

METALS EXPLORATION PLC

QUARTERLY UPDATE TO 31 December 2024

Metals Exploration plc (AIM: MTL) (“Metals Exploration”, the “Company” or the “Group”), a gold production, exploration, and development company with assets in the Philippines and Nicaragua, is pleased to announce its unaudited quarterly results for Q4 2024 (the “Quarter”).

Corporate

- Announcement of recommended offer to acquire 100% of Condor Gold plc (“Condor Gold”) which was completed post period end on 15 January 2025.
- Appointments of David Cather and Rob Marshall as Non-Executive Directors in November 2024.

Finance

- Record FY2024 positive free cash flow of US\$96.7 million (FY2023: US\$72.3 million).
- Record FY2024 gold revenue of US\$191.1 million (FY2023: US\$145.8 million).
- Q4 2024 positive free cash flow of US\$22.5 million (Q3 2024: US\$27.9 million).
- Q4 2024 gold revenue of US\$47.5 million (Q3 2024: US\$52.6 million).
- Q4 2024 gold sales of 19,144 ounces sold at an average realised gold price of US\$2,481 per ounce (Q3 2024: 21,943 ounces at an average US\$2,396 per ounce).

Mining Operations

- No lost time injuries occurred during the period – over 25 million hours worked without a lost time injury.
- Q4 2024 mining production of ore and waste was 2.70 million tonnes (“Mt”) (Q3 2024: 2.63Mt), with a total of 284 thousand tonnes (“Kt”) of ore mined in Q4 2024 (Q3 2024: 599Kt).

Processing Operations

- Q4 2024 gold production of 18,829 ounces (Q3 2024: 22,533 ounces) recovered from 530Kt at a head grade of 1.17 grammes per tonne (“g/t”) (Q3 2024: 521Kt at a head grade of 1.51 g/t).
- Q4 2024 gold recovery of 94.5% (Q3 2024: 89.0%).

FY2024/FY2025 Production Guidance

- FY2024 gold production of 83,897 ounces exceeded the FY2024 upper guidance forecast of 82,500 ounces at an AISC of US\$1,135 per ounce which was slightly above the improved FY2024 lower guidance forecast of US\$1,125 per ounce and significantly below the upper guidance forecast of US\$1,275.
- FY2025 gold production forecast: 70,000 – 75,000 ounces.
- FY2025 AISC forecast: US\$1,225 – US\$1,325 per ounce.

Exploration

- Interpretation of geophysics at the Abra project completed.
- Government approval to commence exploration drilling approval received.

Darren Bowden, CEO of Metals Exploration, commented:

"This has been another strong quarter and a transformative period for the Company. We are delighted to have delivered record FY2024 free cash flow of US\$96.7 million alongside record gold revenue of US\$191.1 million, both of which were underpinned by robust operational performance at Runruno and sustained high gold prices. The Quarter also marked a significant strategic milestone – the announcement of our recommended offer to acquire Condor Gold - which brings a highly prospective asset portfolio in Nicaragua into our fold.

"At Runruno, our focus on operational efficiency continues to deliver results, with gold recovery rates reaching 94.5% for the Quarter, alongside maintaining our exceptional safety record of over 25 million hours worked without a reportable injury.

"This Quarter has also seen further progress being made on the initial geophysics and geochemical work at our Abra Project, ahead of an initial drilling programme, which is expected to begin during Q1 of this year.

"Looking ahead, the acquisition of Condor Gold opens exciting new growth opportunities, starting with the La India gold project in Nicaragua. We are rapidly advancing plans to build an experienced in-country team, re-estimate the current resource base, and commence the design of a gold resource extension and verification drill programme. This positions us to unlock significant value from these assets whilst aiming to replicate the operational success we have demonstrated at Runruno.

"The Company enters 2025 with a strong balance sheet, record free cash flow, and exciting exploration prospects, which gives us confidence in our ability to deliver sustainable value to all our stakeholders. We look forward to providing further updates as we progress through this transformational year."

Production and Finance Summary

Runruno Project Report		Quarter	Quarter	FY 2024	FY 2023
FY 2024		Actual	Actual	Actual	Actual
PHYSICALS	Units	Q4 2024	Q4 2023	12 Months	12 Months
Mining					
Ore Mined	Tonnes	283,862	533,815	2,055,871	1,949,654
Waste Mined	Tonnes	2,418,510	2,295,472	9,293,694	10,412,735
Total Mined	Tonnes	2,702,372	2,829,287	11,349,565	12,362,398
Au Grade Mined	g/tonne	1.50	1.27	1.46	1.47
Strip Ratio		8.50	3.99	4.40	5.03
Processing					
Ore Milled	Tonnes	529,791	533,074	2,150,429	2,104,207
Au Grade	g/tonne	1.17	1.15	1.34	1.42
S ₂ Grade	%	1.30	1.18	1.35	1.36
Au Milled (contained)	Ounces	19,934	20,517	92,752	96,068
Recovery	%	94.5	85.9	90.5	88.7
Au Recovered/Poured	Ounces	18,829	17,626	83,897	85,194
Sales					
Au Sold	Ounces	19,144	17,514	82,676	85,744
Au Price	US\$/oz	2,481	1,980	2,312	1,944
FINANCIALS (Unaudited)					
Revenue					
Gold Sales	(US\$000's)	47,490	34,684	191,150	166,683
Operating Costs – Summary					
Mining	(US\$000's)	4,868	5,172	18,879	20,919
Processing	(US\$000's)	8,139	8,591	34,919	34,725
G&A	(US\$000's)	2,569	2,992	11,649	11,709
Total Operating Costs	(US\$000's)	15,576	16,755	65,447	67,354
Excise Duty	(US\$000's)	1,913	1,392	7,668	6,710
UK/Philippine G&A	(US\$000's)	5,244	2,384	13,768	9,225
Total Direct Production Costs	(US\$000's)	22,733	20,531	86,882	83,289
Net Cash Income	(US\$000's)	24,757	14,153	104,267	83,394
Total Capital Costs	(US\$000's)	2,263	2,695	7,518	11,051
Total non-cash costs	(US\$000's)	13,110	5,468	69,794	27,172
Free Cashflow	(US\$000's)	22,494	11,457	96,749	72,343
Cash Cost / oz Sold – C1	US\$/oz	797	890	785	812
Cash Cost / oz Sold – AISC	US\$/oz	1,289	1,260	1,135	1,126

Note: AISC includes all UK Corporate costs.

Corporate

Condor Gold plc Acquisition

On 15 January 2025, the Company completed the acquisition of 100% of Condor Gold which is the 100% owner of an extensive highly prospective tenement package in Nicaragua, including the La India gold resource. Refer to previous announcements in relation to the Condor Gold takeover, which can be found on the Company's website.

Planned activities in Q1 2025 in relation to the Nicaraguan assets are to:

- Complete the recruitment of key Spanish speaking executives to join the Nicaraguan in-country management team;
- Review, and re-estimate, the current gold reserve and resource statements;
- Design a gold resource extension and verification drill programme; and
- Commence the detailed design and construction phase for the La India project.

Non-Executive Director Appointments

On 1 November 2024, Rob Marshall was appointed to the Board as a Non-Executive Director as the representative of the Company's second largest shareholder, Drachs Investments No3 Limited. Also, on 1 November 2024, David Cather rejoined the parent company board as a Non-Executive Director. Mr Cather remains Chairman of the Group's Singaporean holding company.

Runruno Operations

During Q4 2024, operations at Runruno produced another set of strong results for the Company with gold sales of US\$47.5 million (Q3 2024: US\$46.7 million), at an average realised gold price of US\$2,481 per ounce (Q3 2024: average gold price of US\$2,320 per ounce); producing a positive free cash flow of US\$22.5 million (Q3 2024: US\$24.8 million).

Finance

The Company's cash holdings at 31 December 2024 were US\$32.0 million (30 September 2024: US\$10.9 million). This cash position included US\$27.8 million reserved to be applied to satisfy the maximum cash component portion of the Condor Gold takeover. The cash consideration will be paid to Condor Gold shareholders during January 2025.

As at 31 December 2024, the Company had a short-term bridging loan of US\$6.9 million. This loan is due to repaid on or before 31 January 2025.

Mining Operations

Mining production of ore and waste for Q4 2024 was slightly below management's forecast at 2.70Mt (Q3 2024: 2.71Mt), mainly due to persistent heavy rain in the latter half of the quarter which lead to poor road conditions. Also, equipment was diverted to clean-up activities in and around the mine site to repair company and community infrastructure following typhoon Pepito, which passed directly over the mine site as a category 5 typhoon. During Q4 2024, only a total of 284Kt of ore was mined (Q3 2024: 516kt) as substantial waste was removed during Stage 5 development operations.

Process Plant

During Q4 2024 most aspects of the process plant performed adequately producing a quarter record average recovery rate of 94.5% (Q3 2024: 89.1%).

Gold produced during Q4 2024 was 18,829 ounces (Q3 2024: 19,529 ounces) from ore milled in Q4 2024 of 530Kt (Q3 2024: 518Kt).

Planned downtime included scheduled maintenance to the semi-autogenous grinding (“SAG”) mill girth gear. The main source of unplanned downtime resulted from power interruptions due to typhoons and inclement weather events. Other unplanned downtime included installation of new flotation stator blades, and repairs to the return discharge line (“RDL”), conveyor belts, rollers and trommel panel screens.

Residual Storage Impoundment (“RSI”)

The RSI dam-wall is at its final height and the dam water freeboard remains well above design minimum levels, notwithstanding the numerous wet weather events during the Quarter. Construction of the RSI final in-rock spillway continues.

Occupational Health & Safety

Runruno continues to record an exceptional safety record with over 25 million hours worked without a lost time 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

During the Quarter, the Company completed the review of the initial geophysics and geochemistry activities over the key target areas of the Abra project area as a prelude to designing an exploration drill programme. Final government approval to undertake drilling operations was also received during the Quarter, and it is expected that drilling of initial targets will commence during Q1 2025.

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 relation to the Group's Philippine projects 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.