

27 March 2024

METALS EXPLORATION PLC

UPDATE ON DEBT FACILITIES

Metals Exploration plc (AIM: MTL) (“Metals Exploration”, “MTL”, the “Company” or the “Group”), a gold producer in the Philippines, is pleased to provide an update on the repayment of the Group’s senior and mezzanine facilities, as follows:

- the Company’s position is that the last payment due to the lenders under the Company’s mezzanine debt facilities has been made on 25 March 2024, on the basis of the lower interest rate of 7% (as opposed to 15%) which the Company believes should apply under such facilities;
- the amount outstanding on the Group’s senior facility as at 25 March 2024 stands at US\$2,629 of principal and accrued interest, with such a nominal amount having been left outstanding, with the agreement of the lenders, since November 2022, in order to maintain the security package while the elevation of the Group’s mezzanine facilities was being negotiated and implemented;
- The mezzanine debt payment on 25 March 2024 brings the total debt (principal and interest) repaid by the Group since September 2020 to US\$171.3 million.

As announced on 24 January 2024, the majority mezzanine lender, MTL (Luxembourg) S.à r.l. (Nick Candy’s investment vehicle, holding 70.7% of the mezzanine debt) has confirmed its agreement to the applicable 7% rate. However, the Company has been unable to reach agreement as yet, with the minority 29.3% mezzanine debt lenders, Runruno Holdings Limited and D & A Holdings Limited (together the ‘RHL Group’), that the applicable interest reductions applies.

RHL Group advisers have communicated RHL Group’s belief that the higher 15% rate is applicable until repayment, which potentially amounts to an additional US\$1.9m owed in interest payments to date. The Company disputes this figure and believes it has relevant documentation to support its position. Discussions on this matter with the RHL Group continue and further announcements will be made in due course, as required.

The Company intends to apply future free cash generated from operations to fund ongoing growth opportunities based on MTL’s proven operating track record in the Philippines.

Darren Bowden, CEO of Metals Exploration, commented:

“This is a major milestone for the Company. We are delighted to have achieved this so quickly after we restructured our debt in October 2020. To have repaid US\$171.3 million in debt over a 3 and half year period is a remarkable testament to both the operational turnaround at our Runruno project and the strong cash flow it continues to generate.

I look forward to a positive resolution of the mezzanine Interest position in the short-term. Following this final payment we have a much stronger balance sheet which will enable us to drive forward the growth of our business as we look to build on our track record in the Philippines funding new projects and more M&A.

This is a very exciting time for the business, and we look forward to providing further updates in due course.”

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 Union (Withdrawal) Act 2018 (as amended). Upon the publication of this announcement, this inside information is now considered to be in the public domain.

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