

METALS EXPLORATION PLC

Metals Exploration plc (AIM: MTL) ("Metals Exploration" or the "Company"), the natural resources exploration and development company with assets in the Pacific Rim region, will hold its Annual General Meeting ("AGM") today. At the AGM, Darren Bowden, Chief Executive Officer, will provide the following statement:

"As you know I became the CEO of Metals Exploration earlier this year. My appointment stemmed from a decision by the Board to seek a new management team who could unlock the potential that remains in Runruno. I actually began my initial work back in October 2018, in a consulting capacity on behalf of the mezzanine lenders reviewing the operations and issues that have plagued the mine since commissioning.

"Once we had our feet on the ground, Mike Langoulant and I reviewed the economics and financial position of the business and it became abundantly clear to us that the current debt structure was not tenable long term. As well as this, last year the Company obtained some short-term mezzanine finance to provide working capital in the absence of sufficient cash flow being generated by the mine. As part of the reviews and knowing a lot more about how the mine was able to operate and improve, we produced revised economic models. These models are very different to the historical models that the lenders were provided and are more in line with the mine's continued economic potential. Accordingly, after all this, it became immediately clear to us that we didn't have the money to service this debt. This is why since early March 2019 the management and Board have been in detailed negotiations with all the Company's lenders to secure the short and long term future of the Company.

"As we reported in January of this year, we discovered several material discrepancies in the historical operational data released to the market versus the mine's actual performance. In essence, the BIOX was not working nearly as well as it should have been. As many of you will know, the BIOX has been somewhat of a headwind for the Company in the past and is still yet to be fully resolved, however our new on site team have achieved some impressive results and we at least now fully understand the issues and have options to solve them. I'm pleased to say that our new team has put us in a position where both the mine and the plant performance are improving. We have been able to sustain a 66% overall processing recovery in 2019 against 57% in 2018 and have solutions (that require additional/unfunded capital expenditure) to move to 85% in the medium term. In January we took shareholders through the key issues that were identified and our immediate actions to be undertaken. All of the actions outlined in January were commenced with the new mine plan being finalised as we speak and engineering commencing on the design changes identified in the plant.

"Obviously, we are now only three days away from 28 June 2019 which is when the current standstill agreement falls away. Contrary to what has been stated in some recent press articles negotiations to restructure the debt are ongoing and the company is seeking to extend the standstill ensuring time is available to reach a conclusion. I appreciate that this has been a very difficult time for you as shareholders of this company. It would be misleading to give you any type of assurance that a new agreement will be reached as we are in the hands of our lenders. What I can say though is that we are trying everything we possibly can in this regard.

"It has been an extremely busy period since we started and while we have already started making improvements, which have borne fruit, we are not in a position to meet the debt repayments and interest that you all know too well. With that, and given the announcements of the last few months, I suspect you may have some questions. I will do my best to answer them but as I'm sure you can understand there may be some that I am unable to provide further colour."

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.

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

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