

METALS EXPLORATION PLC

US\$83 MILLION FACILITY AGREEMENT CONCLUDES RUNRUNO PROJECT FINANCING

Metals Exploration plc (AIM: MTL) (“Metals Exploration” or the “Company” or the “Group”), the natural resources exploration and development company with assets in the Pacific Rim region, is pleased to announce that it has entered, via its wholly owned subsidiary FCF Minerals Corporation, into a senior secured project financing facility for up to US\$83 million (the "Debt Facility"). The Debt Facility along with the existing equity funding available to the Company will be applied to the ongoing development and construction of the Runruno Gold Project in the Philippines (the “Project”) and is forecast to provide sufficient funds to achieve gold production. The Project construction currently stands at about 67% complete and commissioning of the Project’s processing plant leading to first gold production is expected to commence in Q1 2015.

AIM Code : MTL

At:27 May 2014

Shares in Issue: 1,374,972,024

Options in Issue: 7,275,000

Directors:

Ian Holzberger, Executive Chairman

Timothy Dean

Guy Walker

Christopher Whitehouse

Julian Wilson

Jeremy Ayre

Management:

Ian Holzberger, Executive Chairman

Liam Ruddy, Company Secretary

John Stubbs, CFO

Craig Watkins, GM Runruno Project

Chevy Albo, Finance & Administration

Rosalie Soriano, Legal Counsel

Agnes Goze, Environment & Permitting

Tommy Alfonso, Financial Controller

Peter Storey, GM Mining,

Larry McGeechan, GM Process Plant Construct

Kevin Oxenham, GM Maintenance

Chris Schlemmer, GM Site Services

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Highlights:

- US\$83 million Runruno project finance debt secured from two international banks, the Hongkong and Shanghai Banking Corporation Limited (HSBC) and BNP Paribas.
- Funding comprises:
 - US\$75 million senior debt facility which includes a US\$5 million provision for rolled up capitalised interest and fees during construction; and,
 - US\$8 million overrun facility.
- The funding will be applied to the remaining development of the Project including the processing plant.
- First drawdown of the Debt Facility will occur following the satisfaction of typical conditions precedent by the Company.
- The Runruno Gold Project is on track to commence commissioning in Q1 2015.

The Debt Financing Facility

In the second half of 2013, the Company through its wholly owned operating subsidiary FCF Minerals Corporation (“FCF”) appointed HSBC as Coordinator and Mandated Lead Arranger to secure a suitable debt financing solution sufficient to take the Group through the development and construction phase of the Runruno Gold project and into commercial production. HSBC was joined subsequently by BNP Paribas as joint Mandated Lead Arranger following which due diligence was completed, terms were finalised

About Runruno Gold Project,

Location: Central Luzon, Philippines, 320km north of Manila.

Status: Development ready,
Feasibility study completed May 2010.

Mine life: 10.3 years.

Payable Au: 1 million ozs.

Annual Production:

Year 1-5: 101,800 ozs Au ave.

Years 6-10: 92,700ozs Au ave.

Capital Cost¹: US\$182.8 m

Operating Cost²: US\$ 474 /oz Au

Mining: Open pit, truck and shovel operation.

Operational Strip Ratio: 5.2:1 waste to ore.

Processing: gravity, BIOX[®] oxidation and CIL to recover gold as doré bullion.

2P Reserves³: 15mt @ 1.85g/t Au and 603 ppm Mo.

Mineral Resource³:

Runruno Main - 26mt @1.69 g/t Au and 453ppm Mo, including reserves.

Malilibeg South – 7.55mt @1.4 g/t Au and 1,200 ppm Mo

Upside: by-product molybdenum, mine life extension, highly prospective mineralised system.

Notes:

1. Capital Cost updated October 2011 - estimated in Q3 2011 US\$, at US\$167.8 million increased by the cost of the acquisition of the mining fleet at US\$15 million
2. Average operating cost for the first 5 years of operation. Costs re-estimated in Q4 2013 US\$ based on actual and known costs and hard quotations
3. Refer to the Company website, www.metalexploration.com for complete Mining Reserve and Mineral

and the Facility Agreement was signed on 28 May 2014.

Initially the Company will guarantee the Debt Facility, which guarantee will fall away on achieving Project Completion. The Company's guarantee will be supported by limited recourse security over the Company's shares owned in FCF Minerals Corporation, together with certain other limited recourse securities over its Philippine assets. The Debt Facility is for a 55 month duration maturing on 31st December 2018 and will bear a competitive commercial rate of interest consistent for a project financing of this nature.

Additionally, FCF Minerals Corporation will hedge approximately 40% of the interest rate exposure under the Debt Facility and, subject to the gold price achieved, enter into a gold forward sales program representing a maximum of 35% of the annual forecast gold production over the term of the Debt Facility. It is currently envisaged that a program of approximately 90,000 – 105,000 ounces (or approximately 30% of gold production over the term of the Debt Facility) will be entered into by way of forward sales.

Runruno Gold Project Capital Expenditure, Forecast CAPEX and Group Cash Position

As announced on 11 March 2014, the forecast capital expenditure programme for Runruno is US\$182.8 million to practical completion, inclusive of project contingency. At the end of April 2014, the remaining capital expenditure committed or yet to be incurred (including the Residual Storage Impoundment) is US\$87.3m million which will be funded by way of cash at bank (equivalent of US\$28.8 million) and the US\$83 million Debt Facility. The current status of the capital expenditure programme is summarised below:

Capital expenditure incurred to 30 April 2014	US\$95.4 million
Capital expenditure commitments outstanding as at 30 April 2014	US\$26.6 million
Capital expenditure yet to be committed as at 30 April 2014	US\$60.8 million
Total forecast expenditure as at 30 April 2014	US\$182.8 million

Use of Proceeds

The Project is being constructed under a "self-manage" strategy by assembling an owner's construction team to manage the activities, using specialist contractors and sub-

contractors to execute the outstanding works.

Mr. Ian Holzberger, Executive Chairman of Metals Exploration plc and President of FCF Minerals Corporation, commented:

"I am extremely pleased to announce that the Company has agreed terms with two major and reputable international resource banks and signed this US\$83 million debt financing facility which will provide the balance of funding required to take the Company's flagship gold project through the remainder of the construction phase, plant commissioning and subsequently well into gold production.

"It is an outstanding achievement for a company of our size, particularly as it was completed against the backdrop of a challenging finance environment for small capitalised mining companies. Shareholders should also gain further confidence that the Runruno Gold Project complies with the due diligence requirements of such a well-credentialed debt syndicate.

"Funds are expected to commence being available to draw down from the end of this month which will allow construction works to continue in line for plant commissioning commencing in Q1 2015."

For further information please visit or contact

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