

CORPORATE UPDATE

April 2013



This presentation should be read in conjunction with information provided on the Company's website at www.metalsexploration.com

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GOLD PROJECT – IN DEVELOPMENT

- Philippine focussed mining development company
- 100% owned Runruno Gold Project being developed
- Robust funding model, 70% equity 30% debt
- Strong major shareholder support - Solomon Capital, Baker Steel, Runruno Holdings, Investec
- Runruno is secured by a Financial or Technical Assistance Agreement (FTAA) allowing 100% foreign ownership
- 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\$ 182 million (Inc. mining fleet)
 - Average operating cost US\$ 442/ oz gold
 - IRR 42% @ US\$ 1,500 / oz Au
 - Production target – H2 2014
 - Proven and probable reserve contains 900,000 ozs of gold, resource including reserves contains 1.4 million ozs of gold
- Molybdenum production upside potential
- Exploration demonstrating upside potential for underground gold resource alongside surface extensions
- Outside the main Runruno gold resource, an additional resource containing 340,000 ounces of gold delineated south of planned pit – good additional upside
- Seeking growth through development followed by further discovery



COMPANY INFORMATION



SHARE CAPITAL (31 March 2013)

- Issued ordinary shares 824,743,103
- Unlisted options and warrants 19,785,000
- Market Capitalisation (8 April 2013) £ 63.9 million

EQUITY RAISING – in progress

- 545,033,044 shares at 7 p
- Raising US\$ 57.7 million
- Shares placed to Solomon, Baker Steel, Runruno Holdings Entities and Investec Wealth
- Raising completed in three tranches, April, June & October 2013
- General Meeting - 22 April to secure shareholder approval
- In parallel open offer to minor shareholders capped at € 4.5 million

QUOTED

- AIM – London Stock Exchange
- Code – MTL

KEY SHAREHOLDERS - % HOLDING (31 March 2013)

- Solomon & related parties 47.28%
- Baker Steel 24.00%
- Runruno Holdings & related parties 18.26%
- Investec Wealth & Investment Ltd 4.21%
- Minor shareholders 6.25%
- 100.00%

DIRECTORS

- Ian Holzberger – Executive Chairman
- Tim Dean - Non Executive Director
- Edward Parsons - Non Executive Director
- Guy Walker - Non Executive Director
- Chris Whitehouse - Non Executive Director

- Liam Ruddy – Company Secretary & GM Commercial
- John Stubbs – CFO
- Craig Watkins General Manager Runruno Project

BROKER

- S.P. Angel Corporate Finance LLP

NOMAD

- Westhouse Securities Limited

RUNRUNO GOLD PROJECT

<i>Status:</i>	In development – infrastructure work well advanced,
<i>Mine life:</i>	10.3 years
<i>Payable Production:</i>	1,006,000 ozs
<i>Annual Production (aver.):</i>	96,700 ozs (101,800 ozs Au years 1-5, 92,700 ozs Au years 6-10.3)
<i>Capital Cost:</i>	US\$182.5m (inc. mining fleet)
<i>Cash Cost (Ave):</i>	US\$ 442 / oz Au
<i>IRR :</i>	42% post tax (@ US\$1,500 / oz Au)
<i>Upside:</i>	by-product Mo, mine life extension, underground gold resource, addition surface discoveries
<i>Location:</i>	Central Luzon, Barangay Runruno, Municipality of Quezon, Province of Nueva Vizcaya.
<i>Access:</i>	by road 320km north of Manila



CONSTRUCTION PHILOSOPHY

- Strong experienced owners team
- Self execute strategy using experienced consultants and sub contractors experienced in the Philippines including:
 - PAIE – project control
 - Contromation Energy Services – design and schedule
 - Goldfields – Biox® process expertise
- Develop supporting infrastructure using discrete contracts and design and erect packages:
 - Access road - *completed*
 - Site establishment – *largely complete including plant site*
 - Camp – *largely complete*
 - Grid power – *in construction*
 - Office, workshop and general facilities – *largely complete*
- Self perform mine pre-strip and tailings storage facility (TSF) construction using mine fleet and sub-contractors – mine equipment acquired, currently at wharf in Manila
- 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

Q1, 2013	Q2, 2013	Q3, 2013	Q4, 2013	Q1, 2014	Q2, 2014	H2, 2014
<ul style="list-style-type: none"> ➤ Infrastructure Development ➤ Equity funding ➤ Process plant design 	<ul style="list-style-type: none"> ➤ Commence mine stripping ➤ Commence TSF ➤ Process plant design and commence construction 	<ul style="list-style-type: none"> ➤ Mine pre-stripping ➤ Construct TSF ➤ Commence mine ➤ Process Plant Construction 	<ul style="list-style-type: none"> ➤ Commence mining ➤ Construct TSF ➤ Process Plant Construction ➤ Finalise debt 	<ul style="list-style-type: none"> ➤ Construction ➤ Pit development ➤ Construct TSF ➤ Process plant construction 	<ul style="list-style-type: none"> ➤ Construction ➤ Ore production ➤ Complete TSF ➤ Process plant construction ➤ Commissioning 	<ul style="list-style-type: none"> ➤ First production ➤ Ramp up ➤ Full production
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			✓ Finalise construction model, commence construction		Q2 2013	
Funding					Q4 2013	
Full construction					Q1 2013- Q3 2014	
First gold pour					H2 2014	

SITE WORKS

- Program of work to support full construction activities
- Includes:
 - General site earthworks – *75% complete*
 - Processing plant pad earthworks – *complete and within budget*
 - Project access road – *substantially upgraded*
 - Establishment of site roads – *80% complete*
 - Erection of construction camp – *70% complete*
 - Grid power connection – *in construction*
 - Construction of potable water system – *90% complete*
 - Pit access road – *Stage 1 starter pit accessed*
 - Erection of a concrete batching plant – *complete and within budget*
 - Mine fleet – trucks, excavators and dozers in Manila, *available for use in May*
- \$US 35 million of works completed - equity funded



SITE LAYOUT



PROCESSING PLANT PAD - Completed



PROCESS PLANT CONTRACT

- To be constructed using a self execute strategy
- Team being assembled
- Design and layout finalised
- Detailed engineering design 50% complete – will support for quick construction
- 15 month on the ground construction timetable
- Process plant construction to commence in second quarter 2013



CAMP SITE and BATCH PLANT AREA



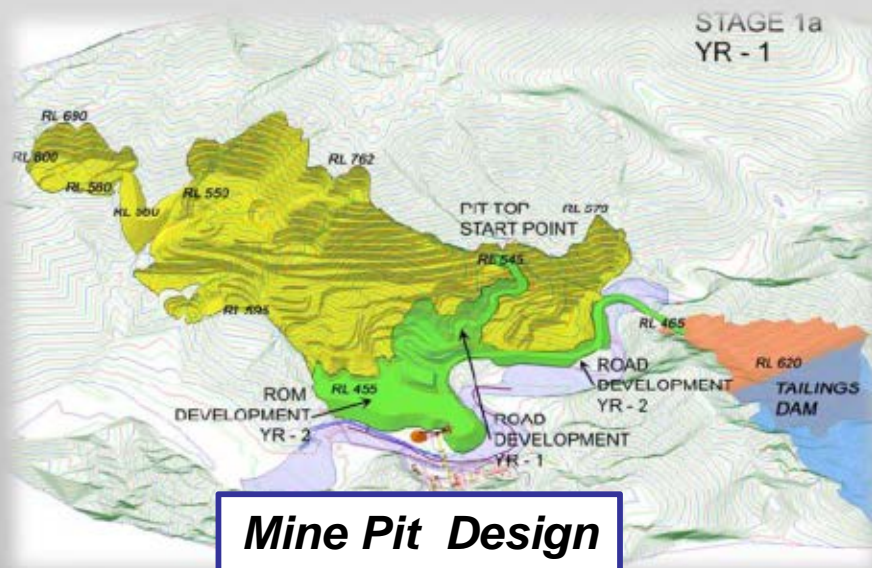
MINE PIT ACCESS



Mine Haul Road from Starter Pit



Mine Haul Road to Starter Pit



Mine Pit Design



Mine Haul Road

INFRASTRUCTURE



Grid Power Connection – 69kV



Potable Water System



Solano – Runruno Access Road

RESOURCES AND RESERVES March 2011 & April 2013

Runruno Main

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
2P Reserves	15.0	1.85	0.90	603	18.3
Additional Inferred Resource in-pit	2.9	1.73	0.16	258	1.7

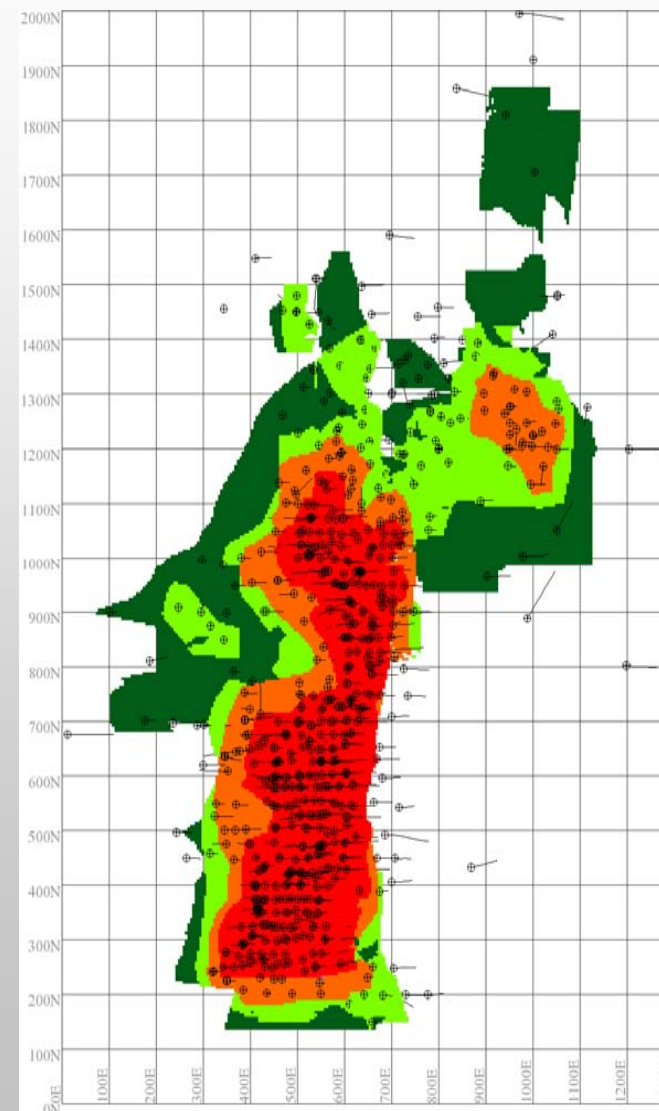
Resource Category	Ore	Gold		Molybdenum	
	Mt	g/t	M Oz	ppm	M lbs
Measured	11.2	1.88	0.68	604	14.9
Indicated	7.0	1.64	0.37	425	6.5
Inferred	7.5	1.44	0.35	253	4.2
Total	25.7	1.69	1.39	453	25.6

- 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

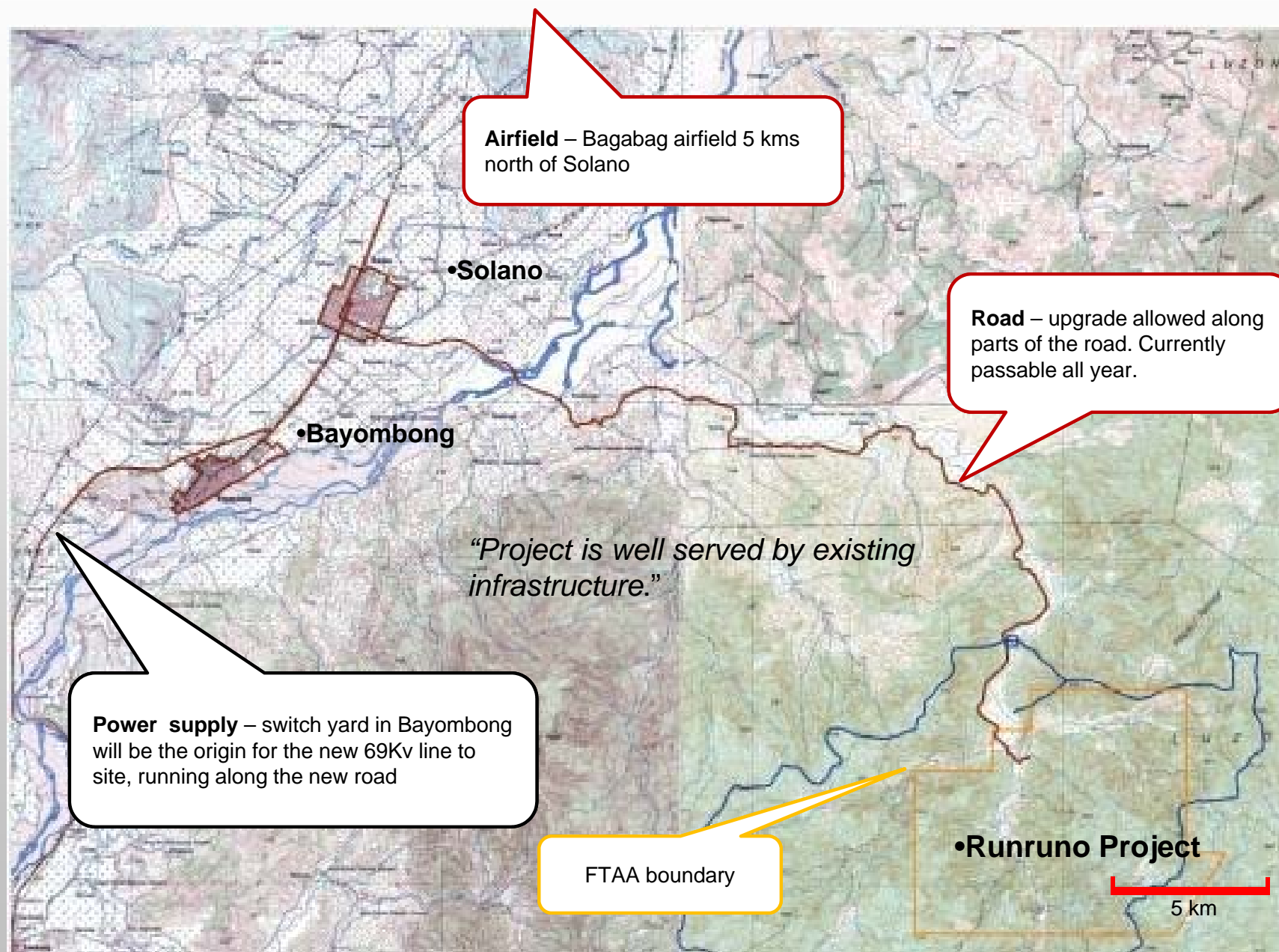
Malilibeg South

Resource Category	Ore	Gold		Molybdenum	
	Mt	g/t	M Oz	ppm	M lbs
Inferred	7.6	1.40	0.34	1,200	19.98
Total	7.6	1.40	0.34	1,200	19.98

- Combined resource contains 1.73 m ozs of gold - 33.3 mt @ 1.63 g/t Au



REGIONAL LOCATION

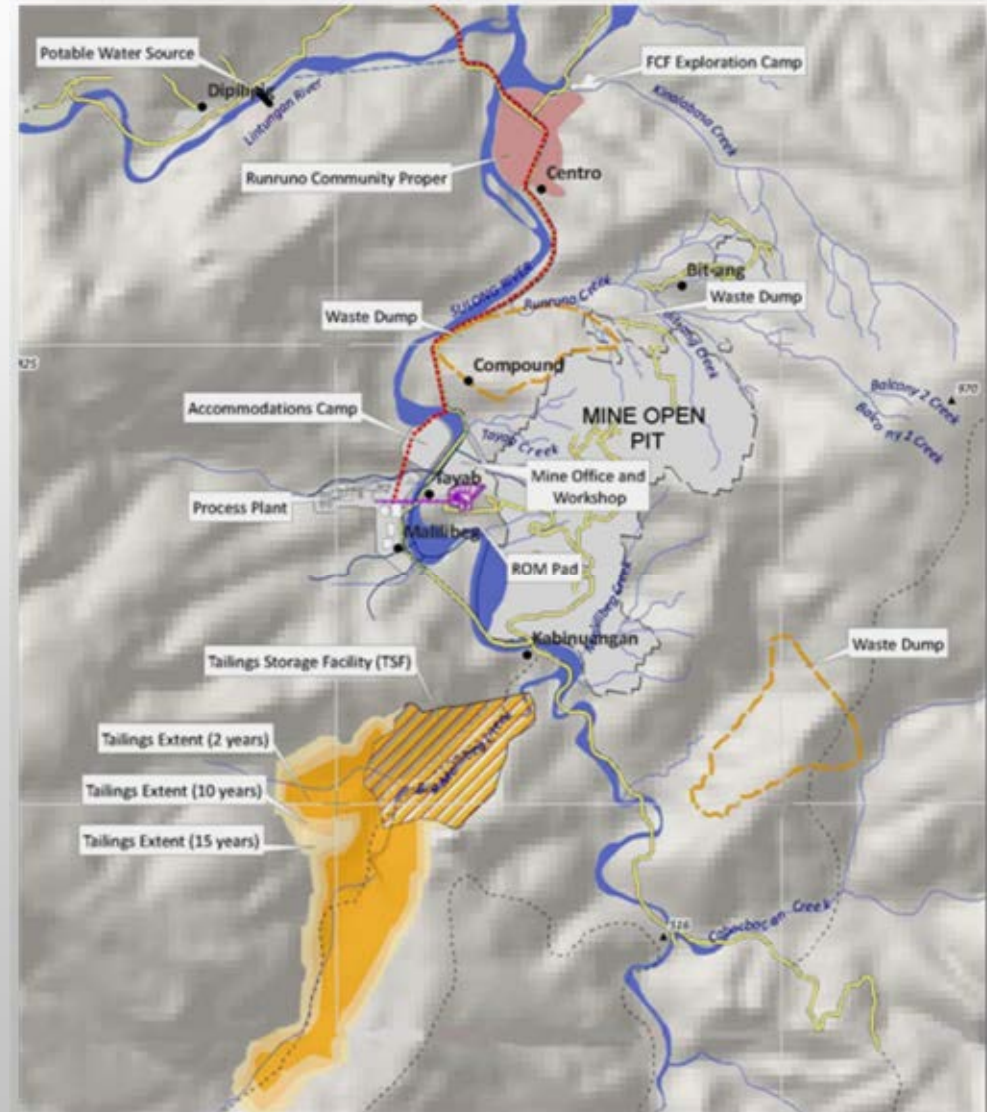


PROJECT DESCRIPTION

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.



- 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

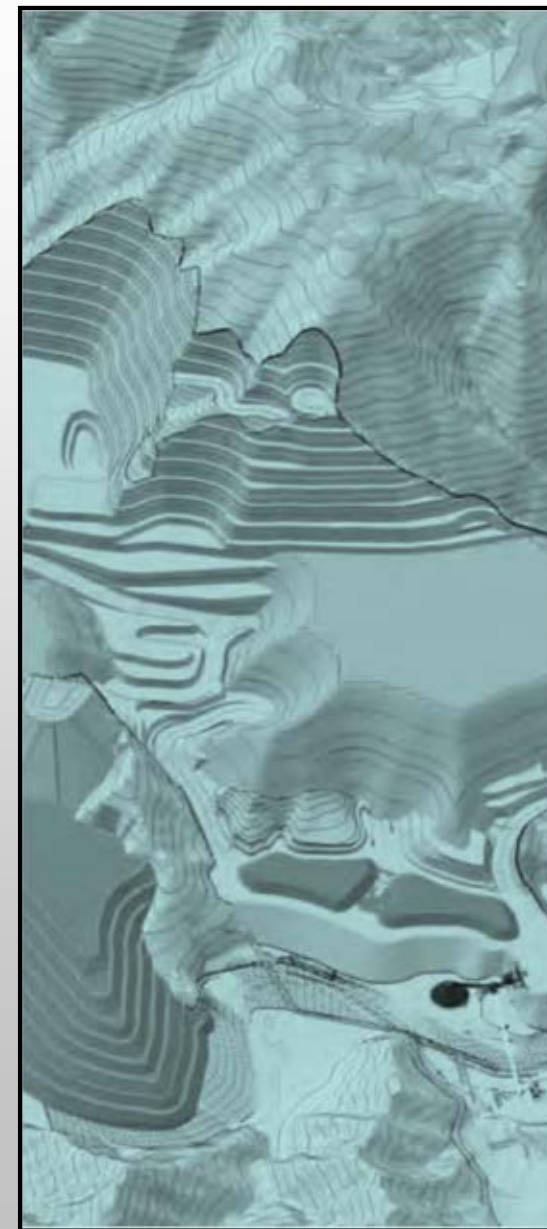
- Conventional open cut, excavator and truck operation
- Komatsu mining fleet – 6x100 t haul trucks, 2 excavators 2 bulldozers and ancillary fleet, *delivered Manila, available at site in April 2013*

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 μm 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

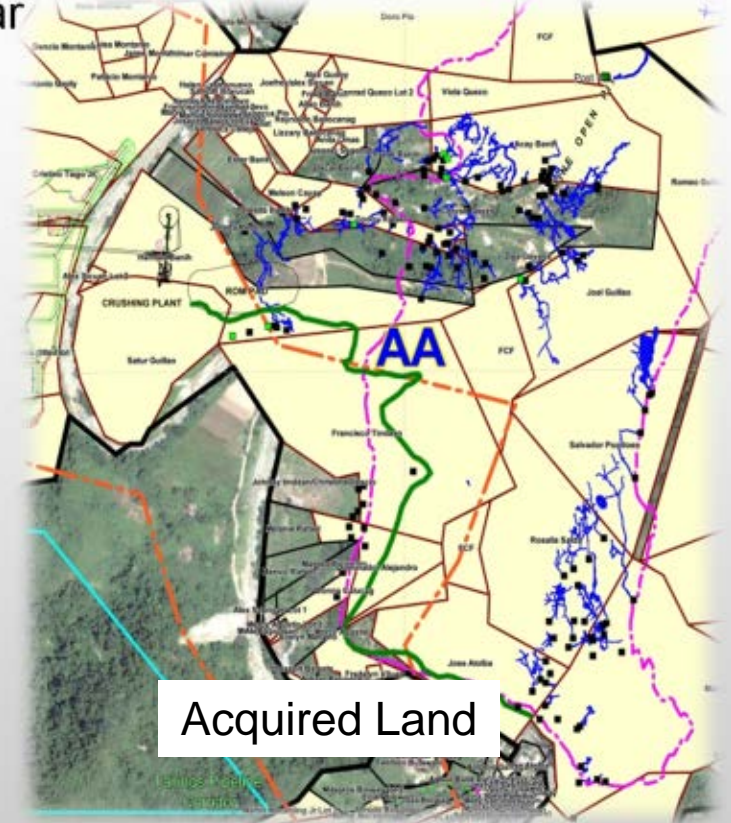
- Tailings treated to destroy cyanide
- Tailings will be pumped from the Process Plant to the TSF through a pipeline contained in an open earthworks bund
- Sub- aqueous disposal of tail materials

Reclaim of Water

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

CURRENT ACTIVITIES

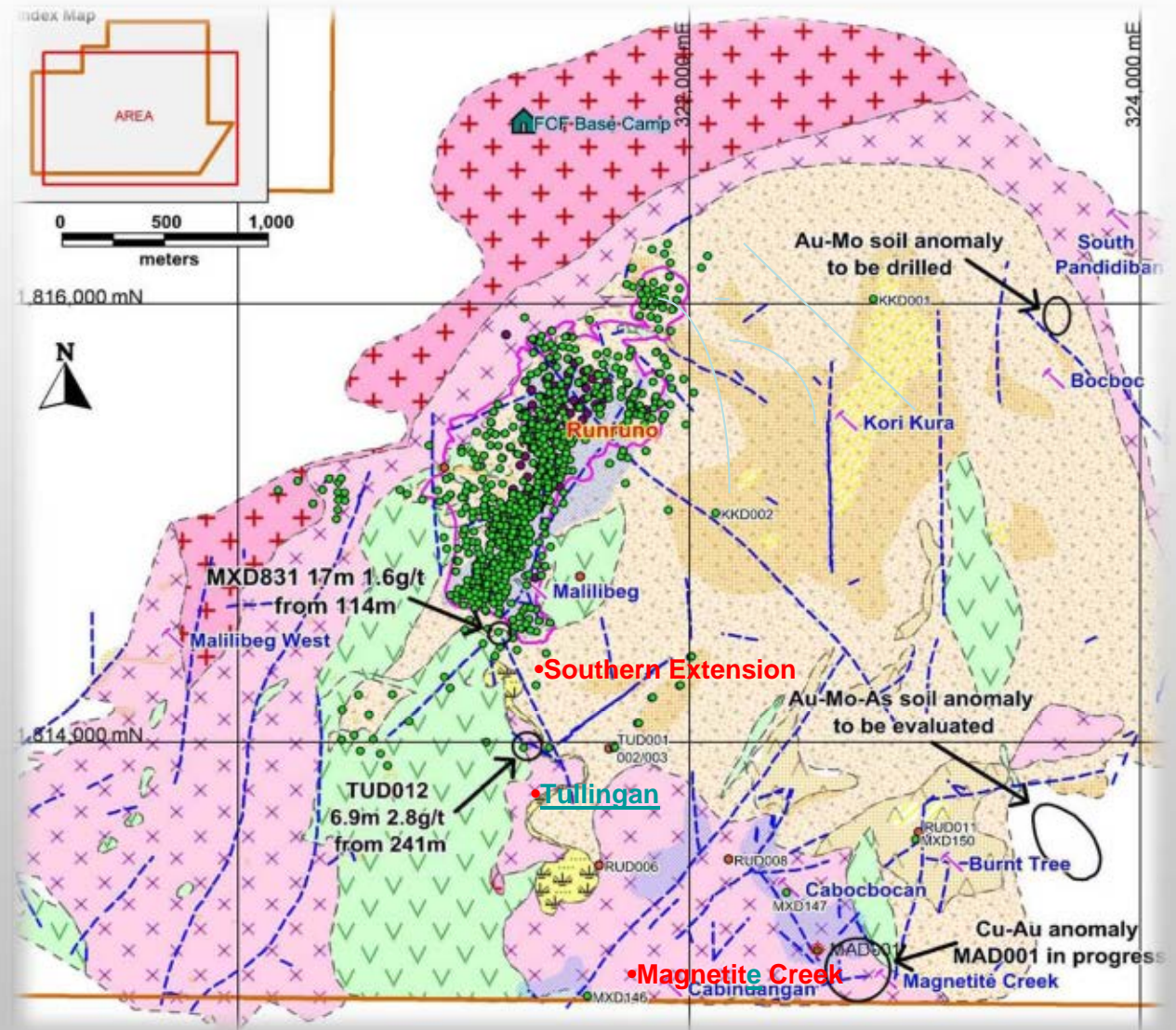
- Finalise funding package, equity in place debt by end of year
- Infrastructure development
- Commissioning mining fleet
- Award process plant construction package
- Finalise land acquisition – 85% completed
- Decommissioning small scale mining operations
- Environmental management and rehabilitation
- Community information programmes
- Social responsibility activities
- Defend application for a Writ of Kalikassan against the project. A frivolous and vexatious action taken by small group of self interested minor parties to impede the project for their benefit. Preliminary conference completed with positive outcome for the Project including denial of a Temporary Environmental Protection Order. Hearing late February - expect application to be dismissed



REGIONAL EXPLORATION - ACTIVITIES

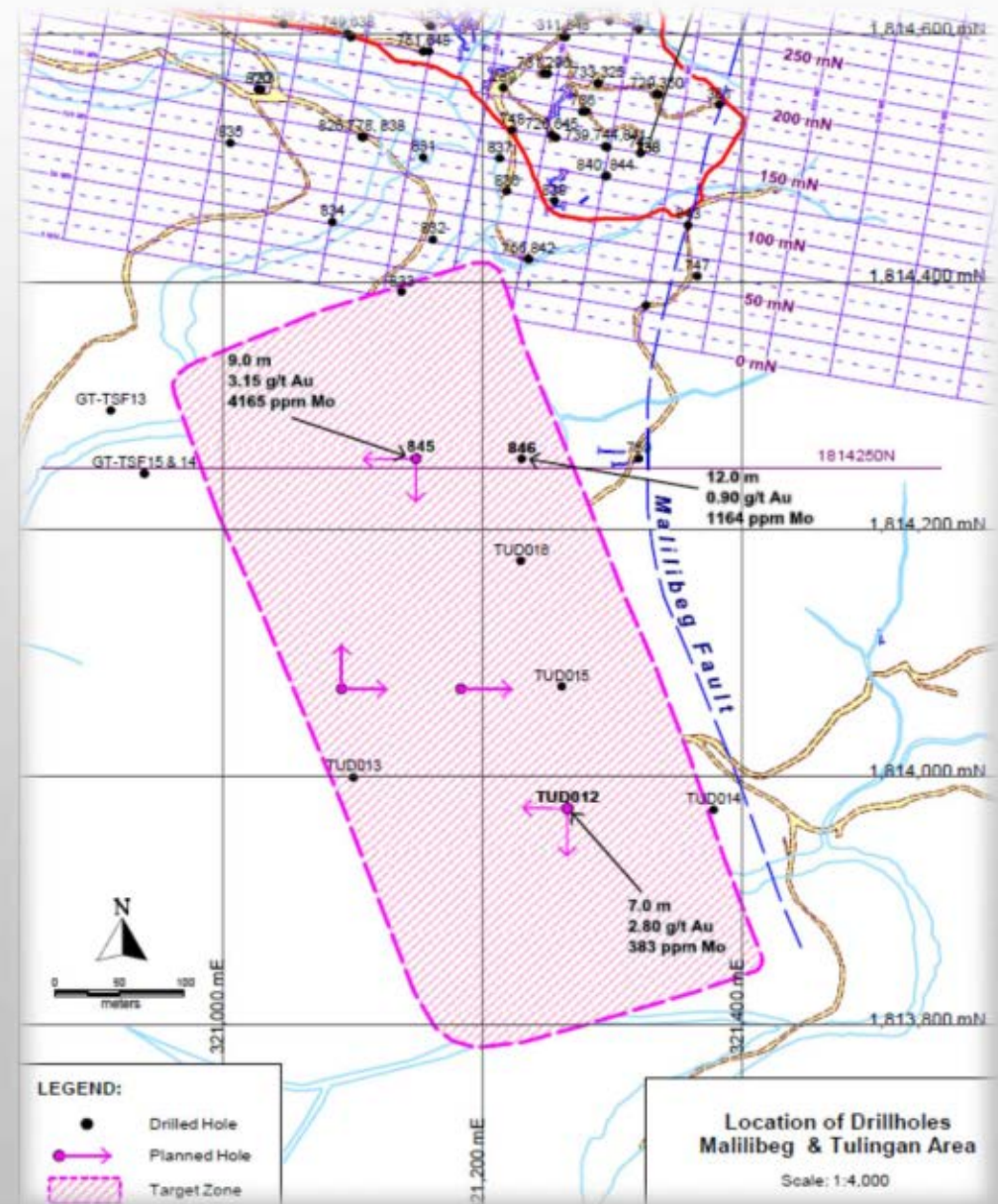
- Active systematic exploration underway
 - Diamond drilling
 - IP and resistivity survey
 - Aeromagnetic survey
 - Ground mapping
 - Geochemistry
 - Remote sensing

- Early drilling results encouraging
 - Identification of Runruno styled mineralisation south of the pit
 - Potential extension north of the pit
 - Strong copper and gold anomalism outline within the FTAA area– porphyry copper style to be assessed
 - Gold and molybdenum mineralisation identified at Tullangan



SOUTHERN EXTENSION AREA

- Potential gold / molybdenum zone outlined south of the Runruno pit;
- Initial inferred resource 7.55 million tonnes @ 1.4 g/t Au containing 340,000 ozs Au
 - Flat dipping zone
 - Indicated grades 2-3 g/t Au in continuous lenses
 - 8-12 m thick
- Zone open to the south and west
- Strong potential for significant increase to gold resource
- Drilling program underway to assess the potential



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



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
 - Four an a half 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...



22nd Fl. Salcedo Towers, H.V. Dela Costa St., Salcedo Village, Makati City, 1227 Philippines t: +63 (0) 2 859 0962 f: +63 (0) 2 856 8607 e: mail@kfminerals.com w: www.kfminerals.com

Air quality monitoring at Runruno Barangay Hall and Elementary School.



Water quality monitoring at Dawson Creek and upstream Sulong River.



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ENVIRONMENT, SOCIAL and SAFETY PROGRAMS***

