Metals Exploration Plc

(“Metals Exploration” or the “Company”)

Placing to raise approximately US$57.7 million of equity towards funding of the Runruno mine construction

Metals Exploration is pleased to announce that it has obtained commitments to raise approximately US$57.7 million (before expenses) via the issue of a total of 545,033,044 new ordinary shares of 1 pence each in the Company (the “Placing Shares”) at a price of 7 pence per new ordinary share, from certain existing shareholders (the “Placing”). The Company has entered into discussions to raise approximately US$70 million in debt funding for the purposes of constructing its Runruno gold mine.

A circular (the “Metals Exploration Circular”) will shortly be posted to shareholders to provide further information on the Placing and to seek the necessary authorities from shareholders to allot and issue the Placing Shares.

The Company also announces that it plans to raise up to approximately €4.5 million through an Open Offer of approximately 55 million new ordinary shares of 1 pence each in the Company (the “Open Offer Shares”) at a price of 7 pence per new ordinary share (the “Open Offer”). Those shareholders participating in the Placing have agreed to provide the Company with irrevocable undertakings not to take up their respective rights under the Open Offer. A circular relating to the Open Offer will be posted to Shareholders in the next few weeks.

1. Background to and reasons for the Placing

As previously announced, the Company has been seeking to arrange funding for the development of its Runruno Project throughout 2011 and 2012.

In 2011, the Company appointed an experienced global investment bank to advise on the debt funding for the project and the Company has made a number of announcements regarding its progress.

As previously communicated to Shareholders, sourcing of a preferred provider, negotiation of a term sheet, completion of due diligence and full documentation proceeded throughout 2012. However, these negotiations encountered difficulties in July when the preferred provider sought to vary the agreed commercial terms materially and introduce new conditions which, in the Board’s view, were potentially adverse to the interests of the Company and put its ability to complete the debt funding at considerable risk. Solomon Capital Limited, a significant shareholder of the Company, offered an alternative proposal on more favourable overall terms than had been offered by the previously preferred provider. The Company has since reached agreement with four of its major shareholder groups for them to subscribe for new ordinary shares to raise approximately US$57.7 million (before expenses) and has discontinued discussions with Solomon Capital Limited regarding its debt funding proposal.

In conjunction with the Placing, the Company will seek to raise approximately US$70 million in debt and it is intended that the debt funding will be available by the end of 2013.
The Company expects that following receipt of funds from the Placing and the proposed debt funding, it will have in place sufficient capital to complete the construction of the mine at its Runruno Project and finance the acquisition of a mining fleet for post construction operations at Runruno.

2. The Fundraising Proposals

The Placing

The Company has received commitments for subscriptions totalling gross proceeds of approximately US$57.7 million (approximately US$56.55 million net of expenses) via the issue of 545,033,044 Placing Shares at a price of 7 pence per Placing Share. The Placing is conditional on the passing of the necessary resolutions by Shareholders at a general meeting to allot and issue the Placing Shares and admission to trading on AIM ("Admission"). Subject to the passing of the relevant shareholder resolutions, the Placing Shares are expected to be allotted and issued in three stages on or about 22 April 2013, 17 June 2013 and 14 October 2013 with Admission expected to occur at 8.00 a.m. on 23 April 2013, 8.00 a.m. on 18 June 2013 and 8.00 a.m. on 15 October 2013. The Placing Shares have been subscribed for by Solomon Capital Limited, Baker Steel Capital Managers LLP (acting on behalf of various Funds for which it acts as full discretionary Investment Manager), Runruno Holdings Limited, Graham Edwards and Investec Wealth & Investment Limited (the "Subscribers").

A commission of 2 per cent. is payable to the Subscribers calculated by reference to each of their respective subscriptions only. Each of the Subscribers is either a substantial shareholder or is part of a concert party that is a substantial shareholder. As such, the participation of the Subscribers in the Placing is considered a related party transaction under AIM Rule 13.

The subscription price of 7 pence per new ordinary share represents a 8 per cent. premium to the closing mid-price of 6.5 pence per ordinary share as at 18 March 2013, and a 29 per cent. discount to the 1-year average closing mid-price of 9.8 pence per ordinary share.

The Open Offer

The Company also intends to provide existing Shareholders with the opportunity to subscribe for new ordinary shares at a price of 7 pence pro rata to their shareholdings in the Company up to a maximum of approximately €4.5 million through an Open Offer.

The Subscribers to the Placing have agreed to provide the Company with irrevocable undertakings to waive their respective rights to participate in the Open Offer. The Company will prepare a circular with details and terms of the Open Offer and send to Shareholders in the next few weeks.

Shareholdings of the Subscribers

The shareholdings of the Subscribers prior to and following the completion of each stage of the proposed Equity Subscription are as follows (the below calculations assume no ordinary shares are issued pursuant to the Open Offer and all ordinary shares set out below continue to be held by those shareholders):

Stage 1; on or about 23 April 2013
<table>
<thead>
<tr>
<th>Shareholdings</th>
<th>Prior to the Equity Subscription</th>
<th>Following the Equity Subscription</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Number of shares</td>
<td>%</td>
</tr>
<tr>
<td>Solomon Entity(^1)</td>
<td>389,944,578</td>
<td>47.28</td>
</tr>
<tr>
<td>Baker Steel Capital Managers(^2)</td>
<td>197,943,092</td>
<td>24.00</td>
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<tr>
<td>Runruno Holdings Ltd</td>
<td>131,631,276</td>
<td>15.96</td>
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<tr>
<td>Investec Wealth &amp; Investment Ltd</td>
<td>34,694,125</td>
<td>4.21</td>
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<tr>
<td>Graham Edwards</td>
<td>19,001,919</td>
<td>2.30</td>
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**Stage 2; on or about 18 June 2013**

<table>
<thead>
<tr>
<th>Shareholdings</th>
<th>Prior to the Equity Subscription</th>
<th>Following the Equity Subscription</th>
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<tbody>
<tr>
<td></td>
<td>Number of shares</td>
<td>%</td>
</tr>
<tr>
<td>Solomon Entity(^1)</td>
<td>461,391,451</td>
<td>48.01</td>
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<tr>
<td>Baker Steel Capital Managers(^2)</td>
<td>234,210,849</td>
<td>24.37</td>
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<tr>
<td>Runruno Holdings Ltd</td>
<td>155,749,173</td>
<td>16.21</td>
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<tr>
<td>Investec Wealth &amp; Investment Ltd</td>
<td>35,638,268</td>
<td>3.71</td>
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<tr>
<td>Graham Edwards</td>
<td>22,483,510</td>
<td>2.34</td>
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**Stage 3; on or about 15 October 2013**

<table>
<thead>
<tr>
<th>Shareholdings</th>
<th>Prior to the Equity Subscription</th>
<th>Following the Equity Subscription</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Number of shares</td>
<td>%</td>
</tr>
<tr>
<td>Solomon Entity(^1)</td>
<td>561,417,074</td>
<td>48.74</td>
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<tr>
<td>Baker Steel Capital Managers(^2)</td>
<td>284,985,708</td>
<td>24.74</td>
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<tr>
<td>Runruno Holdings Ltd</td>
<td>189,514,228</td>
<td>16.45</td>
</tr>
</tbody>
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Notes:
1. Solomon Entity includes Solomon Capital Limited, Shelfco724 Limited, and Mrs Emily Crompton Candy.
2. Baker Steel Capital Managers (acting on behalf of various Funds for which it acts as full discretionary Investment Manager).

3. General Meeting and Admission

The Metals Exploration Circular will incorporate a notice of General Meeting to convene a General Meeting of the Company to be held at 11.00 a.m. on 22 April 2013 at 200 Strand, London WC2R 1DJ. The General Meeting will consider, inter alia, resolutions to authorise the Directors to allot and issue the Placing Shares and dis-apply statutory pre-emption rights in relation to the issue of the Placing Shares. The Board will also seek authorities to allot and issue new ordinary shares in connection with the proposed Open Offer on a non-pre-emptive basis.

It is expected that dealings in the first tranche of the Placing Shares will commence on 23 April 2013, following Admission.

4. Conclusion

The Placing with, inter alia, Solomon Capital Limited, Baker Steel Capital Managers LLP (acting on behalf of various Funds for which it acts as full discretionary Investment Manager), Runruno Holdings Limited, Investec Wealth & Investment Limited and Mr Graham Edwards constitutes a related party transaction under Rule 13 of the AIM Rules as each of them is either a substantial shareholder or is part of a concert party that is a substantial shareholder. Messrs Dean, Parsons, Walker and Whitehouse, having been appointed to the Board by various of the major shareholders taking part in the Placing, are precluded from opining thereon. Accordingly, Mr Ian Holzberger, the Independent Director, having consulted with Westhouse Securities, the Company’s nominated adviser, considers that the terms of the Placing are fair and reasonable insofar as shareholders are concerned.

Ian Holzberger, Executive Chairman, commented:

“I am delighted with the support our shareholders have provided us and that we have been able to procure this financing proposal, in the face of a difficult global outlook for both equity and debt funding. We now look forward to moving forward into the full construction phase and securing the debt funding to move us towards completion.”

For further information please visit: www.metalsexploration.com or contact:

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