

METALS EXPLORATION PLC

Updated Mineral Resource and Ore Reserve Estimate

Metals Exploration plc (AIM: MTL) ("Metals Exploration", the "Company" or the "Group"), a gold producer in the Philippines, today provides an updated Mineral Resource Estimate and Ore Reserves Statement at its Runruno gold project ("Runruno" or the "Project") in the Philippines.

Summary of Report

In association with the Company's review of its mining plan for the remaining life of mine ("LOM"), the Company commissioned Robin Rankin of GeoRes Consulting to verify the Company's updated JORC compliant Mineral Resource Estimate (the "MRE") for the Runruno project. The last MRE was independently compiled in 2011 by Mining Associates.

At present, mining rates estimated in the new MRE indicates a mine life of at least five years with possible extensions through further drilling.

Orebody domains and wireframes have been updated using information obtained from 49 new diamond drill holes and the compilation of a new structural geology model. Using updated univariate statistics and variography, a new Ordinary Kriged estimate was used to generate a 10 metres x 10 metres x 5 metres Block Model of the Mineral Resource. Table 1 below shows the breakdown of the 2021 MRE by resource category.

Table 1: Updated 2021 Total Mineral Resource Estimate

Main Runruno Resource Category	Ore Mt	Gold		Sulphur	
		g/t	Moz	%	Mt
Measured	12.1	1.66	0.65	1.48	0.18
Indicated	9.3	1.44	0.43	1.16	0.11
Inferred	5.1	1.14	0.19	1.03	0.05
Total	26.5	1.48	1.27	1.29	0.34

The new drilling generally intercepted lower grades on the Western extensions of the Runruno ore body, which is in line with the actual mining outcomes experienced. Shorter ranges were used in the variograms which better reflect the style of mineralisation. The block size used in this model was reduced to 10 metres x 10 metres x 5 metres in order to better define the thinner lode structures and reduce waste dilution within the model.

Table 2 below compares the 2021 MRE to the previous official MRE release in 2011.

Table 2 - Comparison of the 2011 and 2021 Mineral Resource Estimates

Main Runruno Resource Category		Ore Mt	Gold g/t Moz	
2011 Resource	Measured	11.2	1.88	0.68
	Indicated	7	1.64	0.37
	Inferred	7.5	1.44	0.35
	Total	25.7	1.69	1.39
2021 Resource	Measured	12.1	1.66	0.65
	Indicated	9.3	1.44	0.43
	Inferred	5.1	1.14	0.19
	Total	26.5	1.48	1.27
Variance	Measured	8%	-12%	-4%
	Indicated	33%	-12%	16%
	Inferred	-32%	-21%	-46%
	Total	3%	-12%	-9%

The new resource model shows an increase in tonnage but at a lower grade. The net result is an overall increase of 30,000 Measured and Indicated Resource ounces.

Updated Ore Reserve Estimate

The updated 2021 MRE was used by the Company to re-optimize the open pit and calculate a new Ore Reserves Estimate for its Runruno project. This work was carried out in-house and independently verified by Xenith Consulting, compilers of the 2020 Ore Reserve estimate. Set out below are several matters that should be considered in conjunction with the Updated Ore Reserve Estimate:

- Updated structural geology and geotechnical models were used in the pit optimisation;
- Pit optimisation was based on an average 80% recovery and US\$1,750/oz gold price;
- The higher gold price drove a lower economic cut-off grade of 0.53 g/t gold vs 0.56 g/t in 2020;
- Pit designs were updated based on the optimisation results to include ramps and other accesses;
- Both in-pit and ex-pit waste dumps were redesigned and optimised;
- A new life of mine schedule was developed based on the updated pit designs;
- Updated mine economics were based on the Company's internal budgets and economic models; and
- A substantial amount of mineral resource remains uneconomic due to grade, depth and/or terrain restrictions, or a combination of these factors.

The remaining estimated ore Reserves as verified by Xenith Consulting as at February 2022 are set out in Table 3 below:

Table 3: 2022 Ore Reserve Estimate

Reserve	Ore	Gold	
Category	Mt	g/t	M Oz
Proved	-	-	-
Probable	9.94	1.35	0.43
Total	9.94	1.35	0.43
Inferred included in LOM model pit			
Inferred material	0.69	1.11	0.02

- Mining grade dilution reduced to 20% based on model reconciliations.
- Unchanged mining recovery of 85% inclusive of a 5% mining loss.
- Measured and Indicated Resource - converted to 9.94Mt of Probable Reserve.
- 0.69Mt of Inferred resource represents 6% of the total reserve.
- LOM pit design remains economic with Inferred material included at zero grade.

Reconciliation to 2020 Ore Reserve estimate

The 2020 Ore Reserves estimate, prepared by Xenith Consulting in April 2020, is shown in Table 4 below.

Table 4: 2020 Ore Reserve Estimate

Reserve	Ore	Gold	
Category	Mt	g/t	M Oz
Proved	Nil	nil	nil
Probable	11.7	1.38	0.50
Total	11.7	1.38	0.50
Inferred included in LOM model pit			
Inferred material	2.7	1.21	0.10

While overall tonnes of ore have been depleted at a rate consistent with the available tonnes as estimated in the 2020 Ore Reserve Estimate, the updated estimated grade is lower reflecting both new drill results and mining history.

The Company has an ongoing resource drilling programme that will provide the basis for the next updated project Ore Reserve Estimate and an exploration program to develop extensions to the existing pit and available Ore Reserves.

Darren Bowden, CEO of Metals Exploration commented:

"The results released today demonstrate a life of mine of at least five years which, given the work that we have carried out and are undertaking we are confident can be extended.

This report shows we have an excellent project and that we have built a solid foundation from which to grow."

This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014, which forms part of United Kingdom domestic law by virtue of the European (Withdrawal) Act 2018. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

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Glossary of Key Terms

Cut-off grade	the lowest grade value that is included in a resource statement
g/t	grams per tonne, equivalent to parts per million
grade	relative quantity or the percentage of ore mineral or metal content in an ore body
Indicated resource	that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence
Inferred resource	that part of a Mineral Resource for which tonnage, grade and mineral content can be estimated with a low level of confidence
JORC	The Australasian Joint Ore Reserves Committee Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012 (the "JORC Code" or "the Code"). The Code sets out minimum standards, recommendations and guidelines for Public Reporting in Australasia of Exploration Results, Mineral Resources and Ore Reserves
Kriging	A method of interpolation which predicts unknown values from data observed at known locations. It uses the variogram to express spatial variation, and minimises the error of predicted values that are estimated by spatial distribution of the predicted values
Measured Resource	that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a high level of confidence. It is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes.
Mineral Resource	a concentration or occurrence of material of intrinsic economic interest in or on the Earth's crust in such form, quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories
Mt	million tonnes
oz	troy ounce (= 31.103477 grams)
Probable Reserve	the economically mineable part of an indicated, and in some circumstances, a Measured Mineral Resource. The confidence in the Modifying Factors applying to a Probable Mineral Reserve is lower than that applying to a Proven Mineral Reserve
Proven Reserve	is the highest confidence level of the economically mineable part of a Measured Mineral Resource
Reserve	the economically mineable part of a Measured and/or Indicated Mineral Resource

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Competent Person's Statement

The information contained in this release that relates to the 2021 gold Mineral Resource Estimate is based on information compiled by Mr Vyron Leal of Metals Exploration and reviewed by Mr Robin Rankin, who is a Member of The Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mr Rankin is a full-time employee of GeoRes Consulting. Mr Rankin has sufficient experience that is relevant to the style of mineralisation and type of deposit described in the release to qualify as a Competent Person as defined by the JORC Code, 2012 Edition. Mr Rankin consents to the inclusion of this information in the form and context in which it appears in this release.

The Ore Reserve Statement was compiled by Paola Tuyor of Metals Exploration and reviewed and verified by Grant Walker of Xenith Consulting. Mr Walker is a Member of The Australasian Institute of Mining and Metallurgy and is a Competent Person as defined by the JORC Code, 2012 Edition, having five years' experience that is relevant to the style of mineralisation and type of deposit described in the Report.

Mr Darren Bowden, a director of the Company, a Member of the Australasian Institute of Mining and Metallurgy and who has been involved in the mining industry for more than 25 years, has compiled, read and approved the technical disclosure in this regulatory announcement in accordance with the AIM Rules - Note for Mining and Oil & Gas Companies.

Forward Looking Statements

Certain statements relating to the estimated or expected future production, operating results, cash flows and costs and financial condition of Metals Explorations, planned work at the Company's projects and the expected results of such work contained herein are forward-looking statements which are based on current expectations, estimates and projections about the potential returns of the Group, industry and markets in which the Group operates in, the Directors' beliefs and assumptions made by the Directors. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by words such as the following: "expects", "plans", "anticipates", "forecasts", "believes", "intends", "estimates", "projects", "assumes", "potential" or variations of such words and similar expressions. Forward-looking statements also include reference to events or conditions that will, would, may, could or should occur. Information concerning exploration results and mineral reserve and resource estimates may also be deemed to be forward-looking statements, as it constitutes a prediction of what might be found to be present when and if a project is actually developed.

These statements are not guarantees of future performance or the ability to identify and consummate investments and involve certain risks, uncertainties and assumptions that are difficult to predict, qualify or quantify. Among the factors that could cause actual results or projections to differ materially include, without limitation: uncertainties related to raising sufficient financing to fund the planned work in a timely manner and on acceptable terms; changes in planned work resulting from logistical, technical or other factors; the possibility that results of work will not fulfil projections/expectations and realize the perceived potential of the Company's projects; uncertainties involved in the interpretation of drilling results and other tests and the estimation of gold reserves and resources; risk of accidents, equipment breakdowns and labour disputes or other unanticipated difficulties or interruptions; the possibility of environmental issues at the Company's projects; the possibility of cost overruns or unanticipated expenses in work programs; the need to obtain permits and comply with environmental laws and regulations and other government requirements; fluctuations in the price of gold and other risks and uncertainties.

The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward looking statements contained herein to reflect any change in the Group's expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based unless required to do so by applicable law or the AIM Rules.