RUNRUNO GOLD – MOLYBDENUM PROJECT

FEASIBILITY STUDY AND RESOURCE UPDATE

Metals Exploration Plc ("Metals Ex" or the "Company"), the Pacific Rim natural resources exploration and development company, announced today the results of its Feasibility Study and a resource update for the Runruno Gold-Molybdenum Project on the island of Luzon in the northern Philippines.

Overview:

- **Study confirms the viability of a project producing an average of 96,700 ozs of gold per annum over a mine life of 10.4 years**
- **Average production Years 1-5: 101,800 ozs gold per annum; Years 6-10: 92,700 ozs gold per annum**
- **780,000 ozs gold classified, for the first time, as Proven and Probable Mining Reserve**
- **Average forecast operating cost $477/oz gold**
- **Capital cost forecast to be US$149.3 million - payback within 3.5 years at US$1,000 gold**
- **IRR 20% at $1,000/oz gold (ungeared and after tax)**
- **Moly credits not included – testwork continues**

Summary

The Feasibility Study has been project managed by the Company, with all material components undertaken by independent external consultants including Mining Associates (Resource and Mining), Goldfields and SGS (Metallurgical and Testwork), Lycopodium (Process Engineering), Leighton (Constructability and Capital Cost Review), GHD (Tailings Storage Facility, Detailed Pit Design, Mine Schedule), Aboitiz (Power Supply), AECOM (Roads, Environment and Permitting) and SGV (Taxation).

The study has been based on a mineable reserve prepared by Mining Associates with an open pit mining operation and biological leaching using the proven BIOX® process combined with conventional carbon in leach treatment to recover gold to doré bullion and molybdenum to a saleable molybdenum product.

Key Project Fundamentals

A summary of the key project fundamentals is presented below:

Description	*Item*
Capital Cost	US$149.3m
Average Mining Rate	12.2 Mtpa
Average Operational Strip Ratio	5.9:1
Design Milling Rate	1.75 Mtpa
Average Gold Grade	1.89 g/t
Gold Recovery	91.9%
Average Gold Production	96,700 ozs/yr
LOM Gold Production	1,006,000 ozs
Average Operating Cost	US$46.2m/yr

LOM Operating Cost	US$477 /oz Gold

Project Economics

The Company's technical and financial model has been sent to an external consultant for audit, but the Company's internal IRR and NPV results (ungeared, after tax) are as follows:

Discount Rate	US$900 Gold	US$1,000 Gold	US$1,100 Gold
0%	US$155m	US$210m	US$256m
5%	US$80m	US$120m	US$154m
10%	US$34m	US$64m	US$89m
IRR	**16%**	**20%**	**24%**

These results will be developed further as financing options are explored, with the value to shareholders being potentially enhanced by the effects of gearing.

The average effective LOM tax rate under the FTAA is approximately 33%.

Molybdenum Recovery

The Company continues to pursue the recovery of molybdenum from the circuit, so as to enhance the economic returns of the project further. The target remains to achieve recoveries of at least 45%, equating to average annual production of approximately 900,000 lbs contained molybdenum.

To date testwork has demonstrated 60% recoveries through flotation into the bulk concentrate, and 80% recovery of the balance into the BIOX® solution. However, to date testwork at the pilot plant has been prioritised for the achievement of gold recoveries (91.9%), and it is only now, with the gold testwork substantially complete, that resources can be directed towards demonstrating molybdenum recovery from solution into a saleable product.

Assuming production of 900,000 lbs of contained molybdenum and a molybdenum price of $15/lb, finally resolving the molybdenum circuit has the potential to reduce the annual operating cost base by $7.5 - $10.0m resulting in net operating costs falling below $400/oz gold. Any molybdenum recovery circuit is not integral to the gold circuit and would be a modular "add on" after the BIOX® process.

Mining Reserve and Resource Update

For the first time the Company is able to announce a proven and probable mining reserve. The mining reserve is summarised below and fully reported in Appendix 1. It was prepared by Mining Associates from the current mineral resource estimate summarised below and fully reported in Appendix 1. This resource estimate was updated in April to include all drill holes completed and assays returned by the end of February 2010, comprising 741 drill holes for a total of 104,718 metres. The combined Measured and Indicated resource containing 900,000oz gold now comprises 63% of the total resource.

In addition to the 2P reserves the Company has included a further 5.5 Mt @ 1.81 g/t Au; 0.034% Mo of inferred mineral resource in the mine schedule after applying the same mining parameters inclusive of dilution and mine recovery used in estimating the mining reserve.

April 2010 Mining Reserve and Schedule Resource for the Runruno Gold Project					
Reserve	**Ore**	**Gold**		**Molybdenum**	
Category	**Mt**	**g/t**	**M Oz**	**ppm**	**M lbs**
Proven	8.7	1.94	0.54	657	12.6
Probable	3.9	1.89	0.24	406	3.5
2P Reserves	12.6	1.93	0.78	579	16.1
Additional Inferred Resource in-pit	5.5	1.81	0.32	338	4.1

April 2010 Mineral Resources for the Runruno Gold Project					
Resource	**Ore**	**Gold**		**Molybdenum**	
Category	**Mt**	**g/t**	**M Oz**	**ppm**	**M lbs**
Measured	9.9	1.89	0.60	626	13.7
Indicated	5.4	1.74	0.30	387	4.6
Inferred	10.0	1.59	0.51	327	7.2
Total	**25.4**	**1.74**	**1.42**	**457**	**25.6**

Jonathan Beardsworth, Managing Director, commented:

"Completion of the Feasibility Study together with the declaration, for the first time, of an independently verified Mining Reserve (as opposed to a Mineral Resource) provides investors with a definitive basis on which to assess an appropriate valuation for the Company. What is certain from the results of the Feasibility Study is that we have transformed Runruno from a promising resource into a mine-in-waiting.

We now move into the optimisation phase, and further value to shareholders can be expected to accrue through the beneficial effects of gearing once banking discussions have progressed, confirmation that molybdenum recovery to a saleable product has been secured, and the continuing potential to add to the resource through step-out drilling",

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FORWARD LOOKING STATEMENTS

Statements relating to the estimated or expected future production, operating results, cash flows and costs and financial condition of Metals Ex, planned work at the Company's projects and the expected results of such work are forward-looking statements. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by words such as the following: expects, plans, anticipates, forecasts, believes, intends, estimates, projects, assumes, potential and similar expressions. Forward-looking statements also include reference to events or conditions that will, would, may, could or should occur. Information concerning exploration results and mineral reserve and resource estimates may also be deemed to be forward-looking statements, as it constitutes a prediction of what might be found to be present when and if a project is actually developed.

These forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable at the time they are made, are inherently subject to a variety of risks and uncertainties which could cause actual events or results to differ materially from those reflected in the forward-looking statements, including, without limitation: uncertainties related to raising sufficient financing to fund the planned work in a timely manner and on acceptable terms; changes in planned work resulting from logistical, technical or other factors; the possibility that results of work will not fulfil projections/expectations and realize the perceived potential of the Company's projects; uncertainties involved in the interpretation of drilling results and other tests and the estimation of gold reserves and resources; risk of accidents, equipment breakdowns and labour disputes or other unanticipated difficulties or interruptions; the possibility of environmental issues at the Company's projects; the possibility of cost overruns or unanticipated expenses in work programs; the need to obtain permits and comply with environmental laws and regulations and other government requirements; fluctuations in the price of gold and other risks and uncertainties.

FEASIBILITY STUDY RESULTS

Capital Cost Estimate

The development cost for the Project is estimated to be US$149.3 million, exclusive of molybdenum recovery, as presented below:

Area	Capital estimate US$ million	% of total Capital
Mine	5.6	3.7
Process Plant	56.0	37.5
Tailing Storage Facility	11.0	7.4
On-site Infrastructure	13.1	8.8
Off-site Infrastructure	5.5	3.7
Indirect Costs	28.1	18.8
Owners Costs	19.5	13.1
Contingency	10.5	7.0
Total	**149.3**	**100**

Operating Cost Estimate

The annual operating cost for the Project is estimated to be US$46.2 million as shown below:

Area	Operating Cost estimate US$m/yr	Operating Cost estimate US$/t of Ore	US$/oz Gold
Mine	15.3	8.79	158
Process Plant	24.5	14.07	253
Admin & Infrastructure	6.4	3.70	66
Total Av. Annual Cost	**46.2**	**26.56**	**477**

The operating cost estimate major categories are: mining (33%), power (23%), plant consumables and reagents (18%), and labour (23%).

Mining

Mine design, fleet selection, optimisation and mine schedule was undertaken by Mining Associates and GHD under Mining Associates management. The mine is based on the April 2010 mining reserve and scheduled mineral resource reported in Appendix 1. After allowing for dilution and mining recovery the optimised pit is estimated to recover 18.0 million tonnes of the mineral reserve and resources grading 1.89 g/t Au and 0.051% Mo at an operational waste to ore ratio of 5.9:1.

The mining operation has been designed to mine 1.75 Mt of ore and 10.4 Mt of waste per annum, working as a conventional backhoe configured excavator and truck based open pit operation. The study has been prepared on the basis of an owner operation using vendor fleet leasing and has been built up using operational parameters and quotations from Komatsu and Cat suppliers.

For the first three years of mining, waste rock will be used in the initial construction of the tailing storage facility with the excess being stored as valley fill adjacent to the pit. For the remainder of the mining operation, it is proposed to store the mine waste rock permanently in the mined out pit.

Mineral Processing

The mineral processing circuit will use proven unit processes to concentrate and extract precious metals from the ores. Testwork and a pilot plant were undertaken on representative samples of the ore body by a number of industry laboratories. The pilot plant was operated by SGS Laboratories in Johannesburg under the direct management of Goldfields.

Conventional comminution, gravity and flotation circuits will be used to produce a bulk gold and sulphide concentrate suitable for further processing by BIOX® technology and a gravity concentrate. A conventional carbon in leach ("CIL") circuit will be used to extract the gold from the BIOX® residue. Doré bullion will be produced on site.

The predicted gold recovery is shown by mineral type in the table below:

Mineralisation type	**Gravity Recovery**	**Flotation Recovery + Gravity Tail**	**BIOX® and CIL recovery**	**Total recovery**
	Au % of feed	*Au % of feed*	*Au % of feed*	*Au % of feed*
Fresh	30.0	65.6	97.0	93.7
Transitional	30.0	60.0	97.0	88.2
Av. feed	30.0	63.8	97.0	91.9

Process Plant

Lycopodium was retained to develop a process plant design and prepare a capital and operating cost estimate based on the physical parameters of the site and the metallurgical testwork undertaken to date. Lycopodium produced a design based on a conventional comminution and gravity circuit, bulk flotation, biological leaching using the proprietary BIOX® process and conventional CIL processing. Goldfields Engineering Services, the provider of the BIOX® technology, provided significant input into the study.

Leighton Contractors (Philippines), Inc, who have considerable experience with construction of mineral processing plants in the Philippines, carried out a constructability and capital cost review.

Tailings Storage and Facility

GHD, a specialist engineering company, was retained to provide a tailing storage facility design suitable for the study and to provide construction methodology and a capital cost estimate.

An area adjacent to the project operation has been identified as a suitable site for a permanent "valley fill" tailings storage facility. The site has the potential to store up to 18 years of tailing materials at the proposed production rate and will thus support any future extension to the mine life.

The dam will be initially constructed with a two year starter embankment using locally sourced materials primarily won from within the mine pit. The height of the embankment will then be progressively raised using waste materials sourced from the mining operation.

Infrastructure

Power: The Runruno site is currently serviced by grid power and a well maintained switchyard at Bayambong, approximately 36 km by transmission line from Runruno. It is proposed that the current transmission line to Runruno be replaced by the Company with a 69kV dedicated line to the project which will use the current power easement. Discussions with all of the statutory authorities and Aboitiz Power Group has demonstrated that sufficient capacity is available and is projected to remain available to support Runruno's requirements.

A back-up power facility which will support essential services will be established at site.

A number of Philippine specialist consultancies and relevant transmission authorities had input into this study.

Road: The Runruno site is serviced via a national secondary road and is 26 km from the Regional town of Solano. Solano is serviced by sealed and concrete surfaced national roads which access Manila and the ports of Manila, Subic and Port Irene.

The Solano–Runruno access road is concrete paved for the first 10.5 km with plans to extend the concrete pavement over the next years. The remainder of the road comprises a well formed all weather gravel road which requires maintenance.

AECOM Philippines was retained to evaluate the road and prepare a capital cost estimate to improve the road to a standard suitable to service the planned operations.

Camp, Office and site infrastructure: Design and capital and operating cost estimates were developed using estimates provided by local fabricators, builders and suppliers.

Construction Timetable

Construction and commissioning of the project is forecast to take 24 months from project sanction provided that the mills, the critical long lead time item, are ordered sufficiently early prior to the commencement of construction. Depending on the early commencement of other critical path programmes, including site pioneering and front end engineering and design, the development timetable may be shortened by between three and six months.

Environment and Community Aspects

The Company follows the World Bank Guidelines and the Equator Principles (a voluntary framework for the assessment and management of environmental and social issues associated with project financing) in all aspects of its environmental and community related work.

AECOM were engaged to assist the Company with preparation of an Environmental Impact Assessment (EIA). This work included establishment of the baseline environmental conditions, identifying potential

impacts to the Project area, as well as the safeguards designed to minimise any adverse effects on the health and welfare of the community and the environment. The results of the EIA were presented in public consultations which took place in Runruno and the nearby town of Solano. These were attended by over five hundred (500) people from the Runruno and surrounding community, Barangay, Municipal and Provincial government bodies.

The Company received its Environmental Compliance Certificate (ECC) from the Department of Natural Resources (DENR) and the Environmental Management Bureau (EMB) after a positive review of the project EIA and public consultations, certifying that the proposed project will not cause significant negative environmental impact. Further details were set out in the announcement made on 15 March 2010.

The Company maintains a Foundation and a well staffed community relations group to work closely with the local communities and to instigate sustainable health, life and business development programmes to the benefit of these communities. The proposed mine development is well supported by the local communities.

Tenure

The project is secured under a Financial or Technical Assistance Agreement (FTAA) issued by the Government of the Philippines to FCF Minerals Corporation (FCF). The Company owns 85% of FCF, and has the right to acquire the remaining 15% under an open ended option agreement on payment of $6m.

The FTAA was awarded in October 2009. Under the FTAA, FCF is granted the exclusive right for 25 years, renewable for a further period of up to 25 years, to explore, mine, process and export minerals and by-products from the project area. In exchange for this right, FCF is required to commit a minimum investment of US$50 million in project development.

The FTAA sets out the rights and obligations of both Parties with regard to reporting, expenditure requirements, project development phases and operation, work programmes, environmental and reclamation procedures, community development, repatriation of profits, termination, and other provisions normal for an agreement of this type.

It also sets out the fiscal regime whereby FCF benefits from a tax holiday for up to 5 years after commencement of production until it has recovered its pre-operating expenses and investment. Thereafter the Government will receive a “Government Share” consisting of all direct taxes, withholding taxes, royalties, fees, and related payments (the FTAA lists 15 qualifying tax categories). If the resulting Government Share falls short of 50% of “Net Mining Revenue”, calculated after deduction of all mining, processing, administrative, environmental, community, royalty, sustaining capital and interest expenses, then the Government Share shall be increased until it represents 50% of Net Mining Revenue (the “Additional Government Share”).

In the event of a dispute that cannot be settled amicably between the Parties acting in good faith, both Parties have agreed to submit to binding arbitration in Singapore at the Singapore International Arbitration Centre (SIAC) under the United Nations Commission for International Trade Law (UNCITRAL) Arbitration Rules, or The Convention on the Settlement of Investment Disputes Between States and Nationals of Other States (the “Convention”) and the Rules of Procedure for the Institution of Conciliation and Arbitration Proceedings issued by the International Centre for the Settlement of Investment Disputes “ICSID”) plus the Rules of Procedure for Arbitration Proceedings issued by ICSID.

Qualified/Competent Persons

The information in this report that relates to Mineral Resources is based on information compiled by Mr Andrew Vigar, an employee of Mining Associates Pty Ltd of Brisbane, Australia. Mr Vigar has sufficient experience which is relevant to the style of mineralisation and deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the JORC Code, and is a Qualified Person as defined in NI 43-101 (Canada). He is a Fellow of the Australasian Institute of Mining and Metallurgy (Melbourne) and a Member of the Society of Economic Geologists (Denver). Mr. Vigar consents to the inclusion in this report of this information in the form and context in which it appears.

Appendix 1

Mining Associates mineral resource and ore reserve report

The Mineral Resource Estimate for the Runruno Gold Project completed in April 2010 by Mining Associates Pty Ltd ("MA") has been partially converted to Ore Reserves with the incorporation of modifying factors under the JORC guidelines including mining, metallurgical, economic, marketing and other factors. The current feasibility study being conducted by MA and the project manager has delivered a number of modifying factors enabling the definition of ore reserves.

The Runruno Gold Project comprises one granted Exploration Permit (EP-II-000013) located in Northern Luzon, Philippines. It is located approximately 200 km to the north of Manila in the province of Nueva Viscaya, and is accessed via major national highways to the nearest town, Solano, and then 25 km via an unsealed national road. The Runruno Exploration Permit covers an area of 3,091 hectares.

The license is held by FCF Minerals Corporation ("FCF"), a Philippine incorporated company and a subsidiary of AIM-quoted Metals Exploration Plc ("Metals Ex"). Metals Ex owns 85% of FCF and has rights to the remaining 15%. An application to convert the EP into a Financial and Technical Assistance Agreement ("FTAA") has been made and is being assessed.

Following the completion of MA's technical review of the geology, exploration and then current mineral resource estimates for the Runruno Gold Project in July 2009, Mr Ian Holzberger, Executive Chairman of Metals Ex and Runruno Project Director commissioned MA in October 2009 to prepare a new Independent Geological Review and Resource Estimation of the Runruno Gold Project, as well as an Independent Mine Design, Planning and Scheduling and Life of Mine Economic Evaluation for the Runruno Gold Project of the Runruno Gold Project. The current Ore Reserves Estimate is an extension of these studies and has been prepared in compliance with both the JORC Code standards and the Canadian NI43-101 standards.

The gold-molybdenum deposit has been defined over a strike length of about 1.7 km, comprising a series of stacked, shallow dipping and cross-cutting mineralised lenses. The lenses appear to be best developed in both width and grade in the immediate hanging wall of the north-south striking, moderate west dipping Malilibeg Fault, and along the fault zone itself. The mineralised intercepts ranges from 2 to about 40 metres in thickness.

The ore reserves estimates are modified from the April 2010 mineral resource estimate which are based on a combined historical and FCF drill database composing 741 drillholes (104,718 metres) consisting of 437 diamond drillholes (61,081 metres) and 304 RC drillholes (43,637 metres). Historical drill holes 70 DRQ and 6 RUD holes are included but a further 30 holes being excluded due to doubts as to data quality. The pre 2005 drill holes were only considered for use in Inferred category estimates in areas where no new drilling was available; they were excluded from Measured and Indicated category areas. Surface sampling (trench and rock-chips) were used to guide geology model wireframes where no drill data was available but the assays were not used for grade estimation.

The JORC categorised Mineral Resources for the Runruno Project has been classified in the Measured, Indicated and Inferred confidence categories on a spatial, areal and zone basis. The Measured resource is generally based on 25 metre spaced drilling, Indicated on 50 metre and Inferred beyond this to the limit

of the geology model. The strong statistical measures, close comparison with informing raw drill data and close drill spacing support the robust nature of the estimates.

Runruno Resource Estimate – April 2010

Resource	Ore	Gold		Molybdenum	
Category	Mt	g/t	M Oz	Ppm	M lbs
Measured	9.9	1.89	0.60	626	13.7
Indicated	5.4	1.74	0.30	387	4.6
Inferred	10.0	1.59	0.51	327	7.2
Total	**25.4**	**1.74**	**1.42**	**457**	**25.6**

Notes to accompany the resource estimate:

1. Independent resource estimate using advanced geostatistical methods conducted by Mining Associates Pty Ltd as part of the Runruno Feasibility Study.
2. The tenement holder is FCF Minerals Corp ("FCF").
3. Metals Ex currently holds 85% of FCF, with an option to purchase the remaining 15% at its sole discretion and at any time it chooses. This option has not been exercised so the current net attributable resource to Metals Ex at the time of writing is 85%.
4. Resource estimate based on all drillholes completed and assays returned by end of February 2010. The drill database (FCF and historical) contains 741 drillholes (104,718 metres) consisting of 437 diamond drillholes (61,081 metres) and 304 RC drillholes (43,637 metres).
5. All FCF analyses undertaken by Intertek, an internationally accredited independent laboratory.
6. Gold analysis by classical 1kg screen fire assay analysis.
7. Molybdenum analysis by mixed acid digest and ICP-OES.
8. Block model estimation block sizes of XYZ 20x20x5m is based on Kriging Neighbourhood Analysis. Sub-blocking for volumes only to 5x5x1.25m. Screened for topography by sub-block.
9. Geological model constrained by sub-block with 90 wireframes in 15 domains based on lithology, structure, alteration, artisanal surface workings and a minimum sample grade of 0.3 g/t Au, includes minor internal dilution. Each sub-block can only belong to one domain.
10. Drill intercepts within each domain flagged in a database table and composited 2m downhole giving 5,863 informing samples from 615 drillholes. Of this total, 128 informing sample 2m composites from 25 old drillholes were used in the Inferred category only.
11. A gold grade cap was applied to informing 2 metre composites to remove minor outliers Of the 16 composites capped to 12 g/t Au the maximum uncapped grade was 39 g/t Au. No grade cap was applied to molybdenum grades.
12. Routine bulk density measurements undertaken on drill core by FCF show that it varies mainly according to weathering (fresh, transition, and oxidised) and lithology (crystal lithic tuff, tephrite porphyry, monzonite).
13. Grade interpolated into a constrained block model by domain using Ordinary Krige estimation in 4 passes with parameters based on variography by domain. Estimates validated against informing samples and with nearest neighbour and inverse distance squared block estimation on a global basis and by trend plots in north, east and elevation.
14. Resources have been classified in compliance with the JORC Code as Measured, Indicated and Inferred. Categories allocated in areas by block by domain, based on drill spacing and type, number of informing samples, fill pass and Krige estimate confidence.
15. Lower cut off grade of 0.5g/t gold applied to blocks in reporting the resource estimates.
16. Molybdenum grades are reported along with the gold grades by resource categories but a consistent laboratory bias low in molybdenum assay standards of 12% to 20% is recognised by FCF but has as yet not been addressed.

The Mineral Resource block model was interrogated using Whittle Optimization and FCF estimated costs and using a gold price of US$1,000/oz to produce a set of pit shells and hence detailed mine design and production schedule as shown in the table and notes below. A significant portion of Inferred Mineral Resource is contained within this final pit shell and included in the production schedule and is also reported here with allowance for mining loss and dilution. The Inferred Mineral Resources estimates stated here are additional to the Ore Reserves but have not been aggregated with them this not allowed under the JORC code.

Runruno Reserve Estimate - April 2010

Category	Tonnes	Gold		Molybdenum	
		g/t	Moz	ppm	Mlb
Proven	8.7	1.94	0.54	657	12.6
Probable	3.9	1.89	0.24	406	3.5
Total Reserve	**12.6**	**1.93**	**0.78**	**579**	16.1
Additional Inferred Resource in-pit[1]	5.5	1.81	0.32	338	4.1

Notes to accompany ore reserve statement:

1. Stated Inferred Resource is not included in reserves and is in addition to reserves within the defined pit limits and is included in the planned production schedule with a 5% mining loss applied.
2. The tenement holder is FCF Minerals Corp ("FCF"). Metals Ex currently holds 85% of FCF, with an option to purchase the remaining 15% at its sole discretion and at any time it chooses. This option has not been exercised so the current net attributable reserve to Metals Ex at the time of writing is 85%.
3. Reserve estimate are derived from the March 2010 MA Resource Estimate by application of Modifying Factors.
4. Cut-off grade of 0.4 g/tAu
5. Optimisation for final pit selection using Whittle Global Optimiser and following parameters.
    a. Maximum material movement of 13Mtpa
    b. Target of 1.75Mtpa delivered to mill
    c. Mining Ore loss of 5%, Mining Dilution included in the resource estimates.
    d. Mining costs varied by region from US$1.11 to US$1.22/tonne
    e. Processing Costs of US$14.45/tonne milled
    f. Period Costs (including mining period costs) of US$2.25/t milled
    g. Gold recovery of 90.4%
    h. Gold Price used of US$1,000/ ounce
    i. No value or process costs attributed to the Molybdenum
    j. A discount rate of 10% pa for DCF and NPV
6. Scheduling of production using Gemcom Minesched within final Pit Shell.

The information in this report that relates to Mineral Resources and Ore Reserves is based on information compiled by Mr Andrew Vigar, who is a Fellow of The Australasian Institute of Mining and Metallurgy. Mr Vigar is an employee of Mining Associates Pty Ltd and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Vigar consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.

Appendix 2
Technical Notes and Glossary of Technical Terms

"Au"	chemical symbol for gold
"block model"	a computer based representation of a deposit in which geological zones are defined and filled with blocks which are assigned estimated values of grade and other attributes. The purpose of the block model (BM) is to associate grades with the volume model. The blocks in the BM are basically cubes with the size defined according to certain parameters.
"bulk density"	the dry in-situ tonnage factor used to convert volumes to tonnage. Bulk density testwork is carried out on site and is relatively comprehensive, although samples of the more friable and broken portions of the mineralised zones are often unable to be measured with any degree of confidence, therefore caution is used when using the data. Bulk density measurements are carried out on selected representative samples of whole drill core wherever possible. The samples are dried and bulk density measured using the classical wax-coating and water immersion method. The average bulk density for the mineralisation has been estimated at 2.5 using more than 3,000 measurements on drill core.
"cut off grade"	the lowest grade value that is included in a resource statement. Must comply with JORC requirement 19: "*reasonable prospects for eventual economic extraction*" the lowest grade, or quality, of mineralised material that qualifies as economically mineable and available in a given deposit. May be defined on the basis of economic evaluation, or on physical or chemical attributes that define an acceptable product specification. A value of 0.3 g/tAu was used for Runruno.
"g/t"	grammes per tonne, equivalent to parts per million
"g/t Au"	grammes of gold per tonne
"grade cap"	the maximum value assigned to individual informing sample composites to reduce bias in the resource estimate. They are capped to prevent over estimation of the total resource as they exert an undue statistical weight. Capped samples may represent "outliers" or a small high-grade portion that is volumetrically too small to be separately domained.
"JORC"	The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2004 (the "JORC Code" or "the Code"). The Code sets out minimum standards, recommendations and guidelines for Public Reporting in Australasia of Exploration Results, Mineral Resources and Ore Reserves. The definitions in the JORC Code are either identical to, or not materially different from, those similar codes, guidelines and standards published and adopted by the relevant professional bodies in Australia, Canada (NI43-101), South Africa, USA, UK, Ireland and many countries in Europe.
"JORC Inferred	that part of a Mineral Resource for which tonnage, grade and mineral content can be estimated with a low level of confidence. It is inferred from geological

Resource”	evidence and assumed but not verified geological and/or grade continuity. It is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drillholes which may be limited or of uncertain quality and reliability.
“JORC Indicated Resource”	that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are too widely or inappropriately spaced to confirm geological and/or grade continuity but are spaced closely enough for continuity to be assumed.
“JORC Measured Resource”	that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a high level of confidence. It is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are spaced closely enough to confirm geological and grade continuity.
“JORC Proven Reserve”	is the economically mineable part of a Measured Mineral Resource. It includes diluting materials and allowances for losses which may occur when the material is mined. Appropriate assessments and studies have been carried out, and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction could reasonably be justified.
“JORC Probable Reserve”	is the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. It includes diluting materials and allowances for losses which may occur when the material is mined. Appropriate assessments and studies have been carried out, and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors These assessments demonstrate at the time of reporting that extraction could reasonably be justified. A Probable Ore Reserve has a lower level of confidence than a Proved Ore Reserve but is of sufficient quality to serve as the basis for a decision on the development of the deposit.
“kriging neighbourhood analysis, or KNA”	The methodology for quantitatively assessing the suitability of a kriging neighbourhood involves some simple tests. It has been argued that KNA is a mandatory step in setting up any kriging estimate. Kriging is commonly described as a “minimum variance estimator” but this is only true when the block size and neighbourhood are properly defined. The objective of KNA is to determine the combination of search neighbourhood and block size that will result in conditional unbiasedness.
“lb”	Avoirdupois pound (= 453.59237 grammes). Mlb = million avoirdupois pounds
“Mineral Resource”	a concentration or occurrence of material of intrinsic economic interest in or on the Earth’s crust in such form, quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge. Mineral Resources are sub-divided, in order of increasing geological confidence,

	into Inferred, Indicated and Measured categories when reporting under JORC.
“Mo”	chemical symbol for molybdenum
“molybdenum assay”	Molybdenum analysis is carried out by an independent ISO17025 accredited laboratory. The sample is dissolved in Aqua Regia (3:1 HCl:HNO3) and analysis is carried out by Inductively Coupled Plasma - Optical Emission Spectrometry (ICP-OES) method.
“oz”	Troy ounce (= 31.103477 grammes). Moz = million troy ounces
“t”	tonne (= 1 million grammes)
“wireframe”	This is created by using triangulation to produce an isometric projection of, for example, a rock type, mineralisation envelope or an underground stope. Volumes can be determined directly of each solid.