

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")

**DISPOSAL BY METOREX OF ITS ENTIRE SHAREHOLDING IN PAN AFRICAN RESOURCES PLC AND
FURTHER CAUTIONARY ANNOUNCEMENT**

Metorex Chief Executive Officer, Terence Goodlace said:

"The disposal of our interest in Pan African Resources, which owns and operates Barberton Mines, forms part of our decisive asset disposal strategy. The gross proceeds of this disposal amount to R386 million and we will use these proceeds as part of our process to restore the Metorex balance sheet. We are also pleased that the BEE Company, Shanduka Gold, participated in the Bookbuild process and in so doing they will now own 26% of Pan African Resources. Metorex has been proudly associated with the Barberton Mines over the past six years and we wish the new Pan African Resources shareholders every success in the future."

1. INTRODUCTION

Shareholders are referred to the announcement by Metorex on 12 December 2008 in which shareholders were advised of the Company's intention to dispose of its non-core assets in the short to medium term.

The board of directors of Metorex ("the Board") identified the Company's investment in Pan African Resources Plc ("PAR"), comprising 593 740 476 ordinary shares ("the PAR Shares") and constituting approximately 53.4% of the current issued share capital of PAR, as a non-core asset.

The Board considered various alternatives to unlock value for the Company from a disposal of the PAR Shares, whilst being cognisant of the positive impact that an accelerated receipt of the disposal consideration would have by reducing Metorex's current debt exposure and other funding requirements.

The Board concluded that the Company's interests would be best served by disposing of the PAR Shares in the market in an orderly fashion. The Board appointed Barnard Jacobs Mellet Corporate Finance (Pty) Limited as sole bookrunners to conduct a bookbuild exercise on behalf of Metorex with regard to the PAR Shares ("the Bookbuild") and to dispose of the PAR Shares via the Bookbuild.

2. OUTCOME OF THE BOOKBUILD

The Board is pleased to announce that the Bookbuild was successfully concluded at a price of ZAR0.65 per PAR share, resulting in the disposal of all the PAR Shares, as more fully set out in this announcement.

Metorex will receive gross proceeds amounting to ZAR385 931 309 from the Bookbuild (“the Disposal Consideration”).

3. DISPOSAL OF PAR SHARES TO SHANDUKA AS PART OF THE BOOKBUILD

Metorex is pleased to announce that it has agreed to allow Shanduka Gold (Proprietary) Limited (“Shanduka Gold”) to participate in the Bookbuild and that Shanduka Gold has agreed to acquire a further 5% of PAR’s enlarged issued share capital (i.e. following the implementation of Shanduka Gold’s share exchanged, as more fully set out in PAR’s announcement dated 19 June 2009) from Metorex through the Bookbuild (“the Shanduka Disposal”).

Shanduka Gold will acquire 70 417 036 PAR shares from Metorex, subject to fulfilment of the suspensive conditions set out in paragraph 7 below.

4. BACKGROUND INFORMATION ON METOREX AND PAR

4.1 Metorex

Metorex is an established mid-tier mining group that occupies a unique position in the southern African mining industry. It specialises in identifying, developing and profitably managing mining projects. The Company’s current diversified portfolio includes base-metal, gold and industrial minerals mines.

4.2 PAR

PAR is an emerging mid-tier gold producer with significant gold exploration targets. The strategy of the company is to grow a profitable gold mining business by focusing on projects that are at an advanced stage of development. It has also recently acquired the Phoenix platinum project in South Africa. The project involves the treatment of chrome tailing dumps for PGE extraction with the potential to produce between 10 to 15koz of 4PGE’s within the near-term (24 months). The development of this project could result in the company having a more precious metals focus.

5. RATIONALE FOR THE BOOKBUILD

The rationale for the Bookbuild and the Shanduka Disposal is:

- to enhance Metorex's liquidity position for the purpose of funding the Ruashi Project during its build-up phase, which includes the tail-end of the project capital expenditure; and
- to reduce the bridge loan facility currently outstanding with the Company's bankers.

6. SMALL RELATED PARTY TRANSACTION

Mr Cyril Ramaphosa is a director of Barberton Mines (Proprietary) Limited ("Barberton Mines") (a subsidiary of PAR and also of Metorex, prior to implementation of the Bookbuild).

Shanduka Gold currently owns 26% of Barberton Mines.

Accordingly, the Shanduka Disposal is deemed to be a small related party transaction in terms of the Listings Requirements of the JSE Limited ("the JSE").

Metorex has appointed an independent expert to provide an opinion on whether the Shanduka Disposal is fair to Metorex shareholders.

7. WARRANTIES AND SUSPENSIVE CONDITIONS

The Bookbuild and the Shanduka Disposal are subject to the conditions, warranties and indemnities associated with transactions of this nature.

The Shanduka Disposal is furthermore subject to the following suspensive conditions:

- to the extent required, the Securities Regulation Panel ("SRP") ruling that the Shanduka Disposal is not an "affected transaction" as defined in the Securities Regulation Code on Take-overs and Mergers and the Rules of the SRP and that Shanduka Gold shall accordingly not have any obligation to make a mandatory offer to the shareholders of PAR;
- Metorex delivering to Shanduka written confirmation from the United Kingdom Panel on Takeovers and Mergers confirming that the provisions of the City Code on Takeovers and Mergers shall not apply to the Shanduka Disposal; and
- Metorex obtaining a fairness opinion from an independent expert to the effect that the terms and conditions of the Shanduka Disposal are fair to Metorex shareholders.

8. EFFECTIVE DATE

From a Metorex perspective, the Bookbuild is expected to become unconditional on 1 July 2009. Shareholders will be notified of the effective date of implementation of the Shanduka Disposal, which will become effective on the first business day after the date on which the last of the suspensive conditions have been fulfilled or waived.

9. APPLICATION OF THE DISPOSAL CONSIDERATION

The Disposal Consideration will be used by Metorex to fund the Ruashi Project during its ongoing build-up phase and towards reducing Metorex's third party debt.

10. PRO FORMA FINANCIAL EFFECTS

The unaudited *pro forma* financial effects as out below have been prepared for illustrative purposes only to assist the shareholders of Metorex to assess the impact of the Bookbuild and Shanduka Disposal on the earnings per share ("EPS"), diluted earnings per share ("DEPS"), headline earnings per share ("HEPS"), diluted headline earnings per share ("DHEPS"), net asset value per share ("NAVPS") and tangible net asset value per share ("TNAVPS") of Metorex had the Bookbuild and Shanduka Disposal occurred on 1 July 2008 for income statement purposes and 31 December 2008 for balance sheet purposes.

These unaudited *pro forma* financial effects have been disclosed in terms of the Listings Requirements of the JSE and because of their nature may not fairly present Metorex's financial position, changes in equity, results of operations or cash flows.

The unaudited *pro forma* financial effects have not been reviewed or reported on by the Company's auditors and are the responsibility of the directors of Metorex.

	Notes	Unaudited before the Bookbuild and Shanduka Disposal	<i>Pro forma</i> after the Bookbuild and the Shanduka disposal	Change (%)
EPS (cents)	1	42.09	59.00	40.18
DEPS (cents)	1	41.88	58.70	40.16
HEPS (cents)	1	48.21	38.78	-19.56
DHEPS (cents)	1	47.96	38.58	-19.56
NAVPS (cents)	2	843.61	854.14	1.25
TNAVPS (cents)	2	805.59	852.26	5.79
Weighted average number of shares in issue (000)		379,304	379,304	-
Weighted average diluted number of shares in issue (000)		381,283	381,283	-
Number of shares in issue (000)		613,077	613,077	-

Notes:

1. The EPS, DEPS, HEPS , DHEPS, NAVPS and TNAVPS as set out in the "Unaudited before the Bookbuild and the Shanduka Disposal" column of the table, are based on Metorex's consolidated unaudited interim results as at 31 December 2008 as published on SENS on 3 March 2009.
2. The unaudited pro forma financial effects have been prepared in accordance with International Financial Reporting Standards and are consistent with the accounting policies applied by Metorex for the financial year ended 30 June 2008.

11. CATEGORISATION

In terms of the Listings Requirements of the JSE, the Bookbuild and Shanduka Disposal are deemed to be Category 2 transactions.

12. TERMINATION OF THE METOREX MANAGEMENT CONTRACT IN RESPECT OF BARBERTON MINES

Metorex currently has a management contract in respect of Barberton Mines ("the Metorex Contract"). Metorex and PAR are in the process of negotiating the termination of the Metorex Contract. The termination of the Metorex Contract will be executed in an orderly fashion and will not disrupt operations at Barberton Mines.

13. CHANGES TO THE BOARD OF DIRECTORS OF PAR

Mr Charles Needham, representing Metorex, has resigned from the PAR board of directors with immediate effect. In the interest of effecting a smooth exit and not to disrupt the affairs of PAR, Mr Maritz Smith, currently the finance director of PAR and also a Metorex representative, will tender his resignation as a director of PAR as soon as PAR appoints a new finance director.

14. FURTHER CAUTIONARY ANNOUNCEMENT

Shareholders are advised that Metorex remains involved in negotiations which may have a material effect on the price of the Company's securities.

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

Rosebank
25 June 2009

Corporate Advisor, Sole Bookrunner and Sponsor to Metorex:

Barnard Jacobs Mellet Corporate Finance (Pty) Limited