

Metals Exploration PLC  
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Metals Exploration - Issue of Equity

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Metals Exploration plc ("MetalsEx" or "the Company")

Placing to raise £1.25 million

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**HIGHLIGHTS**

- \* £1.25 million raised (before expenses) through an institutional placing
- \* Funds will be primarily used to advance the Company's Runruno gold-molybdenum project in the Philippines
- \* Management team with extensive corporate experience and proven track record in mineral exploration, project development and feasibility studies

MetalsEx is an AIM-quoted gold and copper exploration company with a focus on the Philippines.

The Company is delighted to announce that it has raised £1.25 million (before expenses) through a placing (the "Placing") of 15,625,000 new ordinary shares of 1 pence each at 8 pence per ordinary share (the "Placing Shares") through its broker WH Ireland Limited. The Placing Shares are to be issued together with one warrant for each two Placing Shares subscribed, each warrant entitling the holder to subscribe for one ordinary share in the Company at 20 pence per share

for a period up to 24 months from the date of admission of the Placing Shares to trading on AIM (the "Warrants").

Application has been made for the Placing Shares to trade on AIM and it is expected that dealings in the Placing Shares will commence on 15 September 2005.

The Placing Shares will rank pari passu in all respects with the existing shares in issue.

Under the terms of an agreement of December 2004 ("the Agreement") with East West Drilling (L) Limited ("EWL"), the Company on 12 September 2005 issued 1,500,000 ordinary shares in the Company following the application by EWL of a success fee payable to them for the subscription of these shares under the terms of the Agreement ("the Allotment"). Application has been made for these shares to trade on AIM and it is expected that dealings in them will commence on 19 September 2005. Under the terms of the Agreement, a warrant to subscribe for 2,000,000 ordinary shares in the Company at 3.25 pence per share was also issued to EWL.

The number of shares in issue following the Placing and the Allotment will be 47,168,332.

The funds raised by the Placing will enable MetalsEx to advance its portfolio of exploration projects in the Philippines. In particular, a significant portion of the funds will be used to conduct drilling operations at the Company's Runruno project, where the main mineralised zone has been delineated at surface over a strike length of some 2.2 kilometres, with widths averaging about 100 metres and depths of more than 400 metres down-dip. Previously drilling and resource estimation activities carried out during the 1970s outlined a resource of 13.4 Mt @ 1.4 g/t Au. More recent work by the Company has indicated that the resource could possibly be increased quite significantly and an initial target size of approximately 50Mt @ >1.4 g/t Au (+ molybdenum) is the subject of the currently proposed drilling programme.

Company Chairman, Steven Smith, said: "The Placing provides MetalsEx with further institutional support and enables us to take advantage of the opportunities being identified in our projects in the Philippines. The monies are being raised partly in order to further advance the Company's drilling at

the Runruno Project and partly for working capital purposes and the continuation of the exploration work on the Masapelid and Puray Projects."

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Company History:

On 22 October 2004, the Company's ordinary shares were admitted to trading on AIM. Following the Company's admission, MetalsEx focused its efforts on the acquisition of a significant interest in four mineral exploration projects, Masapelid, Runruno, Jaclupan and Puray (the "Projects"). Each of the Projects is located in the Philippines.

On 23 December 2004, the Company entered into an agreement to acquire a 70 per cent. interest in the Masapelid Project. The Masapelid gold exploration project

comprises one mineral production sharing agreement covering the entire Masapelid Island, located in the well mineralised Surigao del Norte district of the Philippines.

On 1 February 2005, the Company entered into an agreement to acquire a 70 per cent. interest in the Runruno project. The Runruno gold, molybdenum and copper deposit comprises an Exploration Permit located approximately 200 kilometres North-Northeast from the city of Manila and covers an area of approximately 3,091 hectares. The Company has been advised that all documents and requirements for the approval of the assignment of the exploration permit in respect of the Runruno project from Greenwater Mining Corporation to FCF Mining Corporation are in order and the Director of the Mines and Geosciences Bureau in the Philippines has endorsed this assignment to the Secretary of the Department of Environment and Natural Resources ("DENR Secretary"). Metals Ex expects to receive the final approval from the DENR Secretary shortly.

On 18 February 2005, the Company entered into an agreement to acquire the Jaclupan project's Exploration Permit Application. The Jaclupan gold and copper project's tenement application is with regard to an area of the Cebu Island in the Central Visaya's region of the Philippines.

Following the entering into of an agreement on 28 June 2005 and the subsequent exercise of an option, the Company has acquired a 100 per cent. interest in the

Puray project's Exploration Permit Application. The Puray copper-gold-zinc-silver project covers an area of approximately 6,075 hectares and is located some 28 kilometres northeast of the city of Manila.

Further details of the projects are contained in the announcements released by, or on behalf of, the Company to its Regulatory Information Service.

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