

13 December 2017

## METALS EXPLORATION PLC

### Runruno Project Update to 12 December

Metals Exploration plc (AIM: MTL) (“Metals Exploration” or the “Company”), the natural resources exploration and development company with assets in the Pacific Rim region, today provides an update on matters relating to its Runruno gold operations (the “Operations”) in the Philippines.

For the months of October, November and into December the project performance has been satisfactory, exceeding expectations in mining and various parts of processing. However, during the previous week the BIOX circuit suffered another setback which has led to feeding being suspended while the bacterial populations are rehabilitated. As of Monday 12 December, feeding has re-commenced in select tanks.

Before the BIOX setback occurred, the circuit had achieved 65% of the design sulphur throughput. As a result, gold recoveries across the circuit had been steadily improving to a high of 75%. The recent incident was primarily caused by an operational error during an air outage and the subsequent overfeeding of the circuit following the re-establishment of the airflows. The strict adherence to promulgated procedures and protocols has again been reinforced to prevent further repeats of such issues.

Elsewhere the Operations are moving forward positively:

- Mining is performing well and in Q4 2017 to date it has mined and delivered substantially higher tonnages than forecast; 497k tonnes of ore averaging 1.81 grams of gold per tonne, for 29,060 ounces of contained gold.
- Waste movement mirrors this achievement too.
- Crushing and grinding have demonstrated the capacity to run continuously at up to 120% of design.
- The gravity circuit has been recently overhauled and is now consistently providing a minimum of 30% of gold recovery with highs of up to 40%. This is a result of good engineering combined with positive metallurgist test-work.
- Flotation gold recoveries have consistently achieved and bettered design recovery levels of 90%. Further sulphide ore treatment test-work is ongoing to further improve this performance.
- The ROM pad has two months of ore stockpiled (290k tonnes) at an average grade of 1.75 grams of gold per tonne of ore.

Further updates on the BIOX circuit recovery will be made at an appropriate time.

The lenders to the project are regularly informed of the project and management continues to work with them for the benefit of the project.

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](http://www.metalsexploration.com)

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