

# Feasibility study under way at Runruno

A FULL bankable feasibility study at Metals Exploration's Runruno gold-molybdenum project is expected to be completed by the end of the year.

Runruno is 200km north of Manila in the mineral rich province of Nueva Viscaya and is operated by FCF Minerals Corporation. Metals Exploration owns 85% of FCF and has rights to the remaining 15% and an open-ended option agreement.

The company was given the confidence to undertake the study by positive economic and technical studies, and an investment earlier this year by Solomon Capital.

Solomon provided about £3.5 million in direct equity, became a 29.9% shareholder and provided via a sister company a loan facility of £8.0 million available for drawdown in the event that it is required.

The company was also boosted by the endorsement of its Financial and Technical Assistance Agreement (FTAA) application by Department of the Environment & Natural Resources secretary Lito Atienza. The FTAA is a partnership between Metals Exploration and the Philippine Government, designed to allow the company 100% ownership of the project, while developing the mineral resource in an environmentally and socially responsible manner.

Exploration at Runruno has defined a JORC-compliant inferred and indicated mineral resource of 2 million ounces of gold and 34.4 million pounds of molybdenum.

This is contained within 31.17 million tonnes at average grades of 2 grams/tonne gold and 0.05% molybdenum. The deposit is within a large alkaline volcanic complex, about 3.5km in diameter, of which less than 10% has been effectively explored.

Metals Exploration chairman Ian Holzberger says, "We have completed two studies into the economic and technical parameters of a possible operation. Both studies confirmed our belief in the potential of the project.

"The latter study, conducted to a pre-feasibility standard, envisages an operation producing 183,000 ounces of gold and 1.7 million pounds of molybdenum annually at a cash operating cost of \$463 per ounce of gold, which is in the middle of the current industry cost curve.

"By adding the molybdenum credits, at whatever molybdenum price is assumed, that cash cost and net position on the cost curve comes down significantly. We therefore know that the project is viable and robust."

Ian Holzberger says, "The project also benefits from the availability of essential infrastructure. Direct road access to site exists, plentiful hydro power is available from the national grid, process water is available from the local river systems, the topography lends itself to a natural tailings solution, and communications are excellent.

"In focusing our efforts on bringing the existing deposit into development, we should not lose sight of the exciting potential of the wider volcanogenic complex at Runruno, all of which is within our permit area.

"This potential has been independently confirmed by a world expert on such systems, Dr Eric Jensen, and we are determined to commit resources to demonstrating this potential as and when they become available."