

28 March 2018

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.

Standby Funding

The Company has secured a US \$2million standby loan facility (the “Facility”) which will be available to be drawn as might be required for general short term working capital use and to facilitate the quarterly interest payment to its senior lenders due 29 March 2018. The Facility has been made available by its two major shareholders, MTL (Luxembourg) Sarl Ltd and Runruno Holdings Limited, who have agreed to provide the funds on a prorata basis to their shareholding in the Company and subject to agreeing terms of contract. The main commercial terms of the Facility are as follows:

- Term: from signature to 30 June 2018
- Interest rate: 20% per annum accruing daily (payable from drawdown)
- Arrangement fee: 2% payable on signature

The Company’s senior lenders (the Hong Kong & Shanghai Banking Corporation Limited and BNP Paribas) have provided consent to a waiver request to defer the December 2017 and March 2018 capital payment amounts totalling US \$12.96million.

Related party transaction

The Facility is a related party transaction pursuant to Rule 13 of the AIM Rules for Companies and the independent director of the Company, Ian Holzberger, having consulted with the Company's nominated adviser, considers that the terms of the Facility are fair and reasonable insofar as the Company’s shareholders are concerned.

Update on operations

All areas of the operation are performing soundly. The BIOX[®] circuit ramp-up has shown a significantly improved performance over the first quarter despite two short term setbacks. The management team have taken certain measures during the quarter including changing some of the process reagents and the physical operating parameters. These changes have resulted in a progressively improved overall performance and robustness in the circuit. The improving performance during the quarter to date has increased management’s confidence that the circuit will achieve design in the coming months.

A full quarterly operational update regarding the Runruno gold operations will be released during April.

In addition the Company is in discussions with finance providers to provide a longer term solution to the Company's debt arrangement more suitable to a company in its early phases of production ramp up. Further announcements will be made in due course.

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

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