

Regulatory Story

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Metals Exploration PLC - MTL Short Term Funding Secured
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Metals Exploration PLC
30 June 2017

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METALS EXPLORATION PLC

Metals Exploration plc (AIM: MTL) ("Metals Exploration" or the "Company"), the natural resources exploration and development company with assets in the Pacific Rim region.

Short Term Funding Secured

The Company has previously announced that is in discussions with a mezzanine debt provider for the provision of a working capital facility. It was announced on 24 May 2017 that the Company expected to conclude the discussions by 30 June 2017. Negotiations have been progressing and it is the Company's current expectation that such a facility will be in place during the next 60 days.

On 30 June 2017 the Group is required to make a payment of almost US \$10.0 million to its senior lenders and documentation on the mezzanine debt facility will not be completed in time to facilitate this payment.

To enable the Group to meet the amounts due on 30 June, the Company has, in the absence of alternative near term funding options, approached its two major shareholders, MTL (Luxembourg) Sarl Ltd and Runruno Holdings Limited, who have agreed to provide a US \$10.0 million short term loan to the Company (the "Loan"). The shareholders will provide funding on a prorata basis to their shareholding in the Company. The Loan's key terms are in line with the previous \$2m shareholder loan provided in May 2017 and will accrue an interest rate of

20% per annum for a term of 60 days. Should the Loan not be repaid within 60 days, the interest rate will increase to 30% per annum until repayment.

The Company will continue to update the market as the discussions in relation to the above working capital facility progress. Further funding will be required by the end of August to repay the short-term loans and for working capital purposes.

Related party transaction

The independent director of the Company, Ian Holzberger, having consulted with the Company's nominated adviser, considers that the terms of the Loan are fair and reasonable insofar as its shareholders are concerned.

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

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