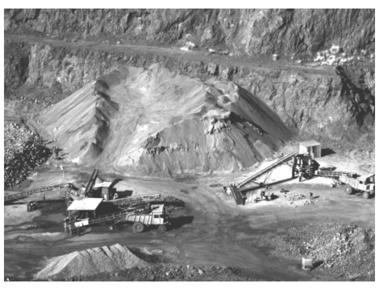
Consolidated reviewed provisional results for the financial year ended 30 June 2005



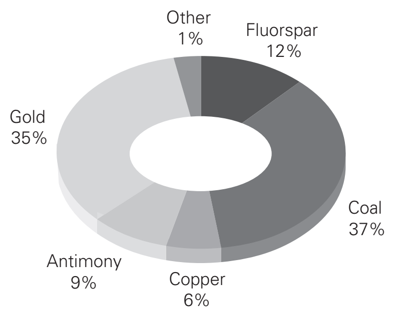

Exchange rate *(average)*: (2005): 6,2 (2004): 6,9
Exchange rate *(year-end)*: (2005): 6,7 (2004): 6,2

Metorex Limited

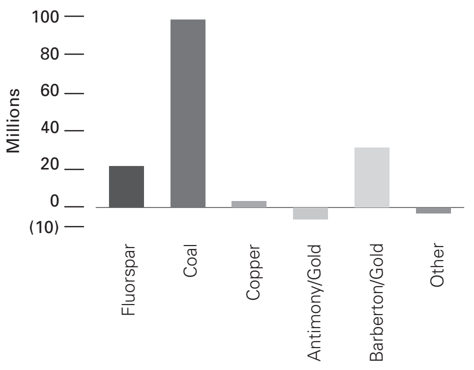
Registration number: 1934/005478/06
Share code: MTX ISIN 000022745
Issuer code: MEMTX
Incorporated in the Republic of South Africa
Listed on the JSE Limited
and London Stock Exchange

- Ruashi/Etoile project secured and financed
- Group operations re-focused
- Chibuluma South decline shaft commissioned in June 2005
- Mining profit doubles
- Coal division main earning contributor
- Debt/Equity ratio reduces to 15,8% from 45,5%
- Cash generated by operations increases by 14%

Segmental revenue 2005



Mining profit before depreciation – 2005 Continuing operations



Consolidated Balance Sheet

R000's	30 June 2005 (Reviewed)	30 June 2004 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	**568 727**	495 742
Mineral rights	**250 748**	218 527
Goodwill	**18 309**	18 309
Investments	**929**	891
Rehabilitation trust funds	**43 033**	44 374
Deferred tax assets	**16 170**	40 441
	897 916	818 284
Current assets		
Inventories	**47 691**	37 246
Trade and other receivables	**161 777**	165 388
Derivative instruments	**—**	888
Taxation prepaid	**4 985**	4 829
Bank balances and cash	**207 779**	29 530
	422 232	237 881
Total assets	**1 320 148**	1 056 165
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital and premium	**765 197**	501 811
Hedging and translation reserve	**(60 631)**	(50 750)
Retained income	**126 361**	96 460
Equity reserve	**(128 066)**	(128 066)
	702 861	419 455
Minority interest	**151 391**	118 960
Non-current liabilities		
Long-term liabilities – interest bearing	**48 953**	95 826
Long-term provisions	**72 645**	74 109
Deferred tax liabilities	**74 456**	67 895
	196 054	237 830
Current liabilities		
Trade and other payables	**162 577**	150 301
Short-term borrowings – interest bearing	**43 610**	64 306
Short-term provisions	**29 673**	33 579
Derivative instruments	**14 947**	—
Bank overdraft	**18 713**	30 571
Taxation	**322**	1 163
	269 842	279 920
Total equity and liabilities	**1 320 148**	1 056 165
Net asset value per share (cents)	**251**	224
Net tangible asset value per share (cents)	**245**	214

Consolidated Income Statement

R000's	Year ended 30 June 2005 (Reviewed)	Year ended 30 June 2004 (Reviewed)
Revenue		
Mineral sales		
Copper	**61 276**	75 291
Coal	**385 765**	208 618
Fluorspar	**122 743**	111 538
Gold	**363 823**	386 523
Antimony	**95 606**	89 581
Cobalt	**—**	3 393
Other	**796**	3 555
Gross revenue	**1 030 009**	878 499
Realisation costs	**84 167**	89 938
On-mine revenue	**945 842**	788 561
Cost of production	**823 659**	692 786
Stock movement	**(13 326)**	9 275
Depreciation	**50 597**	47 406
Mining profit	**84 912**	39 094
– Continuing operations	**94 335**	48 852
– Closed operations	**(9 423)**	(9 758)
Hedging profit	**21 295**	50 704
Discontinued operations	**(12 439)**	(43 158)
Impairment of assets	**—**	(4 381)
Other expenses	**(4 323)**	(80)
Operating income before finance costs	**89 445**	42 179
Finance income	**3 817**	1 553
Finance costs	**(13 786)**	(23 467)
Income before taxation	**79 476**	20 265
Taxation – normal and STC	**(5 256)**	(6 497)
Taxation – deferred	**(25 594)**	4 099
Income after taxation	**48 626**	17 867
Income attributable to outside shareholders	**18 725**	32 225
Income/(loss) attributable to ordinary shareholders	**29 901**	(14 358)
Earnings/(loss) per share (cents)	**14,7**	(8,0)
Headline earnings per share (cents)	**13,6**	2,8
Diluted earnings/(loss) per share (cents)	**13,8**	(8,0)
Diluted headline earnings per share (cents)	**12,8**	2,8
Dividend per share (cents)	**—**	3,0
Reconcilliation between earnings and headline earnings:		
Income/(loss) attributable to ordinary shareholders	**29 901**	(14 358)
Impairment of assets	**—**	27 905
Goodwill amortisation	**—**	3 662
Profit on sale of assets/subsidiaries	**(4 607)**	(9 054)
Discontinued operations	**2 357**	—
Tax effects	**—**	(3 157)
Headline earnings (R000's)	**27 651**	4 998
Weighted average number of shares in issue (000's)	**203 717**	178 839
Number of shares in issue at year-end (000's)	**279 933**	187 243

Consolidated Cash Flow Statement

R000's	Year ended 30 June 2005 (Reviewed)	Year ended 30 June 2004 (Audited)
Cash generated before working capital changes	**129 260**	119 347
Working capital changes	**(5 732)**	(10 777)
Cash generated by operations	**123 528**	108 570
Dividends paid	**(3 009)**	(8 131)
Taxation paid	**(6 702)**	(1 094)
Finance costs	**(9 969)**	(25 070)
Cash inflows from operating activities	**103 848**	74 275
Cash outflows from investing activities	**(131 045)**	(110 431)
Cash inflows from financing activities	**217 220**	37 227
Net increase in cash and cash equivalents	**190 023**	1 071
Cash at beginning of year	**(1 041)**	(2 056)
Effect of foreign exchange rate changes	**84**	(56)
Cash at end of year	**189 066**	(1 041)

Statement of Changes in Equity

R000's	Year ended 30 June 2005 (Reviewed)	Year ended 30 June 2004 (Audited)
Share capital	**27 993**	18 723
– Balance at start of year	**18 723**	17 502
– Issue of new shares	**9 270**	1 221
Share premium	**737 204**	483 088
– Balance at start of year	**483 088**	455 702
– Issue of new shares	**267 946**	27 386
– Share issue costs	**(13 830)**	—
Reverse acquisition reserve	**(128 066)**	(128 066)
Foreign exchange translation reserve	**(52 353)**	(50 750)
– Balance at start of year	**(50 750)**	(33 231)
– Foreign exchange reserve	**(20 222)**	26 612
– Translation profit/(loss) on foreign monetary item	**24 825**	(58 842)
– Tax effect of translation (profit)/loss on foreign monetary item	**(6 206)**	14 711
Hedging reserve	**(8 278)**	—
– Balance at start of year	**—**	840
– Fair value losses for the year	**(13 974)**	—
– Minority interest	**5 696**	—
– Transferred to income statement	**—**	(840)
Retained income	**126 361**	96 460
– Balance at start of year	**96 460**	116 069
– Net income/(loss) for the year	**29 901**	(14 358)
– Dividends distributed	**—**	(5 251)
Total equity	**702 861**	419 455

COMMENTARY

The Group has experienced a particularly successful year in which the most significant features are set out below:

1. *The Ruashi and Etoile copper/cobalt projects in the DRC were evaluated, the funds required for the capital development programme were raised and development commenced.*
2. *The Group operations were reorganised with the closure of Maranda, O'Okiep and Chibuluma West and sales of Metmin and the Perkoa zinc deposit in Burkina Faso. The remaining operations are clearly divisionalised into Coal, Gold, Base Metal and Industrial Minerals.*
3. *After delays brought about by poor ground conditions, the decline shaft at Chibuluma South was commissioned, enabling ease of access for machines, men and materials and increased production levels.*
4. *The profits from continuing mining operations doubled. The major contribution was the coal division with Middelburg Townlands completing its first full year of operation.*
5. *The combined effect of the issue of new shares for Ruashi/Etoile and debt repayment programme resulted in the debt/equity ratio improving from 45,5% to 15,8%.*

Operating performance

The largest contributor to the Group's mineral sales was from the Wakefield coal division with a 65% increase in sales volumes and 85% increase in sales revenue. This was the first full year of coal production from the Middelburg Townlands Colliery. The coal division was also the largest contributor to the Group's mining profit.

The fluorspar operation continued with its quality improvement programme but was affected by the continued strength of the Rand exchange rate relative to the US Dollar. This company, however, made a meaningful contribution to Group earnings as did the performance from the Barberton gold operations.

Expenditure on the closure of O'Okiep, Maranda and Chibuluma West amounted to R25,9 million, which meant a temporary lack of earning/contribution from the copper division. The commissioning of Chibuluma South should reintroduce contributions from copper in the forthcoming year with additional contributions from Ruashi during the following year.

Consolidated Murchison experienced low antimony and gold grades but has the advantage of a major increase in the antimony price, which is expected to remain at present levels in the short-term.

Financial position and cash flow

The net asset value of the Group increased to R703 million from R419 million the previous year through a combination of the issue of new shares for the Ruashi/Etoile project and the operating performance. The net current assets of R152 million increased from the net current liability position of R42 million the previous year. The proceeds from the closure of the Barberton gold hedge contracts were applied to the debt raised on acquisition and the major portion of the funds on hand at the year-end have been designated for the Ruashi/Etoile capital programme.

Mining revenue from continuing operations increased by 17% and operating costs increased by 19%, being a volume increase at Middelburg Townlands Colliery. Significant production increases at Wakefield coal were the reason for the increased depreciation charge during the year.

Cash generated from mining operations increased to R124 million from R109 million the previous year. The cash generated from operations was enhanced by the issue of new shares for the Ruashi project and applied to the capital development programmes at Ruashi and Chibuluma South, closure costs and debt servicing. The earnings per share calculated on an increase of 14% on the weighted average number of shares in issue increased to 14,7 cents per share from a loss of 8 cents per share the previous year.

Future prospects

The Group considers that the Rand/Dollar exchange rate is likely to track in its present range in the short to medium term but the Dollar weakness is likely to maintain the present strength in the Dollar-denominated commodity prices. Productivity improvements are continuously being sought.

Subsequent to the year-end, the Wakefield Coal group has increased its BEE Shareholding from 9,5% to 26% through the issue of new shares for a cash consideration of R44 million. Approximately half of these funds will be applied to the reduction of debt in that company, with the remainder being applied to increasing plant capacity at the Middelburg Townlands Colliery by approximately 40%.

Chibuluma South Mine is building up its production levels and has reached a level of 20 000 milled tons per month in August 2005 and is expected to achieve production design capacity of 40 000 tons per month by April 2006.

Improved grades and robust antimony prices should result in Consolidated Murchison contributing to the Group's earnings and Barberton is budgeted to perform in line with the previous year.

The Ruashi concentrator and Sable treatment plant are planned for completion in the forthcoming financial year and should be operational during the final quarter.

Vergenoeg fluorspar will continue with its production expansion and quality improvement programmes.

The costs of closure of the various operations commenced during the current year and are expected to reduce significantly during the forthcoming year.

Final dividend

With the present development and growth programmes and associated cash requirements, the Board considers it inappropriate to declare a dividend for this year.

Capital expenditure and commitments

Group capital expenditure totalled R160,3 million (2004: R119,2 million), which mainly related to the Chibuluma South shaft sinking and the Ruashi/Sable projects.

Contracted capital commitments at 30 June 2005 amount to R21,8 million (2004: R2,2 million), whilst uncontracted commitments amount to R264,5 million (2004: R54,6 million).

Operating lease commitments, which fall due within the next year, amount to R5,3 million (2004: R2,3 million), whilst commitments of R12,6 million (2004: R17,2 million) fall due during the next four years.

Shares issued

(1) 26 April 2005: 83,3 million shares at R3,00 per share – Ruashi share placing;
(2) July 04 – May 05: 8,6 million shares at an average of R2,92 per share – Ruashi mineral right acquisition;
(3) April 05 – June 05: 0,8 million shares at an average of R2,65 per share – Share option implementations.

Audit review

Deloitte & Touche, the Company's auditors, have reviewed the consolidated provisional results. A copy of their unqualified review report is available for inspection at the Company's registered office.

Accounting policies

The reviewed consolidated provisional results have been prepared in accordance with International Financial Reporting Standards applicable to Interim Financial Reporting. The accounting policies are consistent with those adopted in the financial year ended 30 June 2004, except for the application of IFRS 3: Business Combinations.

IFRS 3 was implemented in the current reporting period. In accordance with IFRS 3, goodwill is no longer amortised and comparatives have not been restated.

Comparative figures on the consolidated income statement have been reclassified to reflect the comparable losses from discontinued operations.

Safety

The Group's safety record was marred by four fatal accidents, one each at Barberton and Chibuluma South and two at Consolidated Murchison.

The Group strives to conduct its activities with due regard to the safety and health of its employees and regrets the loss of life on its operations.

By order of the Board

A.S. Malone
Chairman

C.D.S. Needham
Managing Director

7 September 2005

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