METOREX LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 1934/005478/06)
JSE code: MTX ISIN: ZAE000022745
("Metorex" or "the Company")

MEDIA RELEASE ANNOUNCING

- **Major capital raising of R922m – via equity and debt placings**
- **Restructuring of existing debt commitments**
- **Ruashi now fully capitalised to ramp up to full production**

Metorex has entered into various agreements that will result in a significant re-capitalisation of the Company. This involves a fresh equity capital injection of R744 million and a bridging finance loan of R178 million. The medium term debt is simultaneously to be re-structured providing a longer term debt profile.

The re-financing is required due to a combination of a capital cost overrun on the Ruashi project in the Democratic Republic of Congo (DRC) combined with commissioning delays over the last three months. This has resulted in a slower build-up of anticipated revenue and cash-flows from the project. Without this re-financing the project could not be completed which would have serious consequences for the company.

Metorex requires R700 million to finance the cash flows required to ensure project completion and ramp up to full production at Ruashi. The construction is substantially complete. The final estimated total cost of the completion of the project is approximately US$ 320 million. The increase is largely due to the scope and extent of the project increasing from the original feasibility and inflation related capital cost escalations particularly in relation to stainless steel, cement and diesel prices, and the significant social development costs incurred on providing water and electrical distribution for the local communities.

The bridge facility is provided by Standard Bank and accrues interest at JIBAR plus 7.5% p.a. and is available until 30 November 2009. Repayment will be made through internal cash generation or potentially the disposal of non-core assets as appropriate.

Total funding of R922 million exceeds the Ruashi requirements of R700 million and provides for a group funding reserve.

The new equity will be issued at a price of R2 per share. This will be through the issue of 372 million shares, of which approximately 129 million shares are authorised but unissued. The shares will be placed with key institutional shareholders in the Company, amongst others. To raise the additional equity, the board is recommending an increase in its authorised share capital to facilitate the issue of the additional shares. This needs to be approved by shareholders at a general meeting of the Company to be held on 23rd December 2008.

The issue price was determined by the Board after a book-building exercise amongst selected institutions, both current and potential new investors, and represents a discount of 48% to the weighted average traded price of Metorex shares for the trading day ended on 20 November 2008, being the day before the finalisation of the book-build.

The Company was keen for all shareholders as far as possible, to be able to participate in the financing. A claw back offer for the unissued shares portion of approximately129 million shares is therefore available to shareholders as recorded on the Company's register on 19 December 2008 via nil paid renounceable letters of allocation.

Whilst some may view the re-financing terms as onerous, the financing is recognised as an achievement considering the current global credit market conditions and the volatility and weakness of commodity prices, and places the Company in a healthy financial position in the medium-term.

A circular will be posted to shareholders on 1 December 2008**,** containing details of the proposed increase in the authorised share capital and notice of general meeting. A circular on the claw back offer will be posted on or about 22 December 2008.

Charles Needham, CEO, said: ***"This financing has been a major challenge in what is effectively a closed credit market. It is regretted that the additional finance was not raised before market conditions deteriorated and before project delays materialised on our Ruashi project. It is however testament to the company that we have been able to raise this capital and reflects on the quality of our assets and is a vote of confidence in the future of the business."***

He added, ***"We are completely confident in now having raised sufficient funds to see the Ruashi project through to completion and to provide the necessary working capital for the group. "***

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