

28 February 2013

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.

Update

The Company advises it is taking advice on the impact and effect of the publication on 15 February 2013 by the Philippines Bureau of Internal Revenue (“**BIR**”) of a Revenue Memorandum Circular No 17-2013 (“**RMC17**”).

RMC17 addresses the subject of: “**Clarifying the Taxes Due from Financial or Technical Assistance Agreement (FTAA) Contractors During ‘Recovery Periods’**”. RMC17 casts doubt upon the Company’s ability to avail of any fiscal exemptions expressly provided for in its FTAA to the extent it states FTAA Contractors are liable to pay the taxes due under the National Internal Revenue Code.

This is contradictory to the provisions provided in the Company’s FTAA, a legal contract with the Philippine Government. It is also the Company’s contention that the content of RMC17 is an erroneous interpretation of the Mining Act, its rules and regulations, and the FTAA.

Notes

FCF Minerals Corporation, a wholly owned subsidiary of the Company, entered into a Financial or Technical Assistance Agreement (“**FTAA**”) with the Republic of the Philippines on 19 September 2009, in the capacity as the Contractor. The FTAA grants the Company exemptions from certain taxes during a period of time defined as the Recovery Period, after which all taxes are payable by the Company. The Recovery Period refers to a time period allowing the Contractor to recover its pre-operating expenses.

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

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