

Metals Exploration PLC  
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Metals Exploration - Runruno Update

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## METALS EXPLORATION PLC

### FIRST DRILL HOLE ASSAY RESULTS RECEIVED FOR THE RUNRUNO PROJECT

#### GOLD AND MOLYBDENUM RESULTS MEET EXPECTATIONS

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The Board of Metals Exploration PLC ("the Company") is pleased to announce that results have been received for the first drill hole (MXD1) of the current diamond drilling programme being undertaken at its Runruno Project. MXD1 comprises a total combined intercept of 30 metres averaging 2.37 g/t gold, and 377 g/t molybdenum. Today's gold price is US\$505/oz and the molybdenum price is US\$30/lb. There are 454 grams to an imperial pound.

This first batch of results appears to vindicate the Company's belief that by

focusing on achieving good drill core recoveries (i.e. >90%), the gold assay results should be better than those obtained during the 1969-1972 drilling carried out by Fil-Am Resources Inc. ("Fil-Am"). As mentioned in previous news releases, the drill core recoveries experienced during Fil-Am's drilling campaigns in the 1970s were very poor, particularly within the interpreted zones of possibly higher grade gold mineralisation. In fact, the drill core recoveries and results show more similarities to those obtained by Greenwater Mining Corporation ("Greenwater"), a subsidiary of Placer Dome Exploration of Canada, from the two holes that they drilled into the mineralised zones in 2001-2002.

During the drilling of the first hole (MXD1), a 1.6 metre section of drill core was lost from within the hangingwall mineralisation. This means that this particular interval was unable to return an assay result and subsequently the intersection width and average grade has possibly been downgraded to some degree. The drilling company is re-drilling the hangingwall section of the mineralisation to recover this part of the zone for analysis. As the drilling crews become more familiar with the drilling conditions, the loss of drill core, particularly from within the mineralised zones, will be minimised.

The results are highly encouraging as this also vindicates the Company's belief that the Runruno resource, as previously defined in the 1970s, could be upgraded to an average grade higher than 1.4 g/t Au as a result of focusing on achieving good drill core recoveries.

Within MXD1 there is a combined width of 30 metres of interceptions showing greater than 0.7g/t gold mineralisation and the average grade over the 30 metres as a whole is 2.37g/t gold.. The upper hangingwall horizon starts at 38 metres and the bottom footwall horizon ends at 135 metres depth. The total width of the mineralised zone is 97 metres.

The individual intercepts for Hole MXD1 are:

#### Drill-hole MXD1

Drill-hole ID	Intercept (metres)			Au	Mo	
	From	to	Thickness	g/t	g/t	
MXD1	38	40	2	1.82	68	
MXD1	42	50	8	4.00	592	
MXD1	107	110	3	2.57	408	
MXD1	116	120	4	1.44	23	
MXD1	122	135	13	1.68	394	
Total Combined Intercept				30	2.37	377

(@ >0.7 g/t Au)

There are currently four drill rigs on site and in operation. The Company expects to announce further results of its drilling programme by the end of January 2006.

## COMPARISON WITH PREVIOUS DRILL RESULTS

### 1969-1972 Fil-Am

The nearest Fil-Am drillhole (DRQ-60) to MXD1 (56 metres away) only intersected the hangingwall mineralisation and did not intersect the footwall mineralisation. Comparing the hangingwall intersections of DRQ-60 with MXD1, there is a significant increase in the average grade of the zone from 9.1m @ 1.7 g/t Au to 10m @ 3.56 g/t Au respectively.

Similarly with the Fil-Am drillhole 90 metres away (DRQ-59), there is an increase in the average gold grade of the hangingwall and footwall mineralisation with a total combined increase in the average grade from 1.93 g/t Au to 2.37 g/t Au.

The Company believes that the difference in drill core recovery explains the difference in the apparent average gold grades obtained.

## 2000-2001 Greenwater

The two Greenwater drillholes (RUD-001 & RUD-004) nearest to MXD1, although more than 90 metres from MXD1, showed many similarities to MXD1. In one of Greenwater's holes, a combined width of interceptions of 44 metres showing an average grade of 3.09 g/t Au and 630 g/t Mo was encountered. Greenwater's second hole returned a combined width of interceptions of 36 metres showing an average grade of 2.18 g/t Au and 837 g/t Mo.

Greenwater's drill core recovery was thought to be in the order of 80-90%, compared with the Company's recovery of over 90% in this first hole.

## SAMPLING & ANALYSIS

### Sample Preparation

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, bagged and sent for analysis. The remaining half-core is retained in core boxes and stored on site for future reference.

The bagged half-core samples are being submitted to an independent 'ISO17025

accredited' laboratory for sample preparation and analyses for gold and molybdenum. All of the half-core samples are crushed by the laboratory and a 900-1000 gram split is taken, pulverized and presented for analysis.

## Analytical Techniques

**Gold:** Gold analysis is by classical 'Screen Fire Assay' technique that involves sieving a 900-1000 gram sample to 200 mesh (75um). 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 Molybdenum analysis is carried out by Inductively Coupled Plasma - Optical Emission Spectrometry (ICP-OES) method. This is one of the most appropriate methods of determining the molybdenite content of rock.

**FORWARD LOOKING STATEMENT**

The Company's objective is to determine a gold (+molybdenum) resource over a 600 metre strike, 100 metre width to a down-dip depth of 400 metres. Given these parameters, the Directors are setting a resource target for this part of the deposit of 45 to 55 million tonnes. The main Runruno mineralisation has been mapped at surface over a strike distance of 2.5 kilometres.

This is a forward looking statement and should not be regarded as anything else and should not be regarded as a true indication of the resource until it has been properly and fully explored.

#### QUALIFIED PERSON

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.

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