METOREX LIMITED

Registration number: 1934/005478/06
JSE code: MTX
ISIN ZAE000022745
Issue code: MEMTX
Incorporated in the Republic of South Africa
Listed on the JSE Limited and the London Stock Exchange

CONSOLIDATED UNAUDITED RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2006

Earnings per share increased by 141%
EBITDA increased by 133%
Ruashi Phase II development programme commenced
Reverse take-over of Pan African Resources PLC agreed
Shareholding in Chibuluma and Barberton increased

Consolidated income statement

	Six months 31 December 2006 (Unaudited) R000	Six months 31 December 2005 (Restated) R000
Revenue		
Mineral sales		
Copper	382 620	93 478
Fluorspar	110 454	66 950
Gold	223 877	195 623
Antimony	73 978	79 472
Gross revenue	790 929	435 523
Realisation costs	80 594	50 136
On- mine revenue	710 335	385 387
Cost of production	453 893	295 403
Stock movement	(23 047)	(1 546)
Depreciation	45 458	25 895
Mining profit	234 031	65 635
Other expenses	(1 105)	(886)
Held for sale and discontinued operations	13 203	29 855
Operating income before finance costs	246 129	94 604
Finance income	1 906	3 638
Finance costs	(3 920)	(3 313)
Income before taxation	244 115	94 929
Taxation	54 428	19 521
Profit for the period	189 687	75 408
Attributable to:		
Equity holders of the parent	150 442	60 499
Minority interest	39 245	14 909
	189 687	75 408
From continuing and discontinued operations:		

Earnings per share (cents)	51,03	21,21
Diluted earnings per share (cents)	49,35	20,16
From continuing operations:		
Earnings per share (cents)	47,90	21,24
Diluted earnings per share (cents)	46,33	20,19
Earnings per share and headline earnings per share are calculated using the following:		
Income attributable to ordinary shareholders	150 442	60 499
Profit on sale of assets, net of tax	—	(22 340)
Discontinued operations	1 198	89
Headline earnings (R000)	151 640	38 248
Headline earnings per share (cents)	51,44	13,41
Diluted headline earnings per share (cents)	49,74	12,75
Weighted average number of shares in issue (000)	294 796	285 210
Diluted number of shares in issue (000)	304 822	300 065

Consolidated balance sheet

	31 December 2006 (Unaudited) R000	31 December 2005 (Restated) R000
ASSETS		
Non-current assets		
Property, plant and equipment	951 411	803 819
Mineral rights	465 040	304 767
Goodwill	11 514	11 514
Investments	929	929
Rehabilitation trust funds	34 907	33 864
Deferred tax asset	7 112	262
	1 470 913	1 155 155
Current assets		
Inventories	74 418	42 952
Trade and other receivables	242 421	206 726
Derivative instruments	3 632	599
Taxation prepaid	3 536	3 592
Bank balances and cash	41 834	78 952
Asset classified as held for sale	222 983	213 368
	588 824	546 189
Total assets	2 059 737	1 701 344
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital and premium	889 232	802 038
Hedging and translation reserve	(134 570)	(145 202)
Retained income	429 266	278 824
Share option equity	10 536	7 536

Equity reserve	(128 066)	(128 066)
Equity attributable to equity holders	1 066 398	815 130
Minority interest	226 262	153 438
Total equity	1 292 660	968 568
Non-current liabilities		
Long-term liabilities – interest bearing	53 359	58 002
Long-term provisions	72 219	71 029
Deferred tax liabilities	220 610	125 072
	346 188	254 103
Current liabilities		
Trade and other payables	146 162	136 876
Short-term borrowings – interest bearing	29 541	29 848
Short-term provisions	28 249	31 661
Derivative instruments	85 145	161 479
Bank overdraft	2 852	3 421
Taxation	20 181	9 607
Liabilities associated with asset held for sale	108 759	105 781
	420 889	478 673
Total equity and liabilities	2 059 737	1 701 344
Net asset value per share (cents)	358	283
Net tangible asset value per share (cents)	354	279

Condensed consolidated cash flow statement

	Six months 31 December 2006 (Unaudited) R000	Six months 31 December 2005 (Restated) R000
Cash generated by operations	223 451	25 891
Minorities distributions	(51 734)	(2 567)
Taxation paid	(3 923)	(2 605)
Finance costs, net	(2 014)	325
Cash inflows from operating activities	165 780	21 044
Cash outflows from investing activities	(199 928)	(168 434)
Cash (outflows)/inflows from financing activities	(1 071)	61 677
Net decrease in cash and cash equivalents	(35 219)	(85 713)
Cash at beginning of year	75 531	168 007
Effect of foreign exchange rate changes	(1 330)	(78)
Cash at end of period	38 982	82 216

Condensed statement of changes in equity

	Six months 31 December 2006	Six months 31 December 2005

	(Unaudited) R000	(Unaudited) R000
Shareholders' equity at start of period	968 568	854 252
Ordinary shares issued	87 194	33 248
Hedging and translation reserve	10 632	(30 763)
Net income for the period	150 442	60 499
Share option equity	3 000	1 500
Minority interest	72 824	29 885
Total equity	1 292 660	948 621

Commentary

The Chief Executive Officer, Charles Needham said: "We are delighted with these results with our revenues and earnings up very significantly. This has been driven, in the main, by volume increases and not just higher commodity prices.

"We have made progress on a number of fronts across the business during the period, which included the commissioning of the Ruashi I mine and commencement of the construction of the Ruashi II project and the Zinc Processing Plant at Kabwe, Zambia. In addition, we increased our interests in Chibuluma and Barberton, and entered into an agreement with Pan African Resources to create a focused gold production and exploration company. We remain confident about our production targets across our various operations and with future increased production coming on stream, we expect to see meaningful earnings growth in the medium term."

SAFETY AND TRAINING

The Group conducts its activities with due regard to the safety and health of its employees and runs approved training programmes through its respective training centres. Barberton Mines (Pty) Limited was awarded the Safety Achievement flag by the Mine Health and Safety Council as well as the first place in the shallow to deep Gold and Platinum Mines division, for their commitment to safety and health.

The Group reports that no fatalities occurred during the past six months. Management and employees are commended for this achievement.

FINANCIAL RESULTS AND CASH FLOW

The Group produced record earnings for the six months following significant volume increases from its copper and fluorspar divisions, and assisted by robust commodity prices. Group revenue increased by 82% to R791 million. The cash mining profit increased to R280 million from R92 million and the Group profit margin increased from 21% to 35%.

Group operating costs and depreciation increased in line with volume expansions.

Earnings from Wakefield are classified as an Asset Held for Sale. The transaction awaits Competition Commission approval, which is expected towards the end of February 2007. For the period, EBITDA of R38 million is attributable to Wakefield, which after interest, tax and depreciation accounts for R13,2 million of the profit.

The Ruashi/Sable production build-up was slower than expected with improved performance anticipated during the second half of the year.

The Group generated R223 million of cash during the period of which R200 million was spent on capital projects, being mainly Ruashi Phase II, Sable and the Chibuluma decline development.

STATEMENT OF FINANCIAL PERFORMANCE AND RELATED STATISTICS FOR THE SIX MONTHS ENDED 31 DECEMBER

Financial performance		**2006**	**2005**
*Gross revenue	(R000)	790 929	435 523
EBITDA (including Coal)	(R000)	317 091	136 300
^Cash mining profit margin	%	35	21
EPS	(cents)	51,03	21,21
HEPS	(cents)	51,44	13,41
Market capitalisation	(R000)	4 824 846	2 071 166
Shares in issue	(000)	297 830	287 662
Share price	(cents)	1 620	720
ZAR/US$ rate – Average	(R/$)	7,22	6,53
ZAR/US$ rate – Closing	(R/$)	6,99	6,31

DENOTES

* Restated ^ Cash mining profit as percentage of gross revenue.

STATEMENT OF FINANCIAL PERFORMANCE AND RELATED STATISTICS FOR THE SIX MONTHS ENDED 31 DECEMBER(continued)

Financial performance		**2004**	**2003**
*Gross revenue	(R000)	316 223	429 970
EBITDA (including Coal)	(R000)	62 019	32 565
^Cash mining profit margin	%	13	6
EPS	(cents)	3,58	(12,36)
HEPS	(cents)	6,51	(3,49)
Market capitalisation	(R000)	498 460	411 295
Shares in issue	(000)	188 098	175 019
Share price	(cents)	265	235
ZAR/US$ rate – Average	(R/$)	6,24	7,10
ZAR/US$ rate – Closing	(R/$)	5,67	6,58

DENOTES

* Restated ^ Cash mining profit as percentage of gross revenue.

COPPER

Chibuluma South		**2006**	**2005**	**2004**	**2003**
Tons milled	(t)	256 310	156 127	—	—
Headgrade	(%)	2,5	2,8	—	—
Overall recovery	(%)	84	79	—	—
Copper produced	(t)	5 274	3 380	—	—
Copper sold	(t)	5 288	3 462	—	—
Copper price	($/t)	7 026	4 135	—	—
Total cash cost/ton sold	($/t)	2 871	2 728	—	—

Chibuluma experienced increased levels of production, which combined with the improved average copper price resulted in a significant contribution to Group earnings. The headgrade was affected by the continued presence of the barren area within the orebody.

The on-mine cost structure has been well managed at approximately $1 500/ton. Off-mine charges increased significantly in line with global treatment charges and copper price participation. Recently concluded smelter terms indicate a significant reduction in the treatment charges, which will bode well for Chibuluma during the forthcoming calendar year.

On 1 February 2007, Metorex announced that it has reached agreement with the Industrial Development Corporation of South Africa Ltd to acquire its 35% interest in Chibuluma South for $21 million. Zambian ministerial approval has been received.

COPPER (continued)

Ruashi/Sable		**2006**	**2005**	**2004**	**2003**
Tons milled	(t)	223 092	—	—	—
Copper produced	(t)	2 217	—	—	—
Copper sold	(t)	2 185	—	—	—
Cobalt produced	(t)	53	—	—	—
Total cash cost/ton of copper sold	($/t)	5 567	—	—	—

Metallurgical balancing and plant fine tuning issues affected copper recoveries and throughput at Ruashi. An action plan has been implemented and full production levels are expected by March 2007.

The Sable processing facility performed exceptionally well. Copper recoveries exceeded management expectations. Approximately 50 tons of cobalt are locked up in process and not reflected in the results for the current period. The asset plant construction is planned for completion and commissioning in April 2007.

The Ruashi Phase II project has been accelerated with a target commissioning date of the first quarter of 2008. The bankable feasibility has been finalised and lead finance arrangers appointed. Long lead time items have been ordered and civils construction is in progress. The Phase II capital cost approximates $180 million, which includes a cobalt metal circuit, working capital and powerline recovery costs.

The Ruashi Phase II project will produce 45 000t/yr of copper and 3 500t/yr of cobalt.

FLUORSPAR

Vergenoeg	**2006**	**2005**	**2004**	**2003**

Tons milled	(t)	288 048	229 023	213 118	227 750
CaF2 grade	(%)	43	44	42	41
CaF2 recovery	(%)	70	73	71	68
Acidspar produced	(dmt)	88 858	66 240	64 034	63 032
Acidspar sold	(dmt)	81 094	68 610	50 905	64 825
Price (all grades)	(R/dmt)	1 273	924	862	763
Total cash cost/ton sold	(R/t)	825	765	750	742

Production levels at Vergenoeg increased by 34% from the previous period as a result of an expansion programme completed during the first quarter of 2006.
Following significantly improved acidspar prices, the cash mining profit margin increased further, which, combined with the increased production output, resulted in record profits.

GOLD

Barberton		**2006**	**2005**	**2004**	**2003**
Tons milled	(t)	166 377	157 452	161 980	169 067
Headgrade	(g/t)	9,24	11,44	10,27	10,96
Overall recovery	(%)	92	92	91	92
Produced	(kg)	1 410	1 660	1 510	1 701
Sold	(kg)	1 423	1 648	1 561	1 747
Price: Spot	(R/kg)	144 564	96 772	83 322	86 172
Hedge	(R/kg)	94 497	90 133	100 423	100 957
Total cash cost/kg sold	(R/kg)	104 371	82 671	87 042	73 886

Gold production at Barberton Mines was lower than the previous period due to reduced grades, which also affected the cash cost of production. Tons milled increased but has not yet reached its targeted 10% increase from previous periods.
Post the half year the mine has seen an improvement in the grade, which is typical of the variability of the greenstone deposits.
Metorex announced on 20 December 2006 that an agreement has been signed whereby it will dispose of its 74% interest in Barberton Mines at an enterprise value of R500 million for an issue of shares in Pan African Resources Plc ("PAR"), subject to the fulfilment of certain conditions precedent. The proposed transaction constitutes a reverse take-over of PAR, whereby Metorex will hold 55% of PAR's issued share capital. PAR is a gold-focused exploration company with exciting activities in Mozambique and the Central African Republic. The transaction is expected to create significant shareholder value by incorporating Barberton Mines into a separately listed gold vehicle with an exploration division.

ANTIMONY

Cons Murch			**2006**	**2005**	**2004**	**2003**
Tons milled		(t)	213 260	225 733	223 129	247 729
Produced:	Sb	(mtu)	201 132	341 289	245 543	271 124
	Au	(kg)	278	372	379	366
Sold:	Sb	(mtu)	191 800	326 041	239 429	263 049
	Au	(kg)	279	370	381	360
Price:	Sb	($/mtu)	53,42	37,30	29,70	22,30
	Au	($/oz)	556	464	412	359
Total cash cost/mtu sold~		(R/mtu)	333	174	204	204

~ Net of gold revenue

Consolidated Murchison experienced a disappointing six months with both gold and antimony production grades down from the previous period. Significant resources are currently being allocated to plant improvements and underground development. Raise boring has been introduced in order to expedite development, which should add flexibility to the currently constrained mining plan.
Following the above areas of focus, management expects production levels to recover during the next period.

FUTURE PROSPECTS

The Group remains committed to the investment in and management of high-quality, long-life mining projects.
In the short term, production build-up at Ruashi, commissioning of the Zinc plant at Sable and plant expansions at Chibuluma are expected to further enhance earnings.

The Ruashi Phase II project, which is expected to be commissioned during the first quarter of 2008, would lead to significant earnings growth in the medium term.
Exploration has commenced at the Group's Musonoi and Sokoroshe deposits in the DRC and the Kasempa and Chifupu copper deposits in Zambia, which together with gold exploration in Pan African Resources Plc, holds potential for further growth in the longer term.
Vergenoeg together with ICF and IDC are progressing the feasibility study on the construction of an Aluminium Fluoride plant at Richards Bay.

CAPITAL EXPENDITURE AND COMMITMENTS

Group capital expenditure totalled R200 million (2005: R171 million), which was mainly applied to the Ruashi/Sable projects, Chibuluma South decline development and fast-tracking of development and exploration at the Athens and Monarch shafts at Consolidated Murchison.
Contracted capital commitments amount to R57,5 million (2005: R73,5 million), whilst uncontracted commitments amount to R1 260 million (2005: R141,2 million).
Operating lease commitments, which fall due within the next year, amount to R20,5 million (2005: R13,5 million), whilst commitments of R17,7 million (2005: R16,3 million) fall due during the next four years.

SHARES ISSUED

(1) 31 August 2006: 7,5 million shares at R11,26/share – To increase the Company's shareholding in Barberton Mines (Pty) Ltd from 54% to 74%.
(2) July 2006 – Dec 2006: 1,1 million shares at average R2,32/share – Share option implementations.

ACCOUNTING POLICIES

The unaudited consolidated interim results have been prepared in accordance with IAS 34, Interim Financial Reporting Standards. The accounting policies are consistent with those adopted in the financial year ended 30 June 2006. The Group complies with the Companies Act and the Listing Requirements as prescribed by the JSE.

PRESENTATIONAL CHANGES

In terms of IFRS 5: Non-current Assets Held for Sale and Discontinued Operations, assets classified as held for sale should be separately presented on the face of the balance sheet and the results thereof separately presented as discontinued operations in the income statement. Based on this reporting requirement, Wakefield (Coal operations) has been classified as an asset held for sale.

DIVIDEND

With the funding requirement on new project developments, no dividend is declared for the six months ended 31 December 2006. Cosideration will be given to declaring a dividend for the year ending 30 June 2007.

By order of the Board

A S Malone
Chairman

C D S Needham
Managing Director

19 February 2007

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