

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document and/or the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) ("FSMA") if you are in the United Kingdom or, if not, another appropriately authorised independent financial adviser. Investment in the Company is speculative and involves a high degree of risk. Your attention is also drawn to the section headed "Risk Factors" in Part 3 of this document.

If you have sold or otherwise transferred all of your Existing Ordinary Shares held in certificated form prior to the ex-entitlement date, please immediately forward this document, together with the accompanying Application Form, to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee, except that such documentation should not be sent into a Restricted Jurisdiction or other jurisdiction where doing so may constitute a violation of local securities laws or regulations. If you have sold or otherwise transferred or sell or otherwise transfer Existing Ordinary Shares held in an uncertificated form prior to the ex-entitlement date, a claim transaction will automatically be generated by Euroclear which, on settlement will transfer the appropriate number of Open Offer Entitlements to the purchaser or transferee through CREST. If you have sold or otherwise transferred, or you sell or otherwise transfer some only of your Existing Ordinary Shares held in certificated form before the ex-entitlement date you should immediately consult the stockbroker, bank, or other agent through or by whom the sale or transfer was effected and refer to the instructions regarding split applications set out in the Application Form.

This document is not a prospectus for the purposes of the Prospectus Rules. Accordingly, this document has not been, and will not be, reviewed or approved by the Financial Services Authority of the United Kingdom (in its capacity as UK Listing Authority), pursuant to sections 85 and 87 of FSMA, London Stock Exchange plc or any other authority or regulatory body and has not been approved for the purposes of section 21 of FSMA.

This document should be read as a whole. Your attention is drawn to the letter from the Chairman of Metals Exploration Plc which is set out in Part 1 of this document and to the Risk Factors in Part 3 of this document.

The Existing Ordinary Shares are admitted to trading on AIM. Application will be made to London Stock Exchange plc for the Open Offer Shares to be admitted to trading on AIM. AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the UK Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. This document does not comprise an admission document under the AIM Rules and neither the London Stock Exchange plc nor the UK Listing Authority have examined or approved the contents of this document.



METALS EXPLORATION PLC

(Incorporated and registered in England and Wales with company registration number 05098945)

Open Offer to Qualifying Shareholders of up to 100,000,000 Open Offer Shares

at 3 pence per share

and

Notice of General Meeting

This document does not constitute an offer for sale or an invitation to subscribe for, or the solicitation of an offer to buy or subscribe for, Open Offer Shares in any jurisdiction where such an offer or solicitation is unlawful and, subject to certain exceptions is not for distribution in or into the United States, Australia, Canada, South Africa, The Republic of Ireland or Japan. The Open Offer Shares will not be registered under the United States Securities Act of 1933 (as amended) or under the securities laws of any state of the United States or qualify for distribution under any of the relevant securities laws of Canada, Australia or Japan, nor has any prospectus in relation to the Open Offer Shares been lodged with or registered by the Australian Securities and Investments Commission or the Japanese Ministry of Finance. Overseas Shareholders and any person (including, without limitation, custodians, nominees and trustees) who has a

contractual or other legal obligation to forward this document to a jurisdiction outside the UK should seek appropriate advice before taking any action.

The Open Offer Shares will rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid on the Existing Ordinary Shares after Admission.

The Open Offer closes at 11.00 a.m. on Friday 23 October 2015. If you are a Qualifying Shareholder and wish to apply for Open Offer Shares under the Open Offer you should follow the procedure set out in Part 2 of this document and, where relevant, complete and return the accompanying Application Form. If Qualifying Shareholders have any queries on the procedure for acceptance and payment, or to receive another Application Form and/or Form of Proxy, they should contact the Company's registrars, Capita Asset Services on 0371 664 0321 from within the UK or +44 20 8639 3399 if calling from outside the UK. Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. Lines are open between 9.00 am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Open Offer nor give any financial, legal or tax advice.

Notice of a General Meeting is set out at the end of this document. Shareholders are requested to complete and return the enclosed Form of Proxy by post or by hand to the Company's registrars, Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent, BR3 4TU as soon as possible, but in any event so as to arrive no later than 10.00 a.m. on Tuesday 13 October 2015, whether or not they propose to be present at the General Meeting.

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DEFINITIONS

The following definitions apply throughout this document unless the context otherwise requires:

“Act”	the Companies Act 2006, as amended from time to time
“Admission”	admission of the Open Offer Shares to trading on AIM becoming effective in accordance with the AIM Rules
“AIM”	the market of that name operated by the London Stock Exchange
“AIM Rules”	the AIM rules for Companies published by the London Stock Exchange from time to time
“Application Form”	the application form, which accompanies this document, to be used by Qualifying non-CREST Shareholders in connection with the Open Offer
“Articles”	the articles of association of the Company (as amended from time to time)
“Business Day”	any day (excluding Saturdays and Sundays) on which banks are open in London, United Kingdom for normal banking hours and the London Stock Exchange is open for trading
“Capita Asset Services”	a trading name of Capita Registrars Limited
“certificated form” or “in certificated form”	an ordinary share recorded on a company’s share register as being held in certificated form (namely, not in CREST)
“Circular”	this document, which for the avoidance of doubt does not comprise a prospectus (under the Prospectus Rules) or an admission document (under AIM Rules)
“Code”	the City Code on Takeovers and Mergers, as amended from time to time
“Company” or “MTL”	Metals Exploration plc, a company incorporated in England under company number 05098945;
“CREST”	the relevant system (as defined in the Uncertificated Securities Regulations 2001) in respect of which Euroclear is the operator (as defined in those regulations)
“CREST member”	a person who is, in relation to CREST, a system participant (as defined in the CREST Regulations)
“CREST payment”	shall have the meaning given in the CREST manual issued by Euroclear
“CREST Regulations”	the Uncertificated Securities Regulations 2001, as amended
“Debt Securities”	the proposed creation of debt securities by the Company of up to a maximum nominal amount of US\$5.0 million;
“Directors” or “Board”	the directors of the Company as at the date of this document whose names are set out on page 1 of this

	document, or any duly authorised committee thereof
“Enlarged Issued Share Capital”	the Ordinary Shares in issue immediately following Admission,
“Euroclear”	Euroclear UK & Ireland Limited, the operator of CREST
“Excess Application Facility”	to the extent that the Open Offer Entitlements to Open Offer Shares are not subscribed for in full by Qualifying Shareholders, the facility for Qualifying Shareholders to apply for additional Open Offer Shares over and above their Open Offer Entitlements subject to the terms and conditions
“Existing Ordinary Shares”	the Ordinary Shares in issue at the date of this document, all of which are admitted to trading on AIM
“FCA”	Financial Conduct Authority of the United Kingdom
“FCF”	FCF Minerals Corporation, a wholly owned subsidiary of the Company
“Form of Proxy”	the form or proxy for use in connection with the General Meeting which accompanies this document
“FSMA”	Financial Services and Markets Act 2000 (as amended)
“FTAA”	Financial or Technical Assistance Agreement
“General Meeting” or “GM”	the General Meeting of the Company convened for 10:00 a.m. on 15 October 2015 (or any adjournment of it), notice of which is set out at the end of this document
“Group”	together the Company and its existing subsidiaries and subsidiary undertakings
“ISIN”	International Securities Identification Number
“London Stock Exchange”	London Stock Exchange plc
“member account ID”	the identification code or number attached to any member account in CREST
“Offer Price”	3 pence per new Ordinary Share
“Open Offer”	the invitation to Qualifying Shareholders to subscribe for the Open Offer Shares at the Offer Price on the terms of and subject to the conditions, as described or referred to, in this document and where relevant, the Application Form
“Open Offer Entitlements”	entitlements to subscribe for Open Offer Shares, allocated to a Qualifying Shareholder pursuant to the Open Offer
“Open Offer Shares”	up to 100 million new Ordinary Shares which are to be made available for subscription by Qualifying Shareholders under the Open Offer and may be allotted to eligible investors to the extent that the Open Offer is not fully taken up

“Ordinary Shares”	ordinary shares of 1 penny each in the capital of the Company
“Overseas Shareholders”	Shareholders who are resident in, or who are citizens of, or who have registered office addresses in, jurisdictions outside the United Kingdom
“Philippine Government”	the government of the Republic of the Philippines
“Philippines”	the republic of the Philippines
“Placing”	the conditional Placing of Shares by the Subscribers at 3 pence pursuant to the Placing letters
“Placing Shares”	the 108,033,333 new Ordinary Shares issued pursuant to the Placing
“Prospectus Rules”	the Prospectus Rules published by the Financial Services Authority
“Qualifying CREST Shareholders”	Qualifying Shareholders whose Existing Ordinary Shares on the register of members of the Company on the Open Offer Record Date are held in uncertificated form
“Qualifying non-CREST Shareholders”	Qualifying Shareholders whose Existing Ordinary Shares on the Shareholders register of members of the Company on the Open Offer Record Date are held in certificated form
“Qualifying Shareholders”	holders of Existing Ordinary Shares on the Company’s register of members at the Record Date other than Overseas Shareholders
“Record Date”	5.00 p.m. on 23 September 2015
“Resolutions”	the resolutions set out in the notice of GM contained in this document to be proposed at the GM
“Restricted Jurisdiction”	the United States, Australia, Canada, Japan, the Republic of Ireland, the Republic of South Africa and any other jurisdiction where the extension or availability of the Open Offer would breach any applicable law
“RIS”	regulatory information service
“Runruno Project”	the Company’s principal project located in the Philippines
“Shareholders”	holders of Ordinary Shares
“Subscribers”	MTL (Luxembourg) SARL, Runruno Holdings Limited and Ruffer LLP (on behalf of its clients)
“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Ireland
“United States” or “US”	the United States of America, each State thereof, its territories and possessions (including the District of Columbia) and all other areas subject to its jurisdiction
“uncertificated” or “in”	an ordinary share recorded on a company’s share register as being held in uncertificated form in CREST and title to

uncertificated form”

which, by virtue of the Uncertificated Securities Regulations 2001, may be transferred by means of CREST

“US\$” or “US Dollars”

United States dollars, the lawful currency of the United States

“USE”

Unmatched stock event

A reference to £ is to pounds sterling, being the lawful currency of the UK.

A reference to EUR is to Euros, being the official currency of the Eurozone.

Save for the date of publication of this document, each of the times and dates above are subject to change. Any such change, including any consequential change in the Open Offer statistics above, will be notified to Shareholders by an announcement on a Regulatory Information Service.

OPEN OFFER STATISTICS

Offer Price	3p
Number of Ordinary Shares in issue at the date of this document	1,483,005,357
Number of Open Offer Shares*	100,000,000
Maximum funds possible to be raised pursuant to the Open Offer**	£3,000,000
Percentage of the Enlarged Issued Share Capital represented by the Open Offer Shares at Admission*	6.32 per cent.

**assuming full subscription of the Open Offer Shares under the Open Offer

Conversion rates used in this document (unless otherwise indicated) are set out as follows: EUR 1.3607:£1, USD 1.54273:£1, GBP 0.7349: 1 EUR

Source: www.oanda.com on 14 September 2015 at 6pm UK time

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Record Date	5.00 p.m. on 23 September 2015
Announcement of Open Offer and posting of this document	28 September 2015
Existing Ordinary Shares marked 'ex' by the London Stock Exchange	29 September 2015
Open Offer Entitlements credited to CREST accounts of Qualifying CREST Shareholders	8.00 a.m. on 29 September 2015
Latest time and date for receipt of Forms of Proxy for the General Meeting	10:00 a.m. on 13 October 2015
General Meeting	10:00 a.m. on 15 October 2015
Announcement of result of General Meeting	15 October 2015
Recommended latest time for requesting withdrawal of Open Offer Entitlements from CREST	4.30 p.m. on 19 October 2015
Latest time and date of depositing Open Offer Entitlements into CREST	3.00 p.m. on 20 October 2015
Latest time and date for splitting Application Forms (to satisfy bona fide market claims only)	3.00 p.m. on 21 October 2015
Latest time and date for receipt of completed Application Forms and payment in full under the Open offer or settlement of relevant CREST instruction (as appropriate)	11.00 a.m. on 23 October 2015
Announcement of results of the Open Offer	26 October 2015
Admission and commencement of dealings in the Open Offer Shares	29 October 2015
CREST accounts to be credited with Open Offer Shares	29 October 2015
Despatch of definitive share certificates for Open Offer Shares	within 14 days of admission of shares to trading on AIM

Save for the date of publication of this document, each of the times and dates above are subject to change. Any such change, including any consequential change in the Open Offer statistics above, will be notified to Shareholders by an announcement on a Regulatory Information Service.

Notes:

Statistics are prepared on the basis that all of the Open Offer Shares are subscribed for and that no new Ordinary Shares (other than the Open Offer Shares) are issued following the date of this document and before the completion of the Open Offer.

Part 1 LETTER FROM THE CHAIRMAN OF THE COMPANY

METALS EXPLORATION PLC

(Incorporated in England and Wales under the Companies Act 1985 with registered number 05098945)

Directors:

Timothy James Dean
Ian Holzberger
Jeremy William Dowling Ayre
Guy Redvers Walker
Julian Graham Wilson
Lucian Eduard Simovici

Registered Office:

200 Strand
London
WC2R 1DJ

28 September 2015

To Shareholders and, for information purposes only, to the holders of Options and Warrants

Dear Shareholder,

Open Offer of up to 100 million new Ordinary Shares at 3 pence per share

and

Notice of General Meeting

1 Introduction

On 18 September 2015, the Company announced that it had obtained commitments to raise approximately US\$5 million (before expenses) via the issue of a total of 108,033,333 new Ordinary Shares at a price of 3 pence per new Ordinary Share, from certain existing shareholders. The Board wishes to provide the Company's existing shareholders with the opportunity to subscribe for Ordinary Shares at the same price as the Subscribers invested at under the Placing. Accordingly, the Company is making available 100 million new Ordinary Shares under the Open Offer at the Offer Price.

The purpose of this document is, amongst other things, to provide you with details of the Open Offer, to outline the background to and the reasons for the Open Offer.

The terms of the Open Offer are described in this document. Qualifying Shareholders may subscribe for Open Offer Shares above their basic entitlement under the Open Offer if they so wish by use of the Excess Application Facility. Further details of the Excess Application Facility are given in Part 2 of this document.

The Open Offer is conditional, *inter alia*, upon Admission and also upon the passing by Shareholders of the Resolutions 1 and 2 at the General Meeting which will give the Directors the necessary authorities to allot and issue the Open Offer Shares and to dis-apply statutory pre-emption rights in respect of the allotment of the Open Offer Shares.

2 Background to and reasons for the Open Offer and Use of Proceeds

2.1 As announced on 18 September 2015, the Company commenced the staged commissioning of the Runruno Processing Plant in July 2015. This work has progressed satisfactorily but is limited in scope pending the issue of a significant number of operational and occupancy permits by the respective Philippine regulatory authorities. Without the required permits the Company cannot

complete the full commissioning of the equipment within the Processing Plant and without obtaining all of the permits it cannot commence operations.

- 2.2 The construction of the Process Plant is completed and the construction of the Residual Storage Impoundment ("**RSI**") and its infrastructure will be completed before the end of September 2015. An update on the Runruno Project and the permitting approvals process will be provided through a regulatory news service announcement on the release of the interim accounts before 25 September 2015.
- 2.3 In conjunction with the Placing, the Company will seek to raise up to a further US\$5.0 million via through the creation and issue of Debt Securities and it is expected that the Debt Securities will be available to be drawn before 31 October 2015. Debt Securities are intended as a contingency instrument should the permitting process delay the Runruno Project entering into commercial operations during October 2015. There is no certainty as to how long the permitting process may take and neither is there any reason to believe the Company will not obtain all required and necessary permits. The Company is in close contact with the various permitting authorities but it is not in control of the speed at which the authorities process the documentation submitted, and issue the requisite permits.
- 2.4 The Company expects that following receipt of funds from the Placing and the issue of the proposed Debt Securities, it will have in place sufficient capital to complete the commissioning of the Process Plant & RSI at its Runruno Project and until it commences operations through to realising self sustaining cash flow.
- 2.5 The combination of the Placing and the issue of the proposed Debt Securities should fully fund the Runruno Project and therefore receipt of funds from the Open Offer is not critical to complete the commissioning of the Process Plant & RSI at its Runruno Project and until it commences operations through to realising self sustaining cash flow.
- 2.6 Notwithstanding the above and regardless of the take up of the Open Offer, the Board are delighted to afford all Qualifying Shareholders the opportunity to increase their shareholding in the Company at a time when the Company has already benefitted from the considerable financial support of the Subscribers on equivalent terms.

3 Details of the Open Offer

The Company is making an Open Offer to Qualifying Shareholders on a pre-emptive basis.

The Company is not relying on this equity for its funding requirements and is making this facility available to any minority shareholders who wish to increase their investment in the Company. Each of the Subscribers who are participating in the Placing has waived its rights respectively to take up any Open Offer Shares.

The proposed Offer Price of 3 pence per Open Offer Share is the same price as the price at which the Placing Shares have been issued. However, the Open Offer is not conditional upon completion of the Placing or the level of applications made to subscribe under the Open Offer.

Qualifying Shareholders are invited to apply for Open Offer Shares under the Open Offer at a price of 3p per Open Offer Share, payable in full on application and free of all expenses, pro rata to their existing shareholdings on the basis of:

100 Open Offer Shares for every 255 Existing Ordinary Shares

held at the Record Date and so in proportion for any other number of Existing Ordinary Shares then held. Entitlements of Qualifying Shareholders will be rounded down to the nearest whole number of Open Offer Shares. Fractional entitlements which would have otherwise arisen will not be issued.

The Open Offer is subject to the satisfaction, amongst other matters, of Admission occurring on or about 29 October 2015, (or such later date, being not later than 16 November 2015, as the Company may decide):

The Open Offer Shares will, when issued and fully paid, rank *pari passu* in all respects with the Existing Ordinary Shares and the Placing Shares, including the right to receive all dividends and other distributions declared, made or paid after the date of Admission.

Subject to the fulfilment of the conditions set out below, and in Part 2, the Open Offer has been structured so as to allow Qualifying Shareholders to subscribe for Ordinary Shares at the Open Offer price as close to *pro rata* to their existing holdings as possible. Fractional entitlements will not be allotted to Qualifying Shareholders in the Open Offer, and where applicable, entitlements under the Open Offer will be rounded down to the nearest whole number of new Ordinary Shares

Qualifying Shareholders at the Record Date may, in addition, make applications in excess of their pro rata initial entitlement. Once subscriptions under the Open Offer Entitlements have been satisfied, the Company shall, in its absolute discretion, determine whether to meet any excess applications in full or in part, and no assurance can be given that applications by Qualifying Shareholders under the Excess Application Facility will be met in full or in part or at all. To the extent that additional Open Offer Shares are not subscribed by existing Shareholders, Open Offer entitlements will lapse. Further details of the Open Offer and the Excess Application Facility are given in Part 2 of this document.

Excess applications will be rejected if and to the extent that acceptance would result in the Qualifying Shareholder, together with those acting in concert with him/her/it for the purpose of the Code, holding 30 per cent. or more of the issued share capital immediately following Admission.

Qualifying Shareholders should note that the Open Offer is not a rights issue. Qualifying non-CREST Shareholders should be aware that the Application Form is not a negotiable document and cannot be traded. Qualifying Shareholders should also be aware that, in the Open Offer, unlike in a rights issue, any Open Offer Shares not applied for will not be sold in the market or placed for the benefit of Qualifying Shareholders who do not apply under the Open Offer, but will be made available under the Excess Application Facility and the net proceeds will be retained for the benefit of the Company.

Settlement and dealings

Application will be made to the London Stock Exchange for the Open Offer Shares to be admitted to trading on AIM. It is expected that such Admission will become effective and that dealings will commence on or about 29 October 2015. Further information in respect of settlement and dealings in the Open Offer Shares is set out in paragraph 7 of Part 2 of this document.

The Open Offer Shares will, when issued, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive dividends and other distributions declared following Admission.

Overseas Shareholders

Certain Overseas Shareholders may not be permitted to subscribe for Open Offer Shares pursuant to the Open Offer and should refer to paragraph 6 of Part 2 of this document.

4 Action to be taken in respect of the Open Offer

If you are a Qualifying non-CREST Shareholder you will find an Application Form (together with a business reply envelope pertaining to the Application Form) accompanying this document which gives details of your Open Offer Entitlement (i.e. the number of Open Offer Shares allocated to you). If you wish to apply for Open Offer Shares under the Open Offer, you should complete the enclosed Application Form in accordance with the procedure set out at paragraph 3 of Part 2 of this document and on the Application Form itself and deliver it by post or by hand (during normal business hours only), together with payment in full in respect of the number of Open Offer Shares applied for to Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to arrive as soon as possible and in any event so as to be received no later than 11.00 a.m. on 23 October 2015, having first read carefully Part 2 of this document and the contents of the Application Form. If you are a Qualifying CREST Shareholder and you will receive a credit to your appropriate stock account in CREST in respect

of your Open Offer Entitlement. You should refer to the procedure set out at paragraph 3(ii) of Part 2 of this document.

The latest time for applications to be received under the Open Offer is 11.00 a.m. on 23 October 2015. The procedure for application and payment depends on whether, at the time at which application and payment is made, you have an Application Form in respect of your Open Offer Entitlement or your Open Offer Entitlement has been credited to your stock account in CREST. The procedures for application and payment are set out in Part 2 of this document. Further details also appear on the Application Form which has been sent to Qualifying Shareholders. Qualifying CREST Shareholders who are CREST sponsored members should refer to their CREST sponsors regarding the action to be taken in connection with this document and the Open Offer.

5 General Meeting

- 5.1 You will find at the end of this document a notice convening a General Meeting of the Company to be held at 200 Strand, London WC2R 1DJ at 10.00 a.m. on 15 October 2015.
- 5.2 In order for the Open Offer to proceed, Shareholders will need to approve Resolutions 1 and 2 set out in the notice of General Meeting. If Resolutions 1 and 2 are not passed, the Open Offer will not proceed in the form currently envisaged. Accordingly it is important that Shareholders vote in favour of Resolutions 1 and 2 in order for the Open Offer to proceed.
- 5.3 The shareholder authorities granted to the Directors at this year's annual general meeting of the Company have been used in full to issue the Placing Shares. Therefore the Board consider it prudent to renew these authorities at the forthcoming General Meeting. Such authorities will expire at the next annual general meeting of the Company.

6 Action to be taken in respect of the General Meeting

- 6.1 Please check that you have received the following with this document:
 - (a) a Form of Proxy for use in respect of the General Meeting; and
 - (b) a reply-paid envelope for use in connection with the return of the Form of Proxy (in the UK only).
- 6.2 **Whether or not you propose to attend the General Meeting in person, you are strongly encouraged to complete, sign and return your Form of Proxy in accordance with the instructions printed thereon as soon as possible, but in any event so as to be received, by post or, during normal business hours only, by hand, at PXS, 34 Beckenham Road, Beckenham BR3 4TU by no later than 10:00 a.m on 13 October 2015 (or, in the case of an adjournment of the General Meeting, not later than 48 hours before the time fixed for the holding of the adjourned meeting).**
- 6.3 **If you hold your shares in the Company in uncertificated form (that is, in CREST) you may vote using the CREST Proxy Voting service in accordance with the procedures set out in the CREST Manual (please also refer to the accompanying notes to the Notice of the General Meeting set out at the end of this document). Proxies submitted via CREST must be received by the Company's agent (ID RA10) by no later than 10:00 a.m. on 13 October 2015 (or, in the case of an adjournment, not later than 48 hours before the time fixed for the holding of the adjourned meeting).**
- 6.4 This will enable your vote to be counted at the General Meeting in the event of your absence. The completion and return of the Form of Proxy or the use of the CREST Proxy Voting service will not prevent you from attending and voting at the General Meeting, or any adjournment thereof, in person should you wish to do so.

7 Further Information

Your attention is drawn to the Risk Factors set out in Part 3 of this document, the terms and conditions of the Open Offer set out in Part 2 of this document and the Application Form.

Yours faithfully,

Ian Holzberger
Executive Chairman

Part 2 DETAILS OF THE OPEN OFFER

1 Introduction

The Open Offer has been structured so as to allow Qualifying Shareholders to subscribe for Ordinary Shares at the Offer Price as near as possible *pro rata* to their existing holdings. Qualifying Shareholders may, in addition, make applications for additional Open Offer Shares in excess of their initial *pro rata* entitlement under the Open Offer. Once initial *pro rata* entitlements have been satisfied, the Company shall, in its absolute discretion, determine whether to meet any excess applications in full or in part. To the extent that Open Offer Shares are not subscribed by existing Shareholders, Open Offer entitlements will lapse.

2 Open Offer

The Company hereby invites Qualifying Shareholders to apply, on and subject to the terms and conditions set out herein and in the Application Form, and subject to the Articles of Association of the Company, for Open Offer Shares at a price of 3 pence per share, free from all expenses, payable in cash in full on application.

Subject to fulfilment of the conditions set out below and (in respect of shares held in certificated form) in the Application Form, Qualifying Shareholders are being given the opportunity to subscribe for Open Offer Shares at the Offer Price payable in full on application and free of all expenses, *pro rata* to their existing shareholdings, on the basis of:

100 Open Offer Shares for every 255 Existing Ordinary Shares

held at the Record Date and so in proportion for any other number of Existing Ordinary Shares then held. Entitlements of Qualifying Shareholders will be rounded down to the nearest whole number of Open Offer Shares. Fractional entitlements which would have otherwise arisen will not be issued.

Qualifying Shareholders at the Record Date may make applications for Open Offer Shares in excess of their initial *pro rata* entitlement. The Open Offer Entitlements of Qualifying CREST Shareholders will be credited to their stock account in CREST and in addition Qualifying CREST Shareholders will receive credit in respect of excess shares available. Any monies paid in excess of the amount due in respect of an application will be returned to the applicant (at the applicant's risk and without payment of interest) within 14 days by way of cheque. The action to be taken in relation to the Open Offer is described in paragraph 3 below.

The Open Offer Shares will, when issued and fully paid, rank *pari passu* in all respects with and will carry the same voting and dividend rights as, the Existing Ordinary Shares. The Open Offer is conditional, *inter alia*, on Admission. It is expected that Admission will occur and dealings in the Open Offer Shares will commence on or about 29 October 2015. If such conditions are not fulfilled on or before 8.00 a.m. on 29 October 2015 (or such later date, being not later than 8.00 a.m. on 16 November 2015, as the Company may decide) application monies are expected to be returned without interest by crossed cheque in favour of the applicant(s) (at the applicant's risk) by post as soon as practicable after that date and any Open Offer Entitlements admitted to CREST will be disabled. Any interest earned on the application monies will be retained for the benefit of the Company.

The Open Offer is not a rights issue. Qualifying Shareholders should note that the Application Form is not a negotiable document and cannot be traded. Qualifying Shareholders should also be aware that in the Open Offer, unlike in a rights issue, any Open Offer Shares not applied for will not be sold in the market or placed for the benefit of Qualifying Shareholders.

Completed Application Forms (in respect of shares held in certificated form), accompanied by full payment, should be returned by post or by hand (during normal business hours only) to Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to arrive as soon as possible and in any event so as to be received no later than 11.00 a.m. on 23 October 2015.

The Open Offer Shares will represent approximately 6.32 per cent. of the Enlarged Issued Share Capital (assuming full take up of all Open Offer Shares).

Further terms of the Open Offer are set out in this Part 2 and, where relevant, in the Application Form.

3 Procedure for Application

The action to be taken by you in respect of the Open Offer depends on whether at the relevant time you have an Application Form in respect of your entitlement under the Open Offer or you have Open Offer Entitlements credited to your CREST stock account in respect of such entitlement.

CREST sponsored members should refer to their CREST sponsor, as only their CREST sponsor will be able to take the necessary action specified below to apply under the Open Offer in respect of the Open Offer Entitlements of such members held in CREST. CREST members who wish to apply under the Open Offer in respect of their Open Offer Entitlements in CREST should refer to the CREST Manual for further information on the CREST procedures referred to below.

If for any reason it becomes necessary to adjust the expected timetable as set out in this document, the Company will make an appropriate announcement to a Regulatory News Service operated by the London Stock Exchange giving details of the revised dates.

(i) **Qualifying non-CREST Shareholders (Shareholders who hold share certificates and receive an Application Form in respect of their entitlement under the Open Offer)**

(a) General

Subject to the provisions set out in this Part 2 in relation to the Overseas Shareholders, Qualifying non-CREST Shareholders will have received an Application Form enclosed with this document. The Application Form shows the number of Existing Ordinary Shares registered in your name on the Record Date. It also shows your Open Offer Entitlement (i.e. the number of Open Offer Shares allocated to you on a pro rata basis) for which you are entitled to apply under the Open Offer. Qualifying non-CREST Shareholders at the Record Date may apply for more than their initial Open Offer Entitlement should they wish to do so. The total number of Open Offer Shares is fixed and will not be increased in response to any applications in excess of what is available under the Excess Application Facility. Applications under the Excess Application Facility will therefore only be satisfied to the extent that other Qualifying Shareholders do not apply for their Open Offer Entitlements in full. Applications under the Excess Application Facility shall be allocated in such manner as the Directors may determine, in their absolute discretion, and no assurance can be given that the applications for excess Open Offer Shares by Qualifying Shareholders will be met in full or in part or at all. Excess monies in respect of applications which are not met in full will be returned to the applicant (at the applicant's risk) without the payment of interest as soon as practicable thereafter by way of cheque or CREST payment, as appropriate.

The instructions and other terms set out in the Application Form constitute part of the terms of the Open Offer.

(b) Market Claims

Applications may only be made on the Application Form which is personal to the Qualifying Shareholders(s) named thereon and may not be assigned, transferred or split except in the circumstances described below. **The Application Form represents the right to apply for Open Offer Shares and is not a document of title and cannot be separately traded.** It is transferable only to satisfy legitimate market claims in relation to market purchases pursuant to the rules of the London Stock Exchange prior to the Existing Ordinary Shares being marked "ex" the entitlement to the Open Offer. Applications may be split or consolidated only to satisfy legitimate market claims up to 3.00p.m. on 21 October 2015. Any Qualifying non-CREST Shareholder who has sold or transferred all or part of his holding of Existing Ordinary Shares prior to the date upon

which the Existing Ordinary Shares were marked “ex” the entitlement to the Open Offer, should consult his stockbroker or other professional adviser as soon as possible since the invitation to acquire Open Offer Shares under the Open Offer may represent a benefit which can be claimed from him by the purchaser or transferee under the rules of the London Stock Exchange. Qualifying non-CREST Shareholders who have sold all or part of their registered holdings should, if the market claim is to be settled outside CREST, complete Box 10 on the Application Form and immediately send it to the purchaser or transferee or the bank, stockbroker or other agent through whom or by whom the sale or transfer was effected for transmission to the purchaser or transferee.

The Application Form should not, however, subject to certain exceptions, be forwarded to or transmitted in or into the United States of America, Australia, Canada, South Africa, The Republic of Ireland or Japan.

(c) Application Procedures

Qualifying non-CREST Shareholders wishing to apply for Open Offer Shares should complete the Application Form in accordance with the instructions printed thereon and post it or return it by hand during normal business hours only so as to arrive by not later than 11.00 a.m. on 23 October 2015, together with payment in full for the number of Open Offer Shares applied for, to Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, (0371 664 0321 or, if calling from outside the UK on +44 (0) 20 8639 3399. Calls to the Capita Asset Services 0371 664 0321 number are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. Lines are open between 9.00 am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Open Offer nor give any financial, legal or tax advice. Applications received after 11.00 a.m. on 23 October 2015 will not be accepted.

If any Application Form is sent by first class post within the United Kingdom, Qualifying non-CREST Shareholders are recommended to allow at least four Business days for delivery. The Company may elect in its absolute discretion to accept Application Forms and remittances received after 11.00 a.m. on 23 October 2015. The Company may also in its sole discretion elect to treat an Application Form as valid and binding on the person(s) by whom or on whose behalf it is lodged, even if it is not completed in accordance with the relevant instructions, or if it does not strictly comply with the terms and conditions of application. Applications will not be acknowledged.

The Company, also reserves the right (but shall not be obliged) to accept applications in respect of which remittances are received prior to 11.00 a.m. on 23 October 2015 from an authorised person (as defined in FSMA) specifying the number of Open Offer Shares concerned and undertaking to lodge the relevant Application Form in due course.

(d) Payments

Under the Money Laundering Regulations 2007, Capita Asset Services may be required to check the identity of persons who subscribe for in excess of the sterling equivalent of EUR15,000.00 of Open Offer Shares. Capita Asset Services may therefore undertake electronic searches for the purposes of verifying identity. To do so Capita Asset Services may verify the details against the applicant's identity, but also may request further proof of identity. Capita Asset Services reserve the right to withhold any entitlement (including any refund cheque) until such verification of identity is completed to its satisfaction.

Payments must be made by cheque or bankers' draft in pounds sterling drawn on a branch in the United Kingdom of a bank or building society and must bear the appropriate sort code in the top right hand corner. Cheques, which must be drawn on the personal account of the individual investor where they have sole or joint title to the funds, should be

made payable to **Capita Registrars Limited re: “Metals Exploration plc – Open Offer A/C”**. Third party cheques may not be accepted with the exception of building society cheques or bankers’ drafts where the building society or Bank has inserted the full name of the account holder and have added the building society or bank branch stamp. The name of the building society or bank account holder must be the same as that shown on the application. Cheques or bankers’ drafts will be presented for payment upon receipt. The Company reserves the right to instruct Capita Asset Services to seek special clearance of cheques and bankers’ drafts to allow the Company to obtain value for remittances at the earliest opportunity. No interest will be allowed on payments made before they are due and any interest earned on such payments will accrue for the benefit of the Company. It is a term of the Open Offer that cheques will be honoured on first presentation, and the Company may elect in its absolute discretion to treat as invalid, acceptances in respect of which cheques are not so honoured. If cheques or bankers’ drafts are presented for payment before the conditions of the Open Offer are fulfilled, the application monies will be kept in a separate bank account pending fulfilment of such conditions. If all the conditions of the Open Offer have not been fulfilled or (where appropriate) waived by 8.00 a.m. on 29 October 2015 (or such later date as the Company may, in its absolute discretion, elect, but in any event not later than 8.00 a.m. on 16 November 2015), the Open Offer will lapse and application monies will be returned to applicants (at the applicants’ risk), without interest, by crossed cheque in favour of the applicant(s) within 14 days after that date.

(e) Effect of Application

All documents and remittances sent by post by or to an applicant (or as the applicant may direct) will be sent at the applicant’s own risk. By completing and delivering an Application Form, you (as the applicant(s)):

- (i) agree that all applications, and contracts resulting therefrom, under the Open Offer shall be governed by, and construed in accordance with, the laws of England;
- (ii) confirm that in making the application you are not relying on any information or representation other than such as may be contained in this document and you accordingly agree that no person responsible solely or jointly for this document or any part thereof or involved in the preparation thereof shall have any liability for any such information or representation not contained in this document; and
- (iii) represent and warrant that if you have received some or all of your entitlements under the Open Offer from a person other than the Company, you are entitled to apply under the Open Offer in relation to such entitlements under the Open Offer by virtue of a legitimate market claim.

The instructions, notes and other terms set out in the Application Form, form part of the terms of the Open Offer.

If you do not wish to apply for any of the Open Offer Shares to which you are entitled under the Open Offer, you should not complete and return the Application Form.

If you are in doubt whether or not you should apply for any of the Open Offer Shares under the Open Offer, you should consult your independent financial adviser immediately. All enquiries in relation to the procedure for application for Qualifying non-CREST Shareholders under the Open Offer should be addressed to Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU telephone (0371 664 0321 or, if calling from outside the UK on +44 (0) 20 8639 3399. Calls to the Capita Asset Services 0371 664 0321 number are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. Lines are open between 9.00 am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Open Offer nor give any financial, legal or tax advice.

(ii) **Qualifying CREST Shareholders (Shareholders who hold shares in CREST whose Open Offer Entitlement is credited to their stock account in CREST)**

(a) General

The Directors have applied for the Open Offer Shares to be admitted to CREST with effect from Admission. Accordingly, settlement of transactions in the Open Offer Shares following Admission may take place within the CREST system if the relevant Shareholder so wishes. CREST is a voluntary system and holders of Ordinary Shares who wish to receive and retain share certificates will be able to do so. Persons subscribing for Open Offer Shares as part of the Open Offer may, however, elect to receive Ordinary Shares in uncertificated form if they are a “system member” (as defined in the Uncertificated Securities Regulations 2000).

In general, the Ordinary Shares that are held in uncertificated form under CREST will be subject to the rules, regulations and procedures governing CREST and its system members as in effect from time to time. Ownership of an Ordinary Share held in uncertificated form under CREST may only be transferred in compliance with the procedures of CREST in effect from time to time.

Subject to the provisions set out in the relevant paragraph dealing with Overseas Shareholders in this Part 2, each Qualifying CREST Shareholder will receive a credit to his stock account in CREST of his Open Offer Entitlement equal to the number of Open Offer Shares for which he is entitled to apply under the Open Offer.

The CREST stock account to be credited will be an account under the participant ID and member account ID that apply to the Existing Ordinary Shares held on the Record Date by the Qualifying CREST Shareholder in respect of which the Open Offer Entitlements have been allocated.

If for any reason the Open Offer Entitlements cannot be admitted to CREST, or the stock accounts of Qualifying CREST Shareholders cannot be credited by close of business on 29 September 2015, or such later time as the Company may decide, an Application Form will be sent out to each Qualifying CREST Shareholder in substitution for the Open Offer Entitlement credited to his stock account in CREST. In these circumstances the expected timetable as set out in this document will be adjusted as appropriate and the provisions of this document applicable to Qualifying non-CREST Shareholders with Application Forms will apply to Qualifying CREST Shareholders who receive Application Forms.

CREST members who wish to apply for some or all of their entitlements to Open Offer Shares should refer to the CREST Manual for further information on the CREST procedures referred to below. If you are a CREST sponsored member you should consult your CREST sponsor if you wish to apply for Open Offer Shares as only your CREST sponsor will be able to take the necessary action to make this application in CREST.

(b) Market Claims

The Open Offer Entitlements will constitute a separate security for the purposes of CREST.

Although Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of Open Offer Entitlements may only be made by the Qualifying CREST Shareholder originally entitled or by a person entitled by virtue of a legitimate market claim transaction. Transactions identified by the CREST Claims Processing Unit as “cum” the Open Offer Entitlement will generate an appropriate market claim transaction and the relevant Open Offer Entitlement(s) will thereafter be transferred accordingly.

(c) Excess Application Facility

Qualifying CREST Shareholders at the Record Date who wish to make applications for additional Open Offer Shares (in excess of their initial pro rata entitlement) should follow the instructions below for submitting a USE in respect of the Excess Application Facility.

All enquiries in connection with the procedure for making an excess application should be addressed to Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU (0371 664 0321 or, if calling from outside the UK on +44 (0) 20 8639 3399. Calls to the Capita Asset Services 0371 664 0321 number are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. Lines are open between 9.00 am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Open Offer nor give any financial, legal or tax advice.

(d) USE Instructions

CREST members who wish to apply for Open Offer Shares in respect of all or some of their Open Offer Entitlements in CREST must send (or, if they are CREST sponsored members, procure that their CREST sponsor sends) an Unmatched Stock Event (“USE”) instruction to Euroclear which, on its settlement, will have the following effect:

- (i) the crediting of a stock account of Capita Asset Services under the participant ID and member account ID specified below, with a number of Open Offer Entitlements corresponding to the number of Open Offer Shares applied for; and
- (ii) the creation of a CREST payment, in accordance with the CREST payment arrangements, in favour of the payment bank of Capita Asset Services in respect of the amount specified in the USE instruction which must be the full amount payable on application for the number of Open Offer Shares referred to in paragraph (i) above.

(e) Content of USE Instructions

The USE instruction must be properly authenticated in accordance with Euroclear’s specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

- (i) the number of Open Offer Shares for which application is being made (and hence the number of the Open Offer Entitlement(s) being delivered to Capita Asset Services);
- (ii) the ISIN of the Open Offer entitlement. This is GB00BYTBRB14;
- (iii) the participant ID of the accepting CREST member;
- (iv) the member account ID of the accepting CREST member from which the Open Offer Entitlements are to be debited;
- (v) the participant ID of Capita Asset Services, in its capacity as a CREST receiving agent. This is **7RA33**;
- (vi) the member account ID of Capita Asset Services, in its capacity as a CREST receiving agent. This is **28661MET**;

- (vii) the amount payable by means of a CREST payment on settlement of the USE instruction. This must be the full amount payable on application for the number of Open Offer Shares referred to in paragraph (i) above;
- (viii) the intended settlement date. This must be on or before 11.00 a.m. on 23 October 2015; and
- (ix) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for an application under the Open Offer to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11:00 a.m. on 23 October 2015.

In order to assist prompt settlement of the USE instruction, CREST members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the USE instruction:

- (i) a contact name and telephone number (in the free format shared note field); and
- (ii) a priority of at least 80.

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE instruction may settle on 23 October 2015 in order to be valid is 11.00 a.m. on that day.

In the event that the Open Offer does not become unconditional by 8.00 a.m. on or about on 29 October 2015 or such later time and date as the Company may, in its absolute discretion, elect (being no later than 8.00 a.m. on 16 November 2015), the Open Offer will lapse, the Open Offer Entitlements admitted to CREST will be disabled and Capita Asset Services will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, within 14 days thereafter.

(f) Content of USE Instructions in respect of the Excess Application Facility

The USE instruction must be properly authenticated in accordance with Euroclear's specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

- (i) the number of excess Open Offer Shares for which application is being made (and hence the number of the Open Offer Entitlement(s) being delivered to Capita Asset Services);
- (ii) the ISIN of the Open Offer excess entitlement. This is GB00BYTBRC21;
- (iii) the participant ID of the accepting CREST member;
- (iv) the member account ID of the accepting CREST member from which the Open Offer Entitlements are to be debited;
- (v) the participant ID of Capita Asset Services, in its capacity as a CREST receiving agent. This is **7RA33**;
- (vi) the member account ID of Capita Asset Services, in its capacity as a CREST receiving agent. This is **28661MET**;
- (vii) the amount payable by means of a CREST payment on settlement of the USE instruction. This must be the full amount payable on application for the number of Open Offer Shares referred to in paragraph (i) above;

- (viii) the intended settlement date. This must be on or before 11.00 a.m. on 23 October 2015; and
- (ix) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST. In order for an application under the Open Offer to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 23 October 2015.

In order to assist prompt settlement of the USE instruction, CREST members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the USE instruction:

- (i) a contact name and telephone number (in the free format shared note field); and
- (ii) a priority of at least 80.

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE instruction may settle on 23 October 2015 in order to be valid is 11.00 a.m. on that day. In the event that the Open Offer does not become unconditional by 8.00 a.m. on or about 29 October 2015 or such later time and date as the Company may, in its absolute discretion, elect (being no later than 8.00 a.m. on 16 November 2015), the Open Offer will lapse, the Open Offer Entitlements admitted to CREST will be disabled and Capita Asset Services will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, within 14 days thereafter. The interest earned on such monies will be retained for the benefit of the Company.

(g) Deposit of Open Offer Entitlements into and withdrawal from CREST

A Qualifying non-CREST Shareholder's entitlement under the Open Offer as shown by the number of Open Offer Entitlements set out in his Application Form may be deposited into CREST (either into the account of the Qualifying non-CREST Shareholder named in the Application Form or into the name of a person entitled by virtue of a legitimate market claim). Similarly, Open Offer Entitlements held in CREST may be withdrawn from CREST so that the entitlement under the Open Offer is reflected in an Application Form. Normal CREST procedures (including timings) apply in relation to any such deposit or withdrawal, subject (in the case of a deposit into CREST) as set out in the Application Form.

A holder of an Application Form who is proposing to so deposit the Open Offer Entitlements set out in such form is recommended to ensure that the deposit procedures are implemented in sufficient time to enable the person holding or acquiring the Open Offer Entitlements following their deposit into CREST to take all necessary steps in connection with taking up the Open Offer Entitlements prior to 11.00 a.m. on 23 October 2015.

In particular, having regard to normal processing times in CREST and on the part of Capita Asset Services, the recommended latest time for depositing an Application Form with the CREST Courier and Sorting Service, where the person entitled wishes to hold the Open Offer Entitlements under the Open Offer set out in such Application Form as Open Offer Entitlements in CREST, is 3.00 p.m. on 20 October 2015, and the recommended latest time for receipt by Euroclear of a dematerialised instruction requesting withdrawal of Open Offer Entitlements from CREST is 4.30 p.m. on 19 October 2015, in either case so as to enable the person acquiring or (as appropriate) holding the Open Offer Entitlements following the deposit or withdrawal (whether as shown in an Application Form or held in CREST) to take all necessary steps in connection with applying in respect of the Open Offer Entitlements prior to 11.00 a.m. on 23 October 2015.

Delivery of an Application Form with the CREST Deposit Form duly completed whether in respect of a deposit into the account of the Qualifying non-CREST Shareholder named in the Application Form or into the name of another person, shall constitute a representation

and warranty to the Company and Capita Asset Services by the relevant CREST member(s) that it/they is/are not in breach of the provisions of the notes under the paragraph headed "Instructions for Depositing entitlements under the Open Offer into CREST" on page 3 of the Application Form, and a declaration to the Company and Capita Asset Services from the relevant CREST member(s) that it/they is/are not citizen(s) or resident(s) of the United States, Australia, Canada, Japan or the Republic of South Africa and, where such deposit is made by a beneficiary of a market claim, a representation and warranty that the relevant CREST member(s) is/are entitled to apply under the Open Offer by virtue of a legitimate market claim.

(h) Validity of Application

A USE instruction complying with the requirements as to authentication and contents set out above which settles by no later than 11.00 a.m. on 23 October 2015 will constitute a valid application under the Open Offer.

(i) CREST Procedures and Timings

CREST members and (where applicable) their CREST sponsors should note that Euroclear does not make available special procedures in CREST for any particular corporate action. Normal system timings and limitations will therefore apply in relation to the input of a USE instruction and its settlement in connection with the Open Offer. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST sponsored member, to procure that his CREST sponsor takes) such action as shall be necessary to ensure that a valid application is made as stated above by 11.00 a.m. on 23 October 2015. In this connection CREST members and (where applicable) their CREST sponsors are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

(j) Incorrect or Incomplete Applications

If a USE instruction includes a CREST payment for an incorrect sum, the Company through Capita Asset Services reserves the right:

- (i) to reject the application in full and refund the payment to the CREST member in question;
- (ii) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of Open Offer Shares as would be able to be applied for with that payment at the Issue Price, refunding any unutilised sum to the CREST member in question; or
- (iii) in the case that an excess sum is paid, to treat the application as a valid application for all the Open Offer Shares referred to in the USE instruction refunding any unutilised sum to the CREST member in question.

(k) Effect of Valid Application

A CREST member who makes or is treated as making a valid application in accordance with the above procedures will thereby:

- (i) pay the amount payable on application in accordance with the above procedures by means of a CREST payment in accordance with the CREST payment arrangements (it being acknowledged that the payment to Capita Asset Services' payment bank in accordance with the CREST payment arrangements shall, to the extent of the payment, discharge in full the obligation of the CREST member to pay to the Company the amount payable on application);

- (ii) request that the Open Offer Shares to which he will become entitled be issued to him on the terms set out in this document and subject to the Memorandum and Articles of Association of the Company;
- (iii) agree that all applications and contracts resulting therefrom under the Open Offer shall be governed by, and construed in accordance with, the laws of England and Wales;
- (iv) represent and warrant that he is not applying on behalf of any Shareholder who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of the United States, Australia, Canada, South Africa, The Republic of Ireland or Japan and he is not applying with a view to reoffering, reselling, transferring or delivering any of the Open Offer Shares which are the subject of this application to, or for the benefit of, a Shareholder who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of the United States, Australia, Canada, South Africa, The Republic of Ireland or Japan except where proof satisfactory to the Company has been provided to the Company and that he is able to accept the invitation by the Company of any requirement which it (in its absolute discretion) regards as unduly burdensome, nor acting on behalf of any such person on a non-discretionary basis nor (a) person(s) otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer;
- (v) represent and warrant that he is not and nor is he applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in Section 93 (depository receipts) or Section 96 (clearance services) of the Finance Act 1986;
- (vi) confirm that in making such application he is not relying on any information in relation to the Company other than that contained in this document and agrees that no person responsible solely or jointly for this document or any part thereof or involved in the preparation thereof, shall have any liability for any such other information and further agree that having had the opportunity to read this document, he will be deemed to have had notice of all the information concerning the Company contained therein; and
- (vii) represent and warrant that he is the Qualifying CREST Shareholder originally entitled to the Open Offer Entitlements or that he has received such Open Offer Entitlements by virtue of a legitimate market claim.

(l) Company's discretion as to Rejection and Validity of Applications

The Company may in its sole discretion:

- (i) treat as valid (and binding on the CREST member concerned) an application which does not comply in all respects with the requirements as to validity set out or referred to in this section entitled "Procedure for Application";
- (ii) accept an alternative properly authenticated dematerialised instruction from a CREST member or (where applicable) a CREST sponsor as constituting a valid application in substitution for or in addition to a USE instruction and subject to such further terms and conditions as the Company may determine;
- (iii) treat a properly authenticated dematerialised instruction (in this sub-paragraph the "first instruction") as not constituting a valid application if, at the time at which Capita Asset Services receives a properly authenticated dematerialised instruction giving details of the first instruction or thereafter, either the Company or Capita Asset Services have received actual notice from Euroclear of any of the matters specified in Regulation 35(5)(a) in relation to the first instruction. These

matters include notice that any information contained in the first instruction was incorrect or notice of lack of authority to send the first instruction; and

- (iv) accept an alternative instruction or notification from a CREST member or CREST sponsored member or (where applicable) a CREST sponsor, or extend the time for settlement of a USE instruction or any alternative instruction or notification, in the event that, for reasons or due to circumstances outside the control of any CREST member or CREST sponsored member or (where applicable) CREST sponsor, the CREST member or CREST sponsored member is unable validly to apply for Open Offer Shares by means of the above procedures. In normal circumstances, this discretion is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST) or on the part of the facilities and/or systems operated by Capita Asset Services in connection with CREST.

4 Money Laundering Regulations

It is a term of the Open Offer that, to ensure compliance with the Money Laundering Regulations 2007, the money laundering provisions of the Criminal Justice Act 1993, Part VIII of the Financial Services and Markets Act 2000 and the Proceeds of Crime Act 2002 (together with the provisions of the Money Laundering Sourcebook of the Financial Services Authority and the manual of guidance produced by the Joint Money Laundering Steering Group in relation to financial sector firms) (together, the "Regulations"), that Capita Asset Services may, in its absolute discretion, require verification of your identity to the extent that you have not already provided the same. Pending the provision to Capita Asset Services of evidence of your identity, definitive certificates in respect of Open Offer Shares may be retained at its absolute discretion. If within a reasonable time after a request for verification of identity Capita Asset Services has not received evidence satisfactory to it, the Company may, in its absolute discretion, terminate your Open Offer participation in which event the monies payable on acceptance of the Open Offer participation will, if paid, be returned without interest and net of bank charges by cheque to the applicant(s). To comply with the money laundering requirements, payment in respect of your Open Offer participation should be drawn from an account in your own name on a branch of a building society or bank in the United Kingdom and must bear the appropriate sort code in the top right hand corner. If this is not practicable and you must use a cheque or bankers' draft drawn on a building society or bank then:

- (i) you should write your name and address on the back of the cheque and record your date of birth against your name; and
- (ii) request the building society or bank to print or write on the back of the cheque the full name and account number of the person whose building society or bank account is being debited and add their stamp.

For applications over £10,500 (being the approximate equivalent to EUR 15,000, Qualifying non-CREST Shareholders are also requested to submit with the Application Form as documentary evidence of identity and address one certified copy document from each of the following lists (as appropriate):

Personal identity documents (UK resident individuals)

- current signed passport;
- Northern Ireland Voter's Card;
- current full UK driving licence;
- benefits book or original notification letter from the Benefits Agency confirming the right to benefit; or
- HM Revenue & Customs tax notifications e.g. tax assessment, statement of account or notice of coding.

Evidence of address (UK resident individuals)

- recent utility bill or utility statement (mobile telephone bills are not acceptable);
- local authority tax bill (current year);
- current UK driving licence (if not used for evidence of name);

- benefits book or original notification letter from the Benefits Agency confirming the right to benefit (provided one or other has not been used as evidence of personal identity); or
- HM Revenue & Customs correspondence addressed to you at stated address (provided HM Revenue & Customs notifications have not been used as evidence of personal identity).

If you are not a UK resident individual such proof of identity may include:

- a certified copy of an official identity card; or
- a certified copy of a driving licence; or
- a certified extract from a full passport (i.e. a copy of the front cover and pages showing photograph, personal details and signature, date and place of issue and serial number); and a certified copy of satisfactory evidence of an address (e.g. utility bill or bank statement).

If you are a corporation, please supply:

- a certified copy of your articles of association or statutes or published accounts or certificate of incorporation or trade register entry or certificate of trade;
- the names and addresses of all directors and specimen signatures; and
- evidence of identity and address as stated above for each director.

All certified documents must be certified by a professional person such as a lawyer or attorney, notary or an official entity such as an embassy, consulate or high commission of the country of issue.

5 Taxation and Stamp Duty

If you are in any doubt as to your tax position, or if you are subject to tax in a jurisdiction other than the United Kingdom, you should consult your professional adviser without delay.

6 Overseas Shareholders

In respect of persons not resident in the United Kingdom or who are citizens of countries other than the United Kingdom the Open Offer may be affected by the laws or regulatory requirements of jurisdictions outside the United Kingdom. It is the responsibility of each overseas shareholder to satisfy himself as to the full observance of the laws of any relevant jurisdiction in connection with the Open Offer. No person receiving a copy of this document and/or an Application Form in any territory other than the United Kingdom may treat the same as constituting an invitation or offer to him/her nor should he/she in any event use such Application Form unless in the relevant territory such an invitation could lawfully be made to him/her or such Application Form could be lawfully be used without compliance with any registration or other legal or regulatory requirements other than any which may have been fulfilled.

In particular, the Open Offer Shares have not been registered under the United States Securities Act of 1933 (as amended) or the relevant securities legislation in Australia, Canada, South Africa, The Republic of Ireland or Japan and therefore the Open Offer Shares may not be offered, sold, transferred or delivered directly or indirectly in the United States of America, Australia, Canada, South Africa, The Republic of Ireland or Japan or their respective territories and possessions. No Application Form will be accepted from, any Shareholder who is unable to give the warranty set out in the Application Form or who the Company or its agent has reason to believe is ineligible to apply.

It is the responsibility of any person receiving a copy of this document or an Application Form and wishing to make an application to subscribe for Open Offer Shares to satisfy himself/herself as to the full observance of the laws and regulatory requirements of any relevant territory, including the obtaining of all necessary governmental or other consents which may be required or observing any other formalities needing to be observed in such territory and the payment of any taxes due in such jurisdiction.

The Company and its agent reserves the right to treat as invalid any application, or purported application, to subscribe for Open Offer Shares pursuant to the Open Offer which appears to the Company or its agent to have been executed, effected or despatched in a manner which may involve a breach of the securities legislation of any jurisdiction or which does not include the warranties set out in the Application Form. Completion of an Application Form shall constitute a warranty that the Shareholder is eligible to apply.

7 Settlement and Dealings

Application will be made to the London Stock Exchange for the Open Offer Shares to be admitted to trading on AIM. It is expected that the Open Offer Shares will be admitted to trading on AIM and that dealings will commence on or about 8.00 a.m. on 29 October 2015. None of the Open Offer Shares are being made available to the public except under the terms of the Open Offer. For Qualifying non-CREST Shareholders, definitive share certificates for the Open Offer Shares are expected to be dispatched by first class post within 14 days from Admission. For Qualifying CREST Shareholders, it is expected that the relevant account will be credited on the day of Admission. Notwithstanding any other provision of this document, the Company reserves the right to issue any Open Offer Shares in certificated form. This right is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST) or on the part of the facilities and/or systems operated by the Company's registrars in connection with CREST. No temporary documents of title will be issued and pending despatch of the definitive share certificates, transfers of the Open Offer Shares will be certified against the register. All documents and remittances sent by or to an applicant (or his/her agent, as appropriate) will be sent through the post at the risk of the person entitled thereto.

8 Times and dates

The Company shall, in its discretion, and after consultation with its financial and legal advisers, be entitled to amend the dates on which the Application Forms are despatched or amend or extend the latest date for acceptance under the Open Offer and all related dates set out in this document and in such circumstances shall make an announcement to a RIS. If a supplementary circular is published by the Company two or fewer Business Days prior to the latest time and date for acceptance and payment in full under the Open Offer specified in this document, the latest date for acceptance under the Open Offer shall be extended to the date that is at least three Business Days after the date of publication of the supplementary circular (and the dates and times of principal events due to take place such date shall be extended accordingly).

9 FSMA and Prospectus Rules

As the maximum total consideration payable under the Open Offer is limited to an amount in Sterling which is less than €5 million, the Open Offer falls within the exemption set out in section 85(5)(a) FSMA and paragraph 9 of Schedule 11A FSMA and accordingly no prospectus will be prepared in relation to the Open Offer.

10 Governing law and jurisdiction

The terms and conditions of the Open Offer as set out in this document, the Application Form and any non-contractual obligation related thereto shall be governed by, and construed in accordance with, the laws of England. The courts of England are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Open Offer, this document or the Application Form including, without limitation, disputes relating to any non-contractual obligations arising out of or in connection with the Open Offer, this document or the Application Form. By taking up Open Offer Shares under the Open Offer in accordance with the instructions set out in this document and where applicable, the Application Form, Qualifying Shareholders irrevocably submit to the jurisdiction of the courts of England and waive any objection to proceedings in any court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum.

Part 3 RISK FACTORS

An investment in the Open Offer Shares involves a degree of risk. Accordingly, prospective investors should carefully consider the specific risk factors set out below in addition to the other information contained in this document before investing in the Open Offer Shares. The Directors consider the following risks and other factors to be the most significant for potential investors in the Company, but the risks listed do not purport to comprise all those risks associated with an investment in the Company and are not set out in any particular order of priority. Additional risks and uncertainties not currently known to the Directors may also have an adverse effect on the Company's business.

If any of the following risks actually occur, the Company's business, financial condition, capital resources, results or future operations could be materially adversely affected. In this event, the price of the Ordinary Shares could decline and investors may lose all or part of their investment. The investment offered in this document may not be suitable for all of its recipients. Before making an investment decision, prospective investors should consult a person authorised under the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities. A prospective investor should consider carefully whether an investment in the Company is suitable for him/her in the light of his/her personal circumstances and the financial resources available to him/her.

There are various risks and other factors associated with an investment of the type described in this document. In particular:

1 Risks relating to the Group's businesses

(a) Availability of Funding

The Group's access to further financing as a source of funding for the Runruno Project and other projects is subject to various factors, many of which are outside of its control, such as political instability, an economic downturn, social unrest, or changes in the Philippine regulatory environment, changes to the Company's regulatory environment (including but not limited to the AIM Rules, the Code, the Financial Conduct Authority's Rules and Regulations) which result in an increase in the cost of borrowing of the Group or restrict its ability to obtain financing. There is no assurance that the Group will be able to arrange financing on acceptable terms, if at all. If the Group were unable to obtain financing from banks and other financial institutions or from capital markets this would adversely affect the ability of the Group to execute its expansion and growth strategies as well as its financial condition and prospects.

If adequate funds are not available to satisfy either short or long-term capital requirements, the Group may be required to limit its operations significantly

(b) Operating Risks

The Company is not currently operational in the commercial production of gold and at this stage of its development the Company is not subject to the vagaries of the gold price, commercial economic factors, share market industry and sector fluctuations, and general business risks as a producer although some or all of these factors may impact upon the Company's efforts to secure debt funding.

(c) Exploration, Development and Production Risks

The success of the Group also depends on the realisation of economically recoverable mineral reserves, access to required development capital, successful mine construction activities, movements in the price of metals, securing and maintaining title to its exploration and production tenements and obtaining all consents and approvals necessary for the conduct of its exploration, construction and planned mining activities.

Exploration may be unsuccessful, resulting in a reduction of the value of those tenements, diminution in the cash reserves of the Group and possible relinquishment of the exploration tenements.

Further exploration, project construction, mining, processing and transporting activities may be prevented, delayed or adversely affected by many factors outside the control of the Group. These include adverse operating conditions (such as unexpected geological conditions, seismic events, fire, weather, accidents, acts of God), compliance with governmental requirements, labour and safety issues, shortages or delays in installing, commissioning and repairing plant and equipment or import or customs delays, unexpected maintenance or technical problems, key equipment failures and variations in geological and metallurgical conditions. The impact of changing conditions can materially affect the Group's ability to operate and places a greater reliance on business processes, systems and information technology. This requires proper resources and management, and the ability to source, train and retain skilled people otherwise the Group's performance could be adversely affected.

(d) Meeting Conditions of Licences

Ongoing exploration, development and mining of mineral deposits involve obtaining licences or clearances from the relevant authorities, which may require conditions to be satisfied and/or the exercise of discretion by such authorities. There is no guarantee that it may or may not be possible for such conditions to be satisfied, or it may be that the satisfaction of the conditions is not commercially practicable.

Problems may also arise due to interruptions to essential services (such as power, water, fuel, equipment or transport capacity) or technical support, which result in a failure to achieve expected target dates for exploration or production and/or result in a requirement for greater expenditure.

(e) Attraction and retention of executive management

The Group is highly dependent upon its executive directors and a small number of key employees in its operating subsidiaries. The loss of such executive management could have a materially adverse effect on the Group.

In addition, in assessing any risk associated with an investment in the Ordinary Shares, it should be recognised that any investor would be relying on the ability and continued employment of these individuals.

(f) Reserve And Resource Estimates

Reserve estimates are expressions of judgement based on knowledge, experience, industry practice, and published guidelines. Estimates, which were valid when made, may change significantly when new information becomes available. In addition, reserve estimates are imprecise and depend to some extent on interpretations which may prove to be inaccurate. The actual reserves may differ from those estimated which may result in the Company altering its plans which could have either a positive or negative effect on the Company's operations and planning, thereafter. In addition, the inclusion of mineral resource estimates should not be regarded as a representation that these amounts can be economically exploited and no assurances can be given that such resource estimates will be converted into reserves.

(g) Delays to construction at Runruno

It is possible there may be delays in the planned construction of the process plant at Runruno and some of these reasons may be;

- (i) delays in procuring key pieces of equipment from overseas - the lead times for major equipment may have a material effect on the anticipated commencement of a project;

- (ii) delays in receiving requisite government approvals;
- (iii) delays in clearing imported equipment through customs, and
- (iv) delays in obtaining funding.

Delays experienced in obtaining necessary operating permits can lead to a delay in the planned timetable for recovery of gold and access to commercial revenues.

2 Risks Specific to the Industry/ Jurisdiction in which the Group Operates

(a) Changes to the Legal and Regulatory Environment

Future changes in applicable law, regulations, customs or practice in the Philippines or changes in their enforcement or regulatory interpretation could or may result in the requirement for the provision of certain additional licences, permissions, authorisations, approvals and consents from the authorities in the Republic of the Philippines in relation to the commissioning and further development of the Runruno Project. Where required, obtaining such additional licences, permissions, authorisations, approvals and consents can be a complex, expensive and time consuming process. There can be no assurance that any such additional licences, permissions, authorisations, approvals and consents will be granted on acceptable terms to the Company, in a timely manner or at all.

(b) Regulation in the Philippines

The Philippines Constitution provides that all natural resources are owned by the State which may enter into a co-production, joint venture or production sharing agreement with citizens of the Philippines or corporations or associations at least 60% of whose capital is owned by Philippine citizens. Commonwealth Act No. 108, as amended (otherwise known as the “Anti-Dummy” Act), provides penalties for, amongst others:

- (i) Filipinos who permit aliens to use them as nominees or dummies so that the aliens could enjoy privileges otherwise reserved for Filipinos or Filipino corporations; and
- (ii) aliens or foreigners who profit from the adoption of these dummy relationships. It also penalises the act of falsely simulating the existence of minimum stock or capital as owned by citizens of the Philippines or any other country in cases in which a constitutional or legal provision requires that before a corporation or association may exercise or enjoy a right, franchise or privilege, not less than a certain percentage of its capital must be owned by such citizens.

The Anti-Dummy Act likewise prohibits aliens from intervening in the management, operation, administration or control of nationalised business or enterprises, whether as officers, employees or labourers, with or without remuneration, except that aliens may take part in technical aspects only, provided:

- (iii) no Filipino can do such technical work; and
- (iv) it is with express authority from the Secretary of Justice.

The Anti-Dummy Act also allows the election of aliens as members of the boards of directors or the governing bodies of corporations or association engaged in partially nationalised activities in proportion to their allowable participation or share in the capital of such entities.

The Financial or Technical Assistance Agreement structure under which the Company through FCF secures its 100% interest in the Runruno Project permits 100% foreign ownership of a mining tenement and any mining and /or processing operation(s) thereon.

The legality of the FTAA licence structure has been determined to be Constitutional by the Supreme Court of the Philippines.

Whilst the Company has received advice that this structure and the structure of its subsidiary operations in the Philippines complies with all Philippine regulations, there is a risk that it could be questioned or challenged given limited precedents to date in country.

(c) Proposed Changes to the Tax Regime

On 15 February 2013, the Philippines Bureau of Internal Revenue published Revenue Memorandum Circular No 17-2013 (“**RMC17**”) which sought to clarify the position on taxes due from Financial or Technical Assistance Agreement contractors during “Recovery Periods”.

The Circular applies the principal of *strictissimi juris*, and notes that FTAA contractors are required to pay taxes provided under the National Internal Revenue Code during and after their “recovery period” in compliance with their tax obligations and not in compliance with their obligation to settle the “government share” under the FTAA.

Although this is contradictory to the provisions provided in the Company’s FTAA, a legal contract with the Philippine Government, this matter has not been tested in any courts and if where it is found that the Company (or its local subsidiary) is liable to pay any further taxes by application of RMC17, this may materially and adversely affect the cash flow of the Company, its results of operations and financial condition.

(d) Proposed Changes to the Fiscal Regime and Revenue Sharing with Philippine Government

On 28 January 2015 a Philippine draft bill on fiscal regime and revenue sharing for large-scale metallic mining (“**Draft Bill**”) was filed but has not yet been read on First Reading and therefore has not been referred to any House of Representatives Committee in the Philippines.

The draft bill seeks to enforce changes to the fiscal regime and revenue sharing for existing Mineral Agreements (“**MA**”) and FTAA’s where such agreements provide that any terms and conditions resulting from the repeal or amendment of any existing law or regulations or from the enactment of a law, regulation, or administrative order shall be considered part of the agreement, and also for any new MAs or FTAA’s entered into.

The Draft Bill seeks to increase the Philippine Government’s entitlement to proceeds from the mining industry to a 55 per cent. share of the net mining revenue at a minimum with provisions to increase its entitlement in “windfall” conditions. The Draft Bill also limits the allowable costs in determining the net mining revenue (with costs related to borrowing and interest costs are excluded). The provisions of the Draft Bill are considered onerous and have the capacity to potentially detrimentally affect mining revenues in the Philippines if promulgated. Accordingly this may affect the Company’s potential future mining revenues.

The Company’s FTAA provides that should there be any change in existing laws or regulations that prejudices, reduces, or otherwise adversely affects either party’s assets or rights under the FTAA, ‘*the government and FCF shall negotiate amendments to the FTAA which shall result in the parties receiving benefits from the FTAA that are no less favorable to them than would have been the case if such law had not occurred*’.

The Company intend to seek to rely upon its FTAA having the appropriate clauses which appear to provide it with sufficient protection against any future enactment of the Draft Bill being applied against the Company. However, should the Draft Bill be enacted it is highly likely the Company will require to negotiate with the government such that ‘*the parties receiving benefits from the FTAA that are no less favorable to them than would have been the case if such law had not occurred*’ There are no guarantees these discussions will yield an equitable outcome.

Were the Company's FTAA to be extended this would be viewed as a new FTAA and would be caught by the Draft Bill in the event that it were enacted at the time of the extension of the FTAA.

(e) Draft Provincial Environment Code - Proposed Ban on Open Pit Mining in Nueva Vizcaya

During 2013, the provincial government of Nueva Vizcaya (where the Runruno Project is situated) initiated a draft bill in the guise of an Environment Code and which has now passed public consultation and is with the Vice Governor of Nueva Vizcaya for consideration. Section 205 of the Environment Code protects the Company's vested rights in this matter but were it to be passed into law the burden of compliance with such legislation will affect the Company throughout the life of the Runruno Project. At this stage, it is not possible to quantify the financial impact of such legislation on the Company.

(f) Exposure to Safety, Health and Environmental Costs and Liabilities

The business of the Group is subject to a variety of laws, rules and regulations that impose limitations, prohibitions and standards with respect to health and safety as well as the use, discharge, emission, treatment, release, disposal and management of, regulated materials and waste, and hazardous substances.

Safety, health and environmental laws and regulations in the Philippines have become increasingly stringent and it is possible that these laws and regulations will become significantly more stringent in the future. The adoption of new safety, health and environmental laws and regulations, new interpretations of existing laws, increased governmental enforcement of environmental laws or other developments in the future may require additional capital expenditures or the incurrence of additional operating expenses in order to comply with such laws and to maintain current operations as well as any costs related to fines and penalties.

If the measures implemented by the Group fail to comply with these new laws and regulations are not deemed sufficient by governmental authorities, compliance costs may significantly exceed current estimates. If the Group fails to meet safety, health and environmental requirements, it may be subject to administrative, civil and criminal proceedings by governmental authorities, as well as civil proceedings by environmental groups and other individuals, which could result in substantial fines and penalties against the Group, as well as orders that could limit or halt its operations. There is no assurance that the Group will not become involved in future litigation or other proceedings or be held responsible in any such future litigation or proceedings relating to safety, health and environmental matters in the future, the costs of which could be material.

Environmental compliance and remediation costs at sites on which its facilities are located and related litigation and proceedings could materially and adversely affect the cash flow of the Company, its results of operations and financial condition.

3 General Risks

(a) The Company's objectives may not be fulfilled

The value of an investment in the Company is dependent upon the Company achieving the aims set out in this document and the successful development of the Runruno Project. There can be no guarantee that the Company will achieve the level of success that the Board expects.

(b) Forward looking statements

This document contains certain forward-looking statements with respect to the financial condition, results of operations and business of the Group and certain plans and objectives of the Directors with respect thereto. By their nature, forward-looking

statements involve risk and uncertainty, because they relate to events and depend on circumstances that will occur in the future and the factors described in the context of such forward-looking statements in this document could cause actual results and developments to differ materially from those expressed in or implied by such forward-looking statements. Although the Directors believe that the expectations reflected in such forward-looking statements are reasonable, the Directors can give no assurance that such expectations will prove to have been correct.

(c) Fluctuations in Gold Prices

The price of gold is influenced by physical and investment demand and supply and has historically displayed wide ranges and is affected by numerous factors over which the Company does not have any control. These include production levels, international economic trends, speculative activity, consumption patterns and global or regional political events.

Fluctuations in the gold price may influence individual projects in which the Group has an interest. The Group could be affected by unforeseen events outside its control including, among other things, natural disasters, terrorist attacks and political unrest and/or government legislation or policy, particularly in connection with environmental issues which may interrupt or prevent exploration, mine development or production operations.

Movements in gold prices may also have an impact on the Group's cost of raising and maintaining debt financing.

4 Risks relating to the Ordinary Shares

(a) Market information and nature of Ordinary Shares

The market price of the Ordinary Shares may not reflect the underlying value of the Group's net assets. Potential investors should be aware that the value of shares can rise or fall and that there may not be proper information available for determining the market value of an investment in the Company at all times. An investment in a share which is traded on AIM, such as the Ordinary Shares, may be difficult to realise and carries a high degree of risk. The ability of an investor to sell Ordinary Shares will depend on there being a willing buyer for them at an acceptable price. Consequently, it might be difficult for an investor to realise his/her investment in the Company and he/she may lose all of his/her investment.

(b) Suitability of Ordinary Shares as an investment

The Ordinary Shares may not be a suitable investment for all recipients of this document. Before making a decision, investors are advised to consult an appropriate independent investment adviser authorised through FSMA who specialises in advising on investments of this nature. The value of Ordinary Shares can go down as well as up and investors may get back less than their original investment.

(c) Dilution of ownership of existing Ordinary Shares upon allotment of the Open Offer Shares

If Qualifying Shareholders do not respond to the Open Offer by 11.00 a.m. on 23 October 2015, the latest date for application and payment in full in respect of their entitlements, their proportionate ownership and voting interest in the Ordinary Shares will be reduced and the percentage that their shareholding represents of the issued share capital of the Company will be reduced by a greater amount than arises from the Placing alone.

(d) Share Price Volatility and Liquidity

The market price of the Ordinary Shares could be subject to significant fluctuations due to a change in investor sentiment regarding the Company or the industry in which the

Company operates or in response to specific facts and events, including positive or negative variations in the Group's interim or full year operating results and business developments of the Group and/or competitors. The market price of the Ordinary Shares may not reflect the underlying value of the Group and it is possible that the market price of the Ordinary Shares will trade at a discount to net asset value. Potential investors should be aware that the value of shares and the income from them can go down as well as up.

(e) Investment in AIM securities

Although the Company is applying for the admission of the Open Offer Shares to trading on AIM, there can be no assurance that there will be an active trading market the Ordinary Shares will be maintained. Investment in shares traded on AIM is perceived to involve a higher degree of risk and to be less liquid than investment in companies whose shares are listed on the Official List. An investment in Ordinary Shares may be difficult to realise. Investors should be aware that the value of the Ordinary Shares may go down as well as up and that the market price of the Ordinary Shares may not reflect the underlying value of the Company. Investors may therefore realise less than, or lose all of, their investment.

5 Risk relating to Resolutions not being passed

In the event that the Resolutions are not passed, the Company will not be able to proceed with the Open Offer in the form envisaged, with the result that the anticipated net proceeds of the Open Offer will not become available to the Company.

Part 4 – NOTICE OF GENERAL MEETING



Metals Exploration PLC **(the “Company”)**

(Incorporated in England and Wales with company registration number 05098945)

NOTICE OF GENERAL MEETING

NOTICE is hereby given that a General Meeting of the Company will be held on 15 October 2015 at 10:00 a.m. at 200 Strand, London WC2R 1DJ, for the purposes of considering and, if thought fit, passing the following resolutions, of which Resolutions 1 and 2 will be proposed as ordinary resolutions and Resolutions 3 and 4 will be proposed as special resolutions:

Ordinary Resolutions

1. THAT the Directors be generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 (the “**Act**”) to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for, or to convert any security into, shares in the Company (the “**Rights**”) up to an aggregate nominal amount of £1,000,000.00 in connection with the Open Offer, provided that this authority shall expire on the date of the next annual general meeting held by the Company following the passing of this resolution save that the Company shall be entitled to make offers or agreements before the expiry of this authority which would or might require shares to be allotted or Rights granted after such expiry and the Directors shall be entitled to allot shares and grant Rights pursuant to such offers or agreement as if this authority had not expired.
2. That the Directors be generally and unconditionally authorised pursuant to section 551 of the Act to exercise all the powers of the Company to allot shares in the Company and to grant Rights:
 - a. up to an aggregate nominal amount of £1,483,005.36 (equal to approximately 10 per cent. of the nominal value of the issued share capital of the Company as at the date of this notice) in connection with the Company’s unapproved share option scheme 2006; and
 - b. other than pursuant to paragraph (a) above, up to an aggregate nominal amount of £1,483,005.36 (equal to approximately 10 per cent. of the nominal value of the issued share capital of the Company as at the date of this notice).

provided that this authority shall expire on the date of the next annual general meeting held by the Company following the passing of this resolution save that the Company shall be entitled to make offers or agreements before the expiry of this authority which would or might require shares to be allotted or Rights to be granted after such expiry and the Directors shall be entitled to allot shares and grant Rights pursuant to such offers or agreements as if this authority had not expired.

Special Resolutions

3. THAT, subject to the passing of Resolution 1 above, the Directors be empowered pursuant to sections 570 and 573 of the Act to allot equity securities (within the meaning of section 560 of that Act) pursuant to the general authority conferred by Resolution 1 set out in the notice of this meeting for cash as if section 561 of the Act did not apply to any such allotment provided that this power shall be limited to the allotment of equity securities up to an aggregate nominal amount of £1,000,000.00 in connection with the Open Offer, and such power shall expire upon the expiry of the authority conferred by Resolution 1 set out above, save that the Directors shall be entitled to make offers or agreements before the expiry and the Directors may allot equity securities pursuant to any such offers or agreements as if the power conferred by this resolution had not expired.
4. That, subject to the passing of Resolution 2 set out above, the Directors be empowered pursuant to section 570 and section 573 of the Companies Act 2006 to allot equity securities (within the meaning of section 560 of that Act) pursuant to the general authority conferred by Resolution 2 set out in the notice of this meeting, or by way of a sale of treasury shares, for cash as if section 561 of that Act did not apply to any such allotment or sale, provided that this power shall be limited to allotments of equity securities and the sale of treasury shares:
 - (i) in connection with a rights issue to the holders of shares in the Company and other persons entitled to participate therein in proportion (as nearly as practicable) to their respective holdings, subject to such exclusions or other arrangements as the Directors may consider necessary or expedient to deal with fractional entitlements or legal or practical problems under the laws of any territory or the regulations or requirements of any regulatory authority or any stock exchange in any territory;
 - (ii) up to an aggregate nominal amount of £1,483,005.36 (equal to approximately 10 per cent. of the nominal value of the issued share capital of the Company as at the date of this notice) in connection with the Company's unapproved share option scheme 2006; and
 - (iii) otherwise than pursuant to sub-paragraphs (i) and (ii) above, up to an aggregate nominal amount of £1,483,005.36 (equal to approximately 10 per cent. of the nominal value of the issued share capital of the Company as at the date of this notice);

and such power shall expire on upon the expiry of the authority conferred by Resolution 2 set out above, save that the Directors shall be entitled to make offers or agreement before the expiry of such power which would or might require equity securities to be allotted or treasury shares to be sold after such expiry, and the Directors may allot equity securities or sell treasury shares in pursuance of any such offer or agreement as if the power conferred by this resolution had not expired.

Words and expressions defined in the circular to shareholders dated 28 September 2015 shall have the same meanings when used in these Resolutions unless the context otherwise requires.

By Order of the Board

Registered office:

200 Strand
London
WC2R 1DJ

Dated: 28 September 2015

Liam Ruddy
Company Secretary