

## ANNUAL GENERAL MEETING - June 2012



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## ***A NEAR TERM GOLD PRODUCER***

- Philippine focussed exploration and development company
- Owns 100% of the Runruno Gold Project
- Early stage construction works commenced in December 2011
- Project debt funding – terms agreed being documented
- Runruno is secured by a Financial or Technical Assistance Agreement (FTAA) allowing 100% foreign ownership
- All key permits issued
- Feasibility and optimisation studies show a financially robust project:
  - Initial mine life 10.3 years
  - Payable production 1,006,000 ozs gold
  - Ave annual production 96,700 ozs
  - Capital cost estimated at US\$ 167 million
  - Average operating cost US\$ 477 / oz gold
  - IRR 42% @ US\$ 1,500 / oz Au
  - Production target - Q3 2013
  - Proven and probable reserve contains 900,000 ozs of gold, resource including reserves contain 1.4 million ozs of gold
- Molybdenum production upside potential
- Considerable exploration upside
- Seeking growth through development followed by discovery





## COMPANY INFORMATION

### SHARE CAPITAL

- Issued ordinary shares 694,673,626
- Unlisted options and warrants 31,285,000
- Market Capitalisation (22 Feb 2012) £ 71 million

### QUOTED

- AIM – London Stock Exchange
- Code – MTL



### KEY SHAREHOLDERS - % HOLDING (30 April 2012)

- Solomon Capital Limited 32.08%
- Baker Steel 22.79%
- Runruno Holdings Limited 15.26%
- Shelfco 724 Limited 14.40%
- Williams de Broé 4.84%
- Graham Edwards 2.74%  
92.11%

### DIRECTORS

- Ian Holzberger – Executive Chairman
- Jonathan Beardsworth – Non Executive Director
- Tim Dean - Non Executive Director
- Edward Parsons - Non Executive Director
- Guy Walker - Non Executive Director
- Richard Williams - Non Executive Director
- Liam Ruddy – Company Secretary & CFO

### BROKER

- Fairfax I.S. Plc

### NOMAD

- Westhouse Securities Limited



## ***RUNRUNO GOLD PROJECT***

*Status:* In development – early works commenced,

*Mine life:* 10.3 years

*Payable Production:* 1,006,000 ozs

*Annual Production (aver.):* 96,700 ozs

(101,800 ozs Au years 1-5, 92,700 ozs Au years 6-10.3)

*Capital Cost:* US\$167.5m

*Cash Cost (Ave):* US\$ 477 / oz Au

*IRR :* 42% post tax (@ US\$1,500 / oz Au – equity model)

*Upside:* by-product Mo, mine life extension

*Location:* Central Luzon, Barangay Runruno,  
Municipality of Quezon,  
Province of Nueva Vizcaya.

*Access:* by road 320km north of Manila



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## **CONSTRUCTION PHILOSOPHY**

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- Strong experienced owners team
- GMP – EPC execution philosophy for highest risk most technical area – Process Plant
  - Appoint an Engineer / Constructor with demonstrated performance – Leighton Contractors
  - Incentivise by sharing upside i.e. cost savings
- Develop supporting infrastructure using discrete contracts and design and erect packages:
  - Access road
  - Site establishment
  - Camp
  - Power
  - Office, workshop and general facilities
- Self perform mine pre-strip and tailings storage facility (TSF) construction using mine fleet and sub-contractors
- Supervision by owner's team and sub contracted experts e.g. GHD on TSF, GMF and PAIE in processing plant
- Use of local contractors wherever possible, subject to skill and price

## RUNRUNO CONSTRUCTION TIMELINE

Q4, 2011	H1, 2012	Q3, 2012	Q4, 2012	H1, 2013	H2, 2013	Q1, 2014
<ul style="list-style-type: none"> <li>➤DMF</li> <li>➤Infrastructure Development</li> </ul>	<ul style="list-style-type: none"> <li>➤Early works</li> <li>➤Finalise debt</li> </ul>	<ul style="list-style-type: none"> <li>➤Project Sanction</li> <li>➤Process plant construction</li> <li>➤Commence mine development</li> </ul>	<ul style="list-style-type: none"> <li>➤Construction</li> <li>➤Commence mining</li> <li>➤Construct TSF</li> </ul>	<ul style="list-style-type: none"> <li>➤Construction</li> <li>➤Mining pre-strip</li> <li>➤Construct TSF</li> </ul>	<ul style="list-style-type: none"> <li>➤Construction</li> <li>➤Mining pre-strip</li> <li>➤Construct TSF</li> <li>➤Commissioning</li> </ul>	<ul style="list-style-type: none"> <li>➤Commissioning</li> <li>➤First production</li> <li>➤Ramp up</li> </ul>

Milestones	Achievements	Targets
FTAA awarded for Runruno Project	✓ November 2009	-
Environmental Compliance Certificate (ECC)	✓ Granted in February 2010	-
Feasibility Study	✓ Delivered in May 2010	-
Exploration & Step out Drilling & Mo testwork	✓ Underway	-
Permitting – SDMP, EPEP, FMRDP	✓ Completed	-
Upgrade Reserve and pit design	✓ Completed May 2011	-
Declaration of Mine Project Feasibility (DMF)	✓ Issued November 2011	
Early works	✓ Commenced December 2011	
Process Plant Construction Contract	✓ LOI issued to Leighton – GMP-EPC basis	
Debt funding	Documentation in preparation	Q2/Q3 2012
Sanction – full construction		Q3 2012
First gold pour		Q1 2014



## **EARLY SITE WORKS**

- Commenced December 2011
- Program of work to support full construction activities
- Includes:
  - General site earthworks;
  - Processing plant pad earthworks;
  - Establishment of site roads;
  - Erection of construction camp;
  - Installation of construction power;
  - Construction of potable water system;
  - Erection of a concrete batching plant; and
  - Acquisition of selected units of the mobile fleet.
- Equity funded



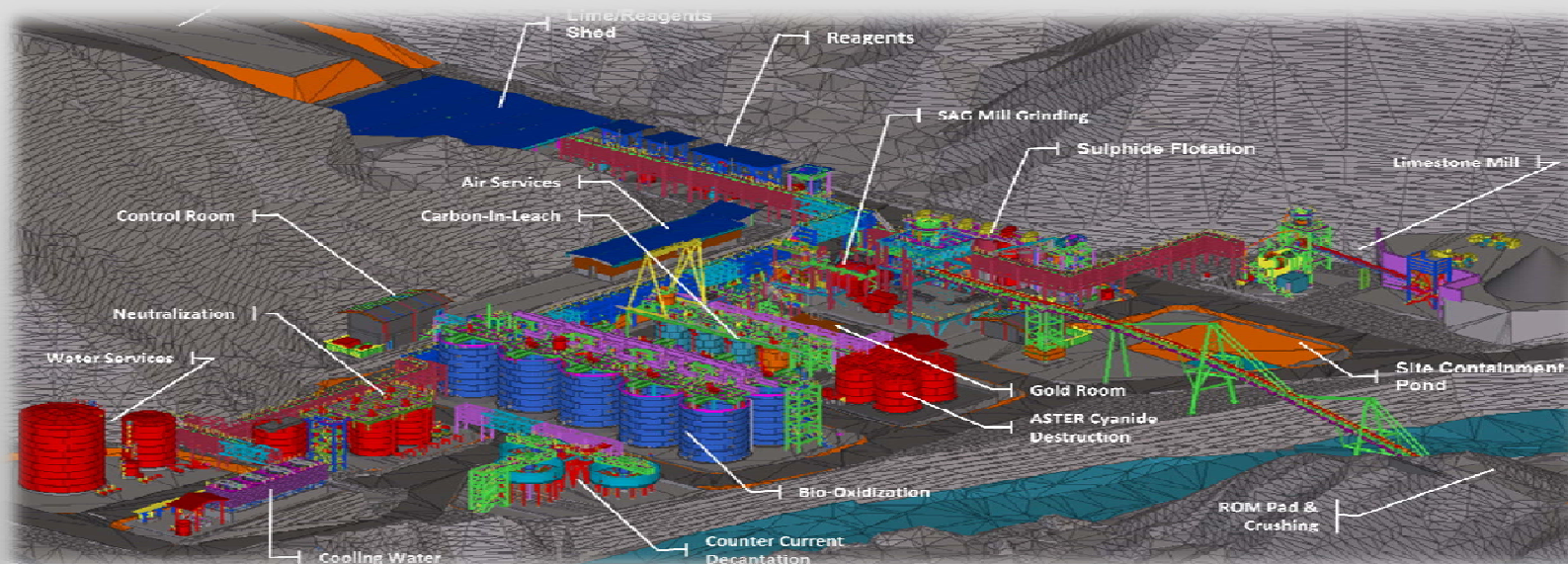
## PROCESSING PLANT PAD





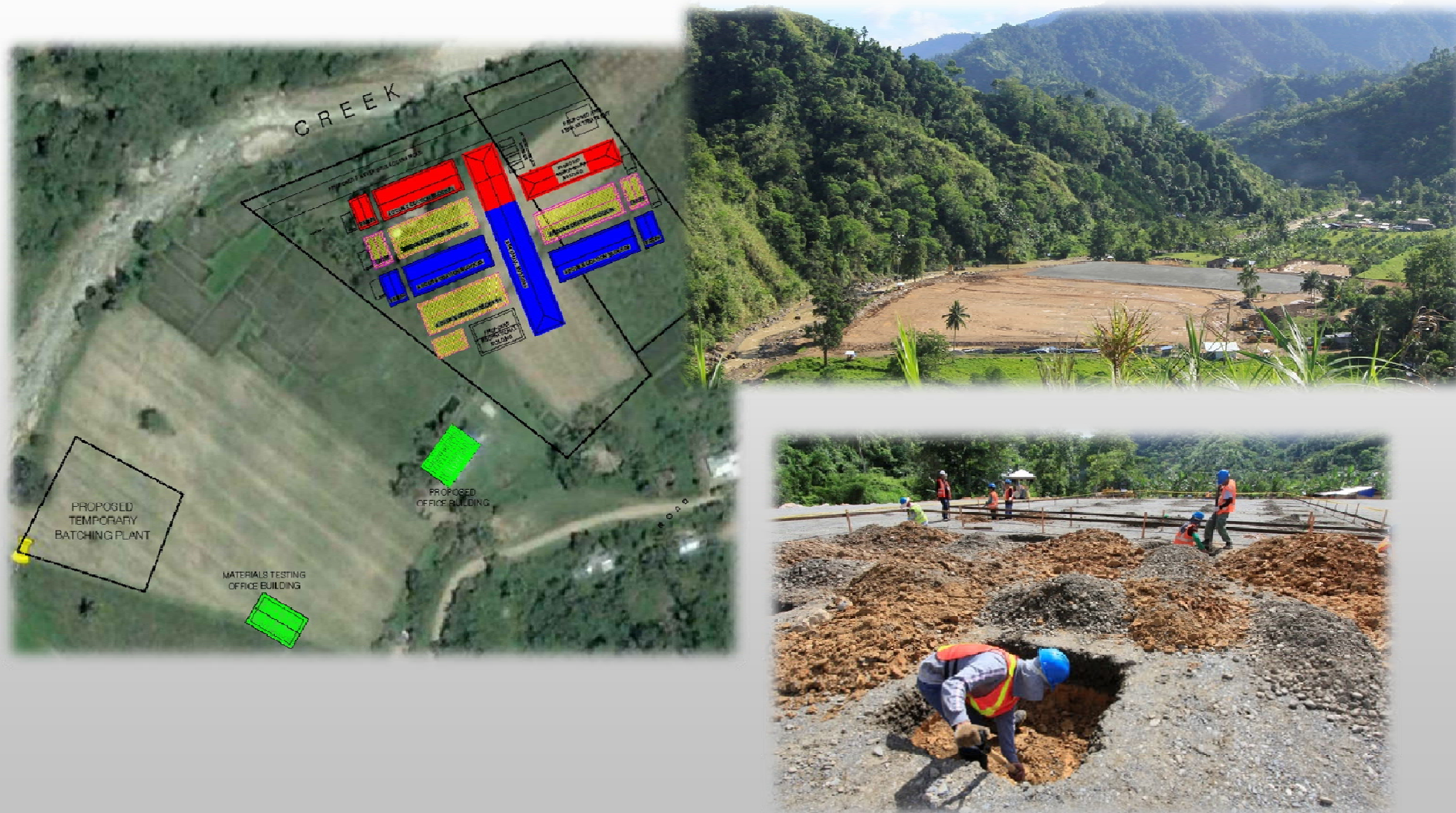
## PROCESS PLANT CONTRACT

- Letter of Intent (LOI) issued to Leighton Contractors for the design and construction of the processing plant on a Engineering and Construct contract and a Procurement contract basis for a Guaranteed Maximum Price (GMP) of US\$95.1 million
- The GMP prices is to be re-validated at the date of execution of the formal contract
- Formal contract largely negotiated
- Detailed engineering design commenced during January 2012 – 6 month program
- Current work will support a 15 month construction timetable through the early ordering of long lead time items and a reduced preliminaries / mobilisation stage
- Process plant construction to commence on debt draw-down





## CAMP SITE and BATCH PLANT AREA

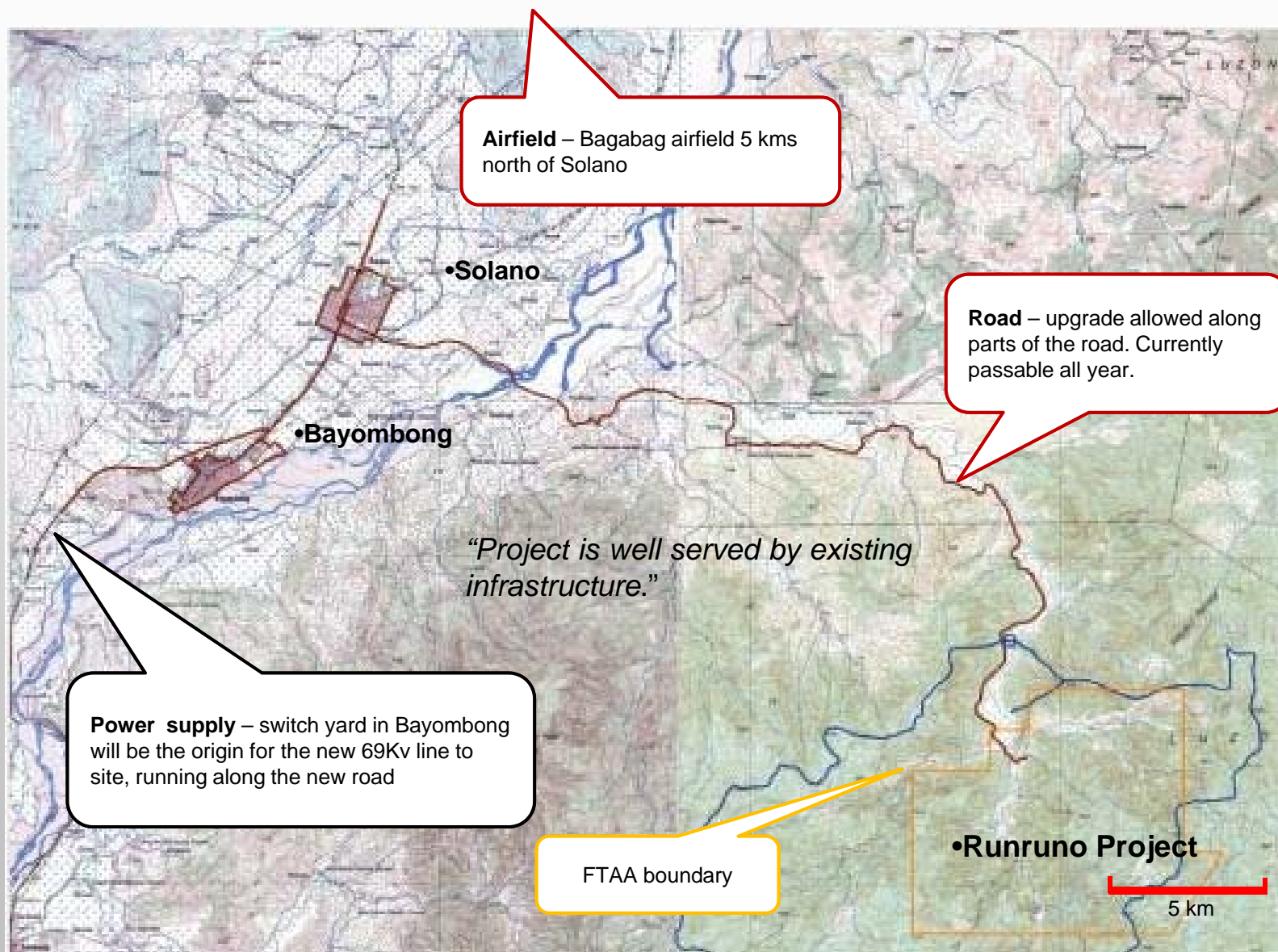




## ***MAIN ACCESS ROAD and PIT ACCESS***



## REGIONAL LOCATION





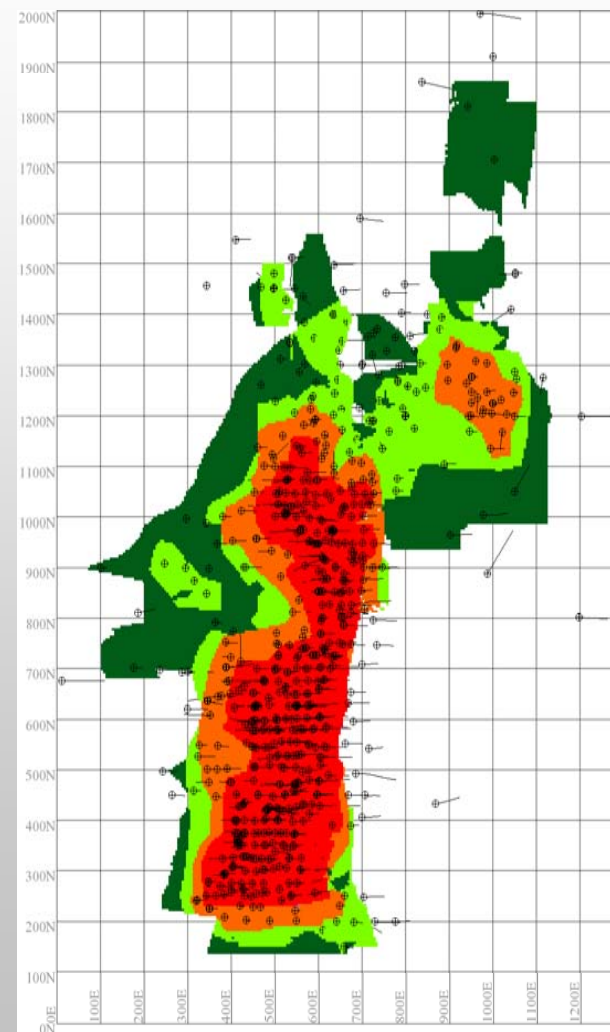
## RESOURCES AND RESERVES

### March 2011 Resource & Reserve Statement

Reserve Category	Ore	Gold		Molybdenum	
	Mt	g/t	M Oz	ppm	M lbs
Proven	10.2	1.90	0.62	616	13.9
Probable	4.8	1.77	0.27	414	4.4
<b>2P Reserves</b>	<b>15.0</b>	<b>1.85</b>	<b>0.90</b>	<b>603</b>	<b>18.3</b>
Additional Inferred Resource in-pit	2.9	1.73	0.16	258	1.7

Resource Category	Ore	Gold		Molybdenum	
	Mt	g/t	M Oz	ppm	M lbs
Measured	11.2	1.88	0.68	604	14.9
Indicated	7.0	1.64	0.37	425	6.5
Inferred	7.5	1.44	0.35	253	4.2
<b>Total</b>	<b>25.7</b>	<b>1.69</b>	<b>1.39</b>	<b>453</b>	<b>25.6</b>

- Resource estimate updated in March 2011 to include all 807 drill holes completed (110,427m) and assays returned by the end of February 2011
- The combined M&I resource of 1,050,000oz gold now comprises 75% of the total
- In addition to the 2P reserves, 2.9 Mt @ 1.73 g/t Au; 260ppm Mo of Inferred mineral resource is included in the mine schedule after allowing for the mining parameters

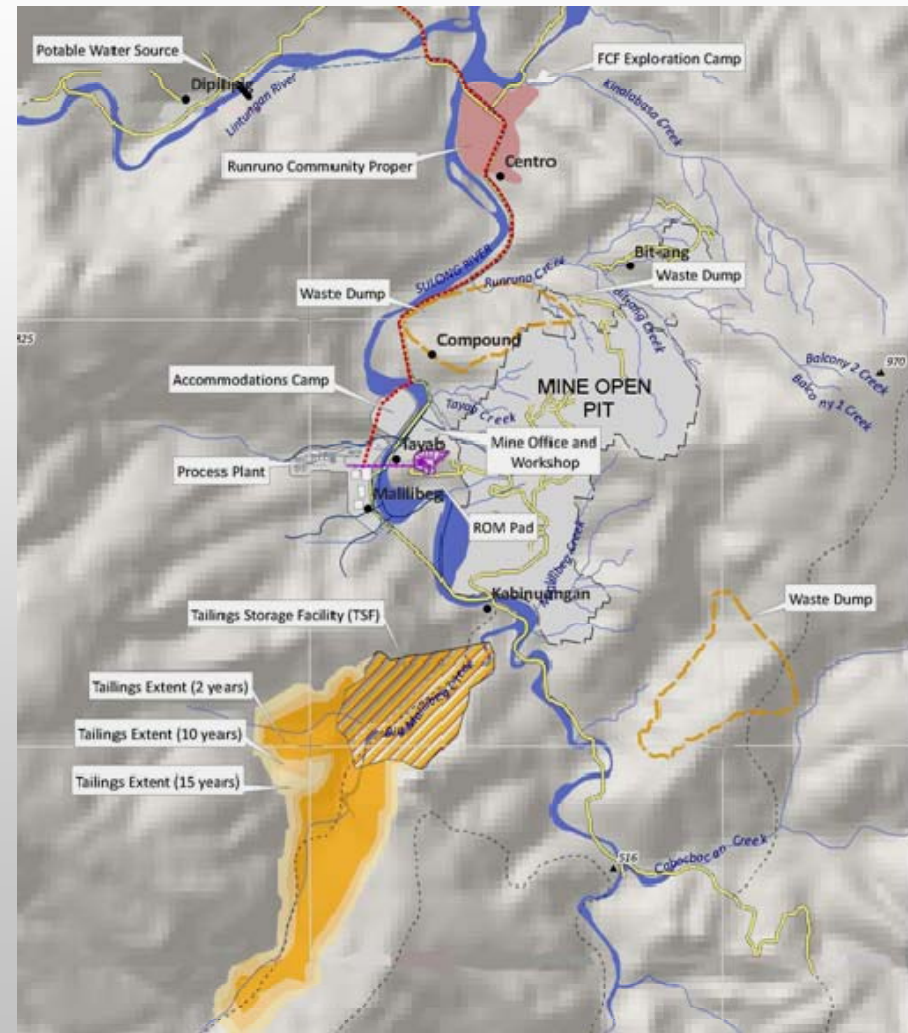


## PROJECT DESCRIPTION

### Five key components:

- Mine Open Pit and Run of Mine (ROM) Pad
- Process Plant facility consisting of conventional crushing, grinding, flotation, along with BIOX® and gravity recovery
- Tailings Storage Facility (TSF): to ensure materials are properly managed and to reclaim water for the project
- On Site Infrastructure: offices, workshops, haul roads, accommodation, back up power and water supply
- Off Site Infrastructure: access road improvement, 69kV powerline from regional hydropower grid

Project footprint is 420 hectares.



## MINING

- Open pit area - 600m x 1,500m
- 1.75 Mtpa ore - transported by conveyor to the Process Plant
- 9.1 Mtpa overburden - used for the construction of the Tailings Storage Facility and in-pit backfill
- During the first three years, waste material will be used in the construction of the Tailings Storage Facility dam wall
- Remainder of waste disposed in pit

### Mining Method

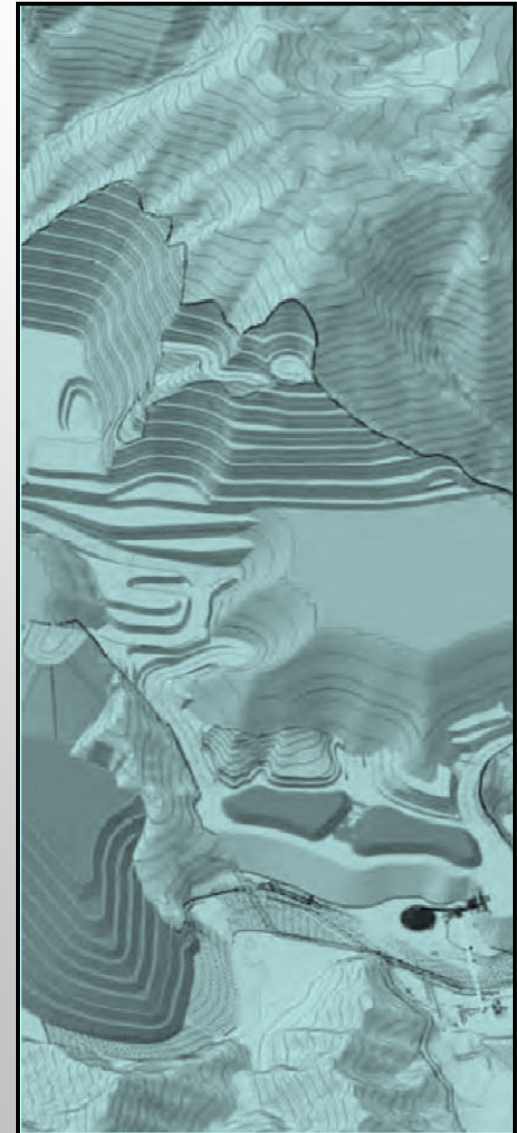
- Conventional open cut, excavator and truck operation
- Mining fleet - 7x100 t haul trucks, 2 excavators and ancillary fleet

#### Mining Estimates

- Mine grade 1.85g/t Au, 603 ppm Mo
- 5% mining loss allowed
- Pit optimised using Whittle modelling
- Av Production - 96,700 oz Au
- Operating strip ratio of 5.2:1

#### Mining Methods

- Open cut, truck and shovel operation
- Ore crushed adjacent to pit and conveyed to process plant
- Waste rock stored in pit where possible
- Tailings dam site within project boundary





## **GOLD PROCESSING**

- Ore contains free and refractory gold and molybdenite
- Gold circuit demonstrated by extensive testwork including 20t pilot plant
  - Gravity recovery – 30% of gold
  - Flotation to gold rich concentrate
  - BIOX® to oxidise sulphides
  - Carbon in leach to recover gold doré
  - Cyanide destruct and tailing neutralisation
  - Tailings stored in purpose constructed facility

- Pressure Oxidation, & BIOX® processes tested
- BIOX® offers:
  - Reduced capital intensity
  - Lower operating costs
  - Proven process
  - Ease of operation
  - Gold recovery > 95% from BIOX® feed
  - Molybdenum dissolution – potential for by-product recovery



## **MOLYBDENUM OPPORTUNITY**

*Molybdenite occurs at Runruno as very fine 10-20  $\mu\text{m}$  grains with pyrite and silicate minerals*

- Hydrometurgical Mo recovery circuit in development – Electrometals Laboratory Queensland
  - Modular add-on to gold circuit
  - Mo solubilised in the BIOX process with no additional processing
  - Recovered from BIOX solution by 3 stage process, reduction by electrowinning, recovery onto resin, stripping & precipitation of saleable product
  - Process development using Runruno solutions 6-9 months
  - Indicated recovery 45-50% of feed grade
  - Demonstration plant required before commercial development
  
- Conventional Mo flotation recovery – demonstrated to be unsuccessful
  - Testwork undertaken by Metcon, Optimet and SGS laboratories
  - Poor flotation recoveries 20-30% into a non-saleable concentrate
  - Unable to liberate Mo during grinding
  - Complicated circuit – high capital and operating costs
  
- Opportunity
  - Establish and stabilise gold circuit operations
  - Demonstrate Mo circuit, 9 – 12 months after following gold production
  - Install “add- on” Mo recovery circuit 18 months after commencement of production
  - Potential incremental revenue 10% of gold revenue (@ US\$ 1,500 / oz Au and US\$15 /lb Mo)

## TAILING DISPOSAL

### *Tailing Storage Facility (TSF)*

- Permanent storage of treated tailings in valley adjacent to the Process Plant
- 2 year starter embankment established using pit pre-strip
- Dam lifted to final height during initial 3 years of production
- Designed to national and international standards for the safe and environmentally acceptable storage of tailings



### *Tailing Treatment*

- Tailings treated to destroy cyanide
- Tailings will be pumped from the Process Plant to the TSF through a pipeline contained in an open earthworks bund
- Sub- aqueous disposal of tail materials

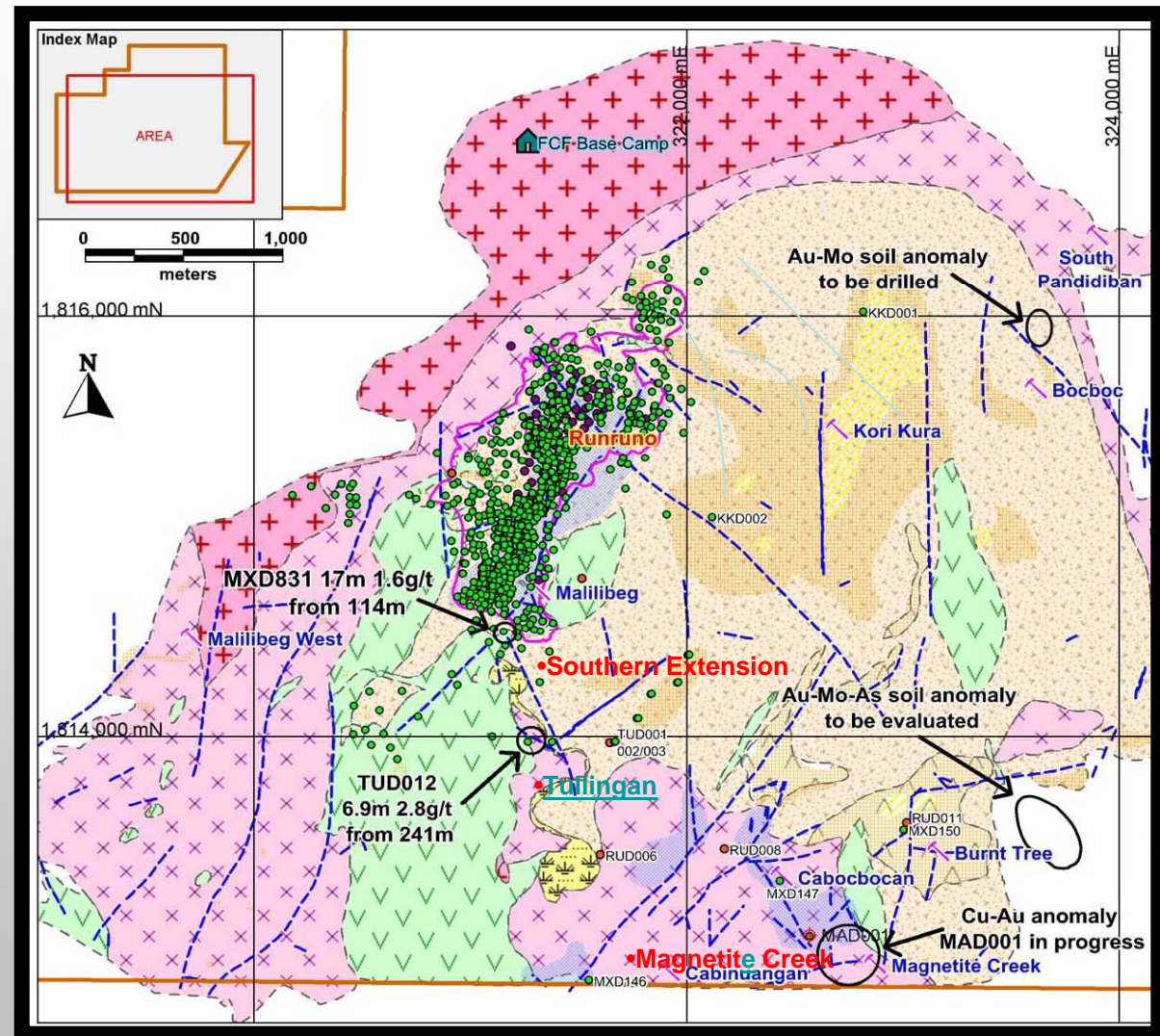
### *Reclaim of Water*

- Reclaim water from the TSF used to support the processing operation. Little to no make up from other sources



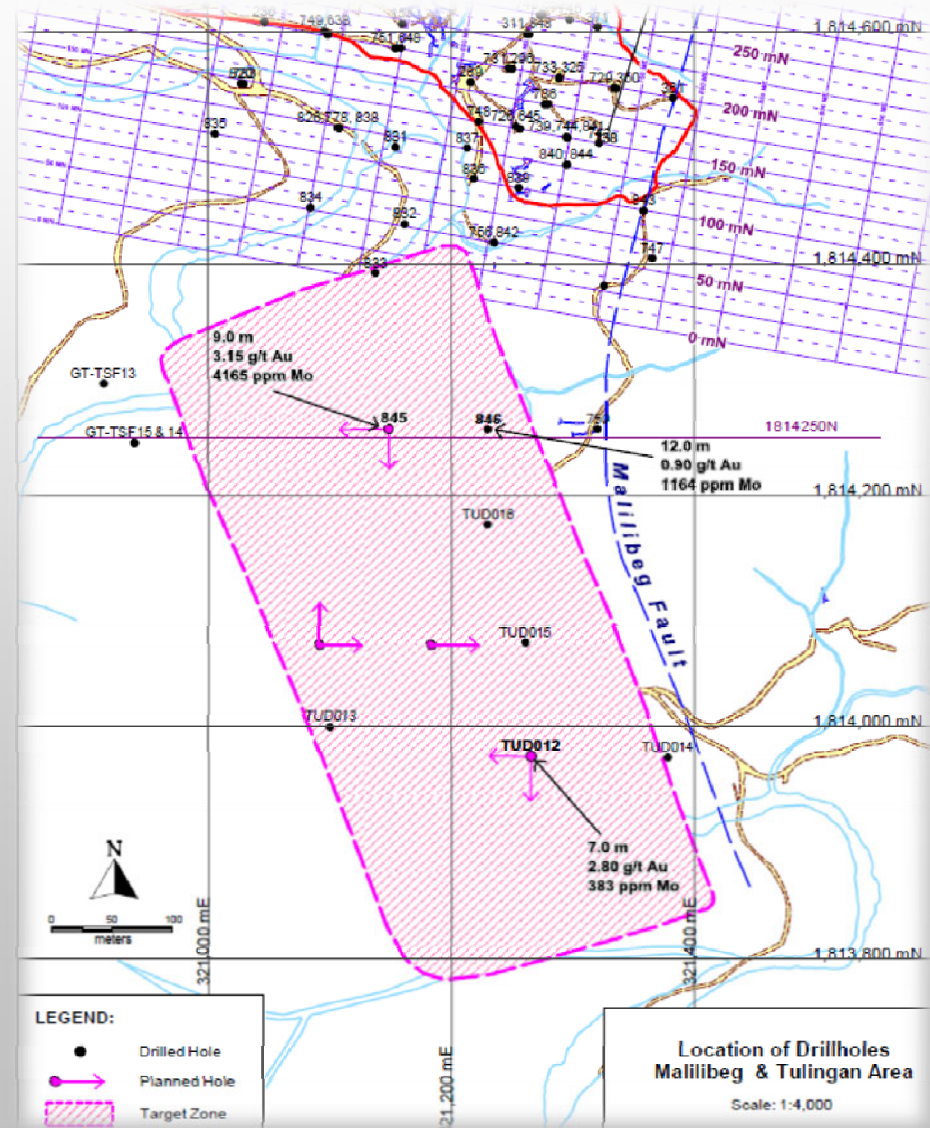
# REGIONAL EXPLORATION - ACTIVITIES

- Active systematic exploration underway
  - Diamond drilling
  - IP and resistivity survey
  - Aeromagnetic survey
  - Ground mapping
  - Geochemistry
  - Remote sensing
  
- Early drilling results encouraging
  - Identification of Runruno styled mineralisation south of the pit
  - Strong copper and gold anomalism outline at Magnetite Creek – porphyry copper style
  - Gold and molybdenum mineralisation identified at Tullangan



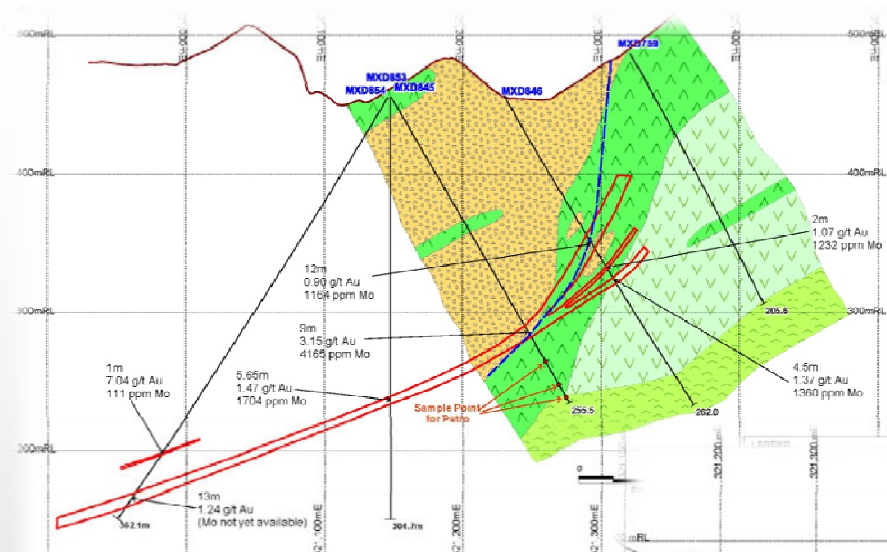
## SOUTHERN EXTENSION AREA

- Potential gold / molybdenum zone outlined south of the Runruno pit;
  - Flat dipping zone
  - Indicated grades 2-3 g/t Au
  - 8-12 m thick
  - +600m long, +200m wide
  - Terminated in the east by Malilibeg fault
  - Open to the west and south
  - Underground potential
  - Intersected between 75-180m below surface
  
- Drilling program underway to assess the potential

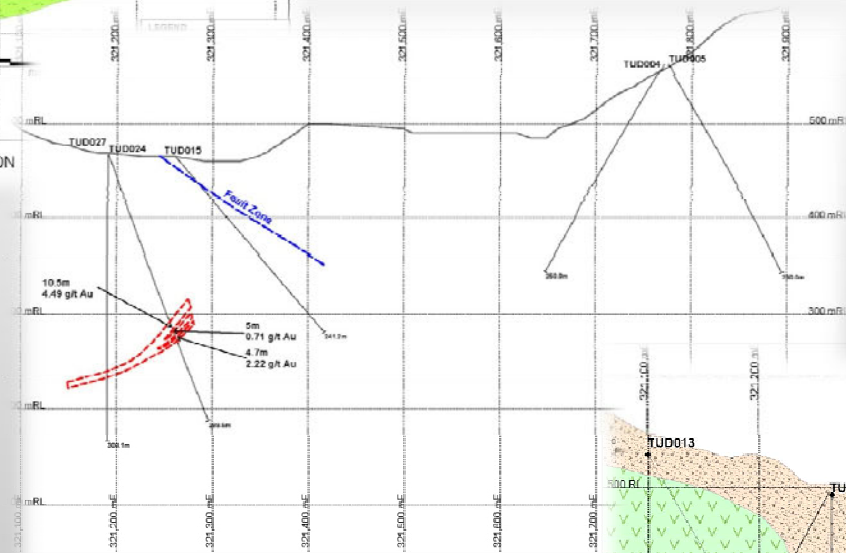




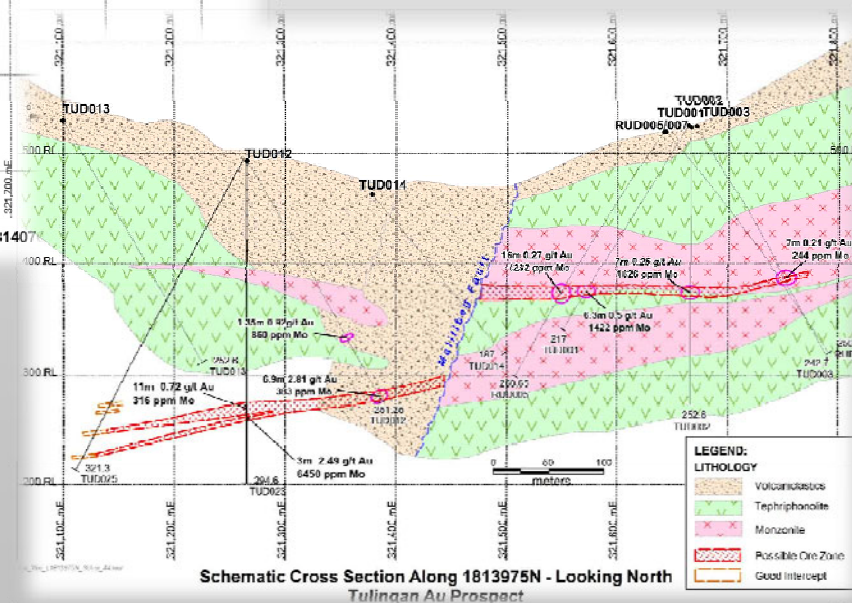
## CROSS SECTIONS SHOWING MINERALISED ZONE



Schematic Cross Section Along L1814250N  
Looking North  
Matibon South



Schematic Cross Section Along Line 181407  
Tulingan Prospect



Schematic Cross Section Along 1813975N - Looking North  
Tulingan Au Prospect

## **CORPORATE SOCIAL RESPONSIBILITY**

### ➤ Education & Training

- Scholarships and assistance
- Adopt a school programme
- Out of work youth skills training programmes
- Teachers salaries
- Mature age learning programmes
- Multiple award winner

### ➤ Health & Nutrition

- Provision of a professionally staffed clinic including doctor and nurses
- Pharmacy
- Alleviation of malnutrition in children
- Specific health initiative programmes

### ➤ Skills Development

- Skills training to enable establishment of sustainable businesses
- Agriculture and animal husbandry productivity programmes
- International award winner

### ➤ Infrastructure Progression

- Community facilities
- Bridges
- Potable water distribution

### ➤ Employment

- Local hire fist policy



**MGB assessment: “The MTL Runruno Gold Project at Barangay Runruno is a 95% socially acceptable project”**

## CORPORATE SOCIAL RESPONSIBILITY

- Environment Protection and Enhancement
  - Environmental monitoring
  - Slope stabilisation and rehabilitation of disturbed areas
  - Forest regeneration
  - Multiple award winner
  
- Communication Information and Education
  - To shape desirable social opinion about the company and its current activities
  - To provide social understanding of the mines and geosciences, encourage on the social responsibility to the environment including effective management and mitigation, awareness on health, sanitation and safety
  - Community engagement towards development
  
- Occupational health and safety
  - Two million man hours without lost time injury achieved
  - Active safety culture, tool box meeting, safety inductions etc
  - Multiple award winner

### RUNRUNO GOLD-MOLYBDENUM PROJECT

*A world class mining and mineral processing project being developed in a socially and environmentally responsible manner.*

*We provide social and economic development through employment, health, livelihood and education programs; building the country a brighter future.*

*We mine...*



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