

# METALS EXPLORATION PLC

("Metals Exploration" or the "Company")

## Funding and Banking Update

Metals Exploration Plc (AIM: MTL), the natural resources exploration and development company with assets in the Pacific Rim region, announces that, further to the Company's announcements regarding its debt position and the series of Standstill Agreements with the Company's lenders, Runruno Holdings Ltd and MTL (Guernsey) Ltd, an associated company of MTL Luxembourg SARL, the Company's two major shareholders (together, the "**New Lenders**"), have entered into a conditional sale agreement with HSBC and BNP Paribas (the "**Senior Lenders**") to purchase of all the rights and obligations of the Senior Lenders under the US\$68.5m (including US\$5.2m of accrued interest) Runruno Facility Agreement (the "**Senior Facility**").

Completion of the transfer is subject, *inter alia*, to payment of the relevant consideration and the execution and delivery of the documentation required to effect the transfer. The long stop date for completion of the transfer is 30 January 2020 (which may be amended by agreement) and a further announcement will be made as and when appropriate.

As the New Lenders are also the holders of Metals Exploration's mezzanine debt (the "**Mezzanine Debt Facilities**"), completion of the sale of the Senior Facility will consolidate all of the Company's debt. Completion of this transaction is therefore expected to enable the Company to finalise commercial negotiations with the New Lenders, with the aim of securing a complete debt restructuring, resulting in a stable debt profile for the Company. Whilst there can be no guarantee an agreement can be reached, negotiations with the New Lenders are well advanced and a further announcement regarding a wider restructuring will be made in due course as and when appropriate.

The Standstill Agreement, under which the Company has been relieved of making both principal and interest payments due in relation to both the Senior Facility and the Mezzanine Debt Facilities, remains in place until further notice.

### Chief Executive Officer, Darren Bowden, stated:

*"It is very pleasing to have concluded this initial step in the Company's debt restructuring process. Negotiations with our New Lenders are well progressed. Hopefully, following the completion of the transfer of the Senior Facility, these negotiations can be concluded swiftly, such that the Company's financial position becomes sustainable; allowing management to focus its efforts on improving operational performance at Runruno and to consider growth options for the Company."*

This Announcement contains inside information as defined in Article 7 of the Market Abuse Regulation No. 596/2014 ("MAR"). Upon the publication of this Announcement, this inside information is now considered to be in the public domain.

For further information please visit or contact [www.metalsexploration.com](http://www.metalsexploration.com)

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