

Metals Exploration PLC

Runruno Scoping Study - Update BIOX® selected as preferred process route

15 July 2008

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 provide an update on the progress of the Scoping Study being conducted on its Runruno gold-molybdenum deposit in the Philippines.

Highlights:

- **BIOX® technology selected as the preferred processing technology following a detailed assessment of the gold and potential molybdenum recovery and the likely capital and operating costs.**
- **Ausenco well advanced in process design and capital and operating cost estimation.**
- **Diamond and RC drilling completed for this stage.**
- **Design and costing of infrastructure components proceeding well with no fatal flaws identified.**
- **Study expected to be finalised in late August – early September**

Processing

BIOX® processing technology has been selected as the preferred technology to be used in the oxidisation circuit for processing ore at Runruno.

Both BIOX® and Pressure Oxidation (POX) technologies have been shown by test-work to be equally applicable to processing Runruno ores with excellent gold recovery and good dissolution of molybdenum. In order to assess the application of the technologies to Runruno and to provide a basis for selecting a preferred processing route, the Company commissioned Gold Fields Mining Services to undertake a study on the capital (Capex) and operating (Opex) costs and the benefits and disadvantages of the BIOX® technology. Similarly, a study of the POX technology was undertaken by Ausenco.

The results of these comparative studies have shown that the Capex and Opex cost regime estimated for BIOX® technology is significantly lower than that estimated for POX; with BIOX® Capex estimated at about 50% and Opex at about 66% of that estimated for POX. Analysis of the benefits and disadvantages of the two technologies has shown BIOX® to be of a lower operating risk and more suited to the application proposed.

As a direct consequence of the finalisation of the gold processing route, molybdenum recovery test-work will now be focussed on a chemical recovery process rather than a physical process such as recovery into a saleable flotation concentrate. To date,

BIOX® test-work has been encouraging with up to 78% of the molybdenum contained in concentrate being dissolved during oxidation. When combined with recoveries into the flotation concentrate, the Company is targeting overall molybdenum recoveries of around 50%, implying annual production of approximately 2 mlbs Mo per annum.

The ongoing test-work program will now focus on the recovery of the molybdenum from solution and the optimisation of the dissolution of the molybdenum. Work has commenced on this program.

Process Design

Ausenco is well advanced with process design and the Capex and Opex estimates for the processing plant. The metallurgical circuit and layout is proving to be relatively straightforward, and now that BIOX® has been chosen as the preferred process route the circuit is likely to share a number of similarities with Sino Gold's Jinfeng mine in China.

It is expected that this component of the study will be completed during August.

Resource Drilling

The drilling program designed to support the Scoping Study is now complete. All of the holes have been sampled and submitted for assay with about half returned to date. The majority of the holes completed were in-fill holes designed to add certainty to the resource estimate.

Once all the assay data has been received and the geological interpretation and model confirmed the mineral resource will be re-estimated. Subject to receipt of assay data the resource update should be available by the end of August. This updated resource will then be used as a base to finalise mine planning.

Drilling using three diamond drill rigs is continuing on the boundaries of the resource.

Infrastructure

Infrastructure studies are proceeding well with no fatal flaws identified. Parsons Brinkerhoff and GHD along with a number of other Philippine based specialists have been retained by the Company to assist with these works.

Scoping Study

The Scoping Study is proceeding satisfactorily after some delays caused by the unsatisfactory performance of the drilling contractor during the early stages of the program and the widespread shortage of senior experienced technical resources endemic in the industry. Both these issues have been successfully addressed.

It is now expected that the study will be finalised late in August – or early September.

