

METOREX LIMITED
(Incorporated in the Republic of South Africa)
(Registration number: 1934/005478/06)
Share code: MTX
ISIN: ZAE000022745
Issuer code: MEMTX
("Metorex" or "the Company" or "the Group")
A NEW FOCUS FOR THE FUTURE

Quarterly and reviewed financial year end results for 30 June 2009
and further cautionary announcement

Pan African shareholding sold for R386 million with effect 1 July 2009

Vergenoeg BEE transaction announced for R109 million

Quarterly production improved at Ruashi, Chibuluma, Sable and
Consolidated Murchison

Output reduced at Vergenoeg as a result of tight market conditions

Initial Resource and Reserve review at Ruashi completed

Consolidated income statement

	Year ended 30 June 2008 (Restated)*	Year ended 30 June 2009 (Reviewed)
R'000		
Mineral sales		
Copper	1 247 710	866 407
Fluorspar	255 643	304 637
Cobalt	111 436	70 677
Gross revenue	1 614 789	1 241 721
Realisation costs	268 715	204 894
On-mine revenue	1 346 074	1 036 827
Cost of production	597 135	748 813
Stock movement	(50 306)	24 824
Mining profit before depreciation	799 245	263 190
Depreciation	95 648	122 234
Mining profit	703 597	140 956
Other (expenditure) income	(22 425)	147 623
Impairments	—	(2 273 429)
Income (loss) before finance costs	681 172	(1 984 850)
Finance income	7 764	7 871
Finance costs	(9 287)	(7 621)
Income (loss) before taxation	679 649	(1 984 600)
Taxation	219 786	(380 785)

Income (loss) after taxation	459 863	(1 603 815)
Asset held for sale, net of taxation	245 090	63 809
Discontinued operations	(8 859)	(438)
Income (loss) for the year	696 094	(1 540 444)
Attributable to:		
Equity holders of the parent	554 552	(1 507 218)
Minority interest	141 542	(33 226)
	696 094	(1 540 444)
Earnings per share (cents)	159,40	(272,38)
Diluted earnings per share (cents)	156,50	(272,38)
Headline earnings per share is calculated using the following:		
Income attributable to ordinary shareholders	554 552	(1 507 218)
Profit on the reverse acquisition of PAR	(105 220)	—
Impairments	—	2 273 429
Tax on impairments	—	(474 642)
Minorities on impairments	—	(159 230)
Loss/(profit) on the sale of fixed assets	31	(431)
Discontinued operations	8 859	438
Headline earnings (R'000)	458 222	132 346
Headline earnings per share (cents)	131,70	23,92
Diluted headline earnings per share (cents)	129,3	23,92
Weighted average shares in issue ('000)	347 797	553 349
Shares in issue ('000)	369 173	742 538
* Restated for assets held for sale		

Condensed consolidated balance sheet

	Year ended 30 June 2008 (Restated)*	Year ended 30 June 2009 (Reviewed)
R'000		
ASSETS		
Non-current assets		
Property, plant, equipment, mineral rights and other	5 525 383	4 898 487
Goodwill	11 514	11 514
Investments	3 443	16 648
Rehabilitation trust funds	6 450	779
Derivative instrument	189	94 942
Deferred tax asset	1 354	—
	5 548 333	5 022 370

Current assets	300 143	264 051
Inventories	572 101	447 638
Trade and other receivables	13 900	6 194
Prepaid taxation	119 066	73 553
Bank balances and cash	1 005 210	791 436
	1 058 139	712 088
Assets held for sale, net	7 611 682	6 525 894
Total assets		

EQUITY AND LIABILITIES

Equity attributable to equity holders of the parent	3 450 104	2 399 459
Minority interest	683 570	457 208
Total equity	4 133 674	2 856 667
Non-current liabilities		
Long-term liabilities - interest bearing	1 342 935	1 415 563
Long-term provisions	172 637	181 310
Deferred tax liabilities	848 631	469 292
	2 364 203	2 066 165
Current liabilities		
Trade and other payables	512 638	557 831
Short-term borrowings - interest bearing	175 296	695 604
Short-term provisions	25 059	35 065
Derivative instruments	273 888	230 240
Taxation	109 189	29 999
Bank overdraft	17 735	54 323
	1 113 805	1 603 062
Total equity and liabilities	7 611 682	6 525 894
Net asset value per share (cents)	935	323
Net tangible asset value per share (cents)	931	322

* Restated for assets held for sale

Condensed consolidated cash flow statement

	Year ended 30 June 2008 (Audited)	Year ended 30 June 2009 (Reviewed)
R'000		
Cash inflows (outflows) from operating activities	784 956	121 602
Cash outflows from investing activities	(1 849 615)	(1 393 693)
Cash inflows from financing activities	1 137 289	1 191 426
Net increase/(decrease) in cash and cash equivalents	72 630	(80 665)

Cash at beginning of year	54 558	101 331*
Effect of foreign exchange rate changes	2 516	(1 436)
Cash at end of year	129 704	19 230
Acquisition of CRC	53 867	—
Cash at end of year - continuing operations	183 571	19 230
Cash at end of year - discontinuing operations	—	23 191
Cash at end of year - continuing and discontinuing operations	183 571	42 421

*Adjusted for assets held for sale

Condensed statement of changes in equity

	Year ended 30 June 2008 (Audited)	Year ended 30 June 2009 (Reviewed)
R'000		
Shareholders' equity at start of year	2 003 703	4 133 674
Ordinary shares issued	1 003 476	723 727
Hedging, translation reserve and equity reserves	(53 393)	(292 943)
Profit (loss) for the year	554 552	(1 507 218)
Share option equity	11 457	25 789
Minority interests	613 879	(226 362)
Total equity	4 133 674	2 856 667

Commentary

Johannesburg: 9 September 2009: Metorex Limited today announced Group headline earnings per share reduced significantly to 24 cents per share for the year ended 30 June 2009. This excludes the effect of impairment charges of R2,3 billion (R1,6 billion after taxation and minorities). Earnings for the year amounted to a loss of 272 cents per share. The Group liquidity situation continues to improve through sales of non-core assets and increased production out of the new Ruashi mining project. The Group is still trading under cautionary as it is involved in negotiations with the objective of reducing and restructuring the Ruashi debt and removing liquidity constraints.

Terence Goodlace, CEO of Metorex said, "I am really pleased with the operational focus of our teams. All of our mines, other than Vergenoeg, delivered improved production in these tough times. The Ruashi mine exceeded our June 2009 quarterly copper production target of 4 500 tons by producing 5 245 tons. Cobalt production also exceeded the 450 tons forecast with 571 tons of cobalt being produced. The Reserve and Reserve infill drilling programme at Ruashi has been completed and the Reserve numbers confirm this asset to be a significant deposit. The liquidity situation in the Group has been improved through increased production, higher commodity prices and the sales of Pan African, Phoenix Platinum and a 15% stake in the Vergenoeg mine. Further strategies designed to restore the balance sheet by December 2009 are being vigorously progressed and management is confident of a successful outcome."

Salient features

Financial performance		June 2008	June 2009
Gross revenue	(R'000)	1 614 789	1 241 721
Mining profit before depreciation	(R'000)	799 245	263 190
Cash mining profit margin	(%)	50	21
EPS	(cents)	159,4	(272,4)
HEPS	(cents)	131,7	23,9
Market capitalisation	(R'000)	8 856 460	2 227 614
Shares in issue	('000)	369 173	742 538
Weighted average number of shares	('000)	347 797	553 349
Share price	(cents)	2 399	300
ZAR/US\$ rate - Average	(R/US\$)	7,30	9,03
ZAR/US\$ rate - Closing	(R/US\$)	7,83	7,72

Commodity production		Quarter*		Year**	
	Unit	March 2009	June 2009	June 2008	June 2009
Copper	(t)	7 316	10 329	25 350	31 207***
Cobalt	(t)	165	571	565	871***
Antimony	(mtu)	35 692	71 921	361 455	257 983
Fluorspar	(dmt)	37 908	26 851	180 854	152 934
Gold	(kg)	696	772	3 517	3 498

***Includes Ruashi II production.

Commodity sales		Quarter*		Year**	
	Unit	March 2009	June 2009	June 2008	June 2009
Copper	(t)	7 533	10 472	23 291	31 846***
Cobalt	(t)	10	221	386	578***
Antimony	(mtu)	43 368	97 313	337 403	271 286
Fluorspar	(dmt)	28 523	19 784	184 299	135 962
Gold	(kg)	822	795	3 603	3 451

*** Includes Ruashi II sales, not part of income statement.

Prices received		Quarter*		Year**	
	Unit	March 2009	June 2009	June 2008	June 2009
Copper	(US\$/t)	3 894	4 290	7 277	4 464
Cobalt (64% of LMB)	(US\$/lb)	7	9	18	14
Antimony	(US\$/mtu)	25	26	58	39
Fluorspar	(R/t)	3 200	2 354	1 387	2 241
Gold	(US\$/oz)	910	921	804	818

* Unaudited

** Reviewed

Safety, health, environmental and communities ("SHEC")

Whilst pleasing to report that the Group had no fatal accidents during the financial year, independent SHEC audits carried out at four of the group operations during the quarter have highlighted deficiencies and inconsistencies in Group SHEC policies and procedures.

The development of a holistic Group SHEC strategy resulting in leading industry practice is a priority at Metorex and a range of initiatives has commenced which includes:

- Addressing the occupational health and safety competence of Metorex line managers as well as related specialist functions by focusing on specific training interventions including hazard identification, and risk assessment;
- Compiling and introducing Metorex Safe Production Rules for the Group;
- Introducing and maintaining baseline risk assessments at all mines in the Group;
- Introducing rigorous and consistent SHEC reporting standards across all operations; and
- Achieving the 2013 Mine Health and Safety Council milestones targets for occupational safety and hygiene is a key focus area.

Financial overview (reviewed)

The 2009 financial year ("F2009") saw an unprecedented collapse in world markets, impacting severely on raw material demand and resulting in a period of sustained de-stocking from November 2008 to March 2009. This impacted on commodity prices with the copper price having declined some 60% over a three-month period.

At the same time the Group's main capital development programme in the Democratic Republic of Congo ("DRC"), the Ruashi copper/ cobalt mine, experienced capital cost-overruns and ramp-up delays which required an emergency fund raiser concluded during December 2008. The result was an injection of new equity totalling R704 million, net of costs. In addition, a one-year bridge loan facility of R178 million repayable on 30 November 2009 was secured and the Group restructured some of its loan repayments. The Group embarked upon a process of disposing of some of its non-core assets, which resulted in the disposal of Phoenix Platinum Mining (Proprietary) Limited ("Phoenix Platinum") for R72 million and subsequent to the financial year-end the Pan African Resources PLC ("Pan African") 55% holding for R386 million and the conclusion of a Vergenoeg Mining Company (Proprietary) Limited ("Vergenoeg") black economic empowerment deal for R109 million. These proceeds provided much needed liquidity and secured the completion of Ruashi Mining sprl ("Ruashi"), repayment of the Group's bridge loans, ongoing funding of Copper Resources Corporation ("CRC") and absorption of losses at Consolidated Murchison Mine ("Consolidated Murchison"), including the closure of its prohibitive gold hedge book for R41 million.

The financial statements for the year ended 30 June 2009 were prepared on the basis of the Pan African and Consolidated Murchison assets being held for sale. This follows the disposal of Pan African subsequent to year-end and the Group's intention to exit the Consolidated Murchison operation. The Group's continuing operating assets are Vergenoeg, Chibuluma Mines plc ("Chibuluma"), Ruashi and Sable Zinc Kabwe Limited. The operational results from these assets other than the Ruashi project comprise mining profit as reported in the consolidated income statement with comparatives having been reclassified for assets held for sale. The Group capitalised operations for the Ruashi phase II project during the entire financial year as this project remains under development.

Year ended 30 June 2009 compared with the year ended 30 June 2008

Revenue

Copper production for the year increased by 23% to 31 207 tons, mainly due to 10 378 tons having been produced at the Ruashi II operation. The Ruashi I concentrate feed to the Sable business unit was discontinued during December 2008, which resulted in a decrease in its copper production to 4 889 tons from 10 767 tons the previous year. The Chibuluma mine performed well and increased its annual production by 9% for the year to 15 940 tons of copper. The decline of some 40% in copper prices to an average of US\$4 464 per ton achieved (2008: US\$7 277 per ton) resulted in a significant reduction in revenue for the Group. Cobalt production for the year increased by 54% to 871 tons following the commissioning of the cobalt plant at the Ruashi mine. The average price achieved was US\$14 per lb and was based on 64% of London Metals Bulletin ("LMB") quoted price in terms of the Ruashi off-take agreement with Jinchuan. Cobalt sales lagged production and were caused by distribution bottlenecks between the Ruashi mine and Johannesburg. These logistic flows continue to be addressed. Fluorspar production reduced by 15%, driven largely by weaker demand during the latter part of the financial year. Contracted fluorspar price increases were boosted by a weaker Rand/US\$ exchange rate and contributed to an overall 20% increase in fluorspar revenue from the Vergenoeg mine.

Operating costs

Group operating costs increased by 25% to R749 million for the year, mainly as a result of a 24% weakening in the Rand/US\$ exchange rate on translation of the foreign operations. The reduction in output from Ruashi/Sable and Vergenoeg did not translate into absolute savings as the Group experienced inflationary increases driven largely by high input prices in consumables, utilities and services.

Mining profit before depreciation

Following the effect of the changes in Group revenues and operating costs, mining profit before depreciation decreased by 67% to R263 million.

Depreciation and impairments

Depreciation increased by 28% to R122 million in line with the weaker Rand/US\$ exchange rate on translation of the Group's foreign operations. It is Group policy to annually assess assets for impairment. Following this review, the Group impairment charge before taxation and minorities amounted to R2,3 billion mainly related to CRC (R1,7 billion), the discontinuance of the Ruashi phase I project (R216 million) and a write-off of the Consolidated Murchison operation (R125 million). The primary CRC asset, being the Kinsenda mine, was impaired to R230 million (US\$30 million) based on a risk based valuation at a real after tax discount rate of 20%. This discount rate accounts for risks related to project funding, project development and operating in the DRC. A copper price of US\$5,000/ton was applied in these valuations. The net CRC impairment, after tax and minorities, of R1,2 billion principally relates to the original investment cost. This cost constituted the issue of 37 million new Metorex shares at R24 per share (R888 million) and R85 million in cash.

Other income

Net other income of R148 million for the year mainly relates to a combination of the profit on closure of a portion of the Ruashi hedgebook (R210 million) and a loss on the realisation of the prior year mark to market of Chibuluma's outstanding copper invoices and Group share option charges.

Borrowing costs

Cash flows from Group debt introduced during the year were mainly applied to the Ruashi project. The associated borrowing costs were accordingly capitalised.

Capital expenditure and commitments

Group capital expenditure totalled R1,5 billion (2008: R2 billion), mainly related to the Ruashi Phase II project and CRC.

Contracted capital commitments at 30 June 2009 amounted to R40 million (2008: R359 million), whilst uncontracted commitments amounted to R2 million (2008: R164 million).

Operating lease commitments, which fall due within the next year, amounted to R4 million (2008: R23 million), whilst commitments of R3 million (2008: R21 million) fall due during the next four years.

Headline earnings

Group headline earnings per share reduced significantly to 24 cents for the year ended 30 June 2009 and exclude the effect of the impairment charges. The weighted average number of shares in issue increased by 59% to 553 349 shares following the equity issue concluded during December 2008.

Group cash flow

Cash inflows from operating activities reduced by 84% to R122 million. Cash applied to investing activities of R1,4 billion principally related to capital expenditure at Ruashi and Chibuluma together with capital project development costs and ongoing funding of CRC. The Group secured net cash inflows of R1,2 billion from financing activities, which primarily resulted from new debt of R282 million introduced at Chibuluma, further project loans at Ruashi of R125 million, bridge loan draw downs of R132 million and new equity of R704 million at the Metorex corporate level.

Group balance sheet

The Group net asset value reduced by 65% to 323 cents per share following the impairment of CRC, Ruashi Phase 1 and Consolidated Murchison and an increase in the issued share capital of 100% to R743 million. Interest-bearing debt increased to R2,1 billion of which R696 million is due during the forthcoming 12 months. The subsequent disposal of Pan African and the Vergenoeg deal secured repayment of some of the Group's short-term loans and furthermore, the funding of Ruashi to completion as well as the ongoing funding of CRC and Consolidated Murchison. Chibuluma is in a position to service its debt instalments during the next financial year. The first Ruashi instalment of R193 million (US\$25 million) is due on 31 December 2009. The Group is still trading under cautionary as it is involved in negotiations with the objective of reducing and restructuring the Ruashi debt and removing liquidity constraints.

Group debt position - 30 June 2009

Entity	Nature	Amount	Cost	Term
Metorex	Short-term loans	R190 million	Jibar + 7,5%	Due 30 Nov '09
	Pre-off take			36 months from
Ruashi	finance	R162 million	Fixed 4,68%	Jan '10
				9 semi-annual
	ECIC project		US Libor	from 31 Dec
Ruashi	finance	R1 041 million	+1,25%	'09
	Commercial		US Libor	7 semi-annual
Ruashi	project finance	R254 million	+3,5%	from 31 Dec

				'09
				7 semi-annual
Ruashi	Cost overrun facility	R125 million	US Libor +1,25%	from 31 Dec '09
				9 semi-annual
Chibuluma	Term loan	R282 million	US Libor +4,85%	from 30 Sep '09
Various	Equipment leases	R82 million	Various	36 months
		R2 136		
TOTAL		million*		

* Includes asset leases at Consolidated Murchison of R24 million

Hedgebook status

Commodity		Maturity	Volume	Price	Comment
Copper:	Ruashi	15 months	(Jul '09 - 24 750 t Sep '10)	US\$3 900/t	Forwards
	Ruashi	21 months	(Oct '10 - 34 425 t Jun '12)	Put US\$3 900/t	Fully paid Puts
	Chibuluma	1 month	(Jul '09) 650 t	US\$3 368/t	Forwards
	Chibuluma	5 months	(Aug '09 - 3 075 t Dec '09)	US\$4 415/t	Forwards
	Chibuluma*	6 months	(Jan '10 - 4 200 t Jun '10)	US\$5 308/t	Forwards

*Transaction executed subsequent to year-end

The Ruashi copper hedge book was restructured during December 2008 which resulted in forward prices of US\$3 900 per ton until September 2010 for approximately 50% to 60% of production. Thereafter, fully paid put options apply to June 2012 protecting a minimum price of US\$3 900 per ton and full price exposure to the upside. These hedges were an imposed condition of the continuation of project financing required for the development of the mine.

A limited hedge book was introduced at Chibuluma securing copper prices ranging between US\$4 415 per ton and US\$5 308 per ton for 50% of production to June 2010. The objective was to introduce some price certainty at Chibuluma taking cognisance of its debt commitments for the financial year ending 30 June 2010.

The Consolidated Murchison gold hedge at R111 per gram was closed during April 2009 at R281 per gram and realised a loss of R41 million.

Operational review (unaudited)

Ruashi (Note: The Ruashi II project has been capitalised and does not form part of the Group income statement)

		Quarter		Year	
		March 2009	June 2009	June 2008	June 2009
Tons milled	(t)	142 550	232 562	n/a	485 360
Headgrade	- Copper (%)	2,6	2,7	n/a	2,8
	- Cobalt (%)	0,6	0,5	n/a	0,5
Recovery	- Copper (%)	78	84	n/a	76
	- Cobalt (%)	18	50	n/a	27

Copper produced	(t)	2 919	5 245	n/a	10 378
Copper sold	(t)	3 028	5 302	n/a	10 351
Cobalt produced	(t)	152	568	n/a	720
Cobalt sold	(t)	0	216	n/a	326
Total cash cost/ton of copper produced, net of cobalt credits*	(US\$/t)	6 215	3 733	n/a	4 518
Capital expenditure, excluding losses and borrowing costs	(R'000)	57 863	92 500	1 365	773 752 632

*Cobalt credit calculated basis cobalt production and a gross cobalt price of US\$15/lb (US\$9,60/lb payable) for illustrative purposes.

Quarterly commentary

The waste stripping at Ruashi increased by 53% to 492 000 tons, in line with the ramp up in tonnage mined. Ore delivered from the pit to the plant increased by 300% and total ore milled increased by 63% to 233 000 tons for the June quarter. This ore was a blend of high grade and low grade ore from the mine and the "G" stockpile. The blended milled grade improved from 2,6% to 2,7% copper. Further infill drilling in Pit 1 commenced in July 2009 to further improve the confidence in the ore body and improve selectivity of mining. In-pit dewatering has progressed well but will need to be increased to cater for larger water volumes and the water table. The drilling of pit perimeter dewatering boreholes has commenced and is planned for completion by March 2010. The primary water coffer dam has been commissioned and additional boreholes are being drilled to ensure a secure water supply for production ramp up. Production ramp up continued with 5 245 tons of copper cathode produced. Mill downtime reduced from the previous quarter, partly due to improved maintenance and less bottlenecks in the solvent extraction/electrowinning ("SX/EW") plant. Stress testing of the leach circuit and copper solution areas have successfully achieved throughput levels of 180 tons per hour. The overall copper recovery improved to 84% (78%) during the final quarter.

Cobalt production has been ramping up since the start of cobalt production in February 2009, and has reached an average of 200 tons per month. Cobalt production of 568 tons increased by 274% quarter on quarter and the overall cobalt recovery improved from 18% to 50%. The delayed commissioning of the cobalt drying unit has resulted in a high moisture content of 55%, but this project will be completed in the December 2009 quarter which will improve the situation.

Replacement of slaking agitators in the lime plant resulted in increased lime plant availability and improved performance. The construction progress on the front end crusher section and coarse ore stockpile infrastructure progressed satisfactorily and is planned for completion during the December 2009 quarter. Modifications to the coarse ore stockpile draw off points are being made to improve ore flow.

Ruashi produced copper, net of cobalt credits, at lower costs than the previous quarter due to improved efficiencies and increased volumes. The total cash cost per ton of copper produced, net of cobalt credits amounted to US\$3 733 compared to US\$6 215 in the previous quarter. The unit costs of production should further reduce in line with the production build-up.

Project expenditure to date amounted to US\$320 million with a further US\$13,1 million estimated to completion. The costs to completion mainly

relate to the Acid Plant, increased front-end capacity and finalisation of land purchases. Total project expenditure is estimated at US\$333 million.

The production outlook for the coming quarter has been adversely affected through the power shortages experienced between the end of July and early August as well as a full mill reline between 4 and 8 August 2009. However it is planned to exceed the current quarter performance and continue the ramp up. Logistics continues to be a challenge although the flow of Cobalt from the mine through to Johannesburg has improved and the backlog in sales is steadily being reduced. It is expected that Ruashi will produce 5 400 tons of copper and 560 tons of cobalt in the September 2009 quarter.

Ruashi Resources and Reserves

The infill drilling programme to confirm the orebody boundaries and improve confidence limits was completed in June 2009 with 52 boreholes and 5 229 metres drilled, ahead of schedule. All holes have been logged and sampled and all samples submitted to the Ruashi mine laboratory for analyses have been assayed and the results captured in a relational database. External quality assurance/quality control results from Robinsons International in Lubumbashi have been reviewed by Coffey Mining and comply with acceptable industry standards.

Work on the revised Surpac constrained geological resource model has been completed as well as a Whittle pit optimisation exercise to define the ultimate life of mine pit shell. The full cost of drilling, assay and modelling was within the planned budget of US\$1,88 million. Infill drilling is continuing at the mine to further improve geological confidence and ascertain the extent of the sulphide mineralisation.

The updated Resource inventory and reserve numbers are reflected below:

Mineral Resources inventory	Tons (Mt)	%Cu	Tons Cu ('000t)	%Co	Tons Co ('000t)
Oxide measured	1,0	6,8	74	0,29	3
Oxide indicated	19,6	2,8	554	0,35	69
Oxide inferred	8,6	2,2	187	0,13	11
Sulphide inferred	7,9	3,1	248	0,26	21
Total	37,1	2,8	1 062	0,28	104

There are a number of factors which affected the Resource numbers:

- The new geological model and estimates have been constrained by structure and rock type;
- The Resource tonnage has been discounted for mining losses due to artisanal mining activities;
- The specific gravity assumptions have been more accurately determined and are specified per rock type and by orebody; and
- Certain geological zones have been moved to the inferred category on the basis of confidence in grade continuity

Whittle Pit Reserves	Tons (Mt)	%Cu	Tons Cu ('000t)	%Co	Tons Co ('000t)
Proved and Probable Reserves	15,1	3,2	478	0,39	59

There are a number of factors which have affected the Whittle pit

numbers:

- Only Measured and Indicated Resources have been used in the Whittle optimisation exercise.
- Long-term prices have been changed to reflect consensus forecasts of US\$5 000/t Cu and US\$15/lb Co.
- Costs have been increased to reflect F2010 steady state budget costs and the average costs associated with the Whittle shell is US\$2 644 per ton (US\$1,20 per lb) net of cobalt.

It is planned to further refine the Reserve numbers and complete the detailed pit designs with associated scheduling during September and October 2009. A more detailed report will be made in the annual report. The Company confirms that the information included above was approved internally by Mr T P Williams, BSc Hons (Geology), Pr Sci Nat, FSAIMM, Metorex Group Mineral Resources Manager. The data used in the modelling was independently reviewed by Mrs K Body, BSc Geology, Pr Sci Nat., Senior Resource Geology Consultant with mining consulting company Coffey Mining (Pty) Limited before release. The Resource modelling has been completed by Mr S Savage, M.Eng, BSc(Hons), Pr Sci Nat of IGS (Pty) Limited. Whittle pit optimisation and pit selection has been carried out by Mr F van Daalen, B.Eng (Mining) of VBKOM Consulting Engineers (Pty) Limited.

Chibuluma		Quarter		Year	
		March 2009	June 2009	June 2008	June 2009
Tons					
milled	(t)	137 966	133 977	555 575	568 187
Headgrade - Copper	(%)	3,1%	3,3%	2,9%	3,1%
Recovery - Copper	(%)	90%	90%	90%	90%
Copper produced	(t)	3 848	3 979	14 583	15 940
Copper sold	(t)	4 009	4 049	14 491	15 907
Total cash cost/ton of copper sold	(US\$/t)	2 673	2 671	2 663	2 793
Mining profit before depreciation	(R'000)	35 505	65 632	539 380	155 786
Depreciation	(R'000)	22 345	21 697	49 070	72 781
Capital expenditure	(R'000)	23 355	32 370	119 568	121 065

Quarterly commentary

Chibuluma copper production was 3% higher than the previous quarter and increased to 3 979 tons mainly as a result of the higher head grades. The June 2009 production month was an all time record for Chibuluma with 1 600 tons of copper produced. However, mining production tonnage at 133 977 tons was 2% less than previous quarter due to limited face availability on the 411 metre level which was still being established early on in the quarter. In addition there was a regional power supply interruption totalling three and a half days caused by a failure of an incoming transformer in April 2009.

508 metres of capital development was achieved, but was 37 metres less than the previous quarter, primarily for the same reasons as above. The mill head grade showed an improvement on the previous quarter to 3,3% copper (3,1% copper) as a result of mining from the 411 metre level horizon.

Saleable tonnage of copper in the fourth quarter amounted to a record of

4 049 tons. Concentrate was despatched to Chambishi Copper Smelter ("CCS") in Zambia and exported to Republic House under an export exemption until the new contract was concluded with the local smelter. From June 2009 to December 2009, all concentrate production will be sold to CCS.

Chibuluma achieved an average copper price of US\$4 235 per ton during the quarter and this, along with higher production sales and tight cost control led to a 64% increase in mining profit before depreciation. The total cash cost was US\$2 671 per ton of copper sold.

Capital expenditure increased over the previous quarter, due primarily to timing of production machine rebuilds.

The improvement of copper grade with the increased depth will continue to support the current copper production levels. The opening of the 411 metre level has also improved the flexibility for both mining and back filling cycles. Chibuluma should produce an estimated 4 200 tons of copper in the September 2009 quarter.

Sable/Ruashi I		Quarter		Year	
		March 2009	June 2009	June 2008	June 2009
Copper produced	(t)	549	1 105	10 767	4 889
Copper sold	(t)	496	1 121	8 800	5 588
Cobalt produced	(t)	13	3	565	151
Cobalt sold	(t)	10	5	386	252
Mining profit (loss) before depreciation	(R'000)	(4 632)	1 485	176 915	11 470
Depreciation	(R'000)	6 290	6 290	35 244	35 826
Capital expenditure	(R'000)	287	—	20 647	2 803

Quarterly commentary

There was a welcome improvement during the quarter at the Sable operation with an increase in ore receipts primarily from Anvil in the DRC. Tons treated increased, and copper cathode produced was 101% higher at 1 105 tons. All copper cathode and cobalt carbonate was sold to Trafigura Services PTe. The contract includes an A grade premium of US\$15 per ton and a freight credit of US\$187 per ton. There were no acid sales during the quarter as there is a large surplus of acid from the sulphide smelters, available at low prices, on the Zambian Copperbelt. The copper revenue for the quarter exceeded that of the previous quarter due to increased production and improved copper prices. The quarter's profits were negatively affected by a provision being made for cobalt grade penalties related to cobalt sales in previous periods.

There was no capital expenditure incurred during the quarter.

At current copper prices it is anticipated that third party ore supplies will continue to increase and thus provide for increased copper production and cash flow from the Sable operation. Production at Sable is estimated at 1 900 tons of copper for the September 2009 quarter.

Vergenoeg		Quarter		Year	
		March 2009	June 2009	June 2008	June 2009
Tons milled	(t)	145 567	106 755	570 826	537 589
CaF2 grade	(%)	40,1	39,0	39,9	38,9

CaF2 recovery	(%)	63,1	60,3	74,2	69,8
Fluorspar produced (all grades)	(dmt)	37 908	26 851	180 854	152 934
Fluorspar sold (all grades)	(dmt)	28 523	19 784	184 299	135 962
Price (all grades)	(R/dmt)	3 200	2 354	1 387	2 241
Total cash cost/ton sold	(R/t)	1 101	1 197	841	1 123
Mining profit before depreciation	(R'000)	59 878	22 882	93 846	151 934
Depreciation	(R'000)	3 571	3 796	11 218	13 437
Capital expenditure	(R'000)	9 337	4 930	18 858	40 647

Quarterly commentary

The Vergenoeg mine milled 106 755 tons (145 567 tons), a reduction of 27% compared to the previous quarter due to a decision to stop the mine and plant for four weeks and carry out major maintenance. This was deemed to be an ideal time because of the poor market conditions and lower sales. Vergenoeg continued to supply customers requiring a high quality acidgrade for the quarter and to attain the required quality levels meant that acidspar recovery fell to 60,3% (63,1%). The feed grade reduced slightly to 39,0% (40,1%). These factors resulted in a 29% lower production level as compared to the March quarter.

Although local sales of acidgrade increased, export acidspar sales were significantly affected by the economic downturn. Vergenoeg sold 31% less fluorspar during the quarter. A number of customers cancelled or delayed shipments and some anticipated new sales never materialised. The pricing of local sales remained flat, while the prices of export sales were lower due to a renegotiation of contracts and a strengthening of the Rand. Fluorspar prices were down 26% in Rand terms quarter on quarter due to a strengthening in the Rand and a lower dollar price. Unit costs increased by 9% to R1 197 per ton due to fixed costs over a lower production base. The difficulties of the quarter were reflected in the 62% reduction in cash mining profit to R23 million (R60 million). The capital expenditure almost halved to R5 million (R9 million) quarter on quarter as a number of projects were completed. An orebody exploration programme is expected to be completed in the next quarter. There are no other significant capital programmes in operation for the coming quarter.

The Fluorspar market has stabilised and a number of producers have been mothballed or closed. The European customers of Vergenoeg are under pricing pressure due to Chinese supply of cheap hydrofluoric acid and Vergenoeg will remain supportive of key customers during this period. However, Vergenoeg is a low cost producer in global terms which should ensure less pressure on volumes, particularly in the medium term. Vergenoeg production for the September 2009 quarter is estimated at 38 000 tons of acidspar.

Consolidated Murchison (Asset held for sale)

			Quarter		Year	
			March	June	June	June
			2009	2009	2008	2009
Tons milled	(t)	(t)	82 482	81 820	355 076	345 349
Produced:	Sb	(mtu)	35 692	71 921	361 455	257 983
	Au	(kg)	83	105	533	423
Sold:	Sb	(mtu)	43 368	97 313	337 403	271 286

	Au	(kg)	78	104	521	423
Total cash cost/mtu sold~		(R/mtu)	1 182	417	343	592
Mining (loss) profit before depreciation		(R'000)	(40 992)	(23 301)	24 925	(79 223)
Depreciation		(R'000)	3 645	3 645	10 196	13 590
Capital expenditure		(R'000)	—	3 173	68 386	29 668
<i>~Net of gold revenue</i>						

Quarterly commentary

The tons mined at Consolidated Murchison increased marginally during the quarter partly as a result of the re-opening of Beta shaft and partly due to the focus of a "Turn Around Plan". The tons milled decreased by less than a percent to 81 820 tons (82 482 tons) and was affected by breakdowns in the plant. This has been as a result of previous under expenditure on maintenance due to cash constraints. However the head grades improved by 63% and 25% for antimony and gold respectively, the plant recoveries improved by 25% and 30% for antimony and gold respectively, and therefore production of antimony and gold increased by 102% and 27% respectively during the quarter. This was mainly as a result of efforts to concentrate on higher grade stopes, mining discipline, and the re-opening of the Beta shaft.

Both antimony and gold sales were higher than the previous quarter as a result of the increase in production and the sales of previously produced material (in the case of antimony). New customers in India and China were identified during the quarter and short-term contracts were entered into with them. Rand prices of antimony and gold fell during the quarter due to a weakening of the Rand to the US\$.

The total costs were lower than the previous quarter as a result of the cost saving efforts by management. Retrenchments were undertaken during the quarter and paid for in this amount. Cash costs expressed per metric ton unit for antimony more than halved as a result. This was partly a function of the poor March quarter and the improvements made during the current quarter. Consolidated Murchison remained in a loss-making position, but reduced losses to R23 million (R41 million) for the quarter.

Capital spending amounted to R3 million (R nil) for the quarter with the only capital spent during the quarter being an amount provided for a wet screen installation. This was a contracted amount incurred in a previous reporting period. Limited capital will be spent in the coming six months and this will be primarily focused on improving the performance of the plant.

Production volume improvements will be capped due to the lack of flexibility in the Consolidated Murchison ore body. However, recoveries are expected to continue to improve and the antimony price is showing strength in dollar terms. The mine has contracted to sell antimony at improved prices for the quarter and the antimony price has improved since this contract was entered into. Usual winter cost pressures will be reflected in the coming quarter and wage increases will be discussed towards the end of the quarter. While Metorex is doing everything within its ability to limit the losses at the mine, the operation remains under a cloud of a possible closure or disposal.

Feasibility studies and evaluations carried out as part of the Turn Around Plan suggest that the mine may become a viable and sustainable operation following substantial recapitalisation and investment. As

Consolidated Murchison is not a core asset for Metorex, discussions are taking place with interested parties in an effort to save the mine, associated jobs and the affected community. Consolidated Murchison production for the September 2009 quarter is estimated at 120 kilograms of gold and 75 000 metric ton units of antimony.

Barberton (Asset held for sale)		Quarter		Year	
		March 2009	June 2009	June 2008	June 2009
Tons milled					
	(t)	75 336	78 697	315 305	313 952
Headgrade	(g/t)	9,00	9,41	8,91	10,32
Overall recovery	(%)	90	90	91	91
Produced: Gold including					
	Calcine dump (kg)	613	667	2 984	3 075
Sold: Gold including					
	Calcine dump (kg)	744	691	3 082	3 028
Total cash cost/kg sold	(R/kg)	128 116	147 905	111 272	136 251
Mining profit before depreciation	(R'000)	119 200	68 537	226 990	347 604
Depreciation	(R'000)	9 826	10 303	33 688	33 837
Capital expenditure	(R'000)	13 778	13 083	54 173	58 302

Quarterly commentary

The Barberton mine is no longer part of the Metorex portfolio and this will be the last time that it is reported on by Metorex. Ore milled for the quarter showed a 5% improvement to 78 697 tons and along with the improved head grade of 9,4 grams per ton there was a 9% improvement in gold produced to 667 kilograms. Grades were improved through higher grade areas being mined at the Fairview section. The reduction in mining profit was mainly due to a reduction in gold sales and the lower spot Rand gold price received.

Capital expenditure for the quarter was marginally up on the previous quarter but in-line with the budget. The year on year increase in the capital expenditure was mainly due to the increase in the exploration and capital development to access new ground and increase reserves.

Corporate development

Cash constraints delayed the exploration work needed at the Kinsenda and Lubembe projects during the quarter. The Kinsenda underground mine continues to be dewatered at a rate of 2 000 cubic metres per hour and contingency pump columns were installed to provide for pumping flexibility. Holding costs for the quarter were US\$3 million. The Lubumbashi office was closed during the quarter to reduce holding costs and establish a base closer to the mine which is situated near Kasumbalesa on the DRC/Zambian border. The Kinsenda project has considerable upside at current copper prices.

Conceptual studies continue to be advanced for the Musonoi project in Kolwezi. Exploration drilling, at a rate of US\$30 000 per month, recommenced post 30 June 2009.

Condensed financial information (reviewed)

Litigation

Metorex continues to reserve its rights and submitted a claim against

CAMEC on 28 April 2009.

Subsequent events

On 25 June 2009, the Group announced the disposal of its entire shareholding in Pan African Resources Plc for R386 million, subject to certain conditions precedent. These conditions have subsequently been fulfilled and accordingly the transaction became unconditional on 20 August 2009. Through this sale Pan African is now an empowered company with 26% of its shareholding being held by Shanduka.

On 29 July 2009, the Group announced the disposal of 15% of the issued ordinary share capital of Vergenoeg to Medu Capital, a consortium of Black Economic Empowerment ("BEE") controlled entities, for a cash consideration of R108,8 million.

Accounting policies

The reviewed provisional results have been prepared and presented in accordance with IAS 34, Interim Financial Reporting Standards ("IFRS"). The accounting policies, which are in terms of IFRS, are consistent with those adopted in the financial year ended 30 June 2008.

The modified review report on the 30 June 2009 results as compiled by the Group's external auditors Deloitte & Touche is available for inspection at the Group's registered office. The Group complies with the Companies Act and the Listing Requirements as prescribed by the JSE Limited.

Their modified opinion is as follows: "Without qualifying our opinion, we draw attention to the directors' statement that subject to a successful implementation of management's strategy aimed at reducing and restructuring the Ruashi project debt, they are satisfied that the Group will be a going concern for the foreseeable future, and have adopted the going-concern basis in preparing these financial statements. Should the strategy not be successful this may cast significant doubt on the Group's ability to continue as a going concern with the resultant impact of the classification of assets and liabilities."

Outlook

Copper production is expected to increase during the next quarter due to higher grades at Chibuluma and the continued ramp up at Ruashi. The Ruashi performance will be affected by power cuts and subsequent planned maintenance having taken up 11 days in August 2009. Vergenoeg's fluorspar production will be determined by market demand which remains tight, and an improvement in antimony and gold production is expected at Consolidated Murchison.

The Group will re-commence exploration work at Musonoi, and ongoing dewatering and holding costs will be incurred at CRC.

Shareholders are referred to the cautionary announcement dated 21 August 2009 and are advised that the Group remains involved in negotiations which may have a material effect of the Company's share price.

Accordingly, shareholders are advised to continue to exercise caution when dealing in their securities until a further announcement is made.

Going concern

Subject to a successful implementation of the Group's strategy aimed at reducing and restructuring the Ruashi project debt, the directors are satisfied that the Group will be a going concern for the foreseeable future, and have adopted the going-concern basis in preparing these financial statements.

Board

Ms Nonkululeko ("Nkuli") Kgositsile and Mr Victor Mabuza were appointed as independent non-executive directors with effect from 11 August 2009. To achieve an optimal balance of executive and non-executive Board

members, Mr Charles Needham has resigned from the Board and Mr Edward Legg resigned as an alternate director. With effect from 1 October 2009 Mr John Hopwood will be appointed an independent nonexecutive director and Chairman of the Audit Committee of the Board. Mr Alistair Laughland will then retire from the Board. This intended change will take only take effect on 1 October 2009 to allow completion of the June 2009 annual financial statements and review by the Audit Committee of which Mr Laughland is currently the chairman. The Board thanks Charles and Edward for their valuable contributions over the years.

Rob Still (Chairman) Terence Goodlace (Chief Executive Officer)
9 September 2009

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