

## news release

For immediate release:

# **METALS EXPLORATION PLC**

## **PRELIMINARY METALLURGICAL RESULTS - RUNRUNO PROJECT**

London 31 January 2007: Metals Exploration PLC ("the Company") is pleased to announce preliminary results from the metallurgical testwork currently being carried out on two composite samples representing mineralization from the transition and fresh zone in the Runruno deposit. The testwork is being completed at an independent metallurgical laboratory in Australia under the direct supervision of an independent metallurgical consultant.

### **RUNRUNO PROJECT – METALLURGICAL TESTWORK**

Preliminary tests on the fresh composite using a combination of gravity concentration followed by flotation have yielded gold recoveries of 92%.

Preliminary tests involving gravity concentration followed by cyanide leaching have yielded gold recoveries of 55 to 60%. This indicates that the gold is partly refractory, with the unrecovered gold probably being locked within sulphides.

The high gold recovery obtained by flotation is encouraging since flotation is the preliminary processing stage used in the treatment of refractory gold ores.

Tests are currently in progress to assess:

- (i) whether finer grinding will increase the gold recovery achievable by both gravity concentration/cyanide leaching and gravity concentration/flotation;
- (ii) the percentage of gold locked within sulphides, and
- (iii) the gold recovery that can be achieved by gravity concentration followed by flotation and then ultra-fine grinding and leaching of the flotation concentrate.

The calculated gold head grades obtained in the tests completed so far on both composites exceed the expected composite grades calculated from the exploration assays due to the presence of coarse gold. This indicates that current announced estimates of the gold grade of the resource from diamond drilling have not been over-estimated, although a far larger statistical sample will be needed before any thought could be given to adjusting the grade of the resource as a whole.

The first round of metallurgical testwork on molybdenum recovery has been less successful, and testwork using alternative methods is ongoing. Samples have been sent for mineralogical examination to determine the form in which the molybdenum occurs and its grain size.

Commenting on these results, Jonathan Beardsworth, CEO, said: "These preliminary results indicate that the metallurgical testwork is on track. The gold recoveries, in particular, are

encouraging at this stage, although the molybdenum is proving more problematic. We will continue to keep investors informed of developments as they occur”.

Work is now proceeding on several fronts:

- Diamond drilling has restarted on the northern extension of the deposit with a view to expanding the resource towards our target of 2.5 Mozs as previously indicated;
- In-fill RC drilling will soon begin on the main deposit with a view to upgrading part of the resource through Indicated and towards Measured Resource categories;
- Metallurgical testwork is continuing with a view to identifying the optimum process flowsheet for both gold and molybdenum recovery, and
- A scoping study has just commenced, including conceptual pit optimization studies, in order to develop project economics.

## **MASAPOLID PROJECT**

Medusa Mining Limited through Phsamed Mining Corporation, in accordance with Clause 5.1 of the Masapelid Joint Venture agreement, has given notice to the Company of its withdrawal from the Masapelid Joint Venture effective 31 January 2007.

After reviewing the results of their exploration programme and given the Company’s current focus on the Runruno Project and the northern Luzon area, the Company in turn, in accordance with Clause 5 of the Memorandum of Agreement, has advised San Manuel Mining Corporation that it is withdrawing from the Agreement effective 31 January 2007.

## **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.

END

## **ENQUIRIES:**

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