Metals Exploration Plc ("Metals Ex" or the "Company"), the Pacific Rim natural resources exploration and development company, today announces guidance on the updated economic parameters of its 1.5 million ounces of gold and 25.4 million pounds of molybdenum Runruno project on the island of Luzon in the northern Philippines.

The Company also provides an indication of anticipated news flow over the next quarter.

Overview:

- Operation targeting annual production of approximately 100,000 ounces of gold and 1 million pounds of molybdenum oxide
- Minimum ten year mine life
- Capital cost not expected to exceed $150 million
- Operating costs anticipated to be less than previously indicated (previously $463 per ounce of gold, before molybdenum credits)
- Full feasibility study targeted to report in April
- Interim newsflow including further resource updates, results of step-out drilling, progress on metallurgical test work (on both gold and molybdenum recoveries), and status of Environmental Clearance Certificate anticipated

Runruno Outline Economic Parameters

Following the resource update on 19 November 2009, the Company has been engaged in reworking the parameters of its planned gold-molybdenum operation at Runruno to reflect the revised resource of 1.5 million ounces of gold and 25.4 million pounds of molybdenum.

The Company expects to receive an updated resource estimate from Mining Associates Pty Ltd within the next few weeks which will include all drill hole data received up to the end of 2009. This will allow more comprehensive and definitive pit optimisation work to be completed, leading to more detailed numbers being fed into the final feasibility study scheduled to report in April.

Metals Ex is increasingly confident that these studies will confirm the economic viability of an operation producing approximately 100,000 ounces of gold a year and one million pounds of molybdenum oxide over a mine life of at least ten years. Capital costs are not expected to exceed $150 million, and operating costs are expected to be lower than those reported in the Scoping Study announced on 3 November 2008 ($463 per ounce of gold gross, i.e. before molybdenum credits).
Anticipated Newsflow

As the feasibility study nears completion the Company expects the various component parts to be sufficiently advanced to allow Metals Ex to update the market in advance of the full feasibility study, which is targeted for April. Specifically the Company anticipates resource updates, progress on step-out drilling, developments in the metallurgical testwork on both gold and molybdenum recoveries, and progress with the Environmental Clearance Certificate.

Jonathan Beardsworth, Managing Director, commented:

“I think this confirmation of the continued economic viability of the Runruno project is what investors have been waiting for since the resource update announcement in November. Indeed our internal calculations show little difference in NPV between the original resource and this modified operation because of the lower capital and operating costs. The lower capital cost, of course, should also make it easier to arrange bank project financing.

“We anticipate a sequence of announcements over the next few months as news comes in, relating to further resource updates, results of the step-out drilling and metallurgical test work, progress on the Environmental Clearance Certificate, leading to the completion of the full feasibility study, scheduled for April.”

Approval

Ian Holzberger (a Director of the Company) has been involved in the mining industry for more than 35 years. He is a Member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. He has compiled, read and approved the technical disclosure in this regulatory announcement.

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