

## METALS EXPLORATION PLC

### INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2024

Metals Exploration plc (AIM: MTL) (“Metals Exploration”, the “Company” or, together with its subsidiaries the “Group”), a gold producer in the Philippines, announces its unaudited interim results for the six months ended 30 June 2024. The results will be made available on the Company’s website at [www.metalsexploration.com](http://www.metalsexploration.com).

#### Highlights

- H1 2024 profit before tax of US\$58.4 million (H1 2023: US\$37.0 million);
- H1 2024 earnings before tax, interest, depreciation, amortization and impairment charges US\$47.1 million (H1 2023: US\$43.0 million)
- H1 2024 gold production of 42,535 ounces (H1 2023: 45,533 ounces);
- H1 2024 gold recoveries of 89.6% (H1 2023: 89.8%);
- H1 2024 positive free cash flow of US\$46.4 million (H1 2023: US\$41.9 million);
- Over 23 million man-hours since the last reported lost-time injury;
- Announcement of off-market buy-back of Runruno Holdings Limited’s 18.6% shareholding – to be completed by the end of Q3 2024;
- Debt free status confirmed with all debt disputes resolved and cash on hand of US\$6.6 million as at 30 June 2024; and
- Acquisition of the YMC group interest completed post period-end.

#### Production Summary

Runruno Project Production Summary	
	Units
<b>Mining</b>	
Ore Mined	Tonnes
Waste Mined	Tonnes
Total Mined	Tonnes
Au Grade Mined	g/tonne
Strip Ratio	
<b>Processing</b>	
Ore Milled	Tonnes
Gold (Au) Grade	g/tonne
Sulphur Grade	%
Au Milled (contained)	ounces
Recovery	%
Au Poured	ounces
<b>Sales</b>	
Au Sold	ounces
Au Price	US\$/oz

Actual 6 Months to 30 June 2024	Actual 6 Months to 30 June 2023	Actual 12 Months to 31 December 2023
1,172,930	848,023	1,949,654
4,849,036	5,385,929	10,412,735
6,021,966	6,233,952	12,362,398
1.37	1.59	1.47
4.07	6.08	5.03
1,099,159	1,068,391	2,104,207
1.34	1.48	1.42
1.35	1.41	1.36
47,489	50,701	96,068
89.6	89.8	88.7
42,535	45,533	85,194
41,589	46,186	85,744
2,190	1,939	1,944

### **Corporate**

#### *Buy-back of RHL shares*

On 20 June 2024 the Company agreed to purchase the entire shareholding of Runruno Holdings Limited (“RHL”), being 393,513,302 ordinary shares of £0.0001 each in the capital of the Company (“Ordinary Shares”) (the “RHL Shares”) over three tranches and at a price of 5 pence per share, by means of an off-market buy back (the “Buy Back”). At a General Meeting of shareholders on 23 August 2024 the Buy Back of RHL’s 18.6% interest in the Company was approved.

The Buy Back price of 5 pence per share was agreed by the Company and RHL at a date during negotiations of the Buy Back, based on the 30-day trailing volume weighted average market price at that date. The tranches of the Buy Back are:

- 203,640,000 RHL Shares acquired on 2 September 2024;
- 94,936,651 RHL Shares acquired on 2 September 2024; and
- 94,936,651 RHL Shares to be acquired by no later than 30 September 2024.

The aggregate consideration for the Buy Back is £19,675,665. All shares acquired from RHL will initially be held in treasury, until either cancelled or re-issued. Shares held in treasury have no voting rights. Following completion of the first tranche of the Buy Back, the relationship agreement with RHL was terminated.

#### *Production fee and termination of Revolving Credit Facility (“RCF”)*

In conjunction with entering into the Buy Back agreement, the Group agreed to a production fee agreement with RHL. The Group has agreed to pay RHL a production fee of US\$164 per ounce of gold produced at the Runruno contract area on any production that exceeds 204,269 ounces of gold from 1 May 2024 (being approximately 105% of the current forecast gold production from such date, based upon the Group’s life of mine plan for the Runruno mine). Any such production fee due would be paid quarterly in arrears. Following completion of the first tranche of the Buy Back, the RCF was terminated with no early termination fee payable to either RHL or MTL Luxembourg S.a.r.l (“MTL Lux”).

#### *Debt settlement*

The Company completed various agreements with its lenders, also in June 2024, that resolved all debt disputes including the payment of the final agreed principal/interest and applicable lender legal fees for both the senior and mezzanine debt, confirming that the Group is now debt free.

#### *YMC Acquisition*

At the General Meeting on 23 August 2024, shareholders also approved the completion of a share purchase agreement, to acquire a controlling interest in the Yamang Mineral Corporation group (the “YMC Group”). The aggregate consideration payable by the Company to the YMC Group shareholders was US\$1.6 million in cash and the issue of options to subscribe for up to 41 million new Ordinary Shares at an exercise price equal to nominal value. This acquisition was completed on 27 August 2024. Refer to the announcement dated 28 August 2024.

#### *Additional Option Issue*

At the Annual General Meeting, shareholders approved the issue of 6.6 million options to subscribe for new Ordinary Shares at an exercise price equal to nominal value, to the independent non-executive chairman.

#### *Exercise of Options*

During H1 2024, the Company issued 19,800,000 new Ordinary Shares at an issue price of £0.0001 to certain non-executive directors/ex-directors following the exercise of options.

### **Review of Runruno Gold Mine Operations**

#### *Safety and health*

The outstanding safety record at Runruno continues with in excess of 23 million man-hours with no lost time incidents occurring since the last lost time incident in December 2016. This is something the Company is incredibly proud of, and all employees and contractors are to be congratulated on this ongoing achievement.

#### *Finance*

Gold sales were 41,589 oz for revenues of US\$91.1 million (H1 2023 46,186 oz for revenues of US\$89.6 million) at an average price of US\$2,190 per oz (H1 2023 US\$1,939 per oz), resulting in positive free cash flow of US\$46.4 million (H1 2023: US\$41.9 million).

During H1 2024, the Group resolved all debt related disputes confirming that the Group is debt free. Total debt repayments made during H1 2024 were US\$27.2 million (H1 2023: US\$35.0 million).

#### *Mining*

Mining production of ore and waste was slightly down at 6.0Mt for H1 2024 (H1 2023: 6.2Mt). Total ore mined was slightly higher at 1.2Mt (H1 2023: 0.8Mt), at a lower grade of 1.37g/t (H1 2023: 1.59g/t).

#### *Process plant*

Stable operations were delivered during H1 2024, leading to gold production of 42,535 ounces (H1 2023: 45,533 ounces). Throughput for H1 2024 was on budget at 1.10Mt (H1 2023: 1.07Mt) with a lower head grade of 1.34g/t (H1 2023: 1.48g/t) resulting in slightly lower levels of production

Efforts to gain marginal gold recovery improvements continue with an excellent average overall gold recovery rate of 89.6% achieved (H1 2023: 89.8%).

Unplanned process plant downtime during H1 2024 did not materially interrupt production and consisted mainly of power interruptions, pump changeovers as well as repairs to the return discharge line ("RDL") and final tails line, conveyor belts, rollers and trommel panel screens.

#### *Residual Storage Impoundment ("RSI")*

The RSI is operating to design with an excellent environmental performance record. Stage 6 RSI lift was completed in H1 2024, and the dam water freeboard remained well within design limits.

Construction of the RSI final in-rock spillway continues, albeit slightly behind schedule. The day-to-day performance of the RSI, including the construction of the final in-rock spillway, is continuously monitored by an independent international consulting group.

#### *Community & Government Relations*

Productive relations with both the community and the Philippine government continue.

### **YMC Group Update**

As noted above, the acquisition of the YMC Group was completed on 27 August 2024. The YMC Group holds a majority and controlling interest in a highly prospective exploration licence covering 16,200 hectares on Luzon, Philippines, approximately 200km north of the Company's Runruno mine, in the Cordillera region, which is a prolific gold belt in the Philippines, with proven mineral endowment, having produced over 40Moz of gold historically. The Company has undertaken initial geophysics and geochemistry activities over this project area (known as the Abra project) as a prelude to designing an exploration drill programme. It is expected that drilling of initial targets will commence in Q4 2024.

**Darren Bowden, CEO of Metals Exploration, commented:**

*“The first half of 2024 has been transformational for the Company. Operationally Runruno has continued to perform strongly whilst the corporate actions taken will provide a platform for the future growth of the Company.*

*“In January the Company announced the acquisition the YMC Group, which completed in August, and which the Company believes holds some highly prospective exploration acreage; with our first drill campaign of this prospect expected in Q4 2024. In addition to this, the strong performance at Runruno has enabled the Company to gain debt free status, resolving all debt disputes. This is a very significant achievement considering the historical debt levels of the recent past. This accomplishment will ensure that the Company has more than ample firepower to progress the Company’s assets whilst continuing to seek further appropriate acquisition opportunities. The final piece of the jigsaw in the first half of the year, again approved in August, was the off-market buy-back of RHL’s shareholding (to be completed by the end of September 2024); removing a number of corporate and operational restrictions that have previously been placed on the team and will ensure management has the opportunity to deliver the Company’s growth strategy.*

*“The Company enters the second half of the year in an incredibly strong position, and is greatly looking forward to commencing initial drilling at YMC and providing further updates across all our operations.”*

For further information please visit or contact [www.metalsexploration.com](http://www.metalsexploration.com)

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

## CONDENSED CONSOLIDATED STATEMENT OF TOTAL COMPREHENSIVE INCOME for the six months ended 30 June 2024

	Notes	6 month period ended 30 June 2024 (unaudited) US\$	6 month period ended 30 June 2023 (unaudited) US\$	Year ended 31 December 2023 (audited) US\$
<b>Continuing Operations</b>				
Revenue		91,085,493	89,551,687	166,682,876
Cost of sales		(73,353,868)	(53,677,981)	(129,422,805)
<b>Gross profit</b>		<b>17,731,625</b>	<b>35,873,706</b>	<b>37,260,071</b>
Administrative expenses		(5,598,788)	(4,758,815)	(8,086,753)
<b>Operating profit</b>		<b>12,132,837</b>	<b>31,114,891</b>	<b>29,173,318</b>
Impairment reversal	7	49,712,946	8,846,685	97,737,620
Net finance and other costs		(696,536)	(2,930,501)	(7,310,461)
Provision for loss on derivatives		(2,716,439)	(57,800)	(29,759)
Share based payment expense		(5,313)	(21,814)	(31,368)
Share of (loss)/ profit of associates		(4,645)	3,021	15,970
<b>Profit before tax</b>		<b>58,422,850</b>	<b>36,954,482</b>	<b>119,555,320</b>
Tax benefit/(expense)		63,576	4,141	(306,582)
<b>Profit for the period attributable to equity holders of the parent</b>		<b>58,486,426</b>	<b>36,958,623</b>	<b>119,248,738</b>
<b>Other comprehensive income:</b>				
Items that may be re-classified subsequently to profit or loss:				
Exchange differences on translating foreign operations		(749,907)	(660,052)	(3,479,370)
<b>Items that will not be re-classified subsequently to profit or loss:</b>				
Re-measurement of pension liabilities		-	-	222,909
<b>Total comprehensive profit for the period attributable to equity holders of the parent</b>		<b>57,736,519</b>	<b>36,298,571</b>	<b>115,992,277</b>
<b>Earnings per share:</b>				
Basic cents per share	6	<b>2.78</b>	1.77	5.70
Diluted cents per share	6	<b>2.78</b>	1.75	5.64

## CONDENSED CONSOLIDATED INTERIM BALANCE SHEET as at 30 June 2024

	Notes	30 June 2024 (Unaudited) US\$	30 June 2023 (Unaudited) US\$	31 December 2023 (Audited) US\$
<b>Non-current assets</b>				
Property, plant and equipment	7	155,968,686	84,395,285	140,597,506
Other intangible assets		-	467,179	7,664
Investment in associate companies		116,736	108,432	121,381
Trade and other receivables		19,807,825	12,616,843	16,720,701
		<b>175,893,247</b>	<b>97,587,739</b>	<b>157,447,252</b>
<b>Current assets</b>				
Inventories		20,795,474	19,471,994	18,695,048
Trade and other receivables		9,950,924	7,640,051	5,000,515
Cash and cash equivalents		6,578,641	490,207	339,997
		<b>37,325,039</b>	<b>27,602,252</b>	<b>24,035,560</b>
<b>Non-current liabilities</b>				
Trade and other payables		(70,850)	(1,247,303)	(70,850)
Retirement benefits obligations		(2,471,289)	(2,463,112)	(2,471,289)
Provision for loss on derivatives		(361,400)	-	-
Deferred tax liabilities		(481,120)	(574,038)	(544,697)
Provision for mine rehabilitation		(4,161,553)	(3,781,339)	(4,145,567)
		<b>(7,546,212)</b>	<b>(8,065,792)</b>	<b>(7,232,403)</b>
<b>Current liabilities</b>				
Trade and other payables		(11,284,917)	(13,210,650)	(16,063,666)
Loans - current portion	8	-	(49,301,270)	(23,896,298)
Provision for loss on derivatives		(2,709,923)	(382,920)	(357,546)
		<b>(13,994,840)</b>	<b>(62,894,840)</b>	<b>(40,317,510)</b>
<b>Net assets</b>		<b>191,677,234</b>	<b>54,229,359</b>	<b>133,932,899</b>
<b>Equity</b>				
Share capital	9	285,286	282,503	282,783
Share premium account	9	144,350	144,350	144,350
Acquisition of non-controlling interest reserve		(5,107,515)	(5,107,515)	(5,107,515)
Translation reserve		10,191,724	13,760,949	10,941,631
Re-measurement reserve		(249,740)	(472,649)	(249,740)
Other reserves		149,664	1,661,734	144,351
Profit and loss account		186,263,465	43,959,987	127,777,039
<b>Equity attributable to equity holders of the parent</b>		<b>191,677,234</b>	<b>54,229,359</b>	<b>133,932,899</b>

## CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY for the six months ended 30 June 2024

	Share capital US\$	Share premium account US\$	Acquisition of non-controlling interest reserve US\$	Translation reserve US\$	Re- measurement reserve US\$	Other reserve US\$	Profit and loss account US\$	Total equity US\$
Balance at 1 January 2024	282,783	144,350	(5,107,515)	10,941,631	(249,740)	144,351	127,777,039	133,932,899
Exchange differences on translating foreign operations	-	-	-	(749,907)	-	-	-	(749,907)
Profit for the period	-	-	-	-	-	-	58,486,426	58,486,426
Total comprehensive (loss)/profit for the period	-	-	-	(749,907)	-	-	58,486,426	57,736,519
Share based payment	-	-	-	-	-	5,313	-	5,313
Equity issue	2,503	-	-	-	-	-	-	2,503
<b>Balance at 30 June 2024</b>	<b>285,286</b>	<b>144,350</b>	<b>(5,107,515)</b>	<b>10,191,724</b>	<b>(249,740)</b>	<b>149,664</b>	<b>186,263,465</b>	<b>191,677,234</b>

### Equity is the aggregate of the following:

- Share capital; being the nominal value of shares issued.
- Share premium account; being the excess received over the nominal value of shares issued less direct issue costs.
- Acquisition of non-controlling interests reserve; being amounts recognised on acquiring additional equity in a controlled subsidiary.
- Translation reserve; being the foreign exchange differences on the translation of foreign subsidiaries.
- Re-measurement reserve; being the cumulative actuarial gains and losses, return on plan assets and changes in the effect of the asset ceiling (excluding net interest on defined benefit liability) recognised in the statement of total comprehensive income.
- Other reserves; being the cumulative share-based payments expense.
- Profit and loss account; being the cumulative profit attributable to equity shareholders.

## CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY for the six months ended 30 June 2023

	Share capital US\$	Share premium account US\$	Acquisition of non-controlling interest reserve US\$	Translation reserve US\$	Re- measurement reserve US\$	Other reserve US\$	Profit and loss account US\$	Total equity US\$
Balance at 1 January 2023	281,638	-	(5,107,515)	14,421,001	(472,649)	1,639,920	7,001,364	17,763,759
Exchange differences on translating foreign operations	-	-	-	(660,052)	-	-	-	(660,052)
Profit for the period	-	-	-	-	-	-	36,958,623	36,958,623
Total comprehensive (loss)/profit for the period	-	-	-	(660,052)	-	-	36,958,623	36,298,571
Share based payment	-	-	-	-	-	21,814	-	21,814
Equity issue	865	144,350	-	-	-	-	-	145,215
Balance at 30 June 2023	282,503	144,350	(5,107,515)	13,760,949	(472,649)	1,661,734	43,959,987	54,229,359

### Equity is the aggregate of the following:

- Share capital; being the nominal value of shares issued.
- Share premium account; being the excess received over the nominal value of shares issued less direct issue costs.
- Acquisition of non-controlling interests reserve; being amounts recognised on acquiring additional equity in a controlled subsidiary.
- Translation reserve; being the foreign exchange differences on the translation of foreign subsidiaries.
- Re-measurement reserve; being the cumulative actuarial gains and losses, return on plan assets and changes in the effect of the asset ceiling (excluding net interest on defined benefit liability) recognised in the statement of total comprehensive income.
- Other reserves; being the cumulative fair value of warrants associated with certain mezzanine debt facilities and share-based payments expense.
- Profit and loss account; being the cumulative profit attributable to equity shareholders.



## CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY for the year ended 31 December 2023

	Share capital US\$	Share premium account US\$	Acquisition of non-controlling interest reserve US\$	Translation reserve US\$	Re- measurement reserve US\$	Other reserve US\$	Profit and loss account US\$	Total equity US\$
Balance at 1 January 2023	281,638	-	(5,107,515)	14,421,001	(472,649)	1,639,920	7,001,364	17,763,759
Exchange differences on translating foreign operations	-	-	-	(3,479,370)	-	-	-	(3,479,370)
Change in pension liability	-	-	-	-	222,909	-	-	222,909
Profit for the year	-	-	-	-	-	-	119,248,738	119,248,738
Total comprehensive profit/(loss) for the period	-	-	-	(3,479,370)	222,909	-	119,248,738	115,992,277
Share based payments	-	-	-	-	-	31,368	-	31,368
Share issue	1,145	144,350	-	-	-	-	-	145,495
Transfer of other reserve to profit and loss account	-	-	-	-	-	(1,526,937)	1,526,937	-
Balance at 31 December 2023	282,783	144,350	(5,107,515)	10,941,631	(249,740)	144,351	127,777,039	133,932,899

### Equity is the aggregate of the following:

- Share capital; being the nominal value of shares issued.
- Share premium account; being the excess received over the nominal value of shares issued less direct issue costs.
- Acquisition of non-controlling interests reserve; being amounts recognised on acquiring additional equity in a controlled subsidiary.
- Translation reserve; being the foreign exchange differences on the translation of foreign subsidiaries.
- Re-measurement reserve; being the cumulative actuarial gains and losses, return on plan assets and changes in the effect of the asset ceiling (excluding net interest on defined benefit liability) recognised in the statement of total comprehensive income.
- Other reserves; being the cumulative fair value of warrants associated with certain mezzanine debt facilities and share-based payments expense. Upon the expiry of the relevant warrants the cumulative fair value of warrants was transferred to profit and loss account.
- Profit and loss account; being the cumulative profit attributable to equity shareholders.

## CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENT for the six months ended 30 June 2024

		6 month period ended 30 June 2024 (unaudited) US\$	6 month period ended 30 June 2023 (unaudited) US\$	Year ended 31 December 2023 (audited) US\$
	Note			
<b>Net cash arising from operating activities</b>	<b>8</b>	<b>36,988,492</b>	39,838,746	74,561,379
<b>Investing activities</b>				
Exploration expenses incurred		(636,382)	(449,477)	-
Purchase of property, plant and equipment		(2,869,853)	(4,687,652)	(10,250,030)
<b>Net cash used in investing activities</b>		<b>(3,506,235)</b>	(5,137,129)	(10,250,030)
<b>Financing activities</b>				
Repayment of borrowings – principal		(23,896,298)	(32,855,626)	(61,430,747)
Repayment of borrowings – interest		(3,338,575)	(2,194,374)	(3,369,253)
Share issue		2,503	-	280
<b>Net cash used in financing activities</b>		<b>(27,232,370)</b>	(35,050,000)	(64,799,720)
Net increase/(decrease) in cash and cash equivalents		6,249,887	(348,383)	(488,371)
Cash and cash equivalents at beginning of period		339,997	861,069	861,069
Effects of exchange rate changes on cash and cash equivalents		(11,243)	(22,479)	(32,701)
<b>Cash and cash equivalents at end of period</b>		<b>6,578,641</b>	490,207	339,997

**Notes to the condensed consolidated interim financial statements**

**1. General information**

These condensed consolidated interim financial statements of Metals Exploration and its subsidiaries (the “Group”) were approved by the Board of Directors on 20 September 2024. Metals Exploration is the parent company of the Group. Its shares are quoted on AIM market of the London Stock Exchange plc. The registered address of Metals Exploration plc is 38 – 43 Lincoln’s Inn Fields, London, WC2A 3PE.

The condensed consolidated interim financial statements for the period 1 January 2024 to 30 June 2024 are unaudited. The group has chosen not to adopt IAS 34 “Interim Financial Statements” in preparing the interim financial information. The condensed consolidated interim financial statements incorporate unaudited comparative figures for the interim period from 1 January 2023 to 30 June 2023 and the audited financial year ended 31 December 2023.

The financial information set out in this interim report does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. The Group’s statutory accounts for the year ended 31 December 2023, which were prepared under UK-adopted international financial accounting standards, were filed with the Registrar of Companies. The auditors reported on these accounts and their report was unqualified and did not contain a statement under either Section 498 (2) or Section 498 (3) of the Companies Act 2006.

**2. Basis of preparation**

The interim financial information in this report has been prepared using accounting policies consistent with UK-adopted international accounting standards. The financial information has been prepared based on UK-adopted international accounting standards that the Board of Directors expect to be applicable as at 31 December 2024.

These condensed consolidated interim financial statements have been prepared under the historical cost convention, except for derivative financial instruments, which are measured at fair value, and in accordance with UK-adopted international accounting standards. There have been no changes in accounting policies as described in the 2023 annual financial statements.

**3. Going concern**

These condensed consolidated interim financial statements of the Group have been prepared on a going concern basis, which contemplates the continuity of business activities, the realisation of assets and the settlement of liabilities in the normal course of business.

The Group and its ability to operate as a going concern and to meet its commitments as and when they fall due is dependent upon the ability of the Group to operate the Runruno Project successfully to generate sufficient cash flows to enable the Group to settle its liabilities as they fall due.

The Board of Directors believes that the Runruno Project will continue to operate successfully and produce positive cash flows for at least 12 months from the date of this interim report, being 20 September 2024. As a result, the Board of Directors considers it appropriate that the half-year financial information should be prepared on a going concern basis.

**4. Risks and uncertainties**

The Board continuously assesses and monitors the key risks of the business. The key risks that could affect the Group’s medium term performance and the factors that mitigate those risks have not substantially changed from those set out in the Group’s statutory accounts for the year ended 31 December 2023, a copy of which is available on the Company’s website: <https://metalsexploration.com/>.

**5. Critical accounting estimates**

The preparation of condensed consolidated interim financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the end of the reporting period. Significant items subject to such estimates are set out in Note 2 of the Group’s statutory accounts for the year ended 31 December 2023. The nature and amounts of such estimates have not changed significantly during the interim period.

**Notes to the condensed consolidated interim financial statements**

6. Earnings per share

The earnings per share was calculated based on the net profit/(loss) attributable to equity shareholders divided by the weighted average number of Ordinary Shares.

	6 month period ended 30 June 2024 (unaudited) US\$	6 month period ended 30 June 2023 (unaudited) US\$	Year ended 31 December 2023 (audited) US\$
<b>Earnings</b>			
Net profit attributable to equity shareholders for the purpose of basic and diluted earnings per share	58,486,426	36,958,623	119,248,738
<b>Number of shares</b>			
Weighted average number of Ordinary Shares for the purpose of basic earnings per share	2,101,371,744	2,089,230,821	2,092,720,603
Number of dilutive shares under warrant/option	-	22,000,000	19,800,000
Weighted average number of Ordinary Shares for the purpose of diluted earnings per share	2,101,371,744	2,111,230,821	2,112,520,603
Basic earnings cents per share	2.78	1.77	5.70
Diluted earnings cents per share	2.78	1.75	5.64

7. Impairment reversal

**Property, plant and equipment ("PPE")**

The Group considers that the entire Runruno project (encompassing capitalised property, plant and equipment, mining licence costs, deferred exploration expenditure and the provision for mine rehabilitation and decommissioning) comprises a single cash generating unit ("CGU") as all stages of the project are interdependent in terms of generating cash flow and do not have the capacity to generate separate and distinct cash flow streams.

The Group assesses the recoverable amount of the Runruno project CGU based on the value in use of the Runruno operations using cash flow projections over the remaining expected life of mine ("LOM") and at appropriate discount rates. Based on assumptions current as at 30 June 2024, in particular the ongoing relatively high gold prices and the increased productivity of the Runruno mine, the Group considered that the remaining balance of the 2018 impairment of PPE be reversed.

Accordingly, and in accordance with IAS 36 -- *Impairment of Assets*, an impairment credit has been raised in H1 2024 to increase the book value of the PPE by US\$50 million. This US\$50 million impairment reversal, combined with the US\$100 million impairment reversal booked in the 2023 financial year, has fully eliminated the 2018 PPE impairment charge. A consequence of these impairment reversals is that the depreciation expense for H1 2024 has increased to US\$37.5 million from US\$11.8 million in H1 2023.

**Notes to the condensed consolidated interim financial statements**

8. Reconciliation of profit after tax to net cash arising from operating activities

	<i>6 month period ended 30 June 2024 (unaudited) US\$</i>	<i>6 month period ended 30 June 2023 (unaudited) US\$</i>	<i>Year ended 31 December 2023 (audited) US\$</i>
Profit after tax	58,486,426	36,958,623	119,248,738
Depreciation and amortisation	37,522,323	11,766,932	51,492,601
Provisions	2,713,777	57,800	29,759
Impairment (reversal)/charge	(49,712,946)	(8,846,685)	(97,318,816)
Share of losses/(profits) of associates	4,645	(3,021)	(15,970)
Share based payment expense	5,313	21,814	31,368
Shares issued in lieu of cash bonus	-	145,215	145,215
Finance expenses	1,401,810	3,370,915	10,732,133
Foreign exchange (gain)/loss	(694,061)	(440,247)	(2,642,249)
Exploration expenses	636,382	-	-
(Increase)/decrease in receivables	(9,074,493)	(4,478,977)	(10,048,701)
Decrease/(Increase) in inventories	(2,100,426)	1,743,493	820,441
Increase/(Decrease) in payables	(2,136,682)	(457,118)	2,061,476
Net cash arising from operating activities	<b>36,988,492</b>	<b>39,838,746</b>	<b>74,561,379</b>

9. Loans

Finalisation of the Group's senior and mezzanine debt facilities was protracted due to an inability to effect the elevation of the mezzanine debt to a fully secured status due to a dispute over the applicable interest rate and several disputed debt covenant breaches. During June 2024, the Group entered into full and final settlements with the lenders, including payment of the final principal/interest and agreed appropriate lender legal fees. These agreements confirmed that the Group is debt free. Subsequently all lender registered security has been released/withdrawn.

During H1 2024, total senior debt payments of US\$2,817 (H1 2023: US\$ Nil) were made. During the H1 2024, total mezzanine debt payments of US\$27.2 million were made (H1 2023: US\$35.0 million). Included in the US\$27.2 million debt payments was \$3.38 million loan interest.

In addition, post period-end, the Revolving Credit Facility was terminated as part of the RHL Buy Back and Production fee agreements, with no termination fee payable to either RHL or MTL Lux.

The Group's debt balances are shown below:

	<i>June 2024 US\$</i>	<i>June 2023 US\$</i>	<i>December 2023 US\$</i>
Total loans due within one year	-	49,301,270	23,896,298

Metals Exploration plc  
Condensed Consolidated Interim Financial statements for the six-month period ended 30 June 2024

Notes to the condensed consolidated interim financial statements

10. Share capital

The Company issued 19,800,000 new Ordinary Shares at an issue price of £0.0001 following the exercise of options in April and June 2024. In June 2023 the Company issued 7,147,850 new Ordinary Shares at an issue price of £0.01679 in lieu of paying a cash bonus.

	<i>June 2024</i>	<i>June 2023</i>	<i>December 2023</i>	<i>June 2024</i>	<i>June 2023</i>	<i>December 2023</i>
	<i>Number of shares</i>	<i>Number of shares</i>	<i>Number of shares</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>
<i>Ordinary shares of £0.0001 par value</i>						
Opening balance	2,098,144,271	2,088,796,421	2,088,796,421	282,783	281,638	281,638
Share issue in period	19,800,000	7,147,850	9,347,850	2,503	865	1,145
Closing balance	<b>2,117,944,271</b>	2,095,944,271	2,098,144,271	<b>285,286</b>	282,503	282,783
<i>Share premium</i>						
Opening balance				144,350	-	-
Share issue in period				-	144,350	144,350
Closing balance				<b>144,350</b>	144,350	144,350

**Notes to the condensed consolidated interim financial statements**

11. Contingent liabilities

The Group has no contingent liabilities identified as at 30 June 2024 (2023: US\$ nil).

12. Subsequent events

There have been no subsequent disclosable events other than:

- On 1 July 2024, the Company issued 6,600,000 options to acquire new Ordinary Shares to a director.
- On 23 August 2024, at a general meeting, shareholders approved an off-market buy-back of Ordinary Shares owned by Runruno Holdings Limited. The Company has completed the acquisition of the first two tranches of RHL shares being 298,576,651 shares at a total cost of £14.93 million. A final tranche of 94,936,651 RHL shares is to be acquired before 30 September 2024 at a total cost of £4.7 million. The shares acquired from RHL will initially be held, at the directors' discretion, in treasury as non-voting shares; until either cancelled or re-issued.
- On 23 August 2024, at a general meeting of shareholders the Company entered into a future production fee agreement as part of an overall settlement with Runruno Holdings Limited. As a result, the Revolving Credit Facility with the Group's lenders terminated with no termination fee payable.
- Following shareholder approval at the 23 August 2024 general meeting, the Company completed the acquisition of the controlling interests in the Yamang Mining Corporation group by payment of US\$1.6 million and the issue of 41 million options to acquire MTL Ordinary Shares at an exercise price of £0.0001.
- On 29 August 2024 the Company issued 3,785,446 new Ordinary Shares at an issue price of £0.0353 in lieu of paying a cash bonus.