

METALS EXPLORATION PLC

Updated Mineral Reserve Estimate

Metals Exploration plc (AIM: MTL) (“Metals Exploration”, the “Company” or the “Group”), the natural resources exploration and development company with assets in the Pacific Rim region, today provides an update to the 2011 estimated gold reserves at its Runruno gold project (“Runruno” or the “Project”) in the Philippines.

Summary of Report

In association with the Company’s review of its mining plan for the remaining life of mine (“LOM”), the Company commissioned Xenith Consulting to complete an updated independent JORC compliant reserve estimate (the “Updated Reserve Estimate”). The last independent reserve estimate was compiled in 2011 by Mining Associates, Brisbane.

Since the publication of the 2011 estimate, the Company has completed little additional resource drilling; with the vast majority of drilling being undertaken purely for mining grade control purposes. As a result, the Updated Reserve Estimate was, to a large extent, based upon the existing 2011 resource model.

Set out below are several matters that should be considered in conjunction with the Updated Reserve Estimate. The steps undertaken to evaluate the resource and develop the updated mine plan, and hence a new reserve estimate for this project are outlined below.

- A review of the Company’s existing LOM plan was completed by Xenith Consulting with the following considerations:
 - Understanding current mine and dump strategy.
 - Identifying critical items constraining the mine plan.
 - Updated geotechnical parameters.
 - Developed a Malilibeg fault zone model.
 - Optimised pit design including reviewing the sensitivity of pit limits to resource category.
- Update the Mine Design:
 - Develop ultimate pit limits taking into account the geotechnical criteria, optimiser results and pit access.
 - Pit optimisation based on an average 85% recovery and US\$1,200 gold price.
 - Develop pit stages considering mine access and in-pit dumping requirements.
 - Develop both in-pit and ex-pit dumps.
- Following mine design, several production and dump schedules (including truck haulage requirements) were analysed.
- Review of mine economics based on the Company’s internal budgets and economic models.

Updated Reserve Estimate

Table 1 – 2020 Ore Reserve estimate

Reserve	Ore	Gold	
Category	Mt	g/t	M Oz
Proved	nil	nil	nil
Probable	11.7	1.38	0.50
Total	11.7	1.38	0.50
Inferred included in LOM model pit			
Inferred material	2.7	1.21	0.10

- The existing Resource model, developed in March 2011, was used for the new Reserve analysis.
- An updated economic cut-off at 0.59 g/t Au has been used.
- 4.76 Mt of Reserves depleted by mining from commencement of production to the end of 2019.
- All Measured and Indicated Resources have been converted to Probable Reserve (reflecting Geotechnical and Hydrogeology uncertainties).
- Mining grade dilution increased to 25% (in-line with reconciled actual performance).
- Mining recovery approximately 85% inclusive of a 5% mining loss.
- Measured Resource - converted to 7.9Mt of Probable Reserve.
- Indicated material - converted to 3.7Mt of Probable Reserve.
- Inferred material - forms only 6% of the planned tonnage in the first 3 years of the updated mine plan.
- Inferred material - 73% of the 2.7Mt is only scheduled for mining in the last 3 years of the updated mine plan.
- LoM pit design remains economic with Inferred material included at zero grade.

Reconciliation to 2011 Reserve estimate

The 2011 Reserves estimate, prepared by Mining Associates, Brisbane, is shown in table 2 below.

Table 2: Ore Reserve Estimate - 2011

Reserve	Ore	Gold	
Category	Mt	g/t	M Oz
Proved	10.2	1.90	0.60
Probable	4.8	1.77	0.26
Total	15.0	1.86	0.87
Inferred included in LOM model pit			
Inferred material	2.9	1.73	0.16

While overall tonnes have been depleted at a rate consistent with the available tonnes as estimated in both the 2011 and 2020 reserve estimates, the grade in the 2011 reserve estimate has proven to be inaccurate. The 2020 Updated Reserve Estimate is reflective of the mining dilutions achieved over the past 3 years.

Application of a more accurate resource to reserve recovery has been included with the analysis with approximately 85% of the resource estimated as recoverable, versus a previous assumption of approximately 95% recoverable.

Total ounces unaccounted between the two reserve estimates is approximately negative 20Koz, when mining depletion and new mining loss factors are applied. By considering the updated 0.59 g/t cut-off grade (2011: 0.03 g/t) the final difference between the two statements is reconciled.

The Company has a planned drilling programme, to be undertaken during the second half of 2020 and during 2021. This will provide the next basis for updating the project's Reserve estimate.

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.

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

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Competent Persons' Statement

The information contained in this release that relates to the 2020 gold Reserves Estimate is based on information compiled by Mr Iain Ross, who is a Member of The Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mr Ross is a full-time employee of Xenith Consulting. Mr Ross has sufficient experience that is relevant to the style of mineralisation and type of deposit described in the release to qualify as a Competent Person as defined by the JORC Code, 2012 Edition. Mr Ross consents to the inclusion of this information in the form and context in which it appears in this release.

Mr Darren Bowden, a director of the Company, a Member of the Australasian Institute of Mining and Metallurgy and who has been involved in the mining industry for more than 25 years, has compiled, read and approved the technical disclosure in this regulatory announcement in accordance with the AIM Rules - Note for Mining and Oil & Gas Companies.

Forward Looking Statements

Certain statements relating to the estimated or expected future production, operating results, cash flows and costs and financial condition of Metals Explorations, planned work at the Company's projects and the expected results of such work contained herein are forward-looking statements which are based on current expectations, estimates and projections about the potential returns of the Group, industry and markets in which the Group operates in, the Directors' beliefs and assumptions made by the Directors. 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" or variations of such words 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 statements are not guarantees of future performance or the ability to identify and consummate investments and involve certain risks, uncertainties and assumptions that are difficult to predict, qualify or

quantify. Among the factors that could cause actual results or projections to differ materially include, 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.

The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward looking statements contained herein to reflect any change in the Group's expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based unless required to do so by applicable law or the AIM Rules.