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Metals Exploration PLC - MTL Equity Raising
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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.

Equity Raising

Metals Exploration is pleased to announce that it has obtained commitments to raise approximately US \$10.295 million (£8.35 million) via the issue of a total of 166,898,117 new ordinary shares of 1 pence each in the Company (the "**Placing Shares**") at a price of 5.0 pence per new ordinary share, from certain existing and new shareholders (the "**Placing**").

1. Background

The Company has chosen to raise additional finance due to ongoing delays experienced in realising revenue from gold sales and to provide adequate working capital for the continued ramp-up of the Runruno processing plant which is proceeding satisfactorily.

Discussions with the current Project lenders regarding the rescheduling of the Runruno debt facility is continuing. A further waiver has been obtained to delay the principal sum of US \$15.0 million, previously due on 30 June 2016 to be repaid on the earlier of 30 November 2016 or on successful rescheduling, to be paid over the revised principal repayment schedule. To date US \$324k of interest on the deferred principal repayment has been paid to the lenders and a further US \$76k is due to be paid on 30 November 2016.

2. The funding proposal

a. The Placing

The Company has received commitments for subscriptions totalling gross proceeds of US \$10.295 million via the issue of 166,898,117 new ordinary 1.0 pence shares at a price of 5.0 pence per Placing Share. The Placing Shares are expected to be admitted to trading on AIM at 8.00 a.m. on 17 November 2016. The Placing Shares have been subscribed for by; MTL (Luxembourg) Sarl, Runruno Holdings Limited, Investec Wealth & Investment Ltd, Jarvis Nominees, Lynchwood Nominees Ltd, Sector Investments Ltd, Smith & Williamson Investment Management LLP, Winterflood Securities Ltd and HSBC Marking Name Nominee (the "Subscribers"). No commission is payable to the Subscribers.

The subscription price of 5.0 pence per new ordinary share represents a 14.97 per cent discount to the closing mid-price of 5.88 pence per ordinary share as at 11 November 2016, and a 10.07 per cent discount to the 1-year average closing mid-price of 5.56 pence per ordinary share.

b. Shareholdings of the Subscribers

The shareholdings of the Subscribers prior to and following the completion of the proposed equity Subscription are as follows (the below calculations assume all ordinary shares set out below continue to be held by those shareholders):

Shareholders	Prior to the Equity Subscription		Following the Equity Subscription	
	No of Shares	%	No of Shares	%
MTL (Luxembourg) Sarl ¹	924,685,795	48.55%	970,532,143	46.86%
Runruno Holdings limited	374,924,379	19.69%	393,513,302	19.00%
A major sector specialist institutional investor	-	-	81,055,670	3.91%
Investec Wealth & Investment Ltd	104,939,789	5.51%	108,846,965	5.25%
Jarvis Nominees	10,808,032	0.57%	15,158,032	0.73%
Lynchwood Nominees Limited	6,420,783	0.34%	10,170,783	0.49%
HSBS Bank plc Junior Gold	-	-	8,200,000	0.40%
Smith & Williamson Investment Management LLP	1,600,000	0.08%	1,800,000	0.09%
Winterflood Securities Ltd	42,763	0.00%	542,763	0.03%
HSBC Marking Name Nominee	5,500,756	0.29%	6,000,756	0.29%
	1,428,922,297		1,595,820,414	
Other shareholders	475,514,172	24.97%	475,514,172	22.96%
Total shares in issue	1,904,436,469		2,071,334,586	

¹MTL (Luxembourg) Sarl entity includes MTL (Luxembourg) Sarl and Mrs Emily Crompton Candy

3. Total voting rights

Following Admission of the Shares the Company's enlarged issued share capital will comprise 2,071,334,586 ordinary shares. The Company does not hold any ordinary shares in treasury. Therefore, the total number of ordinary shares in the Company will be 2,071,334,586. This figure may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change in their interest in, the share capital of the Company under the FCA's Disclosure and Transparency Rules.

Ian Holzberger, Executive Chairman, commented:

"The Board of Directors and the Company are extremely grateful for the continued support provided from its shareholders in this placement and over the last several years. Their support for the Company and the Project is greatly appreciated. We also are pleased to welcome a new shareholder, a major sector specialist institutional investor, to the Company's register. The funds raised will significantly strengthen the Company as it focuses on the successful ramp-up of the Runruno processing plant to design throughput."

The information communicated in this announcement contains inside information for the purposes of the Market Abuse Regulation.

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

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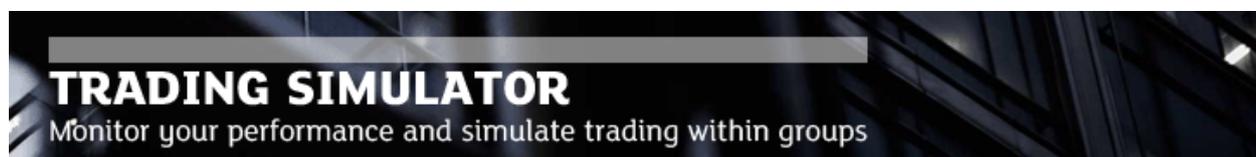
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