there have been a number of sub-vertical north-westerly orientated structures identified in exposures of the mineralisation which are mineralised and now have been identified especially in the recent drilling. These mineralised structures have not yet been sufficiently defined to be included in the resource estimation work. However they are likely to be recovered in a mining scenario as a result of mapping and grade control.

### **Drilling Division**

The Company has completed an additional 72 drillholes for a total of 9,540 metres since November 2007, but the unsatisfactory performance of the Company's drilling contractor meant that the drilling programme was delayed in its completion by more than two months, with some of the drillholes having to be re-drilled.

To address potential performance issues with drilling contractors, the Company has recently acquired a multi-purpose RC drilling rig capable of carrying out RC and diamond drilling, and three diamond drill rigs. These are currently being commissioned and it is anticipated that diamond drilling will re-commence, using the Company's own equipment, by the end of October 2008.

The Company has already acquired suitably trained drilling personnel and support infrastructure, and the Division will be overseen by an experienced drilling supervisor who has already joined the Company.

### **Notes to accompany resource statement:**

1. The tenement holder is FCF Minerals Corp ("FCF").
2. Metals Ex currently holds 85% of FCF, with an option to purchase the remaining 15% at its sole discretion and at any time it chooses. Therefore the current net attributable resource is 85%.
3. Resource estimate based on all drillholes completed by end of August 2008 (220 drillholes for a total of 32,153 metres).
4. All analyses undertaken by Intertek, an internationally accredited independent laboratory.
5. Gold analysis by classical 1kg screen fire assay analysis.
6. Molybdenum analysis by mixed acid digest and ICP-OES.
7. Cut off grade of 0.3g/t gold applied to the resource model.

8. No top cut applied to gold grades. Statistical analyses calculated that negligible nugget effect is observed in the data set due to high quality screen fire assay technique use for gold determination. Statistical review confirms log-normal distribution of gold assays.
9. No top cut applied to molybdenum grades.
10. Average bulk density of 2.5 applied to the model.
11. Grade interpolated into a geologically constrained block model using inverse distance weighting algorithm.
12. Resources have been classified in compliance with the JORC Code.

### **Enquiries:**

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## **TECHNICAL NOTES**

### **Drillhole Database**

The drilling, surveying, geological and analyses database is produced by qualified personnel and is compiled, validated and maintained in digital and hardcopy formats.

Supervision of drilling operations and logging of all drill samples is carried out by the Company's geologists.

Bulk density testwork is carried out on site and is relatively comprehensive, although samples of the more friable and broken portions of the mineralised zones are often unable to be measured with any degree of confidence, therefore caution is used when using the data. Bulk density measurements are carried out on selected representative samples of whole drill core wherever possible. The samples are dried and bulk density measured using the classical wax-coating and water immersion method. The average bulk density for the mineralisation has been estimated at 2.5 using more than 3,000 measurements on drill core.

Drillhole deviation is measured down-hole by the drilling contractor using a conventional single-shot camera and readings taken at regular depth intervals, usually every 50 metres.

Comprehensive surveying of drillhole positions, topography, and other cadastral features is carried out by the Company's surveyors using 'total station' instruments.

### **Sampling and Analysis**

Drill samples are despatched to 'certified' independent analytical laboratories for analyses. Blanks, Duplicates and Certified Reference Material samples are included with each batch of drill samples as part of the Company's QA/QC programme.

## Sample Preparation

Diamond drill core –The drill core is taken from the drill site to a secure compound at the Company's field camp and is logged by the geologist. The drill core is then split into two equal halves along its long axis, with one half being sampled at predetermined intervals, collected in calico bags and sent for analysis. The remaining half-core is retained in core boxes and stored on site for future reference. Core sizes are PQ3 (ø 83mm) from surface to approximately 50 metres depth, then HQ3 (ø 61mm) to the end of the hole.

RC drill samples – 1 metre samples are collected in a plastic bag from the bottom discharge chute of a cyclone. Sub-sample splits are collected in calico bags using a 'jones-type' riffle splitter to obtain a 3-4kg subsample for submission to the laboratories for analyses. RC is carried out using a face-sampling hammer with a bit diameter of 5¼" (ø 135mm).

The calico bagged samples are submitted to an independent ISO17025 accredited laboratory for sample preparation and analyses for gold and molybdenum. All samples are dried and crushed by the laboratory, and a 900-1,000 gram split taken, pulverized (>90% passing 75 micron) and presented for gold and molybdenum analyses.

The remaining crushed sample is retained in bags and stored at the laboratory for a period of three months before being returned to the Company for storage. These remaining crushed samples will be used in the future for additional analyses for gold, molybdenum, silver, sulphur and other elements as deemed necessary, for example, for Resource Estimation work.

## Analytical Techniques

Gold Gold analysis is by classical 'Screen Fire Assay' technique that involves sieving a 900-1,000 gram sample to 200 mesh (~75microns). The entire oversize and duplicate undersize fractions are fire assayed and the weighted average gold grade calculated. This is one of the most appropriate methods for determining gold content if there is a 'coarse gold' component to the mineralisation.

Molybdenum The sample is dissolved in Aqua Regia (3:1 HCl:HNO<sub>3</sub>) and analysis is carried out by Inductively Coupled Plasma - Optical Emission Spectrometry (ICP-OES) method.

## Glossary of Terms

"200 mesh" the number of openings (200) in one linear inch of screen mesh (200 mesh approximately equals 75 microns)

"Au" chemical symbol for gold

"Cut off grade" the lowest grade, or quality, of mineralised material that qualifies as economically mineable and available in a given deposit. May be defined on the basis of economic evaluation, or on physical or chemical attributes that define an acceptable product specification.

"Diamond drilling" rotary drilling technique using diamond set or impregnated bits, to cut a solid, continuous core sample of the rock. The core sample is retrieved to the surface, in a core barrel, by a wireline.

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|---------------------|--|
| “g”                 | gram   |
| “g/t”               | grams per tonne, equivalent to parts per million (g/t Au = grams of gold per tonne)  |
| “HCl”               | chemical symbol for Hydrochloric Acid  |
| “HNO <sub>3</sub> ” | chemical symbol for Nitric Acid  |
| “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.  |
| “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 drillholes which may be limited or of uncertain quality and reliability.   |
| “JORC”              | The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2004 (the “JORC Code” or “the Code”). The Code sets out minimum standards, recommendations and guidelines for Public Reporting in Australasia of Exploration Results, Mineral Resources and Ore Reserves. The definitions in the JORC Code are either identical to, or not materially different from, those similar codes, guidelines and standards published and adopted by the relevant professional bodies in Australia, Canada, South Africa, USA, UK, Ireland and many countries in Europe. |
| “lb”                | Avoirdupois pound (= 453.59237 grams). Milb = million avoirdupois pounds   |
| “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.   |
| “micron (μ)”        | A unit of length (= one thousandth of a millimetre or one millionth of a metre).   |
| “Mineral Resource”  | Is a concentration or occurrence of material of intrinsic economic interest in or on the Earth’s crust in such form, quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories when reporting under JORC.                                 |
| “Mo”                | chemical symbol for molybdenum   |
| “oz”                | Troy ounce (= 31.103477 grams). Moz = million troy ounces  |

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| “RC drilling” | Reverse Circulation. A method of rotary drilling in which the sample is returned to the surface, using compressed air, inside the inner-tube of the drill-rod. A face-sampling hammer is used to penetrate the rock and provide crushed and pulverised sample.   |
| “t”           | Tonne (= 1 million grams)  |
| “Top cut”     | The value assigned to individual samples shown to have a grade so high that they are not truly representative of the overall grade in the deposit. In a resource estimate these high values may also be referred to as being due to the “Nugget Effect”. They are downgraded to prevent over estimation of the total resource as they exert an undue statistical weight. |

### **Qualified/Competent Persons**

Gary Powell (a Director of the Company) has been involved in the mining and exploration industry for more than 20 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 Niel Silvio, who has a Bachelor of Science degree in geology and is a member of the Australasian Institute of Mining and Metallurgy. Mr Niel Silvio was employed as a technical consultant to the Company and he has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activities which he undertook 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’. Mr Niel Silvio consents to this report in the form and context in which it appears.

### **Forward Looking Statements**

Statements relating to the estimated or expected future production and operating results and costs and financial condition of Metals Ex, planned work at the Company's projects and the expected results of such work are forward-looking statements. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by words such as the following: expects, plans, anticipates, believes, intends, estimates, projects, assumes, potential and similar expressions. Forward-looking statements also include reference to events or conditions that will, would, may, could or should occur. Information concerning exploration results and mineral reserve and resource estimates may also be deemed to be forward-looking statements, as it constitutes a prediction of what might be found to be present when and if a project is actually developed.

These forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable at the time they are made, are inherently subject to a variety of risks and uncertainties which could cause actual events or results to differ materially from those reflected in the forward-looking statements, including, without limitation: uncertainties related to raising sufficient financing to fund the planned work in a timely manner and on acceptable terms; changes in planned work resulting from logistical, technical or other factors; the possibility that results of work will not fulfil projections/expectations and realize the perceived potential of the Company's projects; uncertainties involved in the interpretation of drilling results

and other tests and the estimation of gold reserves and resources; risk of accidents, equipment breakdowns and labour disputes or other unanticipated difficulties or interruptions; the possibility of environmental issues at the Company's projects; the possibility of cost overruns or unanticipated expenses in work programs; the need to obtain permits and comply with environmental laws and regulations and other government requirements; fluctuations in the price of gold and other risks and uncertainties.