



Metals Exploration

Building an independent APAC focussed gold producer

January 2019



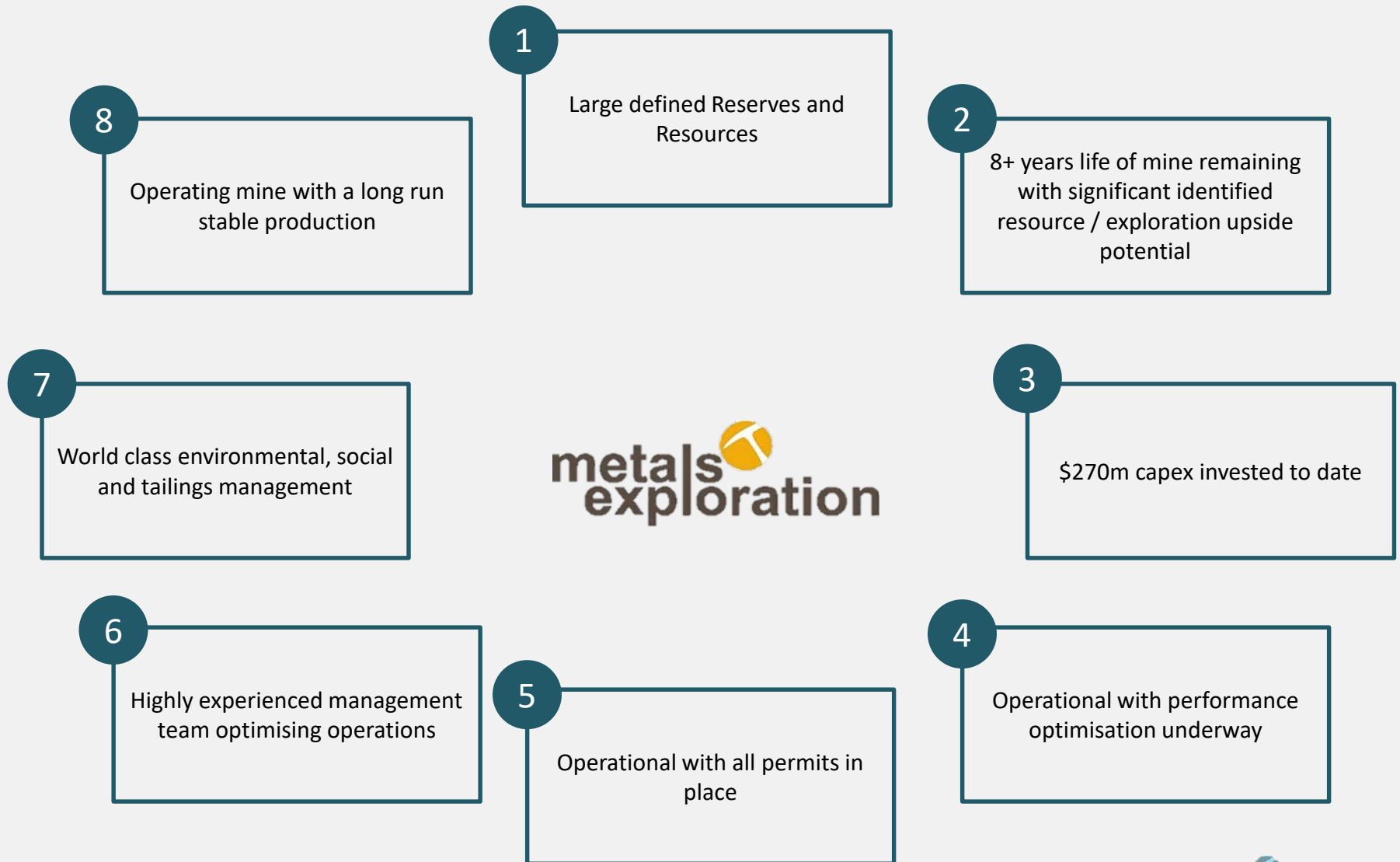
Disclaimer

- This presentation has been prepared by the management of Metals Exploration Plc for the benefit of the investing community including, brokers, fund managers, investors and analysts and not for the benefit of any particular person. It should be read in conjunction with information provided on the Company's website at www.metalsexploration.com.
- The content is based on the Company's information, internally developed data and data from other external sources. No independent verification of either the internal or external information and data has been undertaken and where any opinion is expressed in this document it is based on the assumptions and limitations mentioned herein and is an expression of present opinion only. No warranties or representations can be made as to the origin, validity, accuracy, completeness, currency or reliability of the information. Metals Exploration Plc disclaims and excludes all liability (to the extent permitted by law), for losses, claims, damages, demands, costs and expenses of whatever nature arising in any way out of or in connection with the information, its accuracy, completeness or by reason of reliance by any person on any of it.
- This presentation may contain certain "forward-looking statements" with respect to certain plans, goals and expectations relating to the Company's future financial condition, performance and results. By their nature, all forward looking statements involve risk and uncertainties that could cause actual results to differ materially from those expressed or implied by the forward looking statements because they relate to future events and circumstances which are beyond Metals Exploration Plc's control including among other things, global economic business conditions, market related risks such as fluctuations in gold and copper prices, interest rates and exchange rates, initial operational risks, changes in the economic, political or legal regime in the Philippines, volatility of prices, environmental factors, equipment failure, as well as the impact of tax and other legislation and other regulations in the jurisdictions in which MTL and its affiliates operate. As a result, Metals Exploration Plc's actual future financial condition, performance and results may differ materially from the plans, goals and expectations set forth in the forward looking statements.
- Metals Exploration Plc' undertakes no obligation to update the forward looking statements contained in this presentation or any other forward looking statements that it may make.

Executive Summary

- Metals Exploration (AIM:MTL) is a natural resources exploration and development company focussed on becoming an independent gold producer in the Asia Pacific region
- The company wholly owns and operates the low cost Runruno Gold Mine located in the mineral rich province of Nueva Vizcaya (Philippines) which it developed from greenfield to production
- Supportive shareholders
- Exploration upside
- Experienced management is optimising operations
- Fully permitted, world class environmental standards, 99% Filipino workforce of which 32% are female
- Negotiations with lenders for waivers to its current covenants and repayment schedule are ongoing
- Operational optimisation is underway to reach full recovery and reach capacity gold production

Metals Exploration's value creation strategy & turnaround



¹ Includes Reserves and Resources, excluding Malilibeg South. Depleted number of 2011 JORC Resource Statement



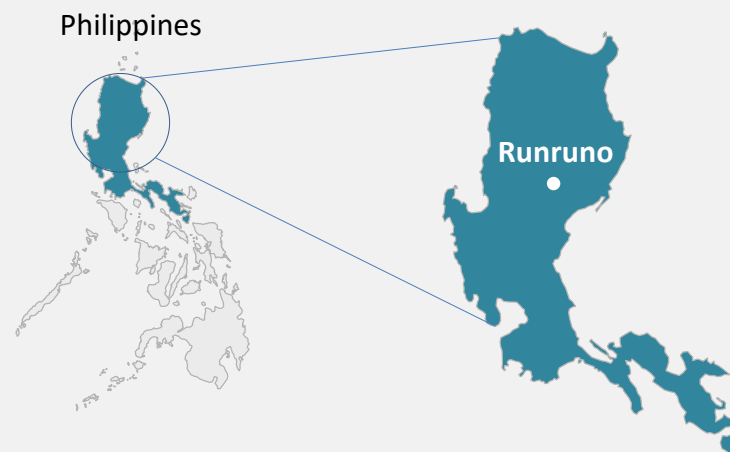
Corporate Snapshot

Company overview

Company overview

- Metals Exploration (AIM: MTL) is a natural resources exploration and development company focussed on becoming an independent gold producer in the Asia Pacific region
- The company listed on AIM in 2004 and currently has a market cap of £16.6¹m and an EV of £101.9m¹
- The company wholly owns and operates the Runruno Gold Mine located in the mineral rich province of Nueva Vizcaya, in the north of the Philippines
- The mine commenced operations in June 2016 and is targeting sustainable production that supports the remaining mine life circa 8 years
- Further exploration to commence in 2019

Asset location



Shareholders

#	Institution	% holding	Market value ¹ (£m)
1	MTL (Luxembourg) Sarl ²	46.8%	7.8
2	Runruno Holdings Ltd ³	19.0%	3.1
3	Baker Steel Capital Management	6.9%	1.1
4	Bank of New York Nominees	6.1%	1.0
5	JIM Nominees	3.5%	0.6
6	Others	17.0%	2.8

¹ Market capitalisation and values as of 11th January 2019

² Owned by Nick Candy & registered in Luxembourg

³ Registered in the Channel Islands

Source: BBG as of 22nd November 2018; Shareholder Register as of 31st October 2018; BBG share price as of 22nd November 2018

Experienced board of directors & management

Board of Directors & Management overview



Darren Bowden – *Chief Executive Officer (Appointed January 2019)*

- Mining Executive with 25 years' experience building and developing mining projects across Australia, North and South America. Darren has worked across all aspects of the mining business from M&A to technical to operations and executive management
- Formerly worked for Anglo Coal Australia, Glencore, Nyrstar and Mubadala



Andrew Rodgers – *Chief Financial Officer*

- Andrew draws on over 20 years' experience in senior C-Suite positions (including ASX 100, AIM) within the Resources and Mining Services Industry (over 30 years' broader financial and commercial experience)
- His finance experience includes project and resource financing, along with asset and debt/equity structuring. He also has strong operational experience.



Ian Holzberger – *Non-Executive Chairman*

- > 40 years' experience in the mining industry which encompasses a wide range of management, operational, mine development and feasibility study roles
- Previously worked as MD of Highlands Pacific (1997-2007) – implemented Feasibility Study of Ramu nickel laterite project
- Has led and implemented multiple feasibility studies as well as raising equity, debt financings and government negotiations



Guy Walker – *Non-Executive Director*

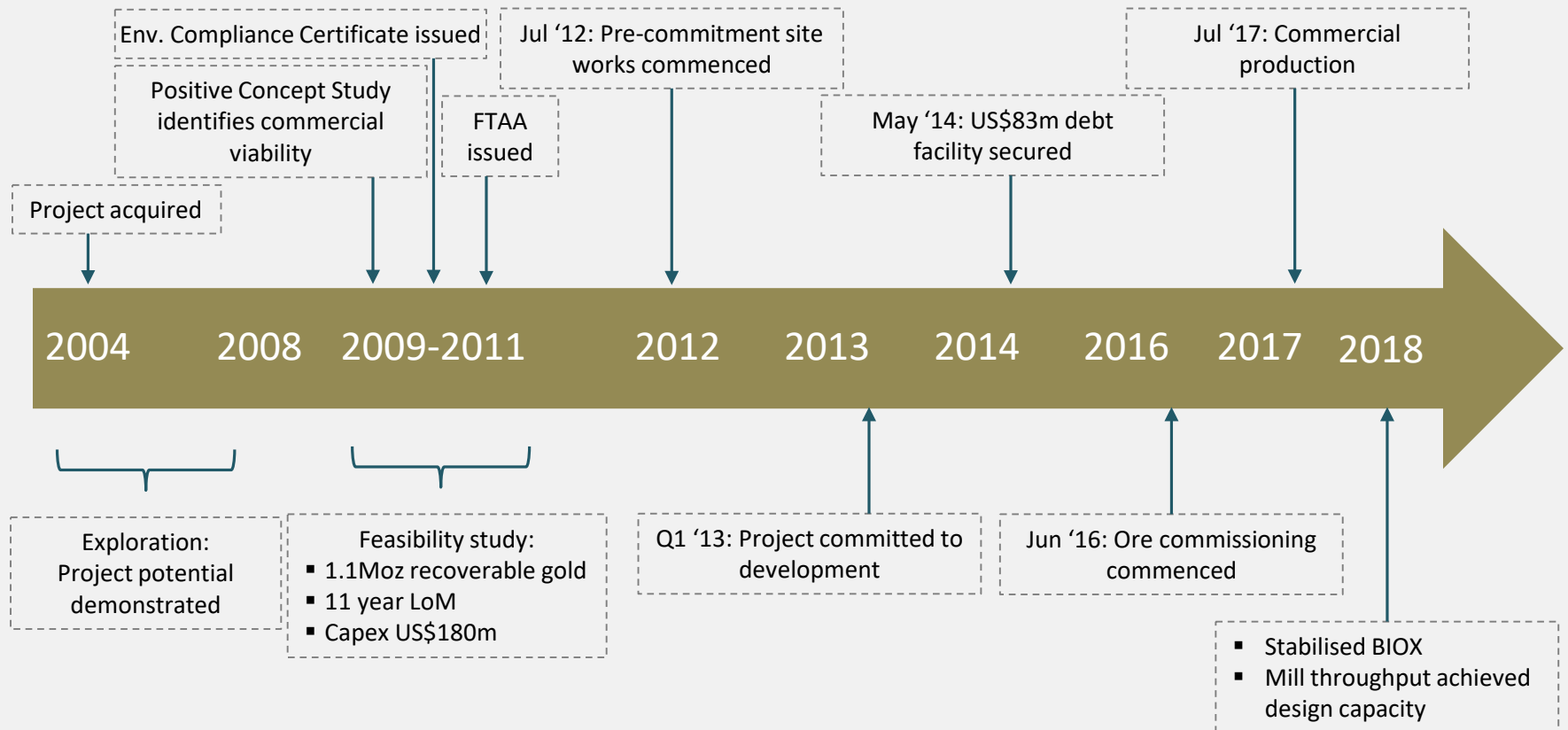
- > 20 years finance experience
- Accomplished director and senior investment management executive. Is currently, or has previously, been a member of the boards of several exploration, development and production companies
- Extensive experience in capital raising through traditional banks and alternative lenders



Eduard Simovici – *Non-Executive Director*

- > 15 years finance experience, qualified accountant with CPA (AUS)
- Formerly worked with KPMG in audit and went on to serve as group financial controller for a telecom group, head of finance for a real estate group and CFO for a software group.

Runruno timeline – operational since July 2017



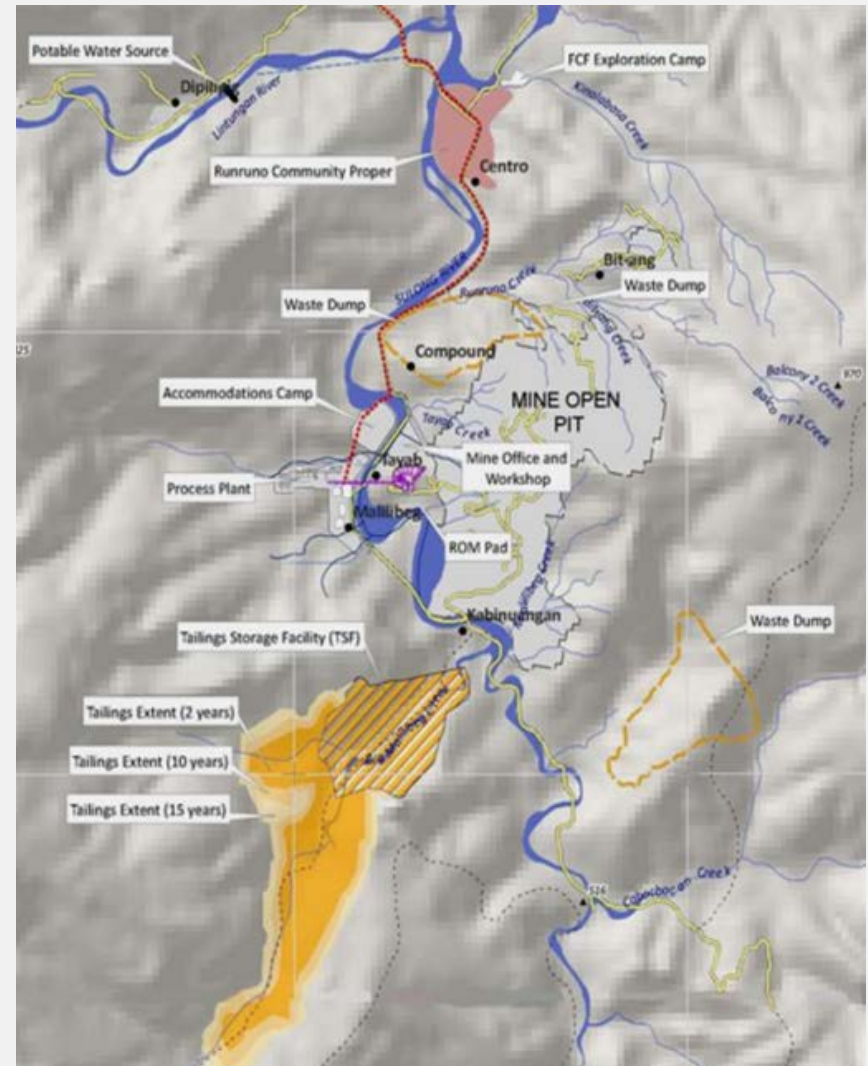


Runruno Gold Mining Operations

Runruno gold mine

Overview

- Unique surface cut and fill mining operation
- Delivers ore at an average rate of 165-175kt per month
- Operations are 24 hours, 365 days a year
- Scheduled mine life is estimated at 8+ years
- Environmental Compliance Certificate allows for maximum production of ore of 3.0 million dry metric tonnes per annum and approximately 17.7 million dry metric tonnes per annum of waste
- Remaining in-situ resources of over 1 million ounces of gold¹
- c.800koz² of contained gold is scheduled to be mined over 8+ years
- Partially tested exploration upside

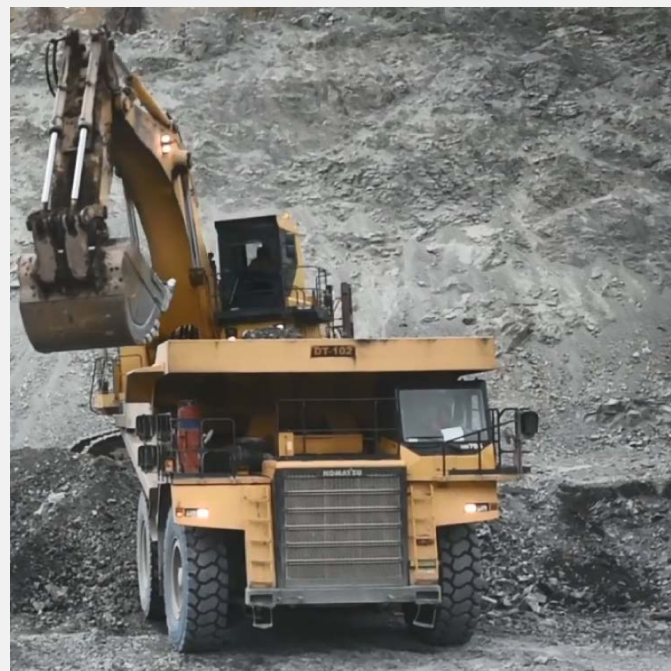


¹ Excluding Malilibeg South

² Internally estimated ounces remaining after depletion of mined resource

Mining operations

- Surface cut and fill
 - Initial pit is created which is then back filled as mining progresses
 - Continuous rehabilitation integrated
- Traditional excavator and truck approach, with drill and blast
- Ore mined at 2.1Mtpa to 1.6Mtpa over remaining LOM
- Total mine movement of 11.3Mtpa to 6.8Mtpa over remaining LOM
- Total mine area – 600m x 1,500m – multiple stages
- Komatsu mining fleet – 8x100t haul trucks, 2 excavators, 2 bulldozers and ancillary fleet
- Small ancillary and construction fleet contractor
- Waste from the pit also used as mass fill in the construction of the RSI
- Overflow surface waste dumps well established

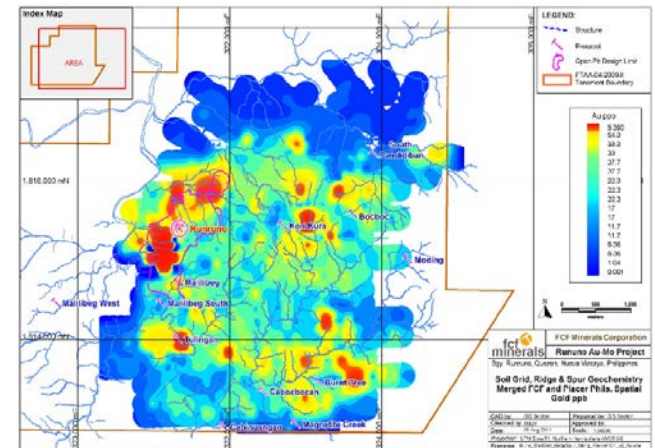
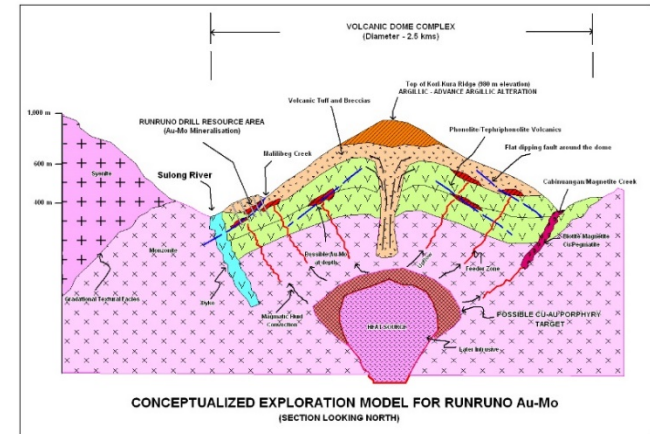


Exploration upside

Significant known exploration upside

- Step-out broad based exploration conducted throughout 2011/12 which supported the Malilibeg South resource estimate
- Identification of Runruno style mineralisation south of the pit & potential extension north and east of pit boundary
- Exploration currently focuses on a dormant volcanic system measuring ~3km in diameter. Geological features include a syentic-monzonite intruded into a coeval trachytic, volcanoclastic & tuffaceous volcanics
 - The area is extensively argillised with argillic alteration caps N to NE and trending zones of intense sulphide-phyllitic alteration around the western and southern rim of the centre
 - Linear phyllic zones are exposed over a 1000-m x 200-m area within the argillic alteration at Cobocbocan Creek (~750-m ASL.)
 - A broad (2600-m X 800-m) E – W moderate phyllic zone is located on the northern margin of the volcanic centre
- Past sampling and drilling have established economic grade intercepts within these intense phyllic zones and further exploration and evaluation has demonstrated large untested extensions to the E and SE that may continue under and be obscured by the argillic alteration cap

Exploration targets and geology map



Processing

BIOX – Generation III

- The Runruno BIOX® circuit is designed with upside capacity
- The target sulphide sulphur grade is 17% S²⁻
- Conventional comminution, gravity and flotation circuits used to produce a gold bearing sulphide concentrate
- Refractory ore processed by a Generation III BIOX plant combined with conventional CIL treatment to recover gold to doré bullion
- Targeting 90% recovery

ASTER – A process of detoxification of CIL residue

- As in BIOX, naturally existing bacteria acts as a catalyst in the detoxification process
- All cyanide compounds destructed to below an unprecedented 0.5ppm total cyanide before disposal in the RSI
- Residue discharged from the processing plant is chemically compliant at the plant



Infrastructure

Power

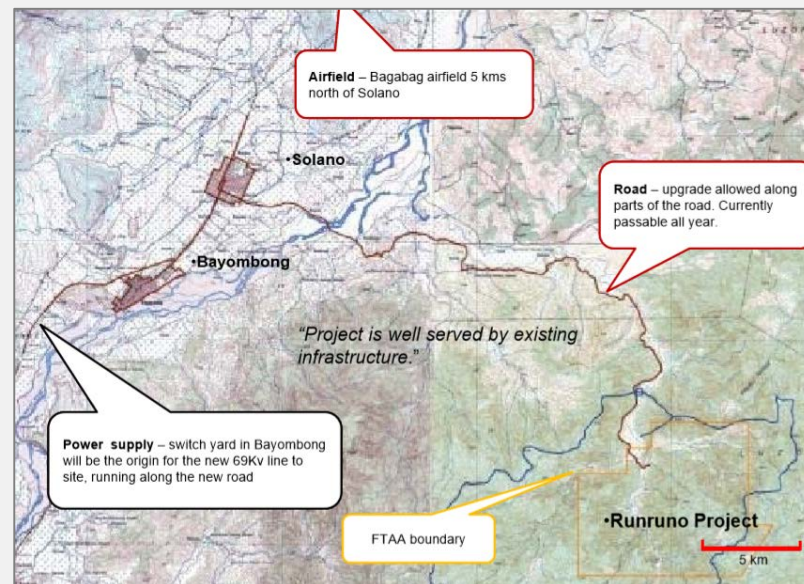
- Grid power from Bayambong (national grid switch yard) c. 36km by transmission line to Runruno (69Kv)

Road

- Runruno is serviced via a national secondary road and is 26 km from the regional town of Solano
- Solano serviced by sealed and concrete surfaced national roads with access to Manila and local ports

Site infrastructure

- Accommodation camp, contractor facilities, offices and workshops
- Back up power and water supply (potable & sewage water infrastructure) installed



Mine site layout & sequencing

Overview

- LOM strategy is to mine 2 stages contiguously
- 2019 will focus on mining Stage 1 and Stage 2 – Stage 3 preparation on an opportune basis
- 2019 waste dumping will be external – some minor backfilling of Stage 1 commenced in late 2018 as a demonstration of process and intent
- Overall site layout is now well established – external dumps, RSI, haul roads
- Major fleet rebuild to be carried out during 2019

Optimisation

- Geotechnical review of east wall – ensure stability of final high-wall in the vicinity of the Malilibeg fault
- Review of staging layout and mine schedule – optimise waste stripping, pit ramps and backfilling process
- Improve short term mine scheduling to optimise external waste placement and truck fleet usage
- Progress construction of RSI – complete Stage 4, complete Stage 5, review timing of Stage 6 construction
- Review of local and regional geology models – integrate large mining data set and update models for resource reconciliation and potential target generation

Mine site layout



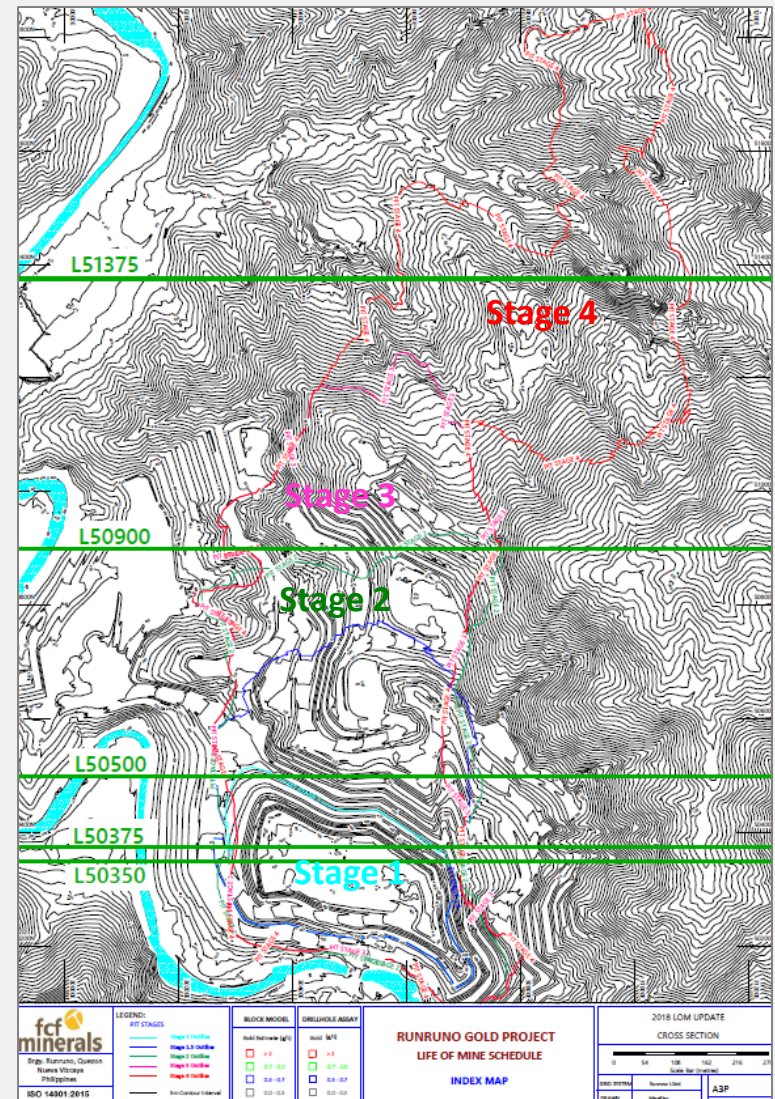
Pit design & geology

Pit design

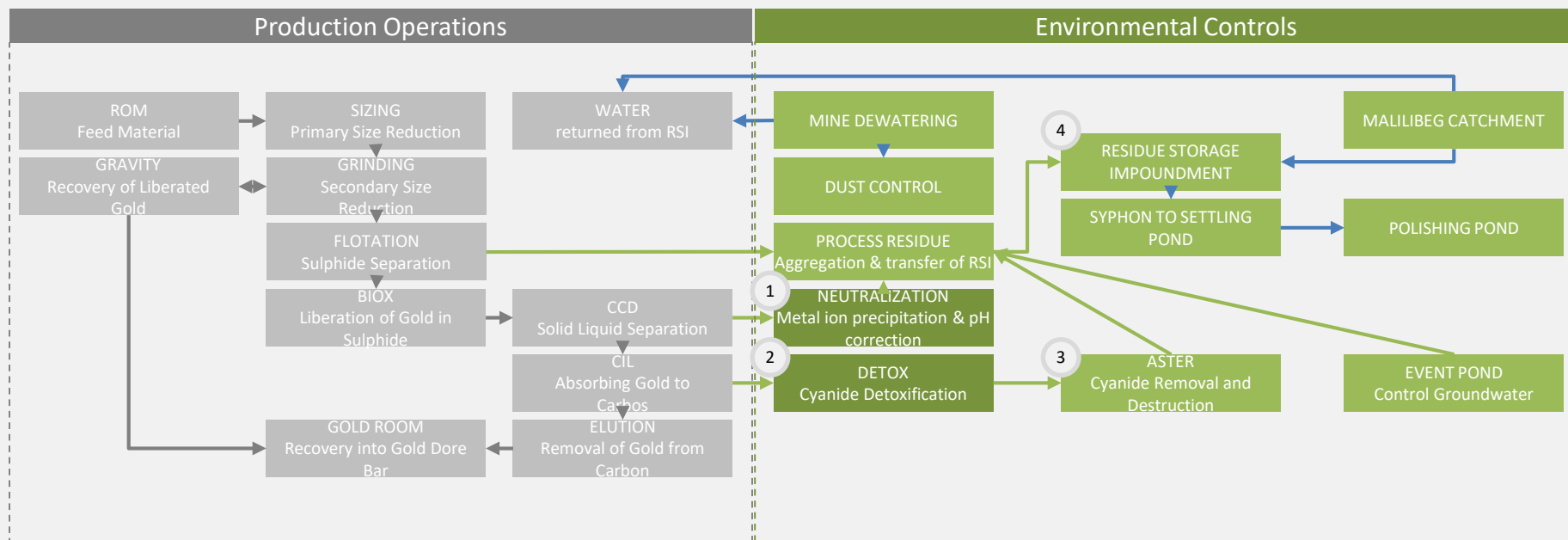
- Open pit area – 600m x 1,500m
- Staged pit which mines longitudinally along the ore body to provide smooth the strip ratio and ore delivery to the plant
- Rate of vertical versus horizontal advance is the key criteria in developing the schedule and pit design
- Progressive backfilling of the pit void enables the highest environmental performance

Geology

- The Runruno deposit is located within two district-scale calderas, major NE and NW fault lines and several late, small volume, composite volcanic centres
- Significant local uplift, intensive alteration and mineralisation demonstrate the presence of a large gold system with the geological potential to provide a significant resource of both gold and molybdenum
- Less than 15% has been effectively explored so far



World class environmental standards



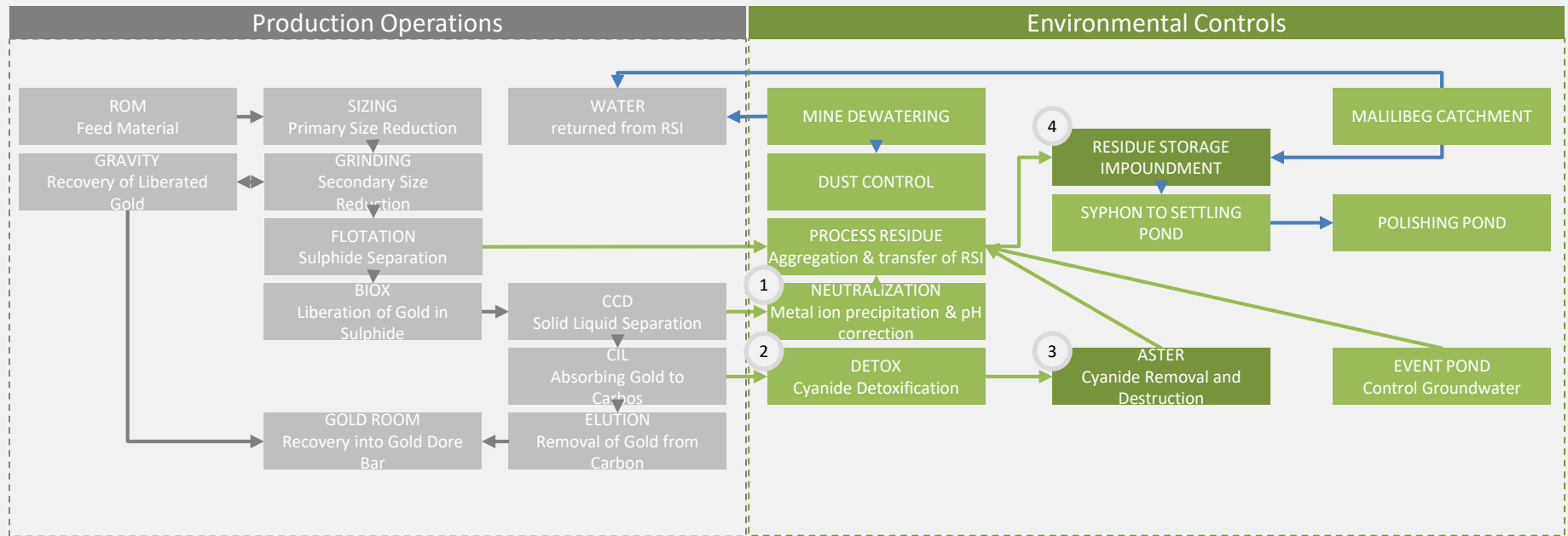
1. Neutralisation – neutralised acids precipitates stable base and heavy metal compounds

- Acid is a by-product of the oxidation of sulphide minerals by the bacteria in the BIOX circuit
- After separation from the gold bearing solids in a CCD circuit the acid bearing solutions are directed to the neutralisation circuit
- Neutralisation occurs in five stages where air and initially limestone and then hydrated lime is added to the solutions to lift the pH to 7+ and precipitate dissolved metal ions as stable iron complexes

2. Cyanide reduction – using SO₂ and air

- All cyanide containing, and potentially cyanide containing streams are directed to the CIL
- This keeps all cyanide laden streams in one area so all cyanide can be treated by the cyanide destruction processes
- Following CIL the cyanide bearing stream is directed to the SO2 air process to reduce both free and WAD cyanide content to around 20ppm or less
- Sodium meta bisulfite, copper sulphate and air are added to the slurry in an agitated tank whereby cyanide reduction occurs
- The full discharge stream is then directed to the ASTER circuit for cyanide destruction

World class environmental standards (cont'd.)



3. **ASTER Process** (Activated Sludge Tailing Effluent Remediation) – removes remnant free and WAD cyanide & breaks down thiocyanates

- The process is a biologically based drawing on a number of strains of fungus and bacteria to destroy cyanide and its compounds
- Prior to Runruno the technology had been commercially applied at two operating goldmines to remove thiocyanate and free cyanide
- **The successful application of the ASTER technology to process slurries to achieve class leading outcomes in the destruction of cyanide and its compounds at Runruno is a world first, reaching an unprecedented 0.5ppm total cyanide before disposal in the RSI**

4. **Residual Storage Impoundment (RSI)** – designed to ANCOLD (extreme risk standards)

- Rapid settling and high compaction rates; highly engineered and externally monitored construction
- Waste which has been extracted from the Stage 1 of the mine has been used to construct the RSI
- The environmental performance of the RSI is very high, it supports a range of water plants and a number of riverine and lacustrine species including frogs and fish

The result – A world class outcome for the environment: low emitted mineral contents, neutralised pH level and low amount of suspended solids

Residual storage impoundment

Overview

- Waste which has been extracted from the Stage 1 of the mine has been and continues to be used to construct the Residual Storage Impoundment (RSI)
- The RSI is primarily constructed from waste material sourced from stage 1 and 2 of the surface mine
- Tailings treated to meet or exceed chemical compliant standards including destruction of cyanide within the processing plant
- Pumped to the RSI as a slurry for permanent storage
- Sub-aqueous disposal of tail materials

Safety & environment

- Is designed and constructed to ANCOLD international standards for the safe and environmentally acceptable storage of tailings
- The environmental performance of the RSI is very high, it supports a range of water plants and a number of riverine and lacustrine species including frogs and a number of fish species
- Reclaim water from the RSI used to support the processing operation. Little to no make up from other sources

Residual storage impoundment

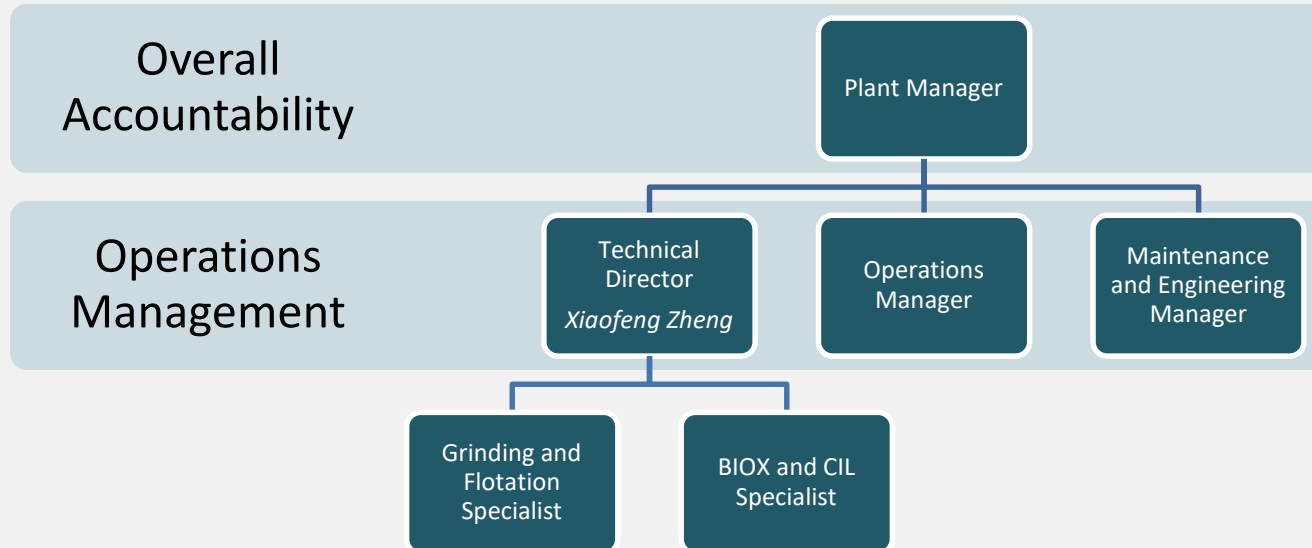


Recent challenges and solutions

	<i>Issues</i>	<i>Actions and solutions</i>	<i>Timing</i>
Operational & permitting	<ul style="list-style-type: none"> Mine dilution rates higher than in Feasibility Study 	<ul style="list-style-type: none"> Dilution rates will be offset by targeting incremental ore tonnes and increasing milling and flotation throughput 	Ongoing
	<ul style="list-style-type: none"> Optimisation of flotation recovery 	<ul style="list-style-type: none"> Historical flotation test work of master composites and variability samples confirms flotation performance is achievable. Focusing on enhancing operating practices and bring reagent dosing up to design are the first steps in flotation recovery. Ongoing variability and geo-metallurgy test work is required across all ore types to ensure consistent performance 	Jun 2019
		<ul style="list-style-type: none"> Immediate recovery of gravity tails to concentrate product feeding BIOX will improve gold recovery performance by up to 7% 	Feb 2019
	<ul style="list-style-type: none"> BIOX and CIL operation 	<ul style="list-style-type: none"> Developed operational criteria which has stabilised the process; now operating in a stable manner 	Complete
		<ul style="list-style-type: none"> Increase milling throughput to bring BIOX to full capacity 	Ongoing
		<ul style="list-style-type: none"> Ensuring routine testing of CIL feed to ensure recovery parameters are optimised 	Ongoing
Financial	<ul style="list-style-type: none"> Scheduling software issue 	<ul style="list-style-type: none"> Rescheduled and re-sequencing of mine operations Develop optimised pit design to ensure consistent unit/costs over life of mine 	Complete Jun 2019
	<ul style="list-style-type: none"> Out-dated Reserve & Resource statement 	<ul style="list-style-type: none"> Announce updated JORC compliant statement 	Q4 2019
	<ul style="list-style-type: none"> Project debt rescheduling & covenant breaches 	<ul style="list-style-type: none"> Discussion with senior lenders on waivers and debt restructuring 	Ongoing

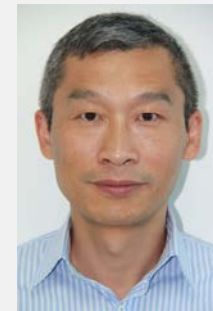
Tackling the operational challenges

To ensure we can tackle the challenges ahead we have commenced the restructure of the Process Plant Management Team, targeting world class area specialist under a new Plant Manager



- By incorporating world class technical specialists we ensure the structured management and enhancement of plant process
- This group will provide support for operational consistency and enhancement

- Xiaofeng has a PhD degree in flotation from Julius Kruttschnitt Mineral Research Centre (JKMRC), University of Queensland, Australia, and has published over 20 papers in conference proceedings and international journals
- Operational experience as a metallurgical superintendent includes Minera San Cristobal lead/zinc/silver concentrator, Newcrest Telfer gold/copper concentrator, Freeport Indonesia copper concentrator, Newmont Batu Hijau copper concentrator, Newmont Golden Grove copper/lead/zinc concentrator and Anglo Platinum concentrators, involving crushing, grinding, HPGR, gravity concentration, flotation, dewatering and CIL
- Greenfield project experience as a discipline lead/principal metallurgist includes
- prefeasibility and feasibility studies and design across four major projects, involving comminution, flotation, pressure oxidation, roasting, copper solvent extraction and electrowinning, and gold cyanidation



Xiaofeng Zheng
Technical Director
B.Eng., Ph.D., MAusIMM

Community relations – local impact has been significant

Multi awarded nationally and internationally

Employment – 99% Filipinos

- Implemented Community Relations Office exceeding Equator Principles and World Bank guidelines
- High levels of employment in a barangay which previously had no formal employment sector – local higher first policy
 - 53% resident in Runruno
 - 67% resident in the Municipality
 - 70% resident in Neuva Vizcaya
 - 80% resident in R2
 - 99% Filipino
 - 32% of the workforce are women – strongly represented at operators

Economy & Business

- 1.5% of direct mining and processing operating costs committed annually to Community Relations Office
- Establishment of successful business servicing the Operations needs
- Growing individual prosperity, housing, cars etc.
- Economic development from Runruno to Solano and the host province
- Taxes paid to LLGs and National government

Health & Education

- Improved health outcomes based on provision of professionally staffed clinic, a pharmacy and specific health initiatives
- Strengthening educational outcomes including University graduates
 - Scholarships, assistance, adoption of a school programme
 - Out of work youth skills training programmes
 - Mature age learning programmes

Infrastructure

- Infrastructure development
 - Introduced community facilities, bridges and potable water distribution for the communities
- 7 years electricity power supply agreement with one of Philippine's largest independent power supply companies, through to end August 2023



Environment, health & safety

Environment

- Progressive mine rehabilitation – leave the area in better condition, mitigate impact and stabilise the environment
 - Sulong River cleaner than prior to the project
 - Forests re-established with approx. 2m trees planted to date (LOM c. 5m)
 - Soil erosion control through planting and matting
- 14 environment courses for employees
- Multi awarded for environmental performance



Health

- Zero epidemic or outbreak since the start of operations (2017)



Safety

- Accumulated a total of 4,864,381 manhours worked without Lost Time Incident
- Zero major emergencies since the start of operations (2017)
- Went beyond compliance standards on government regulatory requirements
- 28 safety oriented courses

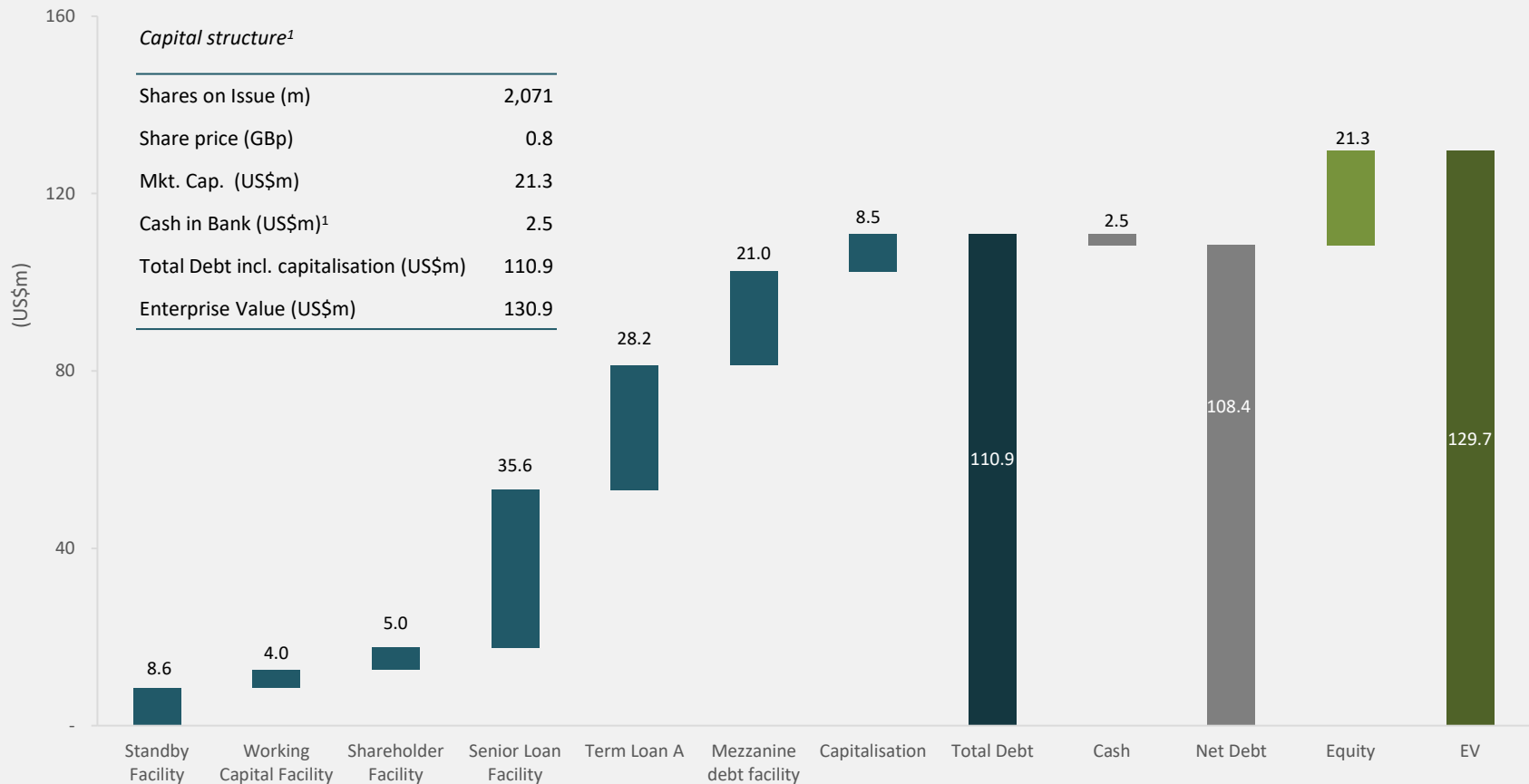




Capital Structure Overview

Capital structure

Overview



Metals Exploration is in advanced discussions with its lenders to refinance the current debt facilities





Source: Capital IQ, BBG as of 14th January 2019, Company filings

¹ As of 30 September 2018 operational update

Debt overview

Debt overview

- Metals Exploration is currently in negotiations with its lenders for waivers to its current covenants and repayment schedule
- Target are revised agreements with lenders (primarily HSBC and BNP Paribas)
 - Metals Exploration is also exploring debt restructuring with new lenders

Facility	Investors / Lenders	Amount at announcement (US\$m)	Interest	Date	Maturity	Comments
Standby funding	MTL (Luxembourg) & Runruno Holdings	6.6	20% p.a. accruing daily	Nov-18		<ul style="list-style-type: none"> The Facility is provided on the condition that the Company replaces the three previously announced (Dec-15, Mar-18 and Jul-18) loan facilities provided by the Lenders (and accrued/capitalised interest) together with this current Facility into a new Mezzanine style single facility Arrangement fee of 2% payable on signature
Working capital funding	MTL (Luxembourg) & Runruno Holdings	4.0	20% p.a. accruing daily	Jul-18	Aug-18	<ul style="list-style-type: none"> If the loan is not repaid in full by 30 August 2018 The Company will roll up two other loan facilities previously provided to the Company with this one (totaling US\$11m) into a Mezzanine style facility with the Lenders Arrangement fee of 2% payable on signature
Standby funding	MTL (Luxembourg) & Runruno Holdings	2.0	20% p.a. accruing daily	Mar-18	Jun-18	<ul style="list-style-type: none"> Arrangement fee of 2% payable on signature
Mezzanine debt facility	MTL (Luxembourg) & Runruno Holdings	21.0	US Libor + 8%	Sep-17	Sep-22	<ul style="list-style-type: none"> Interest may be capitalised on first 12 months of the facility with additional 4% margin
Shareholder facility arrangement	MTL (Luxembourg) & Runruno Holdings	5.0	20% p.a.	Dec-15	N/a	<ul style="list-style-type: none"> The facility ranks pari passu with the claims of other unsecured and unsubordinated creditors
Term loan A	HSBC   BNP PARIBAS	28.2	N/a	May-14	2019	<ul style="list-style-type: none"> The initial facility agreement consisted of two elements: <ul style="list-style-type: none"> Senior facility¹ – US\$75m Cost overrun facility – US\$8m The agreements were amended on 19 October 2015 & 15 December 2016: <ul style="list-style-type: none"> A new loan, 'Term Loan A', was applied to repay the cost overrun facility and reduce the balance of the senior facility. Original amount was US\$52.8m, with US\$17.2m paid during 2017 and US\$20.25m past due but lenders have granted a waiver to defer until 31 August 2018
Senior loan facility	HSBC   BNP PARIBAS	35.6	N/a	May-14	2017 - 2018	
Total		102.4				

¹ Includes rolled up capitalised interest and bank fees during the construction phase of US\$5m

Conclusion

- The Runruno Gold Project is a large scale fully constructed and permitted, 8+ year estimated LOM project with significant upside exploration potential
- Low cost operation with strong upside
- Issues in the process of being resolved and set to perform
- Designed and constructed to international standards and local conditions
- World class environmental and CSR performance with strong track of engagement with key stakeholders and regulators
- Debt restructuring ongoing
- Operational optimisation is well progressed in order to reach full recovery and reach capacity gold production
- Work ongoing to generate updated business plan and Reserves & Resource statement, expected to be released during 2019

¹ Includes Reserves and Resources, excluding Malilibeg South. Depleted number of 2011 JORC Resource Statement

Appendix

metals
exploration



How the process works



Resources & Reserves March 2011 & April 2013

	<i>Ore (Mt)</i>	<i>Gold</i>		<i>Molybdenum</i>	
		<i>g/t</i>	<i>Moz Au</i>	<i>ppm</i>	<i>MIb</i>
Reserves					
Proven	10.2	1.90	0.62	616	13.9
Probable	4.8	1.77	0.27	414	4.4
Total 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
Resources					
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 Resources	25.7	1.69	1.39	453	25.6
Malilibeg South Resources	7.6	1.40	0.34	1200	19.98



Liam Ruddy

Company Secretary

Tel: +44 (0) 208 133 3433

liam.ruddy@metalsexploration.com



Metals Exploration plc

200 Strand, WC2R 1DJ London, UK

Tel: +44 (0) 207 539 7272