

9 May 2024

METALS EXPLORATION PLC

UPDATE ON DEBT DISCUSSIONS

Metals Exploration plc (AIM: MTL) (“Metals Exploration”, the “Company” or the “Group”), a gold producer in the Philippines, provides a further update on discussions with its lenders in respect of the repayment of the Group’s mezzanine debt facilities.

Further to the Company’s announcement on 27 March 2024, Runruno Holdings Limited (“RHL”) and D & A Holdings Limited (“D&A”) (together, the “RHL Group”) have written to the Company disputing the Company’s position that a 7% (as opposed to 15%) interest rate should apply under the Company’s mezzanine facilities since 3 November 2022 (the date at which the Group’s senior debt was substantively repaid) and, accordingly, disputing that the Company has settled all outstanding amounts due under such mezzanine facilities.

In addition, the RHL Group has claimed that several events of default have occurred under the Group’s senior and mezzanine facilities, such that the relevant default interest rate (being a total of 12% under the senior debt facility and 20% under the mezzanine debt facilities) should apply with effect from 5 October 2023, which it claims would result in approximately US\$1.95 million being owed to the RHL Group pursuant to the mezzanine facilities as at 31 March 2024. The Company disputes these allegations.

In light of the RHL Group’s position in respect of the application of 15% interest to its loans under the mezzanine facilities, MTL (Luxembourg) S.à r.l. (Nick Candy’s investment vehicle, holding 70.7% of the mezzanine debt) (“**MTL Lux**”) is also seeking to receive this interest rate on its own loans to the Company. This would result in approximately US\$4.4 million being owed to MTL Lux pursuant to the mezzanine facilities as at 31 March 2024.

This is contrary to historical assurances given by MTL Lux, including as announced on 24 January 2024 and 27 March 2024, that it agreed that the 7% interest rate would apply to its loans under the mezzanine facilities, with effect from November 2022. However, these assurances were given either on an informal basis or for a limited period only.

Having considered legal advice on the matter, and while discussions continue, the Company will make pro-rated settlement payments to the lenders of:

- US\$2.2 million to MTL Lux; and
- US\$0.91 million to the RHL Group,

being approximately 50% of the amount that would be due to MTL Lux and the RHL Group (respectively) under the Company’s mezzanine facilities were the rate of 15% (as opposed to 7%) to be applied up to 31 March 2024.

In addition, MTL Lux has formally confirmed that it does not agree that any default interest is payable under the senior or mezzanine facilities.

Further announcements will be made in due course, as discussions with MTL Lux and the RHL Group to seek a settlement of these matters continue.

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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For further information please visit or contact:

Metals Exploration PLC	
Via Tavistock Communications Limited	+44 (0) 207 920 3150
Nominated & Financial Adviser:	STRAND HANSON LIMITED
James Spinney, James Dance, Rob Patrick	+44 (0) 207 409 3494
Financial Adviser & Broker:	HANNAM & PARTNERS
Matt Hasson, Franck Nganou	+44 (0) 207 907 8500
Public Relations:	TAVISTOCK
Jos Simson, Nick Elwes	+44 (0) 207 920 3150

Web: www.metalsexploration.com
Twitter: [@MTLexploration](https://twitter.com/MTLexploration)
LinkedIn: [Metals Exploration](https://www.linkedin.com/company/metals-exploration)