

METALS EXPLORATION PLC

QUARTERLY UPDATE TO 30 September 2024

Metals Exploration plc (AIM: MTL) ("Metals Exploration", the "Company" or the "Group"), a gold producer in the Philippines, is pleased to announce its quarterly results for Q3 2024, reporting record quarterly positive free cash flow and record quarterly gold revenue.

Corporate

- Completion of an off-market buy back of Runruno Holdings Limited's ("RHL") 18.6% shareholding.
- Introduction of a new strategic long-term shareholder - Drachs Investments.
- Completion of the acquisition of the Yamang Mineral Corporation Group ("YMC").

Finance

- Record quarterly positive free cash flow of US\$27.9 million (Q2 2024: US\$24.8 million).
- Record quarterly gold revenue of US\$52.6 million (Q2 2024: US\$46.7 million).
- Q3 2024 gold sales of 21,943oz sold at an average realised gold price of US\$2,396 per oz (Q2 2024: 20,124 oz at an average US\$2,320 per oz).
- YTD 2024 AISC of US\$1,088 per oz (YTD 2023: US\$1,092 per oz) - below the lower 2024 full year production guidance estimate of US\$1,175 per oz.

Mining Operations

- No lost time injuries occurred during the period - over 24 million hours worked without a reportable injury.
- Q3 2024 mining production of ore and waste was 2.63Mt (Q2 2024: 2.71Mt), with a total of 599Kt of ore mined in Q3 2024 (Q2 2024: 516Kt).

Processing Operations

- Q3 2024 gold production of 22,533 oz (Q2 2024: 19,529 oz) recovered from 521Kt at a head grade of 1.51g/t (Q2 2024: 518Kt at a head grade of 1.34g/t).
- Q3 2024 gold recovery of 89.0% (Q2 2024: 89.1%).

Exploration - Abra Project

- Pre-exploration soil geochemistry and airborne geophysics data highlights several drill targets.

- Government approval to commence drilling imminent, such that drilling of initial targets are expected to commence in Q4 2024
- Social licence activities ongoing, with widespread community support being encountered.

Darren Bowden, CEO of Metals Exploration, commented:

"This has been another excellent quarter for the Company with record quarterly gold revenue and free cash flow. Our disciplined approach to improving efficiencies at every echelon of the Company continues to yield demonstrable results, enabling us to benefit from the sustained robust gold price. In addition, we are delighted with the continued operational strength at Runruno, giving a quarter on quarter increase in ore mined whilst maintaining our exceptional safety credentials with over 24 million hours worked without a reportable injury.

"As we look beyond Runruno, our corporate activity in completing the RHL shareholding buy-back will allow the Board the freedom to act on its vision for the Company's future, which is now aligned to the wishes of our major shareholders. We have successfully completed the acquisition of the YMC Group and have already identified several drill targets from pre-exploration surveys. We look forward to commencing drilling in Q4 2024 once we gain governmental approval. Our objective is to replicate our success at our flagship asset.

"This is a highly exciting time for the Company. We have a producing asset performing well, some highly prospective exploration acreage where we believe we can mirror the success that we have delivered at Runruno, and are debt free with a strong balance sheet; whilst now being unrestricted to deliver our strategy of building a cash generative portfolio of projects through appropriate acquisition opportunities.

"We look forward to providing further updates in due course."

Production and Finance Summary

Runruno Report FY 2024	Project	Quarter Actual Q3 2024	Quarter Actual Q3 2023	FY 2024 Actual 9 Months	FY 2023 Actual 9 Months
PHYSICALS	Units				
Mining					
Ore Mined	Tonnes	599,078	567,816	1,772,008	1,415,839

Waste Mined	Tonnes	2,026,150	2,731,344	6,875,186	8,117,273
Total Mined	Tonnes	2,625,228	3,299,160	8,647,194	9,533,112
Au Grade Mined	g/tonne	1.62	1.49	1.46	1.55
Strip Ratio		3.18	4.48	3.76	5.43
Processing					
Ore Milled	Tonnes	521,479	482,743	1,620,638	1,551,133
Au Grade	g/tonne	1.51	1.60	1.40	1.51
S ₂ Grade	%	1.39	1.46	1.36	1.43
Au Milled (contained)	Ounces	25,329	24,850	72,818	75,551
Recovery	%	89.0	88.7	89.4	89.4
Au Recovered/Poured	Ounces	22,533	22,034	65,068	67,568
Sales					
Au Sold	Ounces	21,943	22,043	63,532	68,230
Au Price	US\$/oz	2,396	1,926	2,261	1,935
FINANCIALS (Unaudited)					
Revenue					
Gold Sales	(US\$000's)	52,574	42,448	143,660	131,999
Operating Costs - Summary					
Mining	(US\$000's)	4,402	5,280	14,010	15,747
Processing	(US\$000's)	9,231	8,322	26,780	26,135
G&A	(US\$000's)	3,430	2,816	9,079	8,718
Total Operating Costs	(US\$000's)	17,063	16,419	49,870	50,599
Excise Duty	(US\$000's)	2,109	1,708	5,755	5,318
UK/Philippine G&A	(US\$000's)	3,753	2,180	8,524	6,841
Total Direct Production Costs	(US\$000's)	22,925	20,307	64,149	62,658

Net Cash Income	(US\$000's)	29,649	22,141	79,510	69,241
Total Capital Costs	(US\$000's)	1,749	3,150	5,255	8,357
Total non-cash costs	(US\$000's)	29,267	6,340	56,684	21,704
Free Cashflow	(US\$000's)	27,900	18,991	74,255	60,885
Cash Cost / oz Sold - C1	US\$/oz	782	736	781	792
Cash Cost / oz Sold - AISC	US\$/oz	1,129	1,055	1,088	1,092

Note: AISC includes all UK Corporate costs.

CORPORATE

RHL's 18.6% shareholding buy-back

During the quarter, the Company completed the acquisition of 100% of RHL's 18.6% shareholding in the Company at 5p per share, being 393,513,302 Ordinary Shares for a total outlay of £19,675,665, as part of a wider full and final settlement with RHL in relation to various finance agreements and other matters. In the short-term these shares will be held in treasury.

YMC Acquisition

As announced on 28 August 2024, the Company completed the acquisition of the majority and controlling interest in the YMC Group for US\$1.6 million cash consideration, plus the issue of options to subscribe for up to 41 million new Metals Exploration Ordinary Shares at an exercise price equal to nominal value. On the date of the acquisition YMC held US\$1.1 million in cash and owned a purpose built man portable drill rig and associated drill consumables to the value of approximately US\$122,000.

The Company acquired 72.5% of Yamang Mineral Corporation, a Philippines incorporated company ("YMCP"), the owner of an extensive exploration tenement in the prospective Abra area of the Philippines; and 100% of Yamang Mineral Corp Pte Ltd, a Singaporean incorporated company ("YMCS"), which holds the right to process any minerals from mining tenements owned by YMCP. This is a common Philippine mining industry corporate structure resulting in Metals Exploration effectively being entitled to approximately 97% of the economic benefit of any commercial mining operation upon a YMCP tenement.

RUNRUNO OPERATIONS

Finance

Q3 2024 operations produced another excellent quarter result for the Company, setting records for both gold revenue and free cash flow.

Gold sales amounted to US\$52.6 million (Q2 2024: US\$46.7 million), at an average realised gold price of US\$2,396 per oz (Q2 2024: average gold price of US\$2,320 per oz), and positive free cash flow totalled US\$27.9 million (Q2 2024: US\$24.8 million).

Notwithstanding the RHL share buy-back cash outlay of US\$25.4 million during Q3 2024, the Company's cash holdings at 30 September 2024 were US\$10.9 million (30 June 2024: US\$6.6 million). The Company has no debt.

Mining Operations

Mining production of ore and waste for Q3 2024 was 2.63Mt (Q2 2024: 2.71Mt), with a total of 599Kt of ore mined in Q3 2024 (Q2 2024: 516kt).

Process Plant

During Q3 2024 most aspects of the process plant performed adequately maintaining a high average recovery rate of 89.0% (Q2 2024: 89.1%). Whilst overall recoveries were excellent at 89.0%, the Company continues to carefully manage temperature and calcification issues in the BIOX plant with an on-going maintenance programme as well as through blending of ore to manage sulphur levels.

Gold produced during Q3 2024 was 22,533 ounces (Q2 2024: 19,529 ounces) from ore milled in Q3 2024 of 521Kt (Q2 2024: 518Kt).

Planned downtime included scheduled maintenance to the semi-autogenous grinding ("SAG") mill shell relining and SAG mill girth gear phase array. Unplanned downtime was not material, consisting mainly of power interruptions and repairs to the return discharge line.

Residual Storage Impoundment ("RSI")

The RSI dam-wall is at its final height and the dam water freeboard remains well above design minimum levels. Construction of the RSI final in-rock spillway is progressing as planned.

Occupational Health & Safety

Runruno continues to record an exceptional safety record with over 24 million hours worked without a lost-time reportable injury as at the date of this announcement.

Environment & Compliance

Compliance matters continue to be successfully monitored, and the mine remains compliant, with no outstanding material issues.

Community & Government Relations

The Company continues to receive strong support from local communities and government agencies.

EXPLORATION

Abra project - Approx 97% economic interest

The Abra Project covers 16,200 hectares approximately 200km north of the Company's Runruno mine. The Company believes the project area has interesting copper and gold prospectivity, some of which have benefitted from historical drilling. Through its pre-exploration surveys undertaken since taking ownership, the Company has already identified several additional drill targets from soil geochemistry and airborne geophysical data. The initial drilling programme will begin with targeting an area prospective for copper, close to an historical drill hole. Once we have increased our geological understanding of the prospectivity in this area, we will be able to plan a more extensive drilling programme.

Our objective is to replicate our success at our Runruno flagship asset, As with Runruno, it is essential to work closely with the national and regional government and, crucially, the local community. The Company has initiated a social license programme which is on-going, and the Company has been encouraged by the widespread community support for our efforts.

Government approval to commence drilling activities is expected forthwith, such that that drilling of initial targets are expected to commence early in Q4 2024.

A detailed RNS will be released soon updating shareholders on the technical status and analysis of the current pre-drilling exploration surveys undertaken.

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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Competent Person's Statement

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.