

METALS EXPLORATION PLC

SOLOMON CAPITAL LIMITED ANNOUNCES INTENTION TO EXERCISE OPTION AND AN AGREEMENT WITH BAKER STEEL CAPITAL MANAGERS LLP

Metals Exploration plc (AIM: MTL) ("Metals Exploration" or "the Company"), the natural resources exploration and development company with assets in the Pacific Rim region, notes that Solomon Capital Limited ("Solomon") announced today that it has entered into an agreement with Baker Steel Capital Managers LLP ("Baker Steel") whereby it has exercised its rights under the option deed ("Option Deed") with the Company, entered into on 4 April 2011, and on issue of the shares as a result of such exercise, Solomon will immediately transfer the shares to funds managed by Baker Steel.

A full copy of Solomon's announcement is appended below for reference. Solomon has released their announcement to the Regulated News Service.

The Company is in receipt of an exercise notice from Solomon exercising its right to subscribe for 76,923,076 new ordinary shares in the Company at 13p per share pursuant to the Option Deed. The Company will allot the new shares and apply for their admission to trading on AIM in accordance with the terms of the Option Deed.

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7 July 2011

SOLOMON CAPITAL LIMITED
(“Solomon”)

EXERCISE OF OPTION

Solomon announces that it has today entered into an agreement with Baker Steel Capital Managers LLP (“**Baker Steel**”) pursuant to which Solomon will exercise its rights under the option deed (“**Option Deed**”) entered into with Metals Exploration plc (the “**Company**”) on 4 April 2011 and then immediately transfer the shares acquired as a result of such exercise to funds managed by Baker Steel.

Solomon has exercised its rights under the Option Deed and subscribed for 76,923,076 new ordinary shares in the Company at 13p per share (“**First Subscription**”) which shares will be immediately transferred to funds managed by Baker Steel once they are issued. Solomon and Baker Steel have also agreed that at any time prior to 14 August 2011, Solomon will exercise (subject to certain conditions) the Option Deed in respect of a further 50,000,000 new ordinary shares in the Company at 13p per share (“**Second Subscription**”), which shares will also be immediately transferred to funds managed by Baker Steel once they are issued.

In the circular dated 8 March 2011, it was stated that a concert party existed between the Solomon Concert Party and the RHL Concert Party. Following further discussions with the Takeover Panel, WDB are no longer considered by the Takeover Panel to be part of the RHL Concert Party. Baker Steel, and the funds to whom the shares will be transferred by Solomon, are considered by the Takeover Panel to be acting in concert with both the Solomon Concert Party and the RHL Concert Party.

Although the shareholding of the Solomon Concert Party will drop below 50 per cent of the issued share capital of the Company following the transfer of the 76,923,076 shares acquired pursuant to the First Subscription, the Takeover Panel have ruled that the subsequent exercise of the Option Deed will not have any consequences under rule 9 of the City Code on Takeovers and Mergers.

Following completion of the First Subscription, the shareholdings of the members of the ongoing Concert Party (including Baker Steel but excluding WDB) will be as follows:

Name	Number of Metals Exploration Shares	Percentage of the issued share capital of the Company
Solomon	147,604,617	27.4
Shelfco	100,000,000	18.5
Baker Steel	96,190,730	17.8
RHL	76,923,077	14.3
Mr Edwards	19,001,919	3.5

Following completion of the Second Subscription, the shareholdings of the members of the ongoing Concert Party (including Baker Steel but excluding WDB) will be as follows:

Name	Number of Metals Exploration Shares	Percentage of the issued share capital of the Company
Solomon	147,604,617	25.0
Shelfco	100,000,000	17.0
Baker Steel	146,190,730	24.8
RHL	76,923,077	13.1
Mr Edwards	19,001,919	3.2

RHL also has the benefit of its Option Agreement pursuant to which it is entitled to subscribe for such number of new shares in the Company at 13p per share as will enable the RHL Concert Party to hold 18 per cent of the issued share capital of the Company following such exercise.

Reef Securities, which is a member of the Solomon Concert Party, continues to hold Warrants as set out in the circular dated 8 March 2011.

Unless the context otherwise requires, defined terms used in this announcement shall have the meanings given to them in the circular dated 8 March 2011.

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This announcement is for information purposes only and is not intended to, and does not, constitute, or form any part of, an offer to sell or an invitation to subscribe for or purchase Metals Exploration Shares or any other securities, nor shall there be any sale, issue or transfer of the securities referred to in this announcement in any jurisdiction in contravention of applicable law.

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