

Metals Exploration PLC
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Metals Exploration - Sampling Results

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RUNRUNO PROJECT - RESULTS OF CHANNEL SAMPLING OF TUNNELS

Summary

Results of the majority of samples obtained from extensive channel sampling of the tunnelling created by local miners at Runruno have been received and compiled.

Results received so far have returned gold grades which average greater than the reported average grade of the 1980-calculated Runruno resource (1.4 g/t Au).

250 channel samples were collected from underground within 30 different tunnel locations averaging 4.7g/t Au. Seven rock-chip and channel samples were collected at surface from the northern extension of the mineralised zone which averaged 2.6g/t Au.

The Company anticipates the first diamond drill rig will arrive at the project within the next two weeks. The drilling will target the same area as the previous 1970s resource drilling of Fil-Am Resources Inc. ("Fil-Am"). The intention is to upgrade the average grade of the resource by achieving good drill core recoveries, in contrast to the poor recoveries achieved by Fil-Am in the higher-grade zones during the 1970s.

Table 1. Runruno Project - partial results of analyses of channel and rock-chip samples.

Sample Location	Number of Samples	Representative Tunnel Length (metres)	Tunnel Length average	Gold average	Molybdenum average
			g/t Au	ppm Mo	
Balcony 1a	6	30	2.99	134	
Bit-Ang 1	3	15	1.88	114	
Bit-Ang 2	12	60	4.10	708	
Bit-Ang 3	12	60	2.37	553	
Bit-Ang 4	10	50	1.25	227	
Bit-Ang 5	9	45	5.33	316	
Bit-Ang 6	9	45	3.36	619	
Balcony 1b	4	20	3.30	414	

Balcony 1c	9	45	11.30	447
Balcony 1d	19	95	10.10	1058
Balcony 1e	21	105	5.00	na
Balcony 1f	9	45	2.58	na
Balcony 2	12	60	5.51	na
Malilibeg	4	20	5.78	na
A				
Malilibeg	4	20	3.31	na
B				
Malilibeg	19	95	5.70	na
C				
Malilibeg	5	25	2.74	na
D				
Malilibeg	3	15	3.56	na
E				
Malilibeg	4	20	1.87	na
F				
Malilibeg	1	5	5.87	na
G				
Malilibeg	3	15	3.56	na
H				
Malilibeg	4	20	1.87	na
I				

Malilibeg	2	10	6.07	na
J				
Malilibeg	23	115	4.84	na
K				
Tayab A	8	40	3.78	na
Tayab B	13	65	1.28	na
Tayab C	5	25	5.14	na
Tayab D	12	60	5.65	na
Tayab E	5	25	3.36	na
Kinalabasa	7	surface sampling	2.60	na

na = not yet available

Channel Sampling Method - high-grade miners' tunnels

The side-walls of the local miners' tunnels are channel sampled over 5 metre interval lengths. Collection of each sample is obtained by chiseling a continuous channel, approximately 50mm deep, into the side-walls at waist height over a total length of 5 metres. The sample material is collected and separately bagged, which is tagged and marked with its own respective sample number. The consecutive channel samples from each tunnel location could be thought of as being similar to samples obtained from horizontal drilling, although not necessarily as representative. The 30 tunnels that have been sampled occur over a 1 kilometre distance within the 2.5 kilometres of the strike length of the surface mineralization defined so far.

Surface Sampling Methods

The 7 samples collected from the Kinalabasa area were taken from two separate areas of outcrop, approximately 200 metres apart. They comprise random rock-chip and channel samples of the surface outcrops of the exposed part of the main Runruno mineralised zone.

Results - Gold

Analysis of samples for gold content is by conventional fire assay technique on a 50 gram catchweight and AAS finish.

The results are encouraging, given that the average grade is greater than the 1980 resource grade of 1.4g/t Au.

Although the samples were collected in the higher grade parts of the mineralised zone, that is, near to the hangingwall or footwall contact zones, the grades are greater than those obtained from the 1970s diamond core drilling of the same zones in the same areas.

Local miners are currently working some of these zones and are recovering coarse gold using small rod-mills and sluices. This is also considered to be encouraging as these miners, who are focussed on high-grade recovery, are not necessarily recovering the fine gold particles and recovered grades of greater than 5g/t Au are usually required by them to make a profit.

Results - Molybdenum

To date only 93 of the 257 samples submitted for molybdenum analysis have been received. The results received so far average 567ppm Mo. The molybdenum to gold ratio so far averages 106 to 1.

The molybdenum content has the potential to add value to the Runruno deposit.

Recent prices have been published at approximately US\$35 per pound of molybdenum. At the current price of gold (US\$420 per ounce), 106ppm Mo equates to the same value as 0.6g/t Au.

Geological Mapping

Metals Exploration has previously announced the surface delineation of a 100 metre wide, continuous zone of gold+molybdenum+copper+silver mineralisation over a strike length of at least 2,200 metres and down-dip depth of up to 400 metres at Runruno. Recent mapping and sampling has extended the strike length to 2,500 metres. This is also encouraging as it increases the potential resource size.

The Runruno Deposit - Exploration History

Gold was first discovered at Runruno during the early 1960s and itinerant 'high-grade' miners have since been selectively mining the higher gold grade mineralization within the main mineralised zone.

From 1969 to 1974, Fil-Am Resources Inc. completed a total of approximately 8,670 metres of diamond drilling in the central part of the mineralised zone, over a strike length of approximately 600 metres, opened 3 adits and developed 800 metres of exploratory drives. Results of Fil-Am's channel sampling of the exploratory drives returned significant results ranging up to 11.82 oz/t gold (367 g/t Au) with the main area averaging 2.8 oz/t gold (87 g/t Au) over 40 metres by 20 metres.

In 1978 and 1979 a feasibility study was completed by two Japanese companies, and a 1980 feasibility report gave an estimated resource, at 0.8 g/t Au cutoff, of 13.4 million tonnes grading 1.4 g/t Au and 3.29 g/t Ag for contained 600,000 ounces of gold to a depth of approximately 200 metres below the highest part of the deposit.

Towards the end of 2000 and early 2001, a subsidiary company of Placer Dome Exploration of Canada ('Placer') completed 11 diamond drill holes for a total of 2,020 metres. Only two holes were drilled through the mineralised zone with another two abandoned at the upper contact of the zone. The remaining holes targeted geophysical anomalies elsewhere within the tenement. Best results from the two holes which intersected the mineralised zone are 24m @ 1.74 g/t Au from 42 metres and 12m @ 2.06 g/t Au from 140 metres in hole RUD-0001, and 10m @ 3.91 g/t Au & 246ppm Mo from 4 metres; 8m @ 4.45 g/t Au & 404ppm Mo from 28 metres and 30m @ 2.07 g/t Au & 749ppm Mo from 72 metres.

Proposed Exploration

The Company is anticipating the first diamond drill rig will arrive at the project within the next two weeks. The resource area outlined by Fil-Am during the 1970s will be re-drilled with the primary objective to achieve better core recoveries and consequently the Company expects an increase in the average gold grade.

In addition the molybdenum content will be determined as this metal has the potential to add value to the total value of any future resource estimations.

Forward Looking Statement

The Company's objective is to determine a gold (+molybdenum) resource over a 600 metre strike, 100 metres width to a down-dip depth of 400 metres. Given these parameters, the Directors are setting a resource target for this part of the ore body of 45 to 55 million tonnes. 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 explored.

Qualified Person

Gary Powell 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 ("AusIMM") and the Australasian Institute of Geoscientists ("AIG"). He has compiled, read and approved the technical disclosure in this regulatory announcement.

Note: 1ppm of Mo equates to 1g/t Mo

For further information please contact:

Steven Smith, Chairman: 0044(0)7797721858

Jonathan Anderson, Investor Relations: 0044(0)7950410680

www.metalsexploration.com

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